

— EDITED TRANSCRIPT —



HUDSON INSTITUTE'S
BRADLEY CENTER
FOR PHILANTHROPY
AND CIVIC RENEWAL
presents

"AXIS OF IDEOLOGY," OR EXCESS OF MYTHOLOGY?

A Look at the National Committee for Responsive Philanthropy's Latest
Report on Conservative Foundations and Public Policy

Thursday, March 11, 2004
12:00 – 2:00 p.m.
Hudson Institute, Washington, DC

Researchers of the National Committee for Responsive Philanthropy (NCRP) worked tirelessly for months and years, cataloguing the “conservative cadre in the nonprofit sector”—79 conservative grantmaking institutions, the 350 public policy-oriented nonprofit organizations they support, and their 4,812 public-policy related grants to those organizations in 1999-2001. The names of key staff and board members of both foundations and grantees were tracked, their press mentions checked for evidence of coordination or collaboration. As a result, on March 4, 2004, NCRP released its third report in seven years on the impact of conservative philanthropy, “AXIS OF IDEOLOGY: Conservative Foundations and Public Policy.” On March 11, the Bradley Center convened a panel to discuss the question: Did they get it, well, Right? The Bradley Center and three of conservative philanthropy's leading experts and practitioners, ADAM MEYERSON of the Philanthropy Roundtable, Capital Research Center's TERRENCE SCANLON, and MICHAEL GREBE of the Bradley Foundation, gathered to present another view of conservative philanthropy's strategies and results. NCRP's own RICK COHEN responded to the panel's remarks, followed by a lively discussion.

PROGRAM

11:45 a.m. Registration, lunch buffet
12:00 p.m. Panel discussion
12:45 Response by RICK COHEN, National Committee for Responsive Philanthropy
1:00 Questions and answers
2:00 Adjournment

THIS TRANSCRIPT WAS PREPARED FROM A TAPE RECORDING AND EDITED BY THE BRADLEY CENTER. To request further information on this event or the Bradley Center, please contact Hudson Institute at (202) 974-2424 or e-mail Krista Shaffer at krista@hudson.org.

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Panelist Biographies

Rick Cohen is executive director of the National Committee for Responsive Philanthropy (NCRP), the leading organization advocating for institutional philanthropy to provide increased access and resources to disadvantaged populations. Before coming to NCRP in 1999, Cohen was vice president of strategic planning at the national office of the Local Initiatives Support Corporation (LISC). Prior to working for LISC, Cohen was vice president of the Enterprise Foundation, where he was in charge of field services, and director of the Jersey City Department of Housing and Economic Development. Among his teaching experiences are adjunct faculty positions at Rutgers University in New Brunswick, St. Peter's College, and Columbia University. Cohen is the author or co-author of two books and many journal articles and monographs.

Michael Grebe was named president and CEO of the Lynde and Harry Bradley Foundation in November of 2001. Prior to his selection, Grebe had been a member of the Foundation's board of directors for six years. Before joining the Bradley Foundation, Grebe was the chairman and CEO of Foley & Lardner, one of the country's largest law firms, where he was a partner for more than 25 years, concentrating his practice on corporate and financial law. Grebe is also a former general counsel to the Republican National Committee and was the Republican National Committeeman for Wisconsin during 1984-2002. The Lynde and Harry Bradley Foundation is a private foundation, providing grants in support of democratic capitalism; limited, competent government; a dynamic marketplace for economic, intellectual, and cultural activity; and a vigorous defense at home and abroad of American ideas and institutions.

Adam Meyerson joined The Philanthropy Roundtable as president in October 2001. From 1993 to 2001, Meyerson was vice president for educational affairs at The Heritage Foundation. He coordinated the think tank's civil society projects, its publications on the Founding Fathers, and its "No Excuses" work on high-performing high-poverty schools. Meyerson was editor-in-chief of Heritage's magazine, *Policy Review*, from 1983 to 1998. From 1979 to 1983 Meyerson was an editorial writer for the *Wall Street Journal* and editor of its "Manager's Journal" and "Asia" columns and its book reviews. He is co-editor of *The Wall Street Journal on Management*, a book published by Dow Jones-Irwin in 1985. From 1974 to 1977 he was managing editor of *The American Spectator* magazine, then in Bloomington, Indiana.

