



The Historian as Philanthropoid, The Philanthropoid as Historian

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I want to thank Virginia Hodgkinson for this opportunity to speak to you. I'm so sorry that she could not be here today and want to wish her, as I'm sure everyone here does, a very speedy recovery.

I accepted her invitation to speak readily, rapidly for one paramount reason. Waldemar Nielsen has had a considerable influence on my career. I doubt that he knows this. But I am grateful to have an opportunity to acknowledge it publicly and to say something about the example he set for a young college student.

I wish there were dramatic film of our first meeting as there was when a certain young high school student from Arkansas, and later a Georgetown graduate, visited Washington in 1963 and stepped from the crowd to shake hands with JFK. His political destiny seems to have been foretold in that encounter.

There is no photographic record of my first meeting with Wally Nielsen, nothing in a destiny foreshadowed. But I remember it clearly. The place B a lovely apartment at 72nd and Riverside Drive in Manhattan. The date B an October weekend in 1969. I was then a college senior. One of my closest college pals, Dwight Moore, was dating Wally's daughter, Signe, and I tagged along one weekend when the Nielsen family and the Moore family gathered for dinner. Why can I recall this event from 32 years ago, the late 1960s, with such clarity?

The prospect of meeting Wally Nielsen and the conversation that evening made an indelible mark. I had taken courses in African history and political development the preceding spring. And that Saturday night I found myself with a chance to talk about those topics with Wally Nielsen, the president of the African American Institute and author of a book called, confidently, *Africa*. I probably prepared for dinner as if it were a final exam.

And I still remember what we talked about: Kenyan tribal politics, Jomo Kenyatta's autobiography *Facing Mount Kenya*, and the assassination the preceding July of Tom Mboya, a Luo leader of the Kenyan African National Union. No doubt there were other topics of

conversation. But those are the things I've remembered for years. Topics I had merely studied, he had written about. People I had merely read about, he had met and worked with. That evening he might also have mentioned that he was working on another book.

I learned more about that the following summer, 1970, at another dinner. The place: Washington, the Old Occidental Restaurant on Pennsylvania Avenue. The people: Wally, his daughter, and me. The topic of conversation was his research for a book, particularly his interviews in Washington with people responsible for the recent Tax Reform Act. He explained that the legislation would have an impact on foundations. I doubt that I then understood very much as he explained the implications of the Tax Reform Act of 1969. I don't recall what other topics of conversation we pursued that evening. We probably talked about my plans for graduate school that fall, why I was studying European and not African history.

I can't say what these two dinners foreshadowed about my own career, but his lustrous experiences with the Marshall Plan, the Ford Foundation, the African American Institute and the books on foundations and the nonprofit sector that were soon to come from his typewriter certainly opened my eyes to new possibilities, even if those possibilities did not present themselves for another decade. I went on to graduate school to study medieval history with scarcely a thought that I would ever have anything to do with the world of philanthropic foundations, research and writing that Wally Nielsen inhabited.

My plans were to teach European history, which I did for a few years. For most of the past twenty years I have worked variously as a foundation program officer, a foundation executive director, an advisor to a wealthy donor, and a foundation trustee. In other words, I have become more a practicing philanthropoid than academic historian. I have read far more grant proposals than scholarly articles. I have sat through many more foundation board meetings than faculty meetings. I have written thousands of pages of internal memoranda, minutes of meetings, and rejection letters and published far less. But throughout I have approached my work with the temperament of a trained historian

and I have, from time to time, reflected and written about the practice of philanthropy.

This lecture gives me a chance to pose two questions:

What do the insights of the historian bring to the practice of philanthropy?

What does experience in the philanthropic world bring to the study of history?

My answers may seem self-indulgently autobiographical. I have certainly begun in that vein. To the extent, that I tell you what I was reading and when and what I was writing and why, I might be experimenting with a new approach that is autobiohistoriographical. Or perhaps it is an older literary form: the confession.

