



PART IV

Philanthropy: The High Estate

"Philanthropy—in the degree to which it fulfills the aspirations of its spirit and tradition—is a rare element in our social firmament, a salt that cannot be allowed to lose its savor."

—1987



What is New in American Philanthropy

(Presented to the Eleventh Annual Conference of the
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*"Philanthropy does what would be risky for others to
do. It rarely does what is risky for it to do."*

It is a very good feeling to return to a place where people can pronounce both Ylvisaker and Mankato.

This meeting, I take it, is a gathering of the "haves" and "have-nots," with two questions directly or indirectly on the agenda: "How shall we give, and how shall we get?" I admire the courage of philanthropists who come to these lions' dens.

Perhaps we ought to let the askers in on one of the givers' secrets, which is, that we philanthropoids don't know how to get the money either. After twelve years in business, it's still a mystery to me just how one gets a Ford Foundation grant. But I do have one piece of advice for the asker: never mistake the uncertainty of the giver for a "yes." Because the natural condition of a philanthropoid is uncertainty, while his natural response is a "no." And we have a rule when uncertain or in doubt: hire a consultant. Which converts your own uncertainty into somebody else's indecision, and usually—but not always—befuddles the applicant as well.

I remember one very sharp correspondent who recommended that we take the farmers of the cut-over areas of the midwest who aren't doing so well and let them grow kids instead of crops—"adopted" kids from the slum areas of eastern and other cities. Well,

¹ In 1980, the National Conference on Philanthropy merged with the Coalition of National Voluntary Organizations to form the Independent Sector, a national coalition of 800 voluntary organizations, foundations, and corporate giving programs headquartered in Washington, D.C.

I thought this was an interesting idea, so I wrote some of my farming friends in the midwest for their reaction. The answer came back, "We'll be damned if we will." I reported this reaction to our correspondent, who by now had gone to Europe thoroughly convinced that the Foundation would accept his proposal. After reading my letter, he fired back a devastating commentary on our society of gifts and foundations, which was that decision-makers don't decide; they just pass the buck along to consultants.

Today, let me not dodge the issues, but say bluntly what's on my mind. The topic assigned me is "What's New in Philanthropy?" Frankly, there is more that's new outside philanthropy than there is inside philanthropy. Which is not to say that we in philanthropy are not changing or that we are not getting better, but, simply, to admit that the world around us is changing an awful lot faster than we are.

Whether it is changing for the better or for the worse is a question that not everyone agrees upon. It is precisely in that area of uncertainty that I'd like to begin, for it is by the perspectives and prejudices and purposes we bring to this point of uncertainty that we basically ought to be measured. Justice Holmes once wrote that a man is to be judged by his basic intent, not by how the fates conspire to order the jumble of the day-to-day around him. And as givers and getters of money, that too is how we are to be judged: by our intent and our motivation and our perspectives. As for our grants, even the best of them become but footprints in the sand. Let me start then with perspectives, and I deliberately want to draw them as wide as possible.

We (and I'll explain the "we" in a minute) are an affluent minority in the world, caught between two guerrilla wars and two jungles—the jungles of our own urban and rural slums, and the jungles of Viet Nam. Now the question to set your perspective and to challenge you is this: "Can the established order that we live in and represent be stretched fast enough and far enough to shelter and to include those who are outside, or who feel outside this system?"

Who's in this *status quo*? There are a lot of "haves," who really think that they are "have-nots." You remember the drumbeats of our revolutionary war? For two centuries, they have echoed so deeply within us that we are conditioned to think of ourselves as the underdogs, mavericks, the "outs." The same carryover of past self-

image applies to the depression kids, of which I am one. A depression kid can't quite believe that he's made it to become one of the "haves." But he has. Even our bearded college rebels are among the "haves"—rebels with tuition paid.

