The Billions of Dollars That Made Things Worse

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If the practical visionaries who established America’s great philanthropic foundations could see their legacy today, they might regret their generosity. Once an agent of social good, those powerful institutions have become a political battering ram targeted at American society. You can instantly grasp how profoundly foundations have changed by comparing two statements made by presidents of the Carnegie Corporation just a generation apart. In 1938 the corporation commissioned a landmark analysis of black-white relations from sociologist Gunnar Myrdal; the result, An American Dilemma, would help spark the civil rights movement. Yet Carnegie president Frederick Keppel was almost apologetic about the foundation’s involvement with such a vexed social problem: “Provided the foundation limits itself to its proper function,” Keppel wrote in the book’s introduction, “namely, to make the facts available and then let them speak for themselves, and does not undertake to instruct the public as to what to do about them, studies of this kind provide a wholly proper and sometimes a highly important use of [its] funds.”

Three decades later, Carnegie president Alan Pifer’s 1968 annual report reads like a voice from another planet. Abandoning Keppel’s admirable restraint, Pifer exhorts his comrades in the foundation world to help shake up “sterile institutional forms and procedures left over from the past” by supporting “aggressive new community organizations which . . . the comfortable stratum of American life would consider disturbing and perhaps even dangerous.” No longer content to provide mainstream knowledge dispassionately, America’s most prestigious philanthropies now aspired to revolutionize what they believed to be a deeply flawed American society.

The results, from the 1960s onward, have been devastating. Foundation-supported poverty advocates fought to make welfare a right—and generations have grown up fatherless and dependent. Foundation-funded minority advocates fought for racial separatism and a vast system of quotas—and American society remains per-

The Edna McConnell Clark Foundation funded a lawsuit that led to deinstitutionalization, a prime cause of homelessness.
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The issue of race. On most campuses today, a foundation-endowed multicultural circus has driven out the very idea of a common culture, deriding it as a relic of American imperialism. Foundation-backed advocates for various “victim” groups use the courts to bend government policy to their will, thwarting the democratic process. And poor communities across the country often find their traditional values undermined by foundation-sent “community activists” bearing the latest fashions in diversity and “enlightened” sexuality. The net effect is not a more just but a more divided and contentious American society.

Not all foundations adopted the cause of social change, of course; but the overwhelmingly “progressive” large foundations set the tone for the entire sector—especially such giants as Ford, which got radicalized in the sixties, and Rockefeller and Carnegie, which followed suit in the seventies. Such foundations wield enormous financial might: a mere 2 percent of all foundations (or 1,020) provide more than half of the approximately $10 billion that foundations now give away each year, and in 1992 the 50 largest foundations accounted for more than one-quarter of all foundation spending. Though some conservative foundations have recently risen to prominence, Smith College sociologist Stanley Rothman has found that liberal foundations still outnumber conservative ones three to one, and that liberal policy groups receive four times as much foundation money and four times as many grants as their conservative counterparts. The Ford Foundation gave $42 million in grants to education and culture alone in 1994, while the Olin Foundation, the premier funder of conservative scholarship on campus, spent only $13 million on all its programs, educational and noneducational. Understanding the impact of foundations on American culture so far, therefore, means concentrating on the liberal leviathans.

In their early, heroic period, foundations provided a luminous example of how private philanthropy can improve the lives of millions around the world. Key institutions of modern American life—the research university, the professional medical school, the public library—owe their existence to the great foundations, which had been created in the modern belief that philanthropy should address the causes rather than the effects of poverty.

There was no more articulate exponent of the new philanthropic philosophy than Andrew Carnegie, a self-educated Scot who rose from impoverished bobbin boy in a textile mill to head America’s largest coal and steel complex. He elaborated his theory of “scientific philanthropy,” a capitalist’s response to Marx’s “scientific socialism,” in The Gospel of Wealth (1889), an eloquent testament and a stinging rebuke to many a contemporary foundation executive.

The growing abyss between the vast industrial fortunes and the income of the common laborer, Carnegie argued, was the inevitable result of the most beneficial economic system that mankind had ever known. The tycoon, however, merely held his fortune in trust for the advancement of the common good; moreover, he should give away his wealth during his lifetime, using the same acumen that he showed in making it. The scientific philanthropist will target his giving to “help those who will help themselves,” creating institutions through which those working poor with a “divine spark” can better themselves economically and spiritually. The “slothful, the drunken, [and] the unworthy” were outside his scheme: “One man or woman who succeeds in living comfortably by begging is more dangerous to society, and a greater obstacle to the progress of humanity, than a score of wordy Socialists,” he pronounced.

