

H-Net Reviews

in the Humanities & Social Sciences



Ellen Condliffe Lagemann, ed. *Philanthropic Foundations: New Scholarship New Possibilities*. Bloomington: Indiana University Press, 1999. xviii + 420 pp. \$35.00 (cloth), ISBN 978-0-253-33500-5.



Reviewed by Milton Goldin (National Coalition of Independent Scholars (NCIS))

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In her introduction to the seventeen essays in this book, Ellen Condliffe Lagemann writes, “. . . foundations themselves have discouraged scholarly writing. Having been the subject of hostile Congressional investigations on at least four occasions, they have been extremely skittish about opening their files to outside scholars.” (p. ix) Which is true, but not the only reason why 42,000-plus foundations in America that currently have assets of some \$326 billion are frequently less than forthcoming sharing information. Other reasons include Internal Revenue Service agents seeking evidence of donor malfeasance, donors searching for information whether other donors gained some special IRS advantage, program officers at foundations attempting to learn how policies developed elsewhere, and nonprofits canvassing for grant information not published in annual reports.

While considering the complexities of this situation, the relatively unbiased observer will be struck at once by the pervasive reluctance in every camp to admit that other camps might have some right on their side. Yet, beginning with John D. Rockefeller’s failure to receive a Congressional charter for the Rockefeller foundation (about which, surprisingly, nothing is said in this book, although it was the opening engagement in hostilities between Congress and foundations), solid cases for various positions have been made by such eloquent spokesper-

sons as Wright Patman, McGeorge Bundy, Julius Rosenwald, and John D. Rockefeller, Jr. And, despite harsh comments in some of the essays, it should be emphasized that not all foundation critics in Congress have uncontrollable desires to ferret out information on leftist donors or conservative donors, depending on the particular member’s political affiliation.

The scholars writing in this volume concentrate mainly on how and why social problems and foundation programs have affected each other, not on how foundations relate to political developments. There are no discussions, for example, on how it was that the Ford Foundation became a conduit for CIA financing of student groups in Central Europe during the Cold War, in the four essays that deal with the Ford Foundation: Alice O’Connor’s, “The Ford Foundation and Philanthropic Activism in the 1960s”; Gregory K. Raynor’s, “The Ford Foundation’s War on Poverty: Private Philanthropy and Race Relations in New York City, 1948-1968”; Rosa Proietto’s “The Ford Foundation and Women’s Studies in American Higher Education: Seeds of Change”; and Richard Magat’s, “In Search of the Ford Foundation.”

The Ford Foundation, which receives almost a quarter of the book’s pages, is especially important in the overall picture because from its creation in 1936 until August 1999, when the Bill and Melinda Gates Foundation ex-

ceeded it in assets, it reigned as the wealthiest foundation in history. Immediately after the Ford Foundation was created, however, a chronic problem emerged whose existence partially eluded even that sharp-eyed analyst Dwight Macdonald, who would describe the entity as a “large body of money completely surrounded by people who want some.”[2]

After Henry Ford’s son Edsel died, the youthful grandson Henry Ford II moved quickly to prevent the family’s losing control of the Ford Motor Company. Financed with Ford non-voting stock (a development Congress happened to notice), the foundation had no definite purpose in Henry II’s mind other than fiscal salvation for himself and his relatives. Meanwhile, seeking a primary focus, the foundation would swing from education to the social sciences to international affairs to the arts to social action, and its trustees would sell off the non-voting stock. This turned out to affect Henry II’s power as chairman of the board; by the mid-1970s, although the conservative Henry II remained chairman, the liberal McGeorge Bundy was firmly entrenched as president, and John J. McCloy, a long-time ally of the liberal Republican Rockefeller family, effectively managed its board. In 1976, Henry II resigned.

Little of this story is told in the book. Explaining why the Ford Foundation has never published a formal history, Magat quotes Susan Berresford, the current president, who offers up the view that “foundations are not of great interest in the public eye.” She adds, “Their work is understood through the work of their grantees,” (p. 312).

Barry Dean Karl disputes that view in his well-reasoned, “Going for Broke.” Karl argues that what finally stimulated philanthropic studies centers on university campuses was not a pressing need for new understandings of foundations, but the Filer Commission, a Rockefeller-sponsored project that was itself a consequence of the Tax Reform Act of 1969 and populist Wright Patman’s mid-1960s attack on foundations. Karl writes that “historians were replaced by economists in an effort to show that private investment in public policy was more efficient, more effective, and certainly less expensive than public investment,” p. 289. Furthermore, the conventional wisdom was wrong that there was “enough resemblance among institutions called foundations to make generalizations possible. Those generalizations will be helpful for understanding how foundations work, but only to the extent that these [sic] general notions bear a close relation to the real world in which foundations operate,” p. 290.

Later we learn from William S. McKersie (“Local Philanthropy Matters: Pressing issues for Research and Practice”) that as “governance devolution and fiscal austerity” become dominant public policy trends, localities may be unable to turn either to Washington or to national foundations for help. They will have to look to their own resources to finance welfare and other programs. In essence, today’s “real world” dismantling of the welfare state could (at least, in theory) return the nation to a time when communities had to care for their own poor, as they did before the Great Depression and the New Deal.

Problems inherent in a massive shift of this type could be formidable. McKersie tells us that aside from financial and manpower limitations, many local foundations do not have the resources to collect or manage data and/or to use data from national foundations to analyze local situations. Which is why he makes the reasonable point that “local philanthropy matters must become the focus of more rigorous research and commentary.” (p. 330) He cites as an example of the ideal Chicago’s Joyce Foundation, one of the hundred largest in the United States, which operates off its endowment with no need to raise funds, has no ties to deceased benefactors other than through the family’s former law firm, and is a godsend to the community.

The final essay, Lucy Bernholz’s “The Future of Foundation History,” includes the encouraging promise that although historians are trained to look backward, she will use both her training as an historian and her experience as a program officer at a community foundation to look forward. She reports, “One foundation executive recently said to me, ‘The scholars who write about foundations don’t have a clue about what we do.’ My sense is that this statement is true in reverse as well, and that both sides contribute to the misunderstandings.”(p. 359)

This is an understatement, given the essays in this useful book.

NOTES

[1]. This quotation has appeared in other versions. I discovered this one in a newspaper clipping, with no attribution, in the Ford Foundation Archives, Ford Motor Company, Series II, Box 15, Folder 186, “Complaints about Ford Foundation Activities.”

[2]. Dwight Macdonald, *The Ford Foundation: The Men and the Millions* (New York: Reynal, 1956), p. 3.

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