Terrence Scanlon was named Capital Research Center (CRC) president and chairman of its board of trustees in 1994. Earlier, he was vice president for corporate relations at The Heritage Foundation. His public career includes an appointment by President Ronald Reagan to the U.S. Consumer Product Safety Commission where he served seven years, including service as chairman during President Reagan's second term.

Summary of the Proceedings

On March 4, 2004, researchers of the National Committee for Responsive Philanthropy (NCRP) released the organization's latest report on the impact of conservative philanthropy, "Axis of Ideology: Conservative Foundations and Public Policy." The report was the culmination of months spent cataloguing the "conservative cadre in the nonprofit sector"—79 conservative grantmaking institutions, the 350 public policy-oriented nonprofit organizations they support, and their 4,812 public-policy related grants to those organizations in 1999-2001. The names of key staff and board members of both foundations and grantees were tracked, their press mentions checked for evidence of coordination or collaboration, all in an attempt to isolate the secrets of conservative philanthropy's striking success.

Within a week of the report's release, the Bradley Center hosted a panel of three of conservative philanthropy's leading experts and practitioners, Adam Meyerson of the Philanthropy Roundtable, Capital Research Center's Terrence Scanlon, and Michael Grebe of the Bradley Foundation, to respond to the question: Did NCRP get it, well, Right? After beginning the discussion with a summary of the report, NCRP's own Rick Cohen responded to the panel's comments, followed by a lively discussion.

"You can't help but be struck by the fact that there's a commitment of these foundations to institution building through core operating support and multi-year funding," NCRP director Rick Cohen told the audience. "The report makes it appear that these foundations trust their grant recipients in a major way...; that there's a lot of value coherence.... They put their money out behind organizations they want to support. And they engage in long-term public-policy advocacy reform. ... And, finally, even though a lot of money goes into Washington, we see an apparatus of regional and local institutions that they support as well, so that it's not simply a Heritage or an AEI kind of strategy, but there's an array of groups out there that are really walking the halls of State Capitols and really building a constituency." Cohen noted that in the face of conservative philanthropy's success, the left has "an inability to figure out where the core values are and to get past the barriers that ... prevent an adequate discussion." He expressed certainty that such core values exist; the problem, in his view, is that they simply are not discussed, due in part to "funding ... based on grantees making the case of how they're different... in terms of issue, focus, approach, or identity."

Terrence Scanlon responded to Cohen by pointing out that as focused, committed, and successful as conservative philanthropy has been, it "really isn't the case" that conservative foundations "just have deep, deep pockets and are making huge amounts of dollar grants to conservative public policy grants," as NCRP's report might lead one to believe. As unfocused as it might be, the philanthropy of liberal and progressive foundations dwarfs conservative philanthropy, Scanlon noted. The Bradley Foundation's Michael Grebe agreed.

Adam Meyerson gave an account of his "seven habits of highly effective philanthropists in public policy," as published in *Philanthropy* magazine in March/April 2003. They include several practices identified in NCRP's report: clarity of vision, strategic investment in ideas, and long-term thinking. In addition, he noted that most conservative public policy grantees do not accept government funds. And while liberals tend to fund specialized public policy research,

conservatives fund very large, broad research institutions; the result is that it has been easier for conservative public policy experts to develop a coherent message of what conservatism means.

Finally, the Bradley Foundation's Michael Grebe pointed out that NCRP's report, while it accurately depicts conservative philanthropy's practices, misconstrues the similarities among conservative funders to mean that there is active collaboration among them. Many conservative foundations have "a very strong sense of mission" and their missions overlap, but they do not collaborate—to Grebe's dismay. "That's one of the reasons why [Bradley] support[s] organizations like the [Philanthropy] Roundtable and the Capital Research Center and DonorsTrust and others who have a role to play in achieving greater collaborative activity among conservative funders."