Starting in 1901, Carnegie threw himself full-time into practicing what he preached. He created one of the greatest American institutions for social mobility: the free public library, which he built and stocked in nearly 2,000 communities. He established the Carnegie Institute of Technology (now the Carnegie Mellon University); the Carnegie Foundation for the Advancement of Teaching, to provide pensions for all college teachers; a museum; a scientific research institute; a university trust; Carnegie Hall in New York; [and] the Brumish Fund for New York Journalism.
York City; the World Court building in the Hague; and a host of other major institutions. A Carnegie-commissioned report on medical education revolutionized medical training, sparking reforms that would give the U.S. the greatest medical schools in the world. Even so, his wealth grew faster than he could give it away. Finally, "in desperation," according to his biographer, he created the Carnegie Corporation in 1911.

During the early years of this century, the press kept tabs on a remarkable philanthropic rivalry: would Andrew Carnegie or John D. Rockefeller give away the most money? Rockefeller created overnight the great University of Chicago from a third-rate Baptist college in 1892. He established the renowned Rockefeller Institute for Medical Research and supported the education of Southern blacks. But he, too, could not make donations fast enough. So in 1909 he endowed a foundation that, in conjunction with the Rockefeller Institute, made medical history—eradicating hookworm here and abroad, establishing the first major schools of public health, developing the yellow fever vaccine, controlling a new strain of malaria, and reducing infant typhus epidemics. In later years the Rockefeller Foundation contributed to discoveries in genetics, biophysics, biochemistry, and in medical technologies like spectroscopy, X-rays, and the use of tracer elements.

But the "scientific philanthropy" articulated by Rockefeller's personal advisor, Frederick Gates, contained a crucial—and ultimately destructive—innovation. The value of a foundation, Gates argued, was that it moved the disposition of wealth from the control of the donor into the hands of "experts"—precisely the opposite of Carnegie's view that the person who made the money would be its wisest administrator. Eventually, this transfer of control yielded the paradox of funds made by laissez-faire capitalists being used for the advocacy of a welfare state. Even during Rockefeller's lifetime, Gates's doctrine produced some odd moments. In 1919 Rockefeller prophetically wrote to his lawyer: "I could wish that the education which some professors furnish was more conducive to the most sane and practical and possible views of life rather than drifting... toward socialism and some forms of Bolshevism." But Rockefeller's attorney countered that donors should not try to influence teaching—or even consider a university's philosophy in funding it. The subsequent history of academia has proved the folly of that injunction, which Rockefeller unfortunately obeyed.

When the Ford Foundation flowered into an activist, "socially conscious" philanthropy in the 1960s, it sparked the key revolution in the foundation worldview: the idea that foundations were to improve the lot of mankind not by building lasting institutions but by challenging existing ones. Henry Ford and his son Edsel had originally created the foundation in 1936 not out of any grand philanthropic vision but instead to shelter their company's stock from taxes and to ensure continued family control of the business. When the foundation came into its full inheritance of Ford stock, it became overnight America's largest foundation by several magnitudes. Its expenditures in 1954 were four times higher than second-ranked Rockefeller and ten times higher than third-ranked Carnegie.

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From its start, Ford aimed to be different, eschewing medical research and public health in favor of social issues such as First Amendment restrictions and undemocratic concentrations of power, economic problems, world peace, and social science. Nevertheless, Andrew Carnegie himself might have applauded some of Ford's early efforts, including the "Green Revolution" in high-yielding crops and its pioneering program to establish theaters, orchestras, and dance and opera companies across the country. But by the early 1960s, the trustees started clamoring for a more radical vision; according to Richard Magat, a Ford employee, they demanded "action-orient-
ed rather than research-oriented” programs that would “test the outer edges of advocacy and citizen participation.”

The first such “action-oriented” program, the Gray Areas project, was a turning point in foundation history and—because it was a prime mover of the ill-starred War on Poverty—a turning point in American history as well. Its creator, Paul Ylvisaker, an energetic social theorist from Harvard and subsequent icon for the liberal foundation community, had concluded that the problems of newly migrated urban blacks and Puerto Ricans could not be solved by the “old and fixed ways of doing things.” Because existing private and public institutions were unresponsive, he argued, the new poverty populations needed a totally new institution—the “community action
agency—to coordinate legal, health, and welfare services and to give voice to the poor. According to Senator Daniel Patrick Moynihan, an early poverty warrior under Presidents Kennedy and Johnson, Ford "proposed nothing less than institutional change in the operation and control of American cities....[Ford] invented a new level of American government: the inner-city community action agency." Ylvisaker proceeded to establish such agencies in Boston, New Haven, Philadelphia, and Oakland.

Most significantly, Gray Areas' ultimate purpose was to spur a similar federal effort. Ford was the first—but far from the last—foundation to conceive of itself explicitly as a laboratory for the federal welfare state. As Ylvisaker later explained, foundations should point out "programs and policies, such as social security, income maintenance, and educational entitlement that convert isolated and discretionary acts of private charity into regularized public remedies that flow as a matter of legislated right." In this vein, the foundation measured the success of Gray Areas by the number of federal visitors to the program's sites, and it declared the passage of the Economic Opportunity Act of 1964, which opened the War on Poverty and incorporated the Ford-invented community action agencies, to be Gray Areas' "proudest achievement."