Humbly my tongue confesses (and here I am echoing that extraordinary student of voluntary action, namely St. Augustine, bishop of Hippo) that I began my career as a medieval historian. I studied and wrote about charity and charitable institutions in northern Europe in the twelfth and thirteenth century. As a graduate student and faculty member, I pored over the account books and legal documents of monasteries, leper hospitals, beguinages, alms houses, and parish poor relief systems. Twenty and even thirty years ago, medieval and early modern charity provided very hot topics for aspiring European historians. And my research examined one of the fundamental transformations of western charity as the predominately agrarian economy of the early Middle Ages gave way to a more commercial, money economy and to an increasingly urban society. The burgeoning cities and towns of the Middle Ages were forced to deal in new ways with problems of poverty and disease. The increasingly wealthy inhabitants of those towns confronted the reality of new levels of wealth, the reproaches of sermonizing Dominicans and Franciscans, and the juxtaposition of their wealth with the poverty of others. New charitable institutions were invented and some old ones were adapted to address the new realities.

After several years in European archives and four years of teaching, never getting past the Renaissance and Reformation, indeed, never getting within three hundred years of our own era, I joined the staff, quite improbably, of the Twentieth Century Fund (now called The Century Foundation). The Fund, a venerable public policy research foundation had been created in the 1910s by Edward Filene, the department store magnate. It is one of that generation of foundations, including the Russell Sage Foundation, the Carnegie Corporation, the Commonwealth Fund, and the Rockefeller Foundation, all founded in the first two decades of the twentieth century, all seeking to use the tools of science, especially the social sciences, to address society's problems.

The Fund had begun in the late 1970s to explore two loosely related policy research areas, the nonprofit sector and freedom of expression, especially threats to free expression that seemed to be posed by UNESCO's avowal of a New World Information Order.

The then director of the Fund was a crusty former journalist. His name was M. J. Rossant and my colleague, Ron Chernow, who occupied the office next to mine had described him as "some tornado tearing through [his] life...his gaze fierce, his words a howling wind." Ron viewed the Fund in our years there "as a haven for lost souls, a ship of gifted misfits piloted by that piratical captain, M. J. Rossant, who proudly flew the Jolly Roger." I often described it as a Dickensian asylum, a poorhouse or orphanage. And Ron elaborated on that image: "When our trustees were around, Murray was on his best behavior...[they were treated like] Victorian trustees visiting a poorhouse and receiving a show prepared by the smiling parochial beadle for the occasion. The next day, however, we were back washing floors and eating crusts of stale bread."

I was the only historian among four economists and two political scientists. In the office that I inherited in our very proper brick townhouse on East 70th Street between Park and Madison were books that had accumulated during the late 1960s and early 1970s during the time Wally Nielsen was working on the book he had mentioned at

dinner nine years earlier. It was this book: his Twentieth Century Fund study, *The Big Foundations*. His book, which I read early on, stared down from my shelf throughout my seven years with the Fund.

One paragraph in it has haunted me from the moment I read it: “Why staff members of grant-making foundations enter the profession at all, or remain in it, is something of a mystery, for there is hardly another comparable field of activity that is subject to so much disparagement by its clientele. The general public may regard philanthropic work as relatively prestigious, but in the academic and scientific community foundation officers are often considered second-rate individuals whose credentials would not qualify them for the faculties and staffs of first-rate universities or research centers. Similarly, many figures in intellectual life and the creative arts tend to think of them as bureaucratic functionaries. Although many government officials view foundation employment at times with some envy, they also think of it as a refuge for people who have retired to the periphery of affairs.”

What line of work had I gotten myself into? What self-loathing world had I joined? Nielsen’s observations drove me to read more about these institutions. And there were other volumes at hand, some of them reflecting the interests that both the Fund and the Russell Sage Foundation had shared in the late 1920s and early 1930s as they systematically gathered and published some of the first information about American foundations and their fields of activity. These projects foreshadowed the Russell Sage Foundation’s role in establishing the Foundation Center. I also found memoirs and foundation histories: F. Emerson Andrews’ books were in my office and in the library was the hefty two-volume history of Russell Sage’s first forty years. The Fund’s various directors had been presented with other books and foundation ephemera over the years.

We had shelf space and a well-trained packrat of a librarian, who had worked at the Fund for more than thirty years. And in the basement we had file cabinets, though somewhat disorganized and with numerous gaps, containing material from the Fund’s earliest years and on many of its important New Deal and post-World War II era research projects.

