

# THE ARCHIVES OF U.S. FOUNDATIONS

## An Endangered Species

JOHN E. CRAIG, JR.



2012 ANNUAL REPORT  
Executive Vice President–  
Chief Operating Officer's Report



# The Archives of U.S. Foundations: An Endangered Species

## Executive Vice President–Chief Operating Officer’s Report

A foundation’s archives preserve records of the programs, activities, products, governance, people, and history of the organization that may have enduring cultural, historical, research, or institutional value. Ideally, an archive should be part of a comprehensive records management program consisting of a records policy, a short-term records retention schedule, and an archive collection policy.

As important as archives can be, little has been written about them in the foundation management literature. In truth, the creation and maintenance of archives, if undertaken at all, is typically an afterthought, and rarely considered a key information management responsibility. As the U.S. foundation sector matures, more attention must be paid to the retention and safekeeping of records that are important to historians who document not only the work, people, and institutions that foundations support, but also the very foundations themselves.

Using data collected on the 300 largest U.S. foundations through a survey commissioned by The Commonwealth Fund in fall 2012, this essay reports on the current status of archiving in the foundation sector and recommends ways to improve policies and practices in an area that is too often overlooked.<sup>1</sup>

### PREVALENCE OF ARCHIVES OUTSIDE AND WITHIN THE FOUNDATION SECTOR

An archives is a place that people can visit—either in person or electronically—to gather facts, data, and evidence from business and program files, reports, letters, notes, memos, photographs, and other primary



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sources on an organization’s activities from the time of its founding or a later date.<sup>2</sup> Archiving permanent records is an important function of most large institutions, including government agencies, universities and colleges, presidential libraries, religious organizations, and corporations. At the federal level, there is the National Archives and Records Administration, an independent agency with an annual budget of \$387 million, headed by the Archivist of the United States. Every state has an official archive as well, as do most universities and colleges and large corporations. Religious organizations, libraries, museums, and historical societies also play large roles in preserving important historical records.

The profession of archivist is thus a large one. The Society of American Archivists has over 5,000 institutional and individual members. Numerous university departments of library science and information studies offer a Ph.D. and other graduate degrees in archiving and preservation. And, in fact, the field has its own journal—the *American Archivist*, a respected, refereed periodical published semiannually, both in print and online that seeks to reflect thinking about theoretical and practical developments in the archival profession.

If most large organizations and many small ones regard their archives as important and worthy of management support, foundations in the United States—with some significant exceptions—historically have not. A 1988 survey of the 1,000 largest U.S. foundations (by asset size) undertaken by the Rockefeller Archive Center had a response rate of only 39 percent, a likely indicator

itself of the priority placed by foundation managers on archives at the time.<sup>3</sup> Of the 225 respondents from the 500 largest foundations, only 32, or 14 percent, placed their records in an archive. The percentage was even lower—8 percent—for the 169 foundations that rank within the next 500 largest foundations.

Comments from many respondents to the 1988 survey revealed the low status that archives preservation generally had at that time among foundation managers. “We only keep subject files for three years,” wrote the executive director of one of the top 100 foundations.<sup>4</sup>

The reasons for and implications of this neglect were explored in a January 1990 Council on Foundations–Rockefeller Archive Center symposium attended by leading archivists and foundation managers with long interest and experience in the subject.<sup>5</sup>

- As reported in the 1988 foundation archives survey, many foundation executives regard their records of little importance or insufficiently worthy of preservation.
- Many foundations are thinly staffed and understandably focus their resources on responding to requests for grants and carrying out projects and programs, not on organizational infrastructure (beyond that essential for meeting current operational needs and regulatory requirements).
- Given the rapid growth in the number of foundations, the sector is a youthful one, with many institutions—including a number of large ones—being less than 25 years old. It is not uncommon for foundations in their early years to put off the question of archiving to a later date, “when things have settled down,” and to fail to revisit the question as time passes.
- In an effort to keep administrative expenses low, even foundations with archives often rank this function near the bottom of priorities when annual budgets are being set.

- The never-ending search for file storage space as a foundation ages puts files on past programs at risk for disposal or perilous warehousing.<sup>6</sup>
- Periodic office moves and changes in foundation leadership are often accompanied by a wholesale clearing out of files of discontinued programs or programs scheduled for discontinuation. James Allen Smith, a program officer at the Twentieth Century Fund (now the Century Foundation) from 1979 to 1987, reports, for example, that when the foundation was preparing for a new project to examine the history and long-range prospects of the nation’s social security system in 1981, staff members discovered that the deliberations of the foundation’s Committee on Social Security of the 1930s had been discarded—likely during an office move in the 1960s. The loss was a significant one, as the 1930s commission was a close equivalent to the Greenspan Commission on Social Security of the early 1980s, and, along with the subsequent 1950s Social Security Commission funded by the Twentieth Century Fund, helped influence the continuing debate on how best to ensure adequate incomes for the nation’s elderly population.<sup>7</sup>
- Archiving is a profession and, with the spread of digital technology, an increasingly specialized one requiring expertise that must continually be refreshed. Thus, it is beyond the scope of the staff of most foundations. Because relatively few foundations can justify hiring a professional archivist, there is usually no archival voice in decision-making about budget or information system design.

## CURRENT ISSUES IN ARCHIVING

Two major issues have a large impact on foundations’ attitudes and practices regarding archiving: 1) the enormous growth, since the advent of word processing, of paper records in all organizations, and

the impossibility of traditional paper-based archiving practices keeping up with the increase, and 2) the emergence of digital electronic technology as the predominant means by which most records are now created and as a tool for preserving old paper-based records.

Leading archivists are virtually unanimous on the question of whether it is any longer possible for paper-based traditional archiving practices to meet modern day demands. As stated by Mark Greene and Dennis Meissner in an influential 2005 *American Archivist* article, “Processing is not keeping up with acquisitions, and has not been for decades, resulting in massive backlogs of inaccessible collections at repositories across the country.”<sup>8</sup>

Greene and Meissner bemoan the fact that “the archival profession has been unwilling or unable to change its processing practices in response to the greater quantities of acquisitions.” They point to overzealous standards and practices regarding what should be archived and how it should be archived—for example, focusing on the individual contents of file folders, rather than on organizing files as they are received by meaningful categories—which lead to high costs, a lack of administrative controls, and difficulties in meeting archiving timelines and projecting costs. Greene and Meissner also note the widespread inadequacy of finding aids, particularly Web-based ones, as well as a tendency of archivists to place preservation ahead of access for users.<sup>9</sup> In addition, they and other leading archivists report that archiving practices are not keeping up with the changing nature of collection materials, particularly e-mail and other records that are “born digital.”

Online surveys in 2003–04 by Greene and Meissner of 100 archival repositories and their research users illustrate the extent of these problems, which are undoubtedly being exacerbated in state archives by recent budget cuts:<sup>10</sup>

- In 36 percent of the archives surveyed, more than 50 percent of received materials go unarchived; in 62 percent, more than 30 percent go unarchived.
- For 58 percent of the archives, backlog is regarded as a major problem.
- For 95 percent, no more than 36 months is considered a realistic and acceptable interval from accessioning through processing, but in actuality 52 percent take more than 36 months.
- Thirty-eight percent of archives reported collection donors being upset because donated materials had not yet been processed.
- At 40 percent of archives, researchers were upset at being denied access to, or lacking knowledge of, unprocessed collections.<sup>11</sup>

With professional archival organizations facing performance challenges like these, there is little wonder that foundations with no professional archiving capacities or experience are prone to ignoring the issue altogether.

If traditional paper-based archiving practices are fighting a losing battle, the digital and information technology age offers a potential way out, though one fraught with technical and implementation challenges and professional disagreements. In theory, if agreement can be reached on safe ways to digitize existing archived paper-based records, filter and organize the mass of “born-digital” records (including e-mail) now flowing forth from every organization, and take advantage of cloud computing, with its limitless repository capacities, then the digital age should lead to a new era in archiving, making it feasible for any organization to participate.