Unfortunately, because it was so intent on persuading the federal government to adopt the program, Ford ignored reports that the community action agencies were failures, according to historian Alice O'Connor. Reincarnated as federal Community Action Programs (CAPs), Ford's urban cadres soon began tearing up cities. Militancy became the mark of merit for federal funders, according to Senator Moynihan. In Newark, the director of the local CAP urged blacks to arm themselves before the 1967 riots; leaflets calling for a demonstration were run off on the CAP's mimeograph machine. The federal government funneled community action money to Chicago gangs posing as neighborhood organizers—who then continued to terrorize their neighbors. The Syracuse, New York, CAP published a remedial reading manual that declared: "No ends are accomplished without the use of force....Skepticism about force is the mark not of idealistic, but moonstruck morals." Syracuse CAP employees applied $7 million of their $8 million federal grant to their own salaries.

Ford created another of the War on Poverty’s most flamboyant failures—Mobilization for Youth, a federally funded juvenile delinquency agency on...
Manhattan's Lower East Side that quickly expanded its sights from providing opportunity to minority youth to bringing down the "power structure." Home base for the welfare-rights movement, the Mobilization for Youth aimed to put so many people on welfare that the state and city's finances would collapse. Its techniques included dumping dead rats on Mayor Robert Wagner's doorstep and organizing Puerto Rican welfare mothers for "conflict confrontations" with local teachers.

These programs were just warm-ups, however. When McGeorge Bundy, former White House national security advisor, became Ford's president in 1966, the foundation's activism switched into high gear. Bundy reallocated Ford's resources from education to minority rights, which in 1960 had accounted for 2.5 percent of Ford's giving but by 1970 would soar to 40 percent. Under Bundy's leadership, Ford created a host of new advocacy groups, such as the Mexican-American Legal Defense and Educational Fund (a prime mover behind bilingual education) and the Native American Rights Fund, that still wreak havoc on public policy today. Ford's support for a radical Hispanic youth group in San Antonio led even liberal congressman Henry B. Gonzales to charge that Ford had fostered the "emergence of reverse racism in Texas."

Incredibly, foundation officers believed that Ford's radicalization merely responded to the popular will. As Francis X. Sutton, a longtime Ford staffer, reminisced in 1989: "It took the critical populist upsurge at the end of the sixties to weaken faith that the foundation's prime vocation lay in helping government, great universities, and research centers . . . . As the sixties wore on, the values of the New Left spread through American society and an activistic spirit entered the foundation that pulled it away from its original vision of solving the world's problems through scientific knowledge." The notion that the 1960s represented a "populist upsurge," or that New Left values bubbled up from the American grassroots rather than being actively disseminated by precisely such rich, elite institutions as the Ford Foundation, could only be a product of foundation thinking.

The most notorious Bundy endeavor, the school decentralization experiment in the Ocean Hill-Brownsville section of Brooklyn, changed the course of liberalism by fracturing the black-Jewish civil rights coalition and souring race relations in New York for years afterward. Bundy had led a mayoral panel under John Lindsay that recommended giving "community control" over local public school districts to parents. The panel's report, written by a Ford staffer, claimed that New York's huge centralized school system was not sufficiently accountable to minority populations. Black and Puerto Rican children could not learn or even behave, the report maintained, unless their parents were granted "meaningful participation" in their education. Translation: parents should hire and fire local teachers and school administrators.

Ford set about turning this theory into reality with utmost clumsiness. It chose as the head of its $1.4 million decentralization experiment in three Brooklyn school districts a longtime white-hater, Rhody McCoy, who dreamed of creating an all-black school system, right up through college, within the public schools. McCoy was a moderate, however, compared to the people he tapped as deputies. Although the school board blocked his appointment of a militant under indictment for conspiracy to murder, he did manage to hire Les Campbell, the radical head of the Afro-American Teachers Association, who organized his school's most violent students into an anti-Semitic combat force. According to education scholar Diane Ravitch, McCoy had an understanding with racist thug Sonny Carson that Carson's "bodyguards" would intimidate white teachers until McCoy would diplomatically call them off.
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Ford's experimental school districts soon exploded with anti-Semitic black rage, as militants argued that black and Puerto Rican children failed because Jewish teachers were waging "mental genocide" on them. The day after Martin Luther King's assassination, students at a junior high school rampaged through the halls beating up white teachers, having been urged by Les Campbell to "[slend whitey] to the graveyard" if he "taps you on the shoulder."

