Gates, MacArthur, Mott, Rockefeller, Carnegie: American foundations continue to attract attention in many parts of the world. But how much attention do they really deserve? How substantial are their resources, especially in relation to their ambitions? What can they achieve alone, and what do they need to do to work effectively with others? This panel will present new perspectives on the development of America’s foundations, highlighting their versatility, proposing new, more rigorous ways to evaluate their international activities, examining the resource and policy realities that both empower and limit them. Each paper will employ both quantitative and historical analysis.

New Perspectives on American Foundations:
Versatile, Diverse, Constrained

American foundations have a considerable list of positive contributions to society. They have also had a long time in which to record controversy, false starts, inconsistency, disappointment, futility, and failure. The American public has both celebrated and criticized foundations. They have celebrated them chiefly for their philanthropic contributions, for their support of innovations, their sometimes critical support for new institutions, practices, and policies, and also for creative individuals, and for new ideas generally. Foundations have also made vital (though too often ignored) efforts to control, invest, and preserve the traditional values of particular groups and communities, to preserve honored purposes, traditions and identities, and to support and encourage those who devoted themselves to valued purposes. And they have supported individual achievement, helping tradesmen get a start in life and enabling talent to excel and break new scientific, artistic, and intellectual ground.

Americans have criticized foundations for all these things, and also for their alleged conservatism, liberalism, elitism, radicalism, devotion to religious tradition, hostility to religion – in short, for commitments to causes whose significance can be measured, in part, by the controversies they provoke. Americans have also criticized foundations for ineffectiveness and even foolishness. Foundations have undertaken many ambitious and difficult projects. Success has almost always required the cooperation of other actors and outside forces, in ways that, in hindsight, some foundations did not adequately appreciate.

Over the years, foundations have grown so numerous, so diverse in size and in purpose, so flexible, that it has become impossible to describe their contributions, positive or not, in a single set of phrases or statements, let alone in any set of numbers. But on the basis of the largest collaborative research ever undertaken into the contributions of American foundations, good, bad, and indifferent, which we have just completed, we think it is possible to offer some general observations about America’s larger grantmaking foundations.

Perhaps most important, grantmaking foundations have never held overwhelming amounts of money in relation to the fields they address. Throughout US foundation history, there has been a persistent and significant mismatch between aspiration and available resources – a discrepancy that continues, and is in fact widening today. The record of American foundations goes back to the very beginning of the nineteenth century; only in the decades between the World Wars of the twentieth century did American foundations have sufficient resources to serve in a really substantial way as institution builders, the role for
which they have won most praise – and received most blame. In more recent decades foundation resources – despite significant growth and despite the vast resources added to the field by the Gates Foundation and some others – are quite limited, relative to their ambitions.

In this paper we will make the case that America’s foundations have played very different roles in four distinct eras. Throughout, we will argue, American foundations have been versatile, widely varied in purpose, and constrained both by their resources relative to their ambitions, and by the expectations and demands of the people they sought to engage, both in the U.S. and abroad. As we will show, they have often been effective, but only when they worked in concert with other forces.

Much of this paper will be based on analysis of a substantial database provided by the Foundation Center.

Select Literature -- Illustrative:


International Grantmaking by U.S. Foundations:
Recent Trends and Effects of the Global Financial Crisis

Panel paper proposed for the Ninth International Conference of ISTR
Kadir Has University, Istanbul, Turkey, July 7-10, 2010

Historians of philanthropy have extensively studied the international activities of US foundations ranging from the early public health work of the Rockefeller Foundation in China to the major impact of the Ford Foundation after it became internationally active after 1949. As this work is discussed elsewhere on this panel, this paper focuses on the development of international grantmaking activities since the end of the Cold War in 1989, which was a major watershed not only geo-politically, but also for international demands and priorities for foundations as well. In contrast to the earlier periods, the trends and developments of international grantmaking in the recent past still remain largely understudied.

In a way, the Cold War period provided a convenient institutional framework that allowed foundations to develop longer-term funding priorities within a set context. Since the end of the Cold War, this institutional context has transformed dramatically leading to greater volatility and quickly shifting priorities. This paper reviews this changing context and the impact on U.S. foundations’ international grantmaking.

Largely working with Foundation Center data, we begin by reviewing and evaluating the initial democracy and civil society building agenda that guided foundation funding priorities during the 1990s in the aftermath of the fall of the Berlin Wall as well as the end of Apartheid in South Africa, building on earlier work by Benjamin and Quickly (forthcoming).