Noted archivist Margaret L. Hedstrom and her colleagues report, however, that archivists have debated for more than 40 years the best strategies and methods for preserving digital information.<sup>12</sup> She explains that



“dramatic changes in electronic communications and data processing are transforming the business processes that archivists must document and overwhelming archives with new demands that few archivists feel competent to meet.”<sup>13</sup>

While it is not possible to summarize here even a portion of the literature on digital issues in archiving—or, for a non-technician like this author, to understand much of it—one is left with the impression that the profession will ultimately meet the challenge. In his cautiously optimistic presidential address to the Society of American Archivists in 2006, Richard Pearce-Moses argued:

[A]rchivists should become as comfortable working with digital records as they are working with traditional media. Instead of pen and paper, we will work with cursor and keyboard. Instead of sorters, we will work with sorting algorithms. Rather than weeding, we will filter. With few exceptions, all archivists will need what we now call technical skills, as the vast majority of contemporary and future records are and will be digital. Work with electronic records will not be a job for specialists, as the majority of records will be digital. No doubt some archivists will continue to specialize, but their specializations will be specific to the digital arena: databases, image and audio formats, and metadata, but also user interfaces, search systems, and digital preservation.<sup>14</sup>

It is notable also that the ferment in the archiving world caused by the information revolution has led to the entry of a number of commercial and not-for-profit business entities into the field that have introduced promising content management engines. These should strengthen organizations’ ability to design information systems that aid in archiving important records, and assist professional archives in absorbing those records into their electronic repositories.

## WHY FOUNDATION ARCHIVES ARE IMPORTANT

If preserving foundation archives, under the circumstances just described, is not a task to be assumed lightly, is there a strong case for taking on the challenge? Foundations leaders and historians who have examined the question thoughtfully believe so, as do, not surprisingly, leaders in the archives field.

### Historical Research on Social and Economic Developments and Influential Institutions and Individuals

The central argument for preserving foundation records derives from what these organizations do—their role in society. Private foundations are a very small piece of the action in the United States; their health care spending, for example, amounted to less than 0.5 percent of national health spending in 2010. Yet, as Joel Fleishman demonstrated in his book *The Foundation: A Great American Secret*, this small group of institutions is often instrumental in improving society.<sup>15</sup> Fleishman calls attention to Paul Ylvisaker’s assessment that “philanthropy is America’s passing gear,” and foundations serve this purpose in numerous ways: by helping to launch movements (such as civil rights, environmental protection, or health care reform); by developing new institutions and strengthening existing ones; by making society more inclusive through support of programs to improve the lot of vulnerable populations; by building up the knowledge base for social improvements and scientific advancement and, through the support of individual researchers, contributing to the nation’s intellectual capital; and by strengthening the social fabric and physical capital of the communities in which foundations operate.

As James Allen Smith observed in his 1991 essay, “foundations often house material that is exceedingly important for understanding the nation’s social history, intellectual developments in various academic fields, as well as the genesis of many important public policy initiatives.”<sup>16</sup> Because foundations are often intermediaries between the public and private sectors,

their records can be unique in helping to document the emergence of major social movements and economic developments. Foundation records are also frequently one of the few sources for historical research on small, relatively short-lived organizations (and their leaders) that had significant impact in their day.

In the hands of good researchers, the records of foundations can provide guidance for future generations in tackling new and continuing social problems. As examples, no history of the civil rights movement would be complete without access to the permanent records of the Ford Foundation; no history of the development of the “miracle” rice strains that sparked the Green Revolution, which helped transform Southeast Asian societies in the 1960s and 1970s, would be complete without the records of the Rockefeller and Ford foundations; and no history of the health care reform legislation of 2010 would be complete without the records of The Commonwealth Fund, the Kaiser Family Foundation, the Robert Wood Johnson Foundation, and other national and regional health care philanthropies.

### Promoting Accountability in the Foundation Sector

A second reason that the permanent records of foundations are important is that they help foster accountability among this very privileged group of institutions, subject as they are to no elections, limited scrutiny by the press, minimal regulation, and no business test other than the management of their endowments and spending levels. Foundations, given their exemption from most federal and state taxes, owe it to the public to provide clear and accessible records of how they have conducted their business and what they have accomplished—records that enable rigorous independent assessments. Archives enable independent scholarly research on the impact of foundations’ strategies and programmatic investments.

### Protecting the Foundation Sector and Defending Institutions from Misinformed Attacks

Related to archives’ function in promoting accountability is a third argument for preserving important records permanently: individual foundations and the sector as a whole periodically come under attack—by regulators, elected officials, the media, or academics. On the whole, the scrutiny that foundations receive from time to time is wholesome, as the sector and the individual institutions in question are almost invariably strengthened by having a spotlight cast upon them. But in the absence of good historical records, foundations are at risk of not being able to make their case for being tax-exempt convincingly, or they may simply be caught flatfooted in being able to produce records of their accomplishments and actual behavior.<sup>17</sup> Historical records are also important on occasions when questions of donor intent arise.

### Facilitating Strategic Planning and Fostering a Learning-from-Experience Culture

Archival records enrich the research base for consideration of foundations’ future directions and help ensure program continuity. The lessons from earlier experience that they hold can help prevent strategic and tactical mistakes by current and future foundation managers.

Writing in the *Harvard Business Review* about the importance of institutions celebrating landmark anniversaries, Rockefeller Foundation president Judith Rodin says of her organization’s 100th:

The pride and unity “an anniversary” inspires makes it an ideal time to ask people to think together about why their work matters and how it should move forward. A way to begin that process is to trace the historical trends that have affected the organization’s work and project how they might continue. This is the essence of strategic thinking.<sup>18</sup>



This kind of commemoration becomes very difficult in the absence of institutional archives.

### Ensuring Institutional Memory and Sense of Accomplishment

Permanent archives are also a primary source for the institutional memory that is vital to learning organizations, and for the institutional pride that ensures the strong staff morale needed to achieve high performance. The staffs of most foundations are small, turnover in leadership is fairly frequent, and many new leaders come from outside the sector, with no management experience in it and limited or no prior contact with the organization they are summoned to lead. The speed with which successive leaders of The Commonwealth Fund, for example, have been able to take charge has been accelerated by the existence of a comprehensive history of the foundation—a history that was made possible by archival records going back to the organization's founding in 1918.<sup>19</sup>

### Good Management and Administrative Efficiency

Finally, as in any other well-functioning organization, the care given to archives is a beneficial operational discipline, with orderly archives being a reflection of efficient office practices and good management. Inactive records are not allowed to pile up and get in the way of current files; information systems are designed to separate current from aging files and to preserve information in the latter that could be important for future managements and researchers; and information from inactive files can be achieved quickly when needed.

## THE CURRENT ARCHIVING PRACTICES OF LARGE FOUNDATIONS

As noted above, the last survey of U.S. foundations' archiving policies and practices was undertaken in 1988, when the digital age was still dawning in the sector. In the intervening 24 years, the universe of foundations has expanded by over 150 percent, from approximately

30,000 to more than 76,000. Given the maturation of older foundations, the sector's substantial expansion, and technological developments, it is timely to reassess the archiving policies and practices of foundations.

To this end, in the fall of 2012 The Commonwealth Fund commissioned Mathew Greenwald & Associates to undertake a confidential online survey of the 300 foundations with assets greater than \$240 million in the 2009–12 period—261 of which could be reached for surveying.<sup>20</sup> These institutions account for approximately 52 percent of the foundation sector's endowment assets, including private, community, corporate, and operating foundations.

As shown in Exhibit 1, the survey had an overall response rate of 37 percent, with larger foundations (\$700-million-plus endowments) responding at a higher rate than smaller foundations (\$240 million to \$299 million)—47 percent to 67 percent for the former, 27 percent for the latter.

### Prevalence of Archives

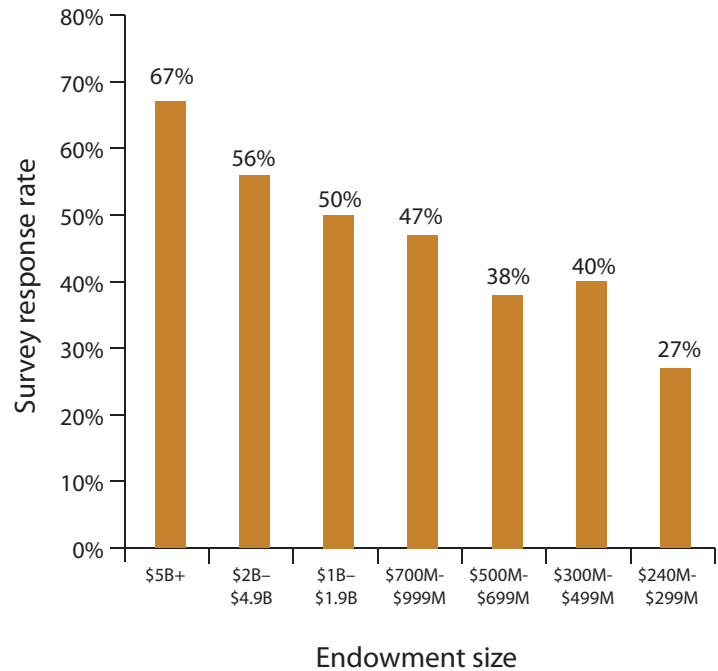
Of the 97 foundations responding to the survey, 48 have archives and 49 do not (Exhibit 2). But this almost certainly overstates the share of large foundations with archives. Since the unreachable foundations (13% of the universe of 300) are unlikely to have archives, and probably most of the nonresponding foundations (63% of those surveyed) also lack them, the actual share of large foundations with archives is unlikely to be more than 20 percent—probably not much greater than it was for foundations of this size in 1988. Among the responding foundations, those with larger endowments, those with larger staffs, and those that are older are more likely to maintain archives.

### Comparison of Records Management Attitudes and Practices

Not surprisingly, 85 percent of archiving foundations believe permanent preservation of the foundation's historical records is “extremely” or “very” important,

**Exhibit 1. Larger foundations were much more likely to respond to the 2012 archives survey than were smaller ones.**

	Total sample	Respondents
	261	97
Median endowment size	\$497M	\$618M
Response rate		37%



Source: Commonwealth Fund 2012 Foundation Archives Survey.

while only 35 percent of nonarchiving foundations share this view. The fact that only 37 percent of the nonarchiving foundations have formal records-retention policies as required for nonprofits under the 2002 federal Sarbanes-Oxley legislation, however, suggests worrisome laxity or informality with respect to institutional recordkeeping within the sector.

The 2012 survey data reveal additional interesting facts about foundations that do not maintain archives. Most frequently, these foundations warehouse their historical records, at least for a time (48%), but many simply allow files to accumulate in their offices (Exhibit 3). When asked about their reasons for not archiving, the most frequently cited major reason was “lack of

**Exhibit 2. Of the universe of 300 foundations with assets greater than \$240 million, probably not more than 20 percent have archives.**

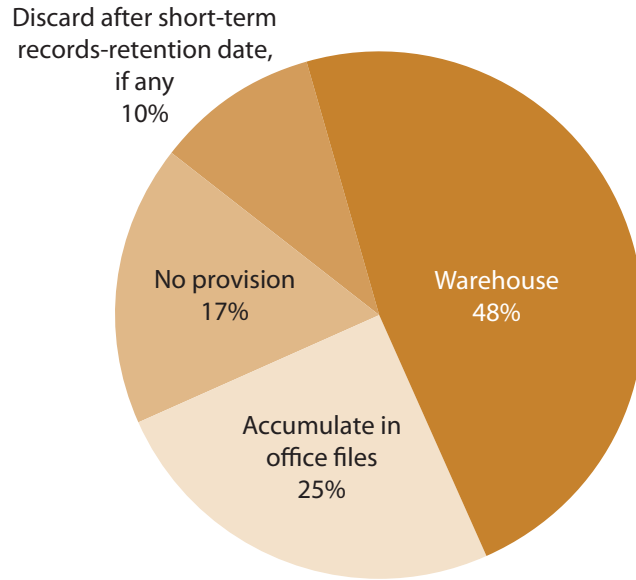
Foundations with larger endowments and larger staffs, and older foundations are more likely to maintain archives.

	Foundations with formal archives	Foundations without formal archives
Foundations responding to survey	48 (49%)	49 (51%)
Median endowment size	\$1.061B	\$497M
Median age of foundation	65 years	34 years
Median staff size	40	23
Believe permanent collection of foundation's historical records is "extremely" or "very" important	85%	35%
Have formal records management and retention policies as required under Sarbanes-Oxley	83%	37%

Source: Commonwealth Fund 2012 Foundation Archives Survey.

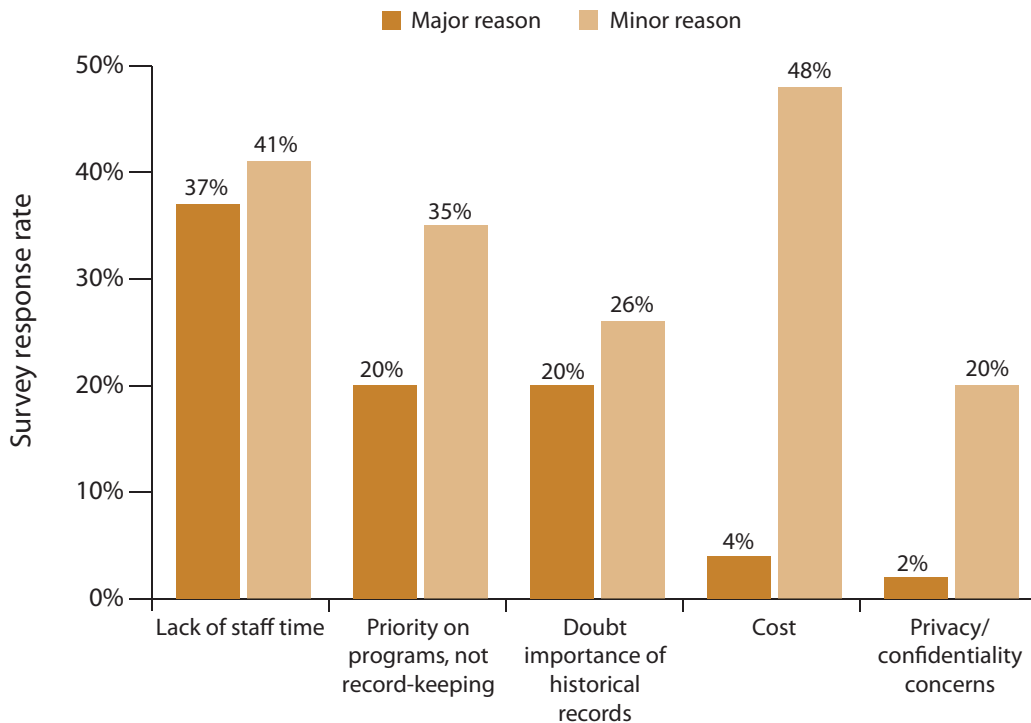


**Exhibit 3. Foundations without archives most often warehouse old records or simply let them accumulate in office files until discarded.**



Source: Commonwealth Fund 2012 Foundation Archives Survey.

**Exhibit 4. Lack of staff time is cited most often as the major reason why a foundation does not establish archives—and even more often as a minor reason. Neither cost nor privacy/confidentiality concerns are a major reason.**



Source: Commonwealth Fund 2012 Foundation Archives Survey.

staff time,” followed by “priority is on programs, not record-keeping” (Exhibit 4). Twenty percent of this group gave “doubt of the importance of historical records” as a major reason. Interestingly, neither cost nor privacy or confidentiality was identified as a major reason for not establishing archives. A sizeable number of foundations cited their youth as contributing to their failure to set up archives, explaining that the issue is either something they have not yet gotten to or have not needed to address thus far.