Since medieval historians are by nature archival creatures, I spent considerable time in the basement. I looked at the files on projects from the 1930s that concerned some of the very same social welfare programs that were under assault in the 1980s.

But that was not the only place to find the Twentieth Century Fund’s history. At board meetings I met trustees who had been a part of the New Deal: David Lilienthal, former chairman of the Tennessee Valley Authority; Benjamin Cohen, author of securities legislation in the 1930s and delegate to the first UN General Assembly and the Dumbarton Oaks conference; James Rowe, one of FDR’s and LBJ’s chief political fixers; even the brain truster Adolf Berle, who had chaired the Fund, continued to cast a long shadow over the Fund through the presence of his son.

I wanted to know what kind of institution the Twentieth Century Fund was and to learn what I could of its history. Indeed, I arrived at the Fund at a time when its history and traditions seemed up for grabs. The Board was increasingly divided between New Deal liberals and New York neoconservatives. And the Fund’s program of research leading to the publication of books seemed increasingly out-moded and under assault from young, upstart conservative think tanks. In asking what kind of institution the Fund was and employing historical and archival instincts, turning to informal oral history opportunities, drawing on the historical literature about Progressive Era institutions I was able in internal memoranda and board briefing books to help the Board understand the Fund’s role in the new environment it faced in the 1980s. This was a practical, immediate use of the historian’s skills, instincts and temperament.

And it seemed particularly important to think seriously about the role of the nonprofit sector as government was retrenching and responsibilities were devolving to states and localities. It was a time to ask about the future of this sector as Nielsen did in this book, *The Endangered Sector*.

Over the next ten years, I began to remake myself as a historian of American think tanks and public policymaking. And with *The Big*

Foundations in mind, I proposed to the Fund's director and the board that I be allowed to undertake a similar exploration of another not-well-studied American institution: the public policy think tank. To my astonishment they allowed me to do it, acknowledging that it could indeed serve as a successor study to the foundation book. And the result was my book *The Idea Brokers*. My gratitude to Wally Nielsen is sincere and enduring since it is his example that set me on course to ask questions that he had begun to pose in *The Big Foundations* and continued to ask in *The Golden Donors* and *Inside American Philanthropy*. He asked fundamental questions:

How can we generate "some plain honest talk about foundations and their problems"?

How can we understand "the nature and role of foundations in the larger context of the institutional structure of American life"?

How can we hold a mirror up to the leading foundations "to show their trustees and officers the urgent need to initiate procedures for self-reform and self-renewal"?

Since his three books on foundations total 1,235 pages, I will not try to provide a cursory summary of his answers.

Instead I want to focus on my first question: what did I bring as a historian to my work in foundations. The most immediate quality is simply the historian's instinctive trait of viewing an institution in historical perspective. The Twentieth Century Fund had (and has) a past; it was born in one historical moment and had come to be situated in quite a different era by the time I worked there. As a historian I tried to link the two historical moments.

It is always possible to think about an institution's present mission through the analytic lens of the historian. Foundations all too often are afflicted with institutional amnesia, looking forward but not looking

rigorously back at what they have done or what other foundations have done. Foundations should be much more self-conscious of where they are situated in the flow of history. Or to put it another way: they should think about time and the duration of their commitments and they should think clearly about the forces that are propelling social, economic and other changes.

Endowed foundations, which are as near to being permanent and secure institutions as the human mind and money can invent, are nonetheless intended to deal with change, to be responsive to new circumstances. Foundation staff and trustees ought continually to ask themselves whether their role is to take the long view of social processes and social transformation or to act immediately to resolve pressing needs and crises. Who has the greater claim: the homeless person who needs shelter tonight or the organization with the plan to renovate a building or the policy research and advocacy group working toward new federal housing policies or the research center testing new, cheaper construction materials? What is the perspective on change? Is it tomorrow, six months from now, two years or ten years into the future? Where do foundations situate themselves in this process and how long are they willing to wait for results?

Foundation executives and trustees must also situate themselves in relationship to other institutions. For lack of a better term, they must think about their jurisdiction and they must think about their scale. What is the best scope for the application of private resources? Is it defined by the scale of the project, by geography, or by an explicit decision about the boundaries between public and private sector activity? What can private resources do about a problem? What is their relation to public resources? The shifting commitments of government, the shifting relationships between public and private sector, growth and change in the wider civil society supply the changing context in which foundations operate.