This agenda was at least partially disrupted by the events following September 11, 2001, which signaled a geographic shift of priorities, a different set of interests, as well as new regulatory burdens on US foundations (Treasury restrictions relating to terrorist financing, see Independent Sector et al. 2004, Burgett 2009) that dramatically affected their ability to respond to the new priorities and international realities. Finally and with the proviso that available data are not recent enough to make definitive predictions yet, we analyze the initial reactions of international grantmakers to the global financial crisis, as well as the emerging effects that the crisis-induced drop in trade, diminishing foreign direct investment, reduced remittance flows and volatility of overseas development assistance will have on the Global South’s poorest countries (te Velde, 2008, World Bank, 2009), and the resulting new demands and priorities that will shape international grantmaking in the future.

Select Literature:


Title: The Contribution of United States Foundations to International Relations, 1919-1991

Panel paper proposed for the Ninth International Conference of ISTR
Kadir Has University, Istanbul, Turkey, July 7-10, 2010

Abstract:
This paper examines the emergence and institutionalization of international philanthropy among American foundations in the period from the end of WWI to the end of the Cold War. It challenges conventional accounts of the relationship between the U.S. state and foundations in the area of international philanthropy, stressing the extent to which state expansion, notably in the post-WWII period, produced significant changes in the structure of international grantmaking and in foundations' conceptions of their international roles. It also highlights the impact on international philanthropy of the expanding regulatory role of state agencies during the post-WWII period, and the growing antagonism between foundations and the state during the Cold War, even as foundations adapted their grantmaking to reflect Cold War logics.

The historical contribution of international foundations to society can be measured by the institutions and ideas they helped to create during the short twentieth century. Large swaths of the institutional landscape that we now take for granted in addressing international concerns in the sciences, in higher education, in public policy, are the product of international foundation support. So are many of the ideas that continue to shape public and official debate about the prospects for advancing the aims of international security, economic development, public health, and civic engagement. These represent the enduring legacy of the early foundation leaders who believed in the possibilities of global order and the importance of international institutions. Their contribution, moreover, was as much a result of the broader liberal and cosmopolitan worldview they helped to construct through their grant making than it was the product of any particular grant or program. They expressed and helped to popularize a distinctly modern conception of social problems as tractable, as having "root causes" that experts could identity and, through the application of their particular expertise, overcome. Foundations reflected a vision of global security anchored in mutual understanding, knowledge, and shared interests. An end to disease, poverty, and war, the triple scourge of modern civilization, was not only imaginable but feasible and thus demanded the urgent attention of the world’s best minds. The benefits of market and state were understood and valued, but tempered by an appreciation for their limits and their capacity to disrupt and destabilize societies. If foundation roles and power have often been exaggerated along lines both critical and laudatory they can, in their role as midwives of the postwar global order, rightly lay claim to a prominent role in the making of the twentieth century.

Select Literature:


“Foundations and Public Policy”

A Paper Proposal for the ISTR Conference, 2010, Istanbul, Turkey

The broad restructuring of the American state, together with the evolution of public policy toward foundations and the nonprofit sector in general, are changing the capacity of foundations to support policy reform, innovation, and social change. Foundations operate in an increasingly complex environment that reflects the diversification of American government’s “policy tools.” For operating nonprofit organizations, such “policy tools” include contracting with nonprofit and for-profit organizations, tax deductions and credits, loans, and bonds. For foundations, such tools have long included the tax deductibility of donations, which promotes the creation of foundations, as well as from the greatly reduced tax on foundation assets. More recently, some foundations have partnered with public entities to support low-income housing or economic development through local community organizations, or conservation goals through land trusts. And as government funding and private purchases of service have diversified the sources of nonprofit income, foundations have been forced to re-evaluate their grantees and pay more attention to public policy.

The greater complexity of the organizational and funding environment reflects significant shifts in citizen and donor attitudes. For example, the United Way has instituted a policy of “donor choice” which offers donors much greater control over the destination of their donation than was previously the case. Donor-advised funds, often located within community foundations, are designed to give donors greater control over than donations. And, the venture philanthropy movement is predicated in part on the idea that donors should have much more direct engagement with their grantee organizations than is typical with traditional foundations. More broadly, the movement for greater donor choice and involvement reflects the widespread concern among policymakers, foundation and nonprofit leaders, and scholars of public and nonprofit management about the need to be more responsive to citizens. This increasingly diverse and complicated organizational and policy environment, as well as the steep recent drop in the value of foundation assets, challenges foundations to craft new strategies to respond to urgent public problems. In many cases it has become more difficult for foundations to identify a distinctive niche or role in their funding of specific agencies. Foundations have responded to this changed policy environment in several ways. They have increased emphasis on evaluation. They have made deliberate efforts to influence public policy. They have collaborated with government to support new program initiatives. Foundations have also undertaken to build nonprofit capacity.

This paper focuses on this intersection between foundations and public policy. It is structured as follows: it begins with a general discussion on the restructuring of government and its impact on foundations, followed by an analysis of the increasingly mixed organizational environment government has created. The third section addresses the policy and management challenges facing foundations. A concluding section suggests ways for foundations to rethink their roles and relationships to government and public policy.

Select Literature:


