The Formation Strategy of Early US Community Foundations and How The Concept Spread

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This paper reports on new research into the early history of the United States community foundation movement and how it spread in the years before World War II.

Even though community foundations in the United States are nearing their 100th anniversary, the early history of US community foundations has been little studied, and is not well understood by scholars or practitioners. The scholarly work that has been done is chapter length and at least 20 years old.1 Scholars have found them difficult to study perhaps because community foundations started as idea, not a model, and given their local focus, they are shaped by and a reflection of their communities. They have a number of different organizational structures, and cover different geographical areas – some are city-based, some rural, some county-wide, some state-wide. In many cases they have to be studied indirectly, because their own historical records are sparse. The lack of scholarship on community foundations has led scholars from different disciplines to characterize community foundations in vastly different ways – much like the blind man and the elephant. Depending on the interests and outlooks of researchers, community foundations can look like vastly different animals.

Due to their focus on a specific geographic territory, community foundations are commonly thought of as small, local institutions, and by implication inward looking, perhaps even parochial. Given their local character and mission, they are often thought of as expressions of the bottom-up volunteerism that is supposed to characterize American charitable impulses.

Research into the early history of US community foundations tells a much different story, and challenges the notion of community foundations as purely expressions of local philanthropy. New research has shown that they were formed on a national stage, by sophisticated philanthropy entrepreneurs, who wanted them to be parallel to the large private foundations of Carnegie and Rockefeller and do for their own communities, what Carnegie and Rockefeller were doing on a national stage and around the world to benefit mankind. In conception US community foundations were to be large-scale, scientific, and professional. In addition they would also correct what were seen as the main defects of the large private foundations – their lack of open and transparent policies and procedures, and lack of accountability to the public.

The community foundation concept was also spread on the national stage. Given the state of the law and philanthropy in the early twentieth century, and the role played by trust banks in establishing charitable trusts, it was a natural fit for the early community foundations to be set up under deeds of trust in trust banks. US community foundations initially benefited from their association with trust banks, which provided them immediate access to a large support network that was very active in promoting and spreading the concept. Trust Companies magazine, a journal published by the Trust Company Section of the American Bankers Association, reported extensively on the formation of community foundations from 1914 onward. The Trust Company Section also established its Committee on Community Trusts in 1920, only 6 years after the formation of the Cleveland Foundation. The Committee on Community Trusts held community foundation conferences, published information on how to start a community foundation and surveyed the growth of US community foundations.2 The trust banks saw their support for community foundations as a way to not only increase assets under management, but also to become more involved with their communities by helping to promote and support local charitable endeavours.
The early founders of the community foundation movement also did much to market the concept and showed sophistication in their use of old and new media: advertising, newspaper and magazine articles, speeches, brochures, meetings with professional advisors, even national radio broadcasts.

This research into the early history of US community foundations and how they spread across the country is proving to be a rich topic that will do much to alter perceptions of the origins of community foundations in the United States on the part of scholars and practitioners.