Foundation boards and staffs should also ask whether they need to play the role of institution-builders offering operating support and endowment capital or as program innovators prodding institutions to change and offering opportunistic capital so that old organizations can

move in new directions. Probably the greatest change in the century-long history of foundations has been the change in foundations' willingness to act as institution builders making multi-million dollar commitments for ten or fifteen years. It is almost axiomatic that as staffs in the large foundations have grown more professional, the grants have gotten smaller, the length of commitment shorter, the proposal process and reporting requirements more onerous.

Foundations are also engaged in a subtle debate about the public role they wish to play. How closely do they wish to operate to political processes? Where are the boundaries of their role as public advocate? When does an educational role or the use of the foundation pulpit overstep the boundaries of political processes? When do private pools of capital begin to overstep and perhaps even to undermine democratic processes? When does support of social and economic research shade into advocacy? In a society perennially suspicious of large concentrations of wealth most foundations have chosen to remain out of the political limelight, but that does not diminish the tension between the public and private spheres of foundation activity.

Foundations are also a continuing effort to balance lay leadership and practical experience against professional expertise. Foundations are always engaged in a discussion of which constituencies they want to serve. In a society that has increasingly come to value the professional and the specialized expert, the foundation has been a force for enlarging the domain of the expert in many fields, but it has also sought to temper specialization and narrow perspectives. Foundations must hold this tension in balance in their deliberations.

From my vantage point as a historian, these are some of the more important recurring questions in American foundations: What forces of change are foundations working with or against? How do we think about jurisdiction, the boundaries between public and private sector? What are the relative claims to build new institutions, give them general support, and retain capital for investing in innovative programs? How and by what means do foundations engage a democratic policy process? How do we balance practical experience against professional expertise?

They are not asked every day about every proposal, but they do shape the discussions that take place at every level of foundation decision making. There are no right and permanent answers to these questions, only an obligation to keep asking them and to hold them in some kind of balance. And it seems to me that historical insights into them are especially valuable.

The less immediate contribution that a historian in the workaday philanthropic setting can make is to the record, for the record, to see that decisions made and deeds done are accurately recorded and that record keeping and archival practices are sound. This may seem like monkish medievalism but it is an obligation I've felt toward the various institutions in which I've worked as well as to the nonprofit sector more generally and to the scholars who will follow us. It is this commitment to maintaining an accessible record of decisions and deeds that makes genuine accountability possible.

After leaving the Fund I spent time as resident scholar at the Rockefeller Archive Center in the late 1980s and understood, as all historians do, how important that single archive has been to the scholarship we all do. It is a repository of records for the Rockefeller philanthropic entities as well as Russell Sage, Commonwealth and other foundations. In those collections are also documents from countless other nonprofits, ephemeral organizations that have not survived. The body of work produced by scholars working in this archive has broadened and deepened the debate about foundations and, most importantly, grounded it solidly in the historical evidence. This obligation to keep and preserve and make the records accessible is harder than it might at first seem. Board members, colleagues, lawyers often stand in the way. But it is a battle that needs to be fought. And it is best waged from the inside by staff members who feel an institutional obligation to future staff members as well as a public duty to those historians, social scientists, and journalists who should someday be able to scrutinize and understand what foundations have done and why.

There is also much in the archives and in foundation files that can make for better philanthropic practice. When you've read the

correspondence and memoranda of Frederick T. Gates, Beardsley Ruml, Henry Pritchett, Frederick Keppel (or read about them), you've been tutored by some of your shrewdest predecessors. You've looked over their shoulders as they've built new institutions, shaped new academic fields, invested in human capital, worked with government. It's the very best nonprofit management program you can find anywhere. You can see the entire continuum of foundation activities B from building basic knowledge, applying that knowledge, engaging in policy advocacy, instigating social movements, to experimenting with and delivering various social services. And you can see it in the changing external environment in which foundations operate. If some of the best philanthropy is "enlightened opportunism," as Edwin Embree of the Julius Rosenwald Fund once put it, one can best gauge and then seize those opportunities by studying the work of others.