When the teachers' union struck to protest the illegal firing of 19 teachers deemed "hostile" to decentralization, parent groups, mostly Ford-funded, responded with hostile boycotts. McCoy refused to reinstate the 19 teachers, though ordered by the school board to do so. While teachers at one school found an anti-Semitic screed in their mailboxes, calling Jews "Blood-sucking Exploiters and Murderers" and alleging that "the So-Called Liberal Jewish Friend ... is Really Our Enemy and He is Responsible For the Serious Educational Retardation of Our Black Children." McCoy refused to denounce the pamphlet or the anti-Semitism behind it. Nor did Ford publicly denounce such tactics—or take responsibility after the fact. McGeorge Bundy later sniffed self-righteously: "If private foundations cannot assist experiments, their unique role will be impaired, to the detriment of American society." But if the experiment goes awry, the foundation can saunter off, leaving the community to pick up the pieces.

Dean Rusk, president of the Rockefeller Foundation in the late 1950s, once described Ford's influence on other foundations: What the "fat boy in the canoe does," he said, "makes a difference to everybody else." And Ford's influence was never stronger than after it adopted the cause of social change. Waldemar Nielsen's monumental studies of foundations, published in 1972 and 1985, only strengthened the Ford effect, for Nielsen celebrated activist philanthropy and berated those foundations that had not yet converted to the cause. "As a result," recalls Richard Larry, president of the Sarah Scaife Foundation, "a number of foundations said: 'If this is what the foundation world is doing and what the experts say is important, we should move in that direction, too.'" The Rockefeller Brothers Fund, for example, funded the National Welfare Rights Organization—at the same time that the organization was demonstrating against Governor Nelson Rockefeller of New York. The Carnegie Corporation pumped nearly $20 million into various left-wing advocacy groups during the 1970s.

Many foundations had turned against the system that had made them possible, as Henry Ford II recognized when he quit the Ford Foundation board in disgust in 1977. "In effect," he wrote in his resignation letter, "the foundation is a creature of capitalism, a statement that, I'm sure, would be shocking to many professional staff people in the field of philanthropy. It is hard to discern recognition of this fact in anything the foundation does. It is even more difficult to find an understanding of this in many of the institutions, particularly the universities, that are the beneficiaries of the foundation's grant programs."

Did Ford exaggerate? Not according to Robert Schrank, a Ford program officer during the 1970s and early 1980s. Schrank, a former Communist, recalls the "secret anti-capitalist orientation" of his fellow program officers. "People were influenced by the horror stories we Marxists had put out about the capitalist system," he says; "it became their guidance."

Naturally, Henry Ford's resignation had no effect; the doctrine of independence from the donor had taken full root. As McGeorge Bundy coolly remarked: "He has a right to expect people to read his letter carefully, but I don't think one letter from anyone is going to change the foundation's course."

Today, the full-blown liberal foundation worldview looks like this.

First, white racism is the cause of black and Hispanic social problems. In 1982, for example, Carnegie's Alan Pifer absurdly accused the country of tolerating a return to "legalized segregation of the races." The same note still sounds in Rockefeller president Peter C. Goldmark Jr.'s assertion, in his 1995 annual report, that we
"urgently need ... a national conversation about race ... to talk with candor about the implications of personal and institutional racism."

Second, Americans discriminate widely on the basis not just of race but also of gender, "sexual orientation," class, and ethnicity. As a consequence, victim groups need financial support to fight the petty-mindedness of the majority.

Third, Americans are a selfish lot. Without the creation of court-enforced entitlement, the poor will be abused and ignored. Without continuous litigation, government will be unresponsive to social needs.

Fourth, only government can effectively ameliorate social problems. Should government cut welfare spending, disaster will follow, which no amount of philanthropy can cure.

And finally, as a corollary to tenet four, at heart, most social problems are economic ones. In the language of foundations, America has "disinvested" in the poor. Only if the welfare state is
expanded into "new areas of need," to quote Fifer, will the poor be able to succeed.

This worldview is particularly noticeable in three key areas of foundation funding: the dissemination of diversity ideology, the "collaboratives" movement in community development, and public interest litigation and advocacy.

A worry for the liberal foundations in the 1970s, "diversity" became an all-consuming obsession in the 1980s. Foundation boards and staffs got

"diversified," sometimes producing friction and poor performance. "Foundations were so anxious to show that they, too, had their black and Puerto Rican that hiring decisions entailed mediocrity," says Gerald Freund, a former program officer with the Rockefeller and MacArthur foundations.