Somewhat encouragingly, approximately one-half of large foundations without archives are thinking about establishing them in the future, and information technology is regarded as helping to make the decision to archive (Exhibit 5).

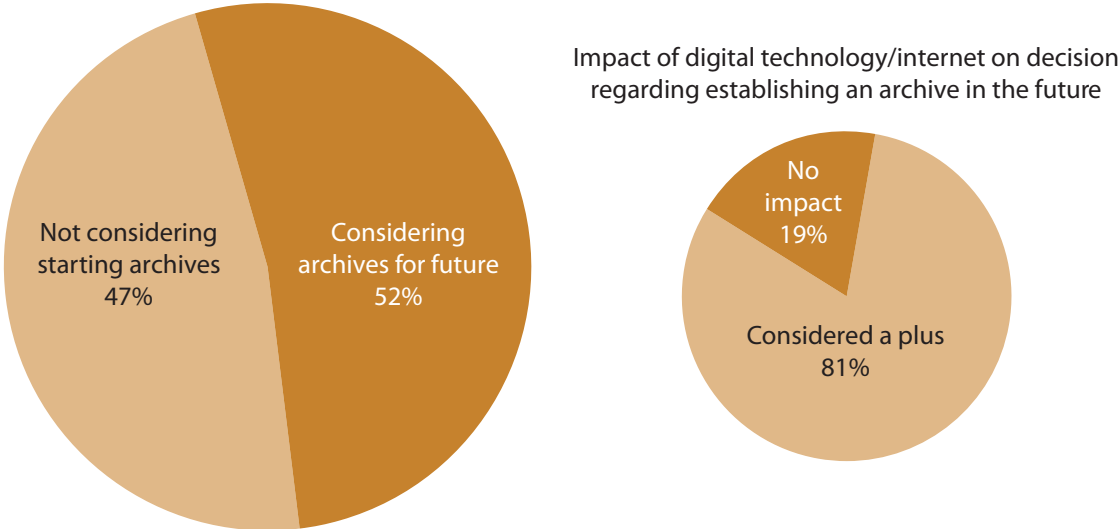
**Different Archiving Models Pursued by Foundations**

Turning to the foundations with archives, we find that the 2012 survey data reveal a rich variety of approaches to archiving. Two-thirds of large foundations with archives (28) manage them in-house; 17 percent place their historical records with independent, nonprofit

archive centers; 9 percent place records with a historical society, museum, or research library; and 7 percent place them with a university or college archive (Exhibits 6–8).

Because of resource differences and economies of scale, it might be expected that larger foundations would be prone to manage their archives internally, while smaller foundations would more often go the outsourcing route—but this is not routinely the case. The mean endowment size of foundations with intramural archives is \$1.7 billion, compared with \$2.0 billion for outsourcing foundations, and 12 foundations with assets between \$240 million and \$500 million have internal archives, compared with three in this size range using external centers. An example of a very large foundation that historically managed its archives internally but recently switched to the outsourced model is the Ford Foundation.<sup>21</sup> Ford selected as its repository in 2012 the Rockefeller Archive Center, which is the independent archive organization most often used by large foundations, including, since 1985, The Commonwealth Fund.

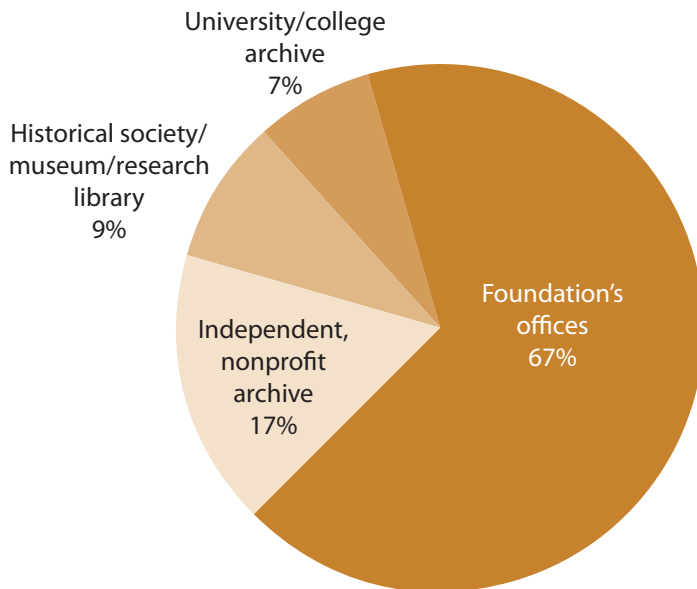
**Exhibit 5. Approximately one-half of large foundations without archives are thinking about establishing them in the future. And information technology is regarded as helping to make the decision to archive.**



Source: Commonwealth Fund 2012 Foundation Archives Survey.



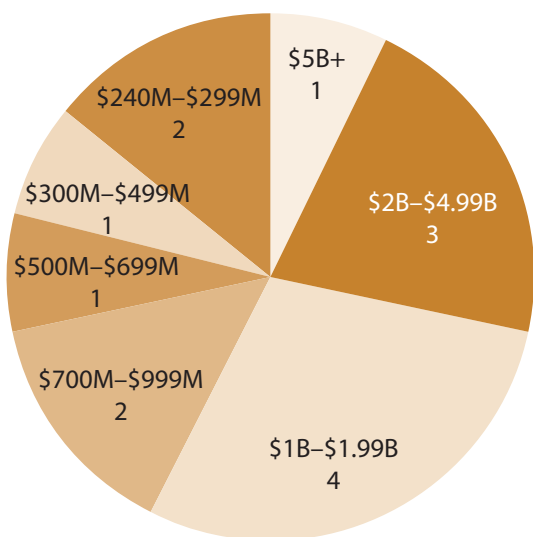
Exhibit 6. Two-thirds of large foundations with archives manage them internally; 17 percent use an independent, nonprofit archive center. Others use historical society, museum, research library, or university/college archives.



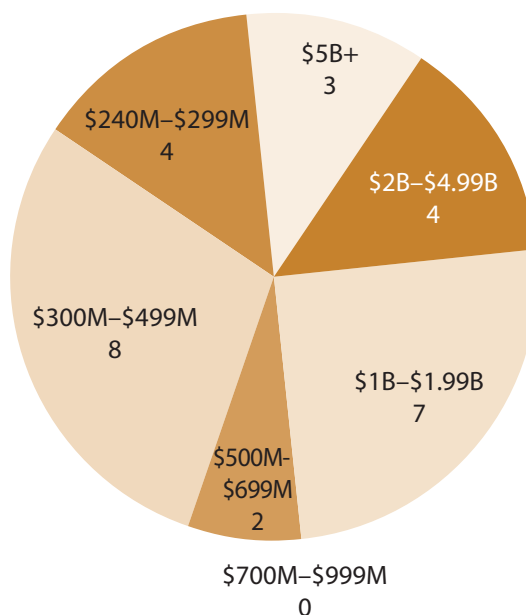
Source: Commonwealth Fund 2012 Foundation Archives Survey.

Exhibit 7. Among large foundations with archives, endowment size is not a strong predictor of who will use the intramural vs. outsourced model.

Number of foundations with OUTSOURCED archives, by endowment size



Number of foundations with INTRAMURAL archives, by endowment size



Source: Commonwealth Fund 2012 Foundation Archives Survey.

## Exhibit 8. External Archive Organizations Used by Foundations

Foundation	Primary Archive
Carnegie Corporation	Columbia University Rare Book and Manuscript Library
Chicago Community Trust	Chicago Historical Society
Cleveland Foundation	Western Reserve Historical Society
Commonwealth Fund	Rockefeller Archive Center
Charles A. Culpepper Foundation	Rockefeller Archive Center
Geraldine R. Dodge Foundation	Drew University (Poetry Archive)
Doris Duke Charitable Foundation	Duke University—David M. Rubenstein Rare Book & Manuscript Library
Ford Foundation	Rockefeller Archive Center
William T. Grant Foundation	Rockefeller Archive Center
McKnight Foundation	Minnesota Historical Society
Open Society Foundations	Central European University
Pew Charitable Trust	Hagley Museum & Library
Rockefeller Brothers Fund	Rockefeller Archive Center
Rockefeller Foundation	Rockefeller Archive Center

Source: Commonwealth Fund 2012 Foundation Archives Survey.