The struggle between the "haves" and the "have-nots" will dominate the next two or three centuries. It's going to be a rough struggle. One can easily become pessimistic and conclude that, like the French aristocracy in the 1780s, the "haves" may be overrun by an avalanche so large they can neither comprehend nor contain it. And as a philosopher, one might go beyond to contemplate what kind of culture might then emerge. An optimist might find an analog to what de Tocqueville found in the New World—a refreshing contrast to pre-revolutionary France. A pessimist might see another return to the Dark Ages.

What faith, what commitments, what elasticity, what relevance do we philanthropists bring to this critical stage in human history? What we represent is the resilient margin of the industrial order, the most stretchable part of the world's *status quo*. The program question for us is whether we are stretching our resources and ourselves, as far and as fast as the situation demands. Not our own immediate situation, which is but a cozy corner in the walled castle of industrial affluence, but that universal circumstance which is the growing discrepancies between those inside the system and those without.

Those who get must face the same larger questions as those who give. Jarred by the poverty of Calcutta, I often wondered during my years at the Foundation what would happen to the finer American applications if we threw philanthropy open on a worldwide basis and then drew our priorities on that scale of need, rather than [based] on the affluence of our own system. But even within the confines of our own situation, I wonder whether we miss the chance to tug as often and as hard as we might at the universal problems. It's my conviction that these problems appear in your own backyard just as they do in Calcutta. The question is whether you recognize them and catch hold of them.

My own bent is to read these problems from the major trends and characteristics of our times. One trend is certainly the impersonalizing of our relationships and interdependencies: the closer we become, the more distant.

I will never forget Britain's Labour Minister of Education who in 1951 described to me his own difficult transition from rural to urban England, how it felt to be "near and far." Here is his account:

I came to my apartment the other night, just when another fellow arrived at the street entrance. We didn't say a word to each other. Got on the same elevator, saying nothing, rode up to the same floor, saying nothing, walked down the hall, saying nothing, and still saying nothing found ourselves fumbling for keys to adjacent doors. Even to reticent Britishers, the silence had become oppressive. My "neighbor," obviously not knowing who I was and caring less, finally broke silence. "When do you suppose," he asked me as he disappeared into his flat, "we'll be rid of this bloody government?"

As our relationships become impersonal (a process otherwise called urbanization), the neighborhood, the church, the village, the guild, are eroding, irrelevant, or at best going through the anguish of reformulating their reason for being.

The problems that result from this impersonalization are easy to miss—they usually crop up on your blind side. It took a Japanese to turn me around so I could see one of them. He was considering establishing a foundation in Japan. When I asked him what his first project would be, he said he would create a marriage bureau. I thought he was joking, but he wasn't. In traditional Japan, marriages have been arranged; but the urbanizing group have to manage on their own—and they could use some help, at least until new traditions are established and understood. That "foreign" suggestion drove me back to look at my own culture, and not until then had I realized how little we had done to adapt our cities to the needs of young people. As Charlie Abrams² said in New York, "Where are the trysting places?"

We have renovated our downtowns for office workers and executives, but not for young adults or children. And we're reaping

² Urban planning pioneer Charles Abrams (1902–1970) was the first to explore the complex issues of urban housing. In 1963, he was part of a U.N. team that recommended to Singapore an integrated approach to housing, urban renewal, industrial development, and transportation. His books include *The City Is the Frontier*.

some of the consequences: a drifting young adult culture with a rising rate of social pathology.

We produced a "baby bulge" and suburbs to go with it. But we neglected to build cities to greet these kids when they graduated from the suburbs, or by the misfortune of poverty and race had no suburbs to graduate from. A lost generation of kids and a lost generation of community building, and where were the philanthropists—we who had the stretchable resources, the resilient margin of affluence to create and recreate the ties that bind, to include rather than exclude the newcomers to our established order? There are many small things we could have done and did not, not least providing for urban newcomers the welcome wagons and information centers and neighborhood services they so badly need. And there are very big things we should not have done but did: breaking up and segregating communities by bulldozers and boundaries, leaving us with problems of communication almost impossible now to overcome.