I also used history throughout the seven and a half years that I worked with a donor in New York and headed his foundation. I continue to engage the past as I work with several other donors as they contemplate their philanthropic legacies and try to structure their foundations. History offers a kind of peer-to-peer education. In my first meeting with Howard Gilman, I handed him the memo Robert W. DeForest had written for Margaret Olivia Sage, setting out options for the Russell Sage Foundation in 1906. I gave him letters exchanged among Rockefellers Senior and Junior and Frederick Gates as they struggled for a decade before finally establishing the Rockefeller Foundation. I wanted to show him how donors and advisers had thought about the burdens and opportunities of their vast wealth. In particular, I used history to keep several questions in front of the donor:

How is our world in the late twentieth century different from the world of Sage, Rockefeller and Carnegie?

What have we learned from their experiences of institutionalizing their philanthropy, of creating governance structures, of focusing on

particular sorts of problems, on moving from individual charitable impulse to enduring organizations?

Engaging these questions B day in and day out B with a donor and building from scratch a foundation staff and program over seven years and then fighting a very bitter battle after the donor's death with his executors and corporate executives leads me to conclude by posing my second large question:

What have my experiences in the philanthropic sector taught me about history? Have they in any way made me a better or more insightful historian of philanthropy? Or, more plaintively, in the spirit of an apology and confession what do I wish I had known when I first entered the foundation world?

First, I have learned about the inner contest and conflict within the particular foundations where I've worked. Understanding the contours of those battles has given me insights into other foundations. While the outer facade of foundations often appears monolithic B and much scholarship on foundations has portrayed them that way B the teeming, incessant internal argument is the most compelling and interesting feature of any foundation. Whether it is staff members versus staff members, staff versus board or factions of both slugging it out, foundations can seem like one long internal argument. Often these conflicts replicate wider intellectual disputes in our society. Gaining scholarly insight into these contests is difficult but worth the effort.

Second, I have gained a much deeper appreciation of the foundation as a legal entity and, with that, an appreciation of lawyers. Sometimes a foundation is a legal entity in transit from one form to another: private corporate assets intended for a philanthropic purpose embodied in a will; passage into an estate controlled by executors and a corporate-dominated board; and finally a foundation with an evolving governance structure as it matures. I have come to view foundations far more legalistically than I once did. And I see them in evolutionary terms as well B and sometimes subject to shocks and evolutionary reversals.

Third, I tend to see philanthropic institutions as more malleable and adaptive than I had ever thought them to be. Not only do new legal forms emerge B the large general purpose foundation was once, only a hundred years ago, a novelty. Fidelity and Schwab and others have invented something over the past five years that is also new. Moreover, program focus and philanthropic strategic approaches also change, perhaps too rapidly. The most interesting questions about philanthropy are, to my mind, about these changes. They compel us to look outside philanthropy to the changing role of government, to developments in financial and business organizations, to the ways we think and argue about public purposes.

I've recently returned to my roots as a European historian, having been asked by the Bertelsmann Foundation to write an essay on foundations in Europe from antiquity to the twentieth century. Covering some of the same terrain the callow graduate student walked in the 1970s, I brought a grizzled, battle-scarred veteran's eye to the assignment. What I saw this time around was a story grounded in the development of Greek and Roman law, canon law, common law, continental civil law. It was a story of governance practices and their evolution, a story of municipal and state authorities seeking to reform and regulate philanthropic institutions (indeed, there were intense periods of reformist zeal confronting the same sets of abuses century after century) and above all, a continuing debate about large concepts such as duty, obligation, equity, material and spiritual poverty, vices and virtues.

In sweeping through the centuries I returned to a returned to a world and to a vocabulary, quite familiar to a medievalist, but a lexicon far, far different from the contemporary managerial language of the nonprofit sector, with its half-understood business metaphors suggesting thoroughly novel approaches to strategic and venture philanthropy. My recent backward-looking, bi-millennial historical exercise has reinforced two hopes: As a historian I hope I have gained a perspective on what is faddish and what endures in philanthropy. As a practicing philanthropoid, who has experienced both memorable disappointments and greatly satisfying experiences, I hope I have earned the right (in the

spirit of Wally Nielsen) to be skeptical of the philanthropic enterprise, even as I remain deeply committed to its potential.