Some foundations, led by Ford, started requiring all grant applicants to itemize the racial and gender composition of their staff and trustees, sometimes to their great bewilderment. One organization dedicated to Eastern Europe was told that its funder expected more minorities on its board. No problem, replied a charmingly naive European ambassador; how about a Kurd or Basque trustee? He soon learned that that is not what funders mean by "minorities." Organizations that already represent a minority interest—an Asian organization, say—might be told to find an American Indian or a Hispanic board member. "It is stunning to me," laments the executive director of one of Washington's most liberal policy groups, "that it is no longer crucially important whether my organization is succeeding; the critical issue is the color complexion of my staff." Universities have proved unswervingly devoted soldiers in the foundations' diversity crusade. It was in the sixties that Ford put its money behind black studies, setting up a model for academic ghettoization that would be repeated endlessly over the next 30 years. Today, many universities recall the Jim Crow South, with separate dorms, graduation ceremonies, and freshman initiation programs for different ethnic groups, in a gross perversion of the liberal tradition. Students in foundation-funded ethnic studies courses learn that Western culture (whose transmission is any university's principal reason for existence) is the source of untold evil rather than of the "rights" they so vociferously claim.

Lavishly fertilized with foundation money, women's studies—those campus gripe sessions peppered with testimonials to one's humiliation at the hands of the "patriarchy"—debased the curriculum further into divisive victimology. From 1972 to 1992, women's studies received $36 million from Ford, Rockefeller, Carnegie, Mott, and Mellon, among others. Foundation-funded research centers
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on women, such as the Center for Research on Women at Wellesley College, established with Carnegie money, sprang up on campuses nationwide. The Wellesley Center's most visible accomplishment is the wildly influential—and wholly spurious—report "How Schools Shortchange Girls," which claims that secondary education subjects girls to incessant gender bias. Not to be outdone, Ford produced a multilingual translation of the report for distribution at the Beijing global women's conference. Rockefeller, taking diversity several steps further, funds humanities fellowships at the University of Georgia for "womanists"—defined as "black feminists or feminists of color"—and supports the City University of New York's Center for Lesbian and Gay Studies.

Not content with setting up separate departments of ethnic and gender studies, foundations have poured money into a powerful movement called "curriculum transformation," which seeks to inject race, gender, and sexual consciousness into every department and discipline. A class in biology, for example, might consider feminine ways of analyzing cellular metabolism; a course in music history might study the hidden misogyny in Beethoven's Ninth Symphony—actual examples. One accomplishment of the curricular transformationists is to distinguish bad, "masculine" forms of thinking (logic, mathematics, scientific research) from good, "feminine" forms, which subordinate the search for right answers to "inclusiveness" and "wholeness." At the University of Massachusetts, Boston, the recipient of a Ford curriculum transformation grant, a course is not culturally diverse if it addresses "gender" one week and "social class" the next, according to the university's diversity coordinator. "We'd want the issues of diversity addressed every week," she says. Edgar Beckham, a program officer in charge of Ford's Campus Diversity Initiative, lets his imagination run wild in describing the enormous reach of diversity: "Every domain of institutional activity might be involved," he says—"buildings, grounds, financial aid." No domain, in other words, is safe from foundation intervention.

The big foundations pursue identity politics and multiculturalism just as obsessively in the performing and fine arts. Gone are the days when Ford's W. McNeil Lowry, described by Lincoln Kirstein as "the single most influential patron of the performing arts the American democratic system has ever produced," collaborated with such artists as Isaac Stern to find new talent. The large foundations now practice what Robert Brustein, director of the American Repertory Theater, calls "coercive philanthropy," forcing arts institutions to conform to the foundations' vision of a multicultural paradise—one that, above all else, builds minority self-esteem.

Foundations talk a good game of inclusion, but when it comes to artistic grant-making, their outlook is color-coded. I asked Robert Curvin, vice president for communications at Ford, what would be so wrong about giving a black child the tools to appreciate, say, a Schubert song. He replied that "all art and expression begins with one's own culture." "Traditionally," he added, "we did not recognize the tremendous value in Congo drums. Now, we can't easily make these judgments [among different artistic forms]." Maybe not. But the view that black children are inherently suited for Congo drums seems patronizing and false. Aren't American blacks as much the rightful heirs of the Western artistic tradition as other Americans?

Alison Bernstein, director of Ford's education and culture division, crystallized the liberal foundation perspective at the end of my interview with her. She had recently attended the New York City Ballet, where the audience, she noted, was "all white." Yet the success among blacks of Bring in 'da Noise, Bring in 'da Funk, the Tony-winning rap and tap tour through the history of black oppression, she said, shows that the "minority audience is out there." Why, she asked, isn't the New York City Ballet commissioning a work from Savion Glover, the tap prodigy behind Bring in 'da Noise? In other words, we can only expect blacks to come to the ballet for "black" choreography. In W. McNeil Lowry's time, her question would have been, how can we help minority students enjoy classical ballet, which will enrich them as human beings?

The second focus of the foundations' liberal zeal, the so-called "collaboratives" movement in com-
Community development, is emblematic of the 30-year-long foundation assault on the bourgeois virtues that once kept communities and families intact. The idea behind this movement, which grows out of the failed community action programs of the 1960s, is that a group of "community stakeholders," assembled and funded by a foundation, becomes a "collaborative" to develop and implement a plan for community revitalization. That plan should be "comprehensive" and should "integrate" separate government services, favorite foundation mantras. To the extent this means anything, it sounds innocuous enough, and sometimes it. But as with the foundations' choice of community groups in the 1960s, the rhetoric of "community" and local empowerment is often profoundly hypocritical.

The Annie E. Casey Foundation's teen pregnancy initiative called Plain Talk is a particularly clear—and painful—example of the moral imperialism with which foundations impose their "progressive" values on hapless communities. In its early years, the foundation, the product of the I&i&d Parcel Service fortune, ran its own foster care and adoption agency. But when its endowment ballooned in the 1980s, the foundation jumped into the already crowded field of "social change."

Plain Talk set out to reduce unwanted teen pregnancies not by promoting abstinence but by "encouraging local adults to engage youth in frank and open discussions regarding sexuality," in the words of the project's evaluation report, and by improving teens' access to birth control. In Casey's view, the real cause of teen pregnancies is that "adults"—note, not "parents"—haven't fully acknowledged adolescent sex or accepted teens' need for condoms.

The only problem was that the values of Plain Talk were deeply abhorrent to several of the communities (often immigrant) that Casey targeted. Incredibly, Casey regarded this divergence as a "barrier" to, rather than a source of, diversity. The evaluation report, prepared by Public/Private Ventures, a youth advocacy organization, refers with obvious disgust to the "deep-rooted preference for abstinence and the desire to sugarcoat the Plain Talk message that resurfaced repeatedly.... Stated simply," the report sighs, "the less assimilated, more traditional Latino and Southeast Asian cultures regard premarital sex among teenagers as unacceptable. They tend to deny that it occurs in their community and do not feel it is appropriate to discuss sex openly with their children." Foundation-approved diversity is only skin-deep: Asians and Hispanics qualify only if they toe the ideological line.

Project leaders were determined to stamp out all public expressions of dissent. When members of one collaborative were heard making "judgmental" statements about teen sexuality—in other words, that teens should not have sex—Casey recommended a "values-clarification workshop" with the Orwellian goal of teaching members how to "respect their differences." Likewise, when a young male member of the San Diego collaborative brought a homemade banner for a local parade that read "Plain Talk: Say No to Sex," the project manager promptly initiated a two-hour "team discussion" that eventually pressured the boy to accept a new banner: "Plain Talk: Say No to AIDS." Chastity isn't part of the agenda.

In the struggle between a massive colonizing force and small communities valiantly trying to hold on to their beliefs, there was never any question which side would triumph. Casey had millions of dollars; the communities just had their convictions. The evaluation states unapologetically that the "struggle" to force residents to accept Plain Talk goals was "long and sometimes painful." But eventually, says the report, people came to "recognize that while their personal beliefs are valid and acceptable, they must be put aside for the sake of protecting youth."
Plain Talk’s moral imperialism might be easier to swallow were there any evidence that increasing condom availability and legitimating teen sex reduced teen pregnancy. But as such evidence does not exist, Casey’s condescension toward immigrants’ “deeply-rooted ways of thinking” about teen sexuality, ways that for centuries kept illegitimacy at low levels, leaves a particularly bad taste.

For all its self-congratulation for having involved residents in planning “social change ... appropriate to the conditions in their particular communities,” as the evaluation puts it, Plain Talk gives the lie to the central myth of all such community initiatives: that they represent a grassroots movement. The San Diego collaborative was led by a woman the evaluation report calls an “experienced sexuality educator with a special interest in AIDS awareness and prevention, ... respected within the influential circle of community activists and agency representatives.” The foundation couldn’t have come up with an occupation more repugnant to the local churchgoing, Latino residents. But the “community leaders” favored by foundations do not represent the community; they represent the activists.

Yet for all its bold embrace of teen sexuality, Plain Talk was curiously unable to act on its own premises. At a Plain Talk retreat in Atlanta, rumors flew of a “sexual encounter” among teens who apparently had absorbed the Plain Talk message far too well. But rather than asking non-judgmentally, “Did you use condoms?” or offering to provide condoms for the next orgy, the adults tried to squelch the rumors, realizing they would be fatal for the reputation of the initiative. They also attempted to establish a curfew for the next retreat, igniting weeks of battle from the teens. Adolescent “empowerment,” once out of the bottle, is hard to put back in.

The collaborative movement suffers from another shortcoming: a foundation planning a collaborative doesn’t have the slightest idea what exactly the collaborative is supposed to do or what its source of authority will be. Take Casey’s inaugural project in social change, called New Futures. The astounding theory behind the initiative, echoing Ford’s Gray Areas program, was that the greatest problem facing inner-city chil-
dren is the discrete nature of government services such as education and health care. Not until all social programs are integrated can we expect children to stay in school, learn, and not have babies, reasoned the foundation. Accordingly, Casey gave five cities an average of $10 million each over five years to form a collaborative consisting of leaders from business, social service agencies, schools, and the community to lead the way toward "comprehensive," integrated services for junior high students.

No one, not even the foundation officers who cooked up the idea, knew what such services would look like. Casey's mysterious pronouncements, such as a suggestion to "integrate pregnancy prevention, education, and employment strategies," left the local groups as befuddled as...
before. The "area of greatest difficulty," concludes the New Futures evaluation report in particularly opaque foundationese, "appeared to be translating crossagency discourse into tangible operational reform that would improve the status of youth"—in other words, the project was meaningless. A Ford project for comprehensive collaborative development ran into the same difficulty of making sense of its mission. "The notion of 'integrated, comprehensive development' is a conceptual construct not easily translated into active terms," states the first-year evaluation poignantly. "Participants have struggled with what, exactly, is meant by the term." If foundation officers thought in concrete realities, not in slogans, they'd have no trouble recognizing the silliness of the idea that "categorical services" are holding children back, when for centuries schools have concentrated solely on education, hospitals solely on health care, and employers solely on business, without untoward results for the young.

Little wonder that New Futures made things worse, not better. The project's "case managers," who were supposed to coordinate existing services for individual children, yanked their young "clients" out of class for a 20-minute chat every week or so, sending the clear message that the classroom was not important. Students in the program ended up with lower reading and writing scores, higher dropout and pregnancy rates, and no better employment or college prospects than their peers.

The third significant area of funding, public interest litigation and advocacy, embodies the foundations' longstanding goal of producing "social change" by controlling government policy. Foundations bankroll public interest law groups that seek to establish in court rights that democratically elected legislatures have rejected. Foundations thus help sustain judicial activism by supporting one side of the symbiotic relationship between activist judges and social-change-seeking lawyers.

Foundations have used litigation to create and expand the iron trap of bilingual education; they have funded the perversion of the Voting Rights Act into a costly instrument of apartheid; and they lie behind the transformation of due-process rights into an impediment to, rather than a guarantor of, justice. Foundation support for such socially disruptive litigation makes a mockery of the statutory prohibition on lobbying, since foundations can effect policy changes in the courts, under the officially approved banner of "public interest litigation," that are every bit as dramatic as those that could be achieved in the legislature.

These days, however, foundation-supported lawyers defend the status quo as often as they seek to change it; after all, foundations helped create that status quo. Foundation money is beating back efforts to reform welfare, through such Washington-based think tanks as the Center for Law and Social Policy and the Center on Budget and Policy Priorities, whose director won a MacArthur "genius" award in 1996. The Ford Foundation, the Public Welfare Foundation, the Norman Foundation, and others support the Center for Social Welfare Policy and Law in New York City, a law firm that represented the National Welfare Rights Organization during the 1960s and 1970s, when that organization was conducting its phenomenally successful campaign to
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legitimate welfare and encourage its spread. Today, the center is using Ford money to sue New York City over its long overdue welfare anti-fraud program. The suit apocalyptically accuses the city of depriving needy people of the "sole means available to them to obtain food, clothing, housing and medical assistance," as if welfare were the world's only conceivable means of support.

Liberal foundations are straining to block popular efforts to change the country's discriminatory racial quota system. The Rockefeller Foundation and scores of other like-minded foundations are pumping millions into the National Affirmative Action Consortium, a potpourri of left-wing advocacy groups including the NAACP Legal Defense and Educational Fund, the Mexican-American Legal Defense and Educational Fund, the National Women's Law Center, and the Women's Legal Defense Fund. The consortium will undertake a "public education campaign" to defeat the California Civil Rights Initiative, the groundbreaking ballot measure that would allow ordinary people for the first time in history to vote on affirmative action. If passed, the measure would return California to the color-blind status intended by the federal Civil Rights Act of 1964.

The Edna McConnell Clark Foundation is among the staunchest foundation supporters of litigation and advocacy. David Hall McConnell, Edna's father, was a traveling book salesman who enticed customers with a free bottle of homemade perfume. When the perfume proved more popular than the books, the entrepreneurial McConnell started a perfume company in 1886 that became the world's largest cosmetic manufacturer, Avon. For its first 20 years, the Edna McConnell Clark Foundation supported such institutions as Lincoln Center, Smith College and Cornell University (to which it donated science buildings), the Columbia-Presbyterian Hospital, and the Woods Hole Oceanographic Institute. But in the 1970s the foundation, herded by its new professional managers, joined the stampede into activism.