Are we capable of stretching our minds and resources far enough to bridge the gap our negligence and rigidity have created? A few polite gestures and dainty dabs of money are no longer carrying far enough. Philanthropy has no alternative now but to dare—though in this business, I've found that gambling is usually the safest bet. At least it places you within reach of payoffs on a scale relevant to the problem.

Characteristically, we at the Ford Foundation gambled this past year, inviting some of those who had burned Watts to participate in the management of an employment project we had helped finance. We're not yet sure whether the project will succeed. But we did get an immediate payoff in communication. Behind militancy, we found integrity and concern: people who cared enough to hate included—more than one might have thought—persons ready to build and create. They didn't easily trust, but they came at our invitation to visit with the Rev. Leon Sullivan and his self-help training project in Philadelphia. They didn't come for a grant, they said—self-help was their motto, and they had a program of their own already going. "We've got problems, and here's what we are going to do. We're not going to ask for money. We've got an organization; we're not going to beg—we're a proud people. But we've discovered that burning

doesn't do it. Number one, we have formed our own police force. We're encouraging the businessmen to return to Watts and guaranteeing them protection. Since we've organized, only two windows have been broken, and we paid for them out of our own pocket." "You know, we've got communists on every street corner in Watts. We're not going to pay any attention to them—if anybody is going to blow up this system, we're going to do it! We don't need any outside assistance." These fellows were talking a language [that] we on the other side of the community had seldom taken the trouble to understand. . . . Why have we taken so long to listen, especially we who could most afford the time and had the least to lose?

Another perspective [is that from] the age of the free individual. This is the age when people feel equal, insist on being equal, and are very assertive in stating their rights. The right most demanded is equal access—especially to the level and mix of services crucial to a decent standard of urban living. This rise in consumer demand for services is touching off a crisis for each of the trades and professions: health, education, architecture, crafts, even the ministry and philanthropy. None of these have been adapted to a mass market, with each consumer asking both excellence and equal access. The guild philosophy still prevails, with limited entry, limited supply, limited patronage. With the advent of mass consumption, the trades and professions will be under sharp and increasing pressure to expand their numbers, extend their service facilities, and become more responsive to the consumer. The medics, [because of] Medicare, are at the breaking point now. The lawyers in the United States are under the same pressure, but they have been much more adaptive. Recently they have cooperated with the poverty program, have begun creating neighborhood law services and extending their services to parts of the market they had previously neglected.

This principle of equal access will also revolutionize the area and profession of city planning. In the past we have planned our cities with an eye to the mass production: distribution and consumption of physical and manufactured goods and related services. We are now in the service economy, and the city has to become a service city. Look what they are building for our old folks in the leisure and retirement worlds across the country: physical environments built around services and equal and immediate access to them. (The old

can vote, the kids can't—and note the difference in the city catering to them.) Now ask yourself about your community, not merely in terms of poverty but in terms of the total market. Is your city being constructed to give access to services that count and that are asked for by this new generation of demanding customers? Have your philanthropic programs contributed to this new trend or to former patterns?

Another perspective [is that from] the age of public purpose. The nation's and the world's first business over the next 100 years is going to be public business. It has to be, because in this kind of society you have to have collective mechanisms to allocate resources and set priorities, whether we like it or not. Yet though ours may be the age of public purpose, it will also be the age of private means. The bureaucratic tradition is growing obsolete. The hierarchically organized public bureaucracy—a carryover from the medieval days—relies on its muscle system. Consider instead a nerve system—a system of quickly energizing the vast resources of the private sector to fulfill a public purpose. At a premium will be the man versed in that emerging art of “the public entrepreneur”: the man who can create jobs, get performance, cut through the red tape, and do a job.

I would also argue for competition in the public interest. Why have we believed in competition in the private sector and discouraged it in the public sector? To the public sector, we say “It's overlapping, duplication.” It's going to be necessary and healthy to have public definitions of jobs to be done and then private mechanisms, nonprofit corporations, and even contracts to profit-making corporations to do these jobs. [It's] no accident that you see many former government officials moving into the private sector in order to do public jobs, or remaining in the public sector but creating private mechanisms.