Nearly half the foundations with archives use a secondary archiving entity. For example, health policy and health services research survey data developed with Commonwealth Fund support is permanently archived at the University of Michigan Health and Medical Data Archive, as part of the International Consortium for Political and Social Research. Of note, a number of foundations hold inactive files in an in-house archive until they are transferred to the main repository.

### Contents of Archives

Many foundations that maintain archives put all important records in them since the foundation's founding. Foundations generally follow traditional archiving practices in preserving program files, the foundation's publications, public relations documents, organizational records (for example, board and committee minutes), key administrative records, and, if they produce them, photographs, documentaries, and videos. Most institutions do not archive declined proposals and no longer attempt to keep traditional archival material like officers' calendars. External archive centers typically do not accept financial or human resources records, owing to lack of space and

to processing priorities. Most foundations (80%) with archives are not preserving important e-mail correspondence, and over half are not archiving Web site information.

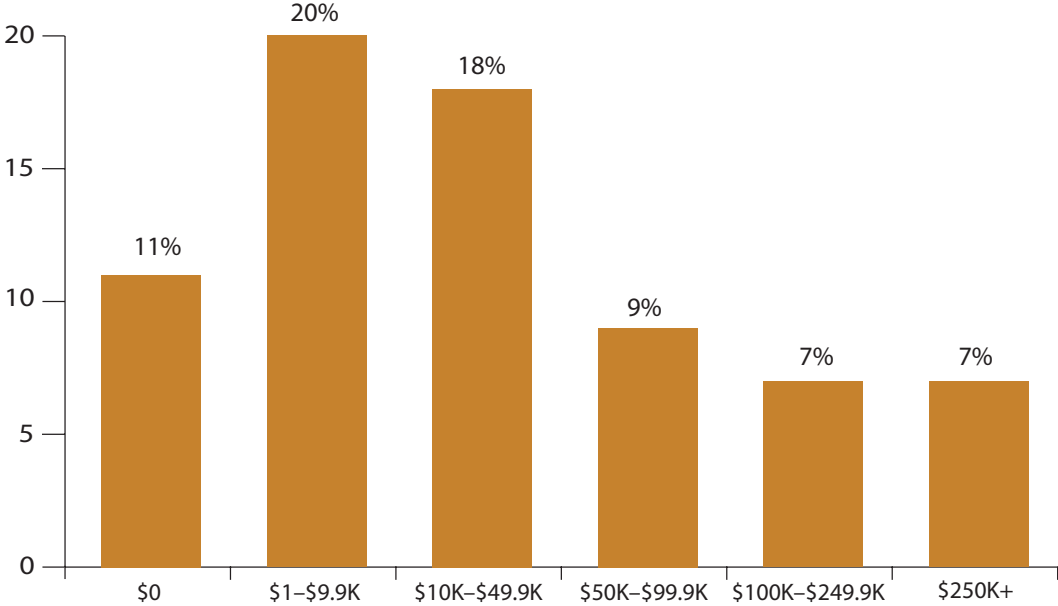
### Costs of Archives

Twenty-nine percent of foundations with archives were unable to estimate their annual cost. For those providing estimates, costs varied with foundation size, age, and the nature of the foundation's work (Exhibit 9). For a 94-year old, \$650 million foundation with extensive intramural program operations and publications like The Commonwealth Fund, the annual costs of archives is about \$100,000. The mean annual cost reported in the survey was \$60,000.

### Access to Archives

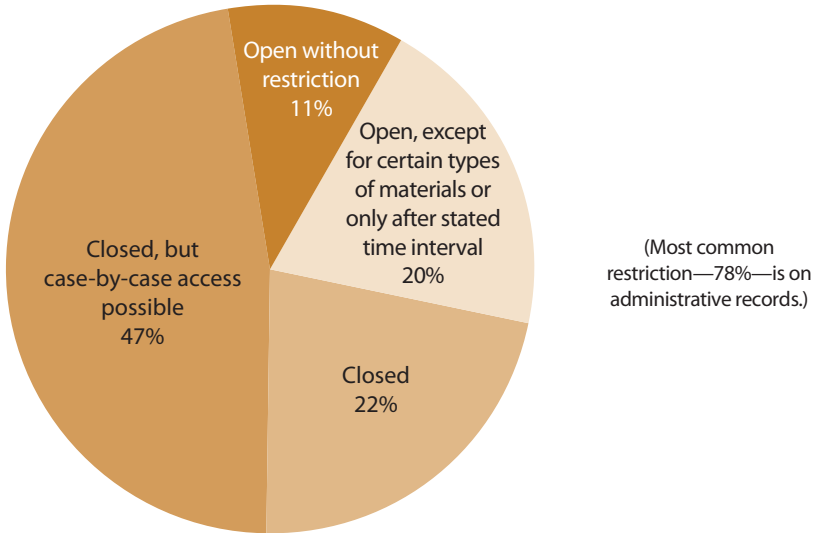
Most foundations restrict researchers' access to their archives, but nearly half will permit access if the research objective is deemed worthwhile (Exhibit 10). About a third (31%) routinely open their archives to researchers. The most common restriction is on access to administrative records.

Exhibit 9. For those providing estimates, archival costs varied with foundation size, age, and the foundation’s purpose.\* For a 94-year-old, \$650 million foundation with extensive intramural program operations and publications like The Commonwealth Fund, the annual costs of archives is about \$100,000.



\*29 percent of respondents could not provide a cost estimate.  
 Source: Commonwealth Fund 2012 Foundation Archives Survey.

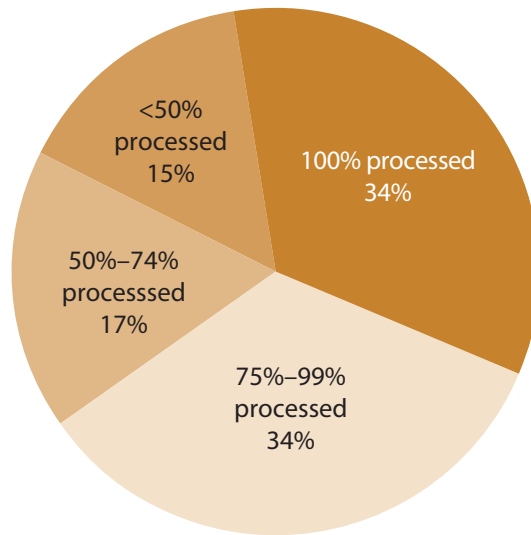
Exhibit 10. Most foundations restrict researchers’ access to their archives, but nearly half will allow access if the project is deemed worthwhile; 31 percent routinely open their archives to researchers.



Source: Commonwealth Fund 2012 Foundation Archives Survey.

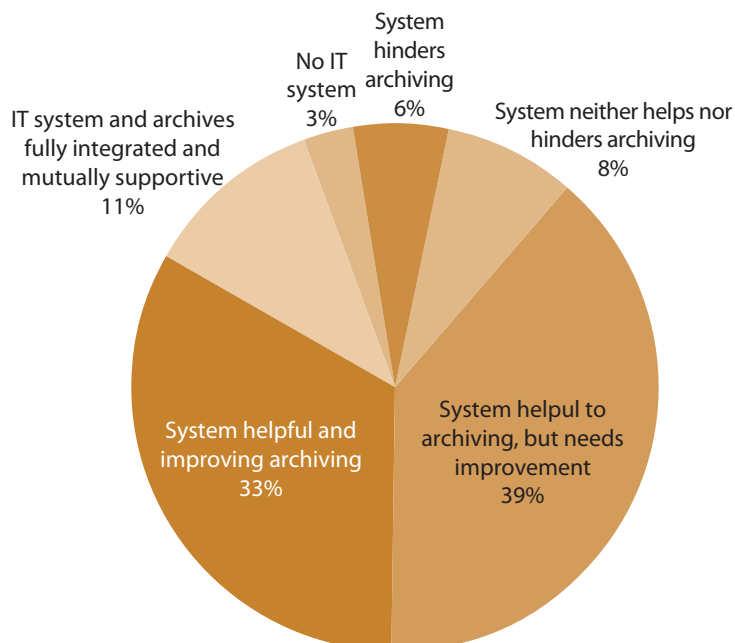


**Exhibit 11. Foundations with archives are staying on top of paper flow relatively well: two-thirds report that 75 percent of records sent to archives have been processed.**



Source: Commonwealth Fund 2012 Foundation Archives Survey.

**Exhibit 12. Many foundations with archives are using their own information technology systems to advance archiving objectives, and some are quite advanced in doing so. But for over half, improvements in the foundation’s IT system could improve archiving performance.**



Source: Commonwealth Fund 2012 Foundation Archives Survey.

### Staying on Top of the Paper Flow

Like other institutions, foundations see their archiving system at risk of being overwhelmed with the influx of materials. Even so, foundations with archives are staying on top of the paper flow relatively well: two-thirds say that at least 75 percent of records sent to archives have been processed (Exhibit 11).

### Harnessing Information Technology to Advance Archiving Objectives

Many foundations with archives are using their own information technology systems to advance archiving objectives, and some are quite advanced in doing so (Exhibit 12). But for over half, IT system improvements could improve archiving performance. Half of the foundations that currently have archives expect that, over time, their archives will be primarily electronic, and another 40 percent foresee a growing role for IT in their archiving practices (Exhibit 13). Less than 20 percent of foundations that currently have archives regard the principle obstacles to harnessing

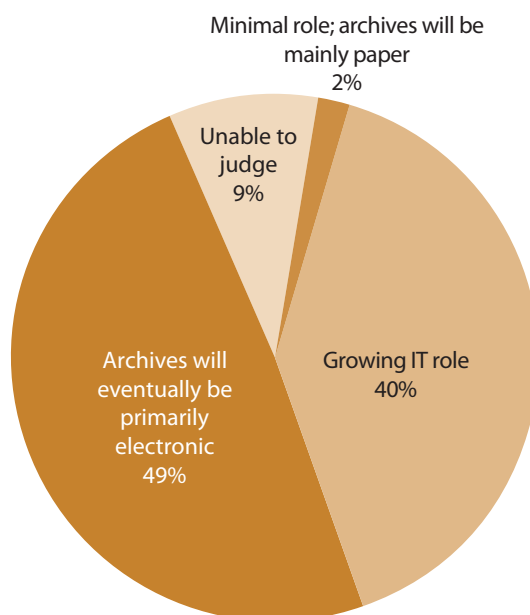
IT to enhance their archiving objectives as major; the primary issue being keeping up with rapidly evolving information storage technology (Exhibit 14).

### Performance of External Archive Centers

Most foundations with assets under several billion dollars find that outsourcing their archives to an external center is more efficient than attempting to build a professional internal archives unit. As noted above, one-third of large foundations take this route, and it is the only feasible one for the majority of smaller foundations. The question of the performance of independent archives centers used by foundations is therefore an important one.

The survey found that half of foundations using external archives centers find the services, overall, to be “very good” to “excellent,” and another 35 percent rate the services “satisfactory” (Exhibit 15). Echoing challenges facing the archiving profession, the chief areas of concern are timeliness in processing materials and

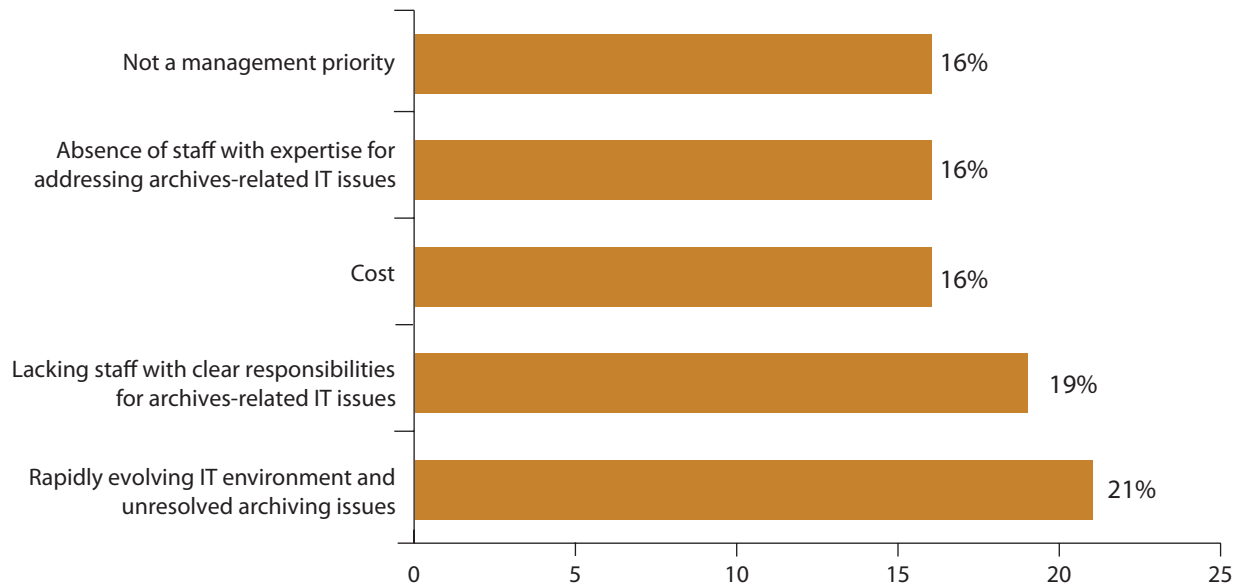
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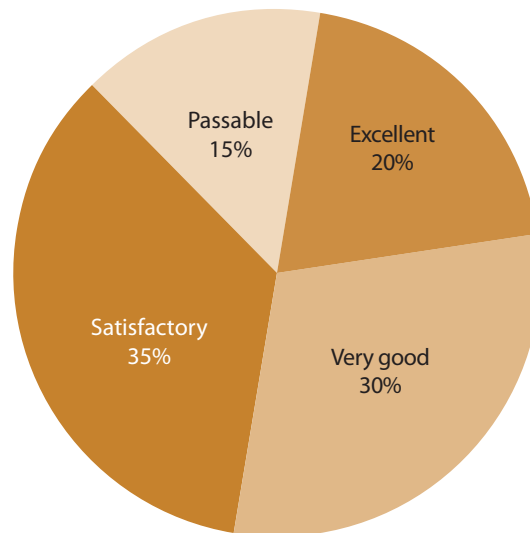
**Exhibit 14. Most foundations with archives do not regard as major the expected obstacles to harnessing information technology to enhance their archiving.**

Percent of foundations with archives that identified the following as major obstacle to harnessing IT for archiving purposes:



Source: Commonwealth Fund 2012 Foundation Archives Survey.

**Exhibit 15. Half of foundations using external archive centers say that the services, overall, are "very good" to "excellent." Another 35 percent say services are "satisfactory."**



Source: Commonwealth Fund 2012 Foundation Archives Survey.



using information technology to maximum advantage. Researchers are well served by external archive centers, but some foundations express dissatisfaction with services provided to their own staff (Exhibit 16).