No other foundation has had as dramatic an impact in shaping the debate over crime and punishment. Says Frank Hartman, executive director of the Kennedy School of Government: "I don't know what the conversation would be like in [Clark's] absence." The foundation has bankrolled the wave of prisoners' rights suits that have clogged the courts. But more important, Clark has tirelessly sponsored the specious notion that the U.S. incarcerates too many harmless criminals. In 1991 the Clark-supported Sentencing Project published a comparative study criticizing high U.S. incarceration rates, which sociologist Charles Logan likens to an "undergraduate term paper—one that was badly done." Nevertheless, the study was on page one of newspapers across the country, fueling editorials and congressional speeches about America's misguided prison policies. As Logan remarks, "Foundations are propaganda machines; that is the basis of their success."

The foundation also promotes the theme that American justice is profoundly racist. It supports the Equal Justice Institute in Alabama, which sues on behalf of prisoners claiming victimization by race. The Clark-funded Sentencing Project promotes the proposed federal Racial Justice Act, which would impose racial ceilings on sentencing. By injecting race into the debate over crime, McConnell Clark is doing a great public disservice. In an era of jury nullification on the basis of racial sympathy, white racism hardly seems the criminal justice system's major problem. [See "My Black Crime Problem, and Ours," City Journal, Spring 1996.] Moreover, the first thing you will hear in any inner-city neighborhood is "Get the dealers off the streets," not "The penalties for dealing crack are discriminatory."

The McConnell Clark Foundation has one spectacular success to show for its effort to change government policies: it has helped make New York City's homeless policies the most irrational in the nation. The foundation has funded the Legal Aid Society's Homeless Family Rights Project, which has been suing the city for over a decade to require immediate housing of families claiming homelessness in a private apartment with cooking facilities. Should the city fail to place every family that shows up at its doorstep within 24 hours (a
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requirement without parallel in any other city in the U.S.), Legal Aid sues for contempt, penalties, and—of course—legal fees, on top of the $200,000 McConnell Clark gives it each year.

The Clark-bankrolled project has found an eager partner in the presiding judge, Helen Freedman, who has hit the city with over $6 million in fines. She has ordered the city to pay every allegedly homeless family that has to stay more than 24 hours in a city intake office between $150 and $250 a night—an extraordinary windfall. James Caporiello, former deputy general counsel in the city's Human Resources Administration, calls the litigation "one of the most asinine instances of judicial misconduct and misuse of the judiciary" he has ever seen. Says one homeless provider in the city: "It is a crime to spend scarce resources for having to sleep on the floor. With $1 million in fines you could run a 50-unit facility for a year."

There is considerable irony to Clark's support for homelessness litigation, since it helped create the problem. According to Waldemar Nielsen, Clark funded one of the lawsuits that led to the deinstitutionalization of the mentally ill, a prima causa of homelessness today. Moreover, Clark bankrolls an array of advocacy groups responsible in large part for New York's tight housing market—groups like New York State Tenant and Neighborhood Information Services, the most powerful advocate for rent regulation in the state. Thanks to such groups, New York is the only city in the country to have maintained rent control continuously since the end of World War II, leading to one of the lowest rates of new housing construction and highest rates of abandonment in the nation.

McConnell Clark also supports organizations that campaign against the city's effort to sell its huge portfolio of tax-defaulted housing, which it operates at an enormous loss. Jay Small, director of one such organization, the Association of Neighborhood Housing Developers, believes that once the city takes title to housing, the property should never revert to private ownership but should become "socially owned." Years after the Soviet collapse, the notion that the city should become a bastion of socialized housing is hardly forward-looking.

For some of the groups McConnell Clark supports, housing is just the opening wedge to a broader transformation of society. "Ultimately, the solution to the housing crisis is to change property relations," argues Small. He explains that he is using "a code word for socialism." Rima McCoy, co-director of the Clark-funded Action for Community Empowerment, also takes an expansive view of social relations. She was asked in 1995 whether housing was a right. The question astounded her. "That anyone could even ask that kind of question—do people have an inalienable right to housing?—is just a product of our current climate," she replied, "which would have the middle class believe that the poor are the source of the current problems in the U.S."

Of course, even within the large liberal foundations, even within so seemingly monolithic a place as the Ford Foundation, there have always been pockets of sanity, where a commonsense approach to helping people and promoting stable communities has reigned. And there are some signs of more recent countercurrents to the prevailing "progressive" ethic—the Ford and Casey foundations, for example, both trumpet their fatherhood initiatives. Yet the impulse toward the activism that over the past 30 years has led the great liberal foundations to do much more harm than good remains overwhelming. In a pathetic statement of aimlessness, the president of a once great foundation recently called up a former Ford poverty fighter to ask plaintively where all the social movements had gone.

The mega-foundations should repress their yearning for activism once and for all. The glories of early twentieth-century philanthropy were produced by working within accepted notions of social improvement, not against them. Building libraries was not a radical act; it envisioned no transformation of property relations or redistribution of power. Andrew Carnegie merely sought to make available to a wider audience the same values and intellectual resources that had allowed him to succeed. Yes, the world has changed since Carnegie's time, but the recipe for successful philanthropy has not.