We are also going to need social research and development. Take a look at [3M], GE, Ford, GM, or Western Electric. The genius of these has been that they have had research and development [that] lets them stay out in front and adapt and be flexible. The public sector? Where is its research and development? We're beginning to develop corporations such as RAND, to which the government awards contracts for research and development. The Poverty

Program, whether it is known or not, was conceived in this image to begin providing the free money and the good minds to invent new types of activities that would get jobs done [and] to begin adapting the public mechanism to do an efficient job.

From that perspective, government is now our largest philanthropist. You know, it's interesting how government has turned to grantmaking as its administrative device. Even the Ford Foundation has been shrunk to junior size by comparison. In more cases than we'd like to admit, public philanthropy has turned out to be more enterprising than private philanthropy, one main reason being that it's far more representative and has no choice but to be relevant.

But public philanthropy has run its own peculiar problem: the shortage of funds available because of Viet Nam. Whether or not the public well runs dry, the question still faces us in private giving and getting: are we prepared to be relevant to the great issues and trends of our day, and be disciplined by the overriding priorities? With government money in short supply, more than ever we are the system's flexible resources. There are in this country well over 15,000 trusts and foundations. Go into individual cities and begin counting these trusts: the numbers and the amounts will surprise you. But have they responded to the job and responsibility in which they are cast by the times, and to the perspectives demanded by the times?

Even greater than the challenge of relevance or the responsibility of remaining flexible and creative is the challenge to be the keeper of the public faith and conscience. Altruism in our day comes hard, and as the world's growing population presses more heavily on available resources, altruism will come even harder. The choice constantly before us will be to grow and share, or to conserve and protect what we have. The real costs of Viet Nam are not the financial costs. The real costs are what it is going to do to one creative, stretching, and sharing instinct of the United States. I hope it is only a short-term period. But I wonder, when last year [1965] brought the white backlash, the slowdown on the war on poverty, the slowdown on the model cities and housing programs: one wonders, is the United States beginning to close, to conserve, to hoard, not to stretch and grow? It is our function in philanthropy to make sure that that tender instinct continues; otherwise we're in trouble.

We *are* keepers of the faith, the faith that keeps us sharing, growing, risking, serving. It is easy actually to do the opposite while using these words. I talked yesterday with a fairly young observer of philanthropy. "You know," she said, "I've discovered something. Philanthropy does what would be risky for others to do. It rarely does what is risky for it to do." I wish you would think about that for a minute.

If you look at the innovations that our public reports claim and then look at the perspectives and the scale I have given you and the worldwide priorities—remembering that in another generation we will add two billions to the world's population, almost all of them "have-nots"—ask yourself, "Are these innovations we claim *really* innovations, or are some of them window dressing?" Are we coming to doublespeak, to doublethink, the language of *1984*? (Remember, George Orwell's original title was *1948*. The publisher changed it because nobody shared Orwell's belief that *1984* was already here.) The capacity in all of us to say one thing while doing the opposite is ever present. I think it behooves all of us to look at what we do in philanthropy under the easy title, to ask whether we are really keeping the faith or going through the motions.

Now a personal note: I decided this week to leave the field of philanthropy. I've served my hitch. It's been twelve years. I believe in philanthropy; it's a function which, if it did not exist within the United States, would certainly have to be recreated. It helps hold this diverse society together, and it is beginning to show itself as almost the fifth estate in our society—and not only in our society, but also throughout the world. Japan is looking to its tax laws, planning revisions that will encourage the development of philanthropy. Germany and the Volkswagen Company have begun to sort out patterns of giving that they might encourage.

The function of philanthropy is a good one; it's essential, and it ought to grow. But only if it continues to grow in its own special responsibility, which is to keep the system growing. At least that's the philanthropic faith I've tried to keep.

And my thoughts upon leaving? The reassuring one that all those people I've said "no" to over these twelve years will now be able to get another chance.