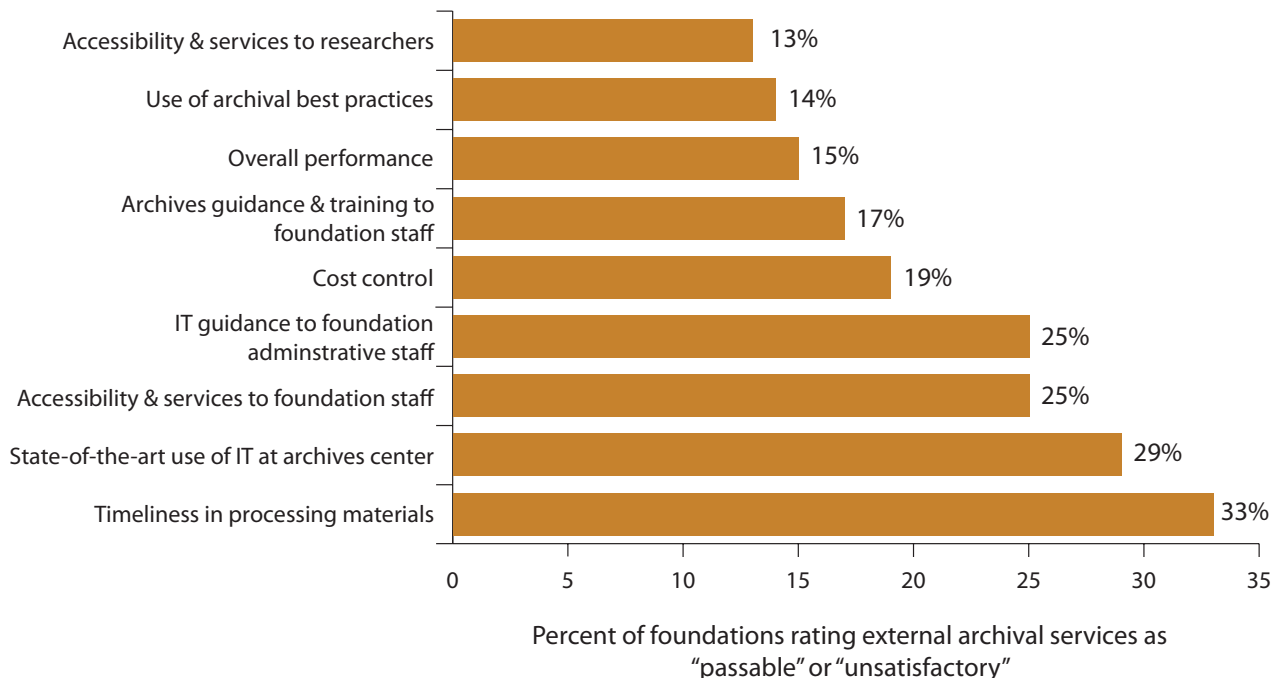
In sum, the 2012 survey reveals that archives are not a high priority for most foundations, but that those that have them find them valuable and not excessively costly. Most large foundations with archives are optimistic (probably more so than the archivist profession) that advances in information technology will improve systems, and large foundations currently lacking archives foresee that information technology advances could well bring them within their reach.

## RECOMMENDATIONS

A review of the literature, the 2012 foundation archives survey findings, and conversations with leading archivists and foundation officers suggest the following recommendations for advancing the state of archiving in the foundation sector:

- The number of foundations currently maintaining archives is far fewer than it should be, and foundation boards and executives should give more attention to the issue than they do now. Audit and compliance committees of foundation boards should ensure that the short-term records-retention policy required by Sarbanes-Oxley is developed and enforced, and should take an active role in seeing that the question of archiving is addressed at the board level. For foundations above some minimum endowment size—say, \$50 million—the burden of the argument should fall on those opposed to archiving.

**Exhibit 16. Foundations’ chief areas of concern with their outsourced archive centers are timeliness in processing materials and using information technology to maximum advantage. Researchers are well served by archive centers.**



Source: Commonwealth Fund 2012 Foundation Archives Survey.

- Chief executive officers of foundations should see one of their responsibilities as assessing the foundation’s need for archives and, if the decision is affirmative, delegating clear responsibility for their development and maintenance.
- The experience of foundations with archives is generally positive, and the undertaking is not a costly one. Indeed, with most records now originating in digital form and with rapidly advancing information storage technology, archiving is within reach of virtually any foundation. Boards and managements should see that resources are set aside as needed to achieve archiving objectives.
- Every foundation should have a stated archiving policy—even if it is “none”—to ensure that the question has been addressed. Policies should specify what records are to be preserved, the archiving model to be pursued (in-house vs. outsourced), access guidelines and restrictions, and guidelines for paper and electronic preservation. Archiving policies should ensure that the intensity of the archiving effort varies with the potential value of materials to users. The policy should be reviewed every five years to ensure that it keeps up with advances in information storage technology.
- The Council on Foundations should be encouraged to include maintenance of archives among its best-practice guidelines for foundations above some minimum endowment size.
- Outsourcing the archiving function to an external archive center is a viable option that many foundations, including multibillion dollar ones, should consider. The choice of external center, however, must be made with care, and performance monitored regularly. In selecting an external archive, key considerations should include the following:
  - Are the external center’s archiving philosophy, objectives, and practices in sync with those of the foundation? Greene and Meissner caution, for example, that “grantors have compounded the industry-wide problem of backlog by insisting on or naively being sold a level of processing intensity that is unnecessary or inappropriate to their collections.”<sup>22</sup>
  - Do the foundations or other organizations that are currently donating archival records to the external center share similar objectives and expectations?
  - Does the external center have other significant collections that provide a valuable context for the foundation’s archive?
  - Can the center meet the foundation’s expectations regarding the speed with which records are processed, provided with online finding aids, and opened to researchers?
  - Does the archival institution have the capacity to manage the long-term preservation of digital records and to provide access to them?
  - Is the foundation willing to assist the external center in tackling the big archiving issues of managing the massive inflow of digital records and generally harnessing the possibilities of the digital revolution, and is the center prepared to take full advantage of such assistance?
- Many foundations, especially small and newer ones, may find that their archiving objectives going forward can be met with cloud-based content management systems (now spreading throughout the foundation community) that can be adapted in various ways for use by external researchers.
- Two-thirds of larger foundations were established after 1989, but youth should be no excuse for postponing the question of whether to archive

or not.<sup>23</sup> Indeed, young foundations are in the enviable position of being on the ground floor on the technology front, typically starting out with state-of-the-art information systems in which virtually all of their records have always been kept digitally. Under these circumstances, archives are almost a natural byproduct of a good information system, with minimal marginal cost.

- Important institutional anniversary events (e.g., a young foundation's 20<sup>th</sup> birthday) provide an opportunity on which to capitalize for raising the question of archives.
  - Spend-down foundations are prone to establish archives, but they often confront the issue only as the date of their sunset becomes imminent. Ideally, the question should be addressed early in their life.
  - Information technology staff of foundations should have as one of their major responsibilities the development of systems within the foundation that advance archiving objectives. They should work closely with external centers to coordinate and promote IT initiatives. Above all, they should take pains to see that archiving questions are not an afterthought, but are on the table throughout any system redesign or improvement.
  - A learning collaborative of foundation officers with responsibility for archives (both in-house and outsourced) would greatly advance the spread of best practices in the sector. Affinity groups of foundation officers are frequently formed, to good effect, to improve practices—either programmatic or administrative—in a sector that operates in many respects as a cottage industry. Foundations without archives reported in the 2012 survey that if there were a foundation-led group developing archiving standards and guidelines and providing information on consultants and experienced-based advice on technical issues, they would be better equipped to activate nascent plans for establishing archives.
- The formation of a foundation archives affinity group would therefore likely advance the spread of archives in the sector. The responsibilities of the members of two existing Council on Foundations-affiliated groups—the Technology Affinity Group and the Consortium of Foundation Libraries—include in many cases their foundations' archives, and the best-situated of these groups could possibly serve as incubator for the affinity group needed to develop concerted leadership on archiving issues in the foundation sector.
- As suggested by one 2012 survey respondent, thought should be given to development of an archive cooperative by a consortium of foundations with common interests and archiving objectives. Thus far, foundations have turned to existing external archive centers, generally accepting the archiving approaches and services agreed to with preexisting clients. In some cases, the fit with the available external archive is not a natural one, and long-established centers can be slower to take advantage of technological changes than newer organizations are. Additionally, it is doubtful that existing archive centers have the capacity to take on large numbers of new foundation clients.
- Just as groups of foundations banded together to create The Foundation Center in 1956 and The Investment Fund for Foundations (TIFF) in the early 1990s—both enormously successful enterprises that meet a congregate service need in the foundation sector—so a group of foundations could form *de novo* a repository serving foundations with common archiving objectives and committed to up-to-date use of technology and best practices. Given the enormous number of foundations, interregional differences, and frequent commonality of interests at the regional level, multiple foundation archive coops might well be easier to launch and operate than a single national one.



Exploration of the concept of regional foundation archive cooperatives, led potentially by the archiving affinity group proposed above, by an existing regional association of grantmakers, or by one or more very large foundations in a given region, would be worthwhile even if found to be unworkable. If the concept were to be judged promising, it could be piloted and capitalized by a few very large foundations in an “early adopter region”—with spread of the model to other regions to follow, if justified by the experience of the pilot.

Writing in 1991, James Allen Smith, now vice president and director of research and education at the Rockefeller Archive Center, said “the most telling record of deeds attempted and done will only be available to future generations if those who now labor in foundations understand the importance of history’s evaluation, are convinced that their work matters enough to be worthy of a future generation’s judgment, and act to preserve the documents that tell their story.”<sup>24</sup> It is to be hoped that Smith’s admonition will be taken to heart and acted upon by a greater number of foundations than is currently the case.

## NOTES

- <sup>1</sup> I am indebted to Diana Davenport, Vice President for Administration, and Andrea Landes, Vice President for Grants Management, at The Commonwealth Fund, for their contributions to this essay and to the conduct of the survey. Anne Elmlinger and Rachel Forcino at Mathew Greenwald & Associates also played key roles in carrying out the survey and analyzing the results. Jack Meyers, president of the Rockefeller Archive Center, provided helpful comments on a draft of the paper.
- <sup>2</sup> More formally, using the definition of the Society of American Archivists (<http://www2.archivists.org>):

Archives are the non-current records of individuals, groups, institutions, and governments that contain information of enduring value. Formats represented in the modern archival repository include photographs, films, video and sound recordings, computer tapes, and video and optical disks, as well as the more traditional unpublished letters, diaries, and other manuscripts. Archival records are the products of everyday activity....The primary task of the archivist is to establish and maintain control, both physical and intellectual, over records of enduring value.
- <sup>3</sup> Kenneth W. Rose, "The State of Foundation Archives: Results from the Rockefeller Archive Center's Survey," in Kenneth W. Rose and Darwin H. Stapleton (eds.), *Establishing Foundation Archives: A Reader and Guide to First Steps* (Washington, D.C.: Council on Foundations, 1991), 23–32. The response rate among the 500 largest foundations at the time was higher, as might be expected, than that for smaller foundations (45% vs. 34%), but even so, was disappointingly low.
- <sup>4</sup> *Ibid.*, 26.
- <sup>5</sup> *Ibid.*, 1–3. The symposium was entitled, "Foundation Archives: Information, Access, and Research."
- <sup>6</sup> In the literature search and interviewing process for preparing this report, I encountered repeated reports of warehoused records being destroyed by fire, water, and other physical damage, or disappearing through misplacement—a reminder that warehousing is not an acceptable archiving option.
- <sup>7</sup> James Allen Smith, "Why Foundation Archives Matter," in *Establishing Foundation Archives*, 7–12.
- <sup>8</sup> Mark Greene and Dennis Meissner, "More Product, Less Process: Revamping Traditional Archival Processing," *The American Archivist*, Fall/Winter 2005 68(2):208–63. Greene is director of the American Heritage Center at the University of Wyoming, and Meissner is head of collections management at the Minnesota Historical Society.
- <sup>9</sup> A finding aid is a document containing detailed information about a specific collection of papers or records within an archive. Such aids are used by researchers to determine whether information within a collection is relevant to their research.
- <sup>10</sup> Kim Severson, "Budget Cuts to Archives Put History Out of Reach," *New York Times*, Sept. 29, 2012.
- <sup>11</sup> Greene and Meissner, "More Product, Less Process," 257–61.
- <sup>12</sup> Margaret L. Hedstrom et al., "'The Old Version Flickers More': Digital Preservation from the User's Perspective," *The American Archivist*, Spring/Summer 2006 69(1):159–87.
- <sup>13</sup> David Bearman and Margaret L. Hedstrom, "Reinventing Archives for Electronic Records: Alternative Service Delivery Options," in Margaret L. Hedstrom (ed.), *Electronic Records Management Program Strategies*, Archives and Museum Informatics Technical Report #18 (Pittsburgh: Archives & Museum Informatics, 1993), 549.
- <sup>14</sup> Richard Pearce-Moses, "Janus in Cyberspace: Archives on the Threshold of the Digital Era," Society of American Archivists, [www.archivists.org/governance/presidential/pearce-moses.asp](http://www.archivists.org/governance/presidential/pearce-moses.asp).
- <sup>15</sup> Joel Fleishman, *The Foundation: A Great American Secret* (PublicAffairs, 2007), 56.
- <sup>16</sup> Smith, "Why Foundation Archives Matter," 8.

- <sup>17</sup> Short-term records retention policies, required for nonprofit organizations since 2002 under Sarbanes-Oxley, are the first line of defense on administrative and operational practices, but the documents typically saved for three to 10 years under such policies are inadequate for revealing a foundation's long-range impact or level of institutional performance. Note: Sarbanes-Oxley was enacted by the U.S. Congress in 2002 in reaction to a series of corporate accounting and fraud scandals in the 1990s. While the legislation is intended mainly to improve accounting and reporting practices of public corporations and decrease the potential for fraudulent activities in the corporate sector, two of its provisions apply to nonprofits: requirements for 1) a records retention policy, and 2) a whistleblower policy.
- <sup>18</sup> Judith Rodin, "Anniversaries Are Not to Be Wasted," *Harvard Business Review*, Nov. 2012 90(11):36.
- <sup>19</sup> McGehee Harvey and Susan L. Abrams, *For the Welfare of Mankind: The Commonwealth Fund and American Medicine* (Baltimore: Johns Hopkins University Press, 1986).
- <sup>20</sup> The date for the valuation of each foundation's endowment was its fiscal year-end, and ranged from December 31, 2009, to June 30, 2012. Data provided by The Foundation Center.
- <sup>21</sup> Sam Roberts, "Foundation Files Reveal Insights on Culture," *New York Times*, April 8, 2012, [http://www.nytimes.com/2012/04/09/arts/ford-foundation-records-move-to-rockefeller-archive-center.html?\\_r=0](http://www.nytimes.com/2012/04/09/arts/ford-foundation-records-move-to-rockefeller-archive-center.html?_r=0).
- <sup>22</sup> Greene and Meissner, "More Product, Less Process," 240.
- <sup>23</sup> *Foundation Growth and Giving Estimates*, 2009 edition, The Foundation Center.
- <sup>23</sup> Smith, "Why Foundation Archives Matter," 9.



Cover: Left: In Depression-ravaged rural America, such problems as poor sanitation, infected water, and contaminated milk were particularly acute. During the 1930s, The Commonwealth Fund launched programs in partnership with a number of states, predominantly in the South, to send teams of physicians, nurses, and public health workers to rural communities to treat families and carry the message of good health practice. These programs would help set the standard for professionally run and staffed public health departments.

Right: In 2005, the Board of Directors of The Commonwealth Fund established and charged the Commission on a High Performance Health System with promoting a health system that provides all Americans with affordable access to excellent care while maximizing efficiency in its delivery and administration. Chaired over its first six years by the late James J. Mongan, M.D. (second row, center) and, since 2011, by David Blumenthal, M.D., the Commission's principal accomplishments have been to highlight specific areas where health system performance falls short of what is achievable and to recommend practical, evidence-informed strategies for system transformation. Many of the major ideas in the Affordable Care Act of 2010—among them, new insurance market regulations, requiring everybody to have coverage, the availability of premium and cost-sharing subsidies for low- and moderate-income families, and payment and delivery system reforms—were advanced by the Commission through its reports and statements.

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