All of the panelists had high praise for Rick Cohen and NCRP for their accurate and thorough work on this report. Questions were posed to the panelists by several audience members, including historian Martin Morse Wooster, Hudson Institute's own Hillel Fradkin, Ellen Dadisman of the Council on Foundations, Kimberly Dennis of the D&D Foundation, *American Spectator* publisher Alfred Regnery, Alan Bjerga with Knight Ridder newspapers, and Steve Jordan of the U.S. Chamber of Commerce. Also in attendance were Georgetown University's Pablo Eisenberg, Alex Echols, Michael Anft of the *Chronicle of Philanthropy*, Mary Donahue of the Sand County Foundation, Eugene Meyer of the Federalist Society, Rachel Mosher-Williams of the Aspen Institute, and several other representatives of foundations and the media, nearly fifty people in total.

PROCEEDINGS

MR. SCHAMBRA: On behalf of the Bradley Center for Philanthropy and Civil Renewal, I'd like to welcome you to another of our occasional panels, this one based on the new report just released by the National Committee for Responsive Philanthropy entitled "Axis of Ideology: Conservative Foundations and Public Policy."* In the spirit of good fun, the panel title poses the alternative suggestion that this may be less about an "axis of ideology" than an "excess of mythology."

I've been reading lately about a remarkable group of public intellectuals, all members of the privileged elite, tightly interconnected through personal background and professional association. They were all ardent Republicans. This group not only fundamentally redefined America's ideas about public policy, but it also established its own research institutions, its own media outlets, and its own lobbying groups to carry those new ideas to the American people, which it did with resounding success. The group was amply backed by the major foundations whose managers moved back and forth between the boards of the institutions they supported and the boards of the foundations.

Eldon Eisenach, one of the foremost chroniclers of these savvy policy entrepreneurs, noted that these intellectuals "who created ideas, institutions, audiences, networks, publicity techniques, and opinion-shaping organs, were a new and politically emergent clerisy, national public moralists in thought, purpose, and deed. For more than a generation they went from victory to victory."

Now, I'm sure most of you, not easily taken in by this shopworn journalistic technique, have guessed by now that I am not, in fact, describing the conservative intellectual apparatus of the early 21st century but, rather, the progressive intellectual apparatus of the early 20th century. This introduction of progressivism is more than a cheap trick, however. It does, in fact, raise first a larger question, namely, are any of the devices and techniques practiced by today's conservative policy community really new or revolutionary? Or were they not, in fact, invented and introduced to great effect over a century ago by the Left?

Which points to another question: Is it not possible that modern conservative intellectual organizing was intended precisely as a response to the manifold successes of earlier progressive intellectual organizing? Surely this apparatus—the largest and oldest foundations, the research universities, the major think tanks, and journals of opinion—still looms large on our policy horizon.

But if so, a couple of final questions. Why is NCRP so unhappy with it? And why does it not defend itself against NCRP's charge that it is so timid and ineffective next to its modern conservative imitators?

* This event was held at Hudson Institute's former Washington office located at 1015 18th St., NW, Ste. 300.

These and other questions will be tackled today, I have every confidence, by our panel of distinguished discussants, whose bios appear in your handout so I won't spend any time reading them at great length.

Our first speaker today, Rick Cohen, is the executive director of NCRP, and he has agreed to summarize briefly the chief findings of the report and the background of the report. He'll be followed by commentary from, in the order of the panel, Terry Scanlon, president of the Capital Research Center; Adam Meyerson, who is president of the Philanthropy Roundtable; and Mike Grebe, president of the Lynde and Harry Bradley Foundation in Milwaukee, which is the primary funder of this center and for which we are, as you can imagine, immensely grateful. We'll then ask Rick Cohen to react to the various respondents, and then we'll throw it open for discussion from the audience.

So it is my pleasure to introduce into the lion's den Rick Cohen.

[Applause.]

MR. COHEN: Thanks, Bill. I think we enjoy lion's dens when you're at NCRP. Almost every venue for us is a lion's den.

I want to thank Bill and, of course, the Hudson Institute for inviting me to participate in this panel to discuss the report, which is in fact not yet released but will be very soon. We actually adopted a technique that the Hudson Institute used; when the Hudson Institute released its study by Peter Frumkin, it did so in draft form, at a session for that purpose, and got a lot of feedback—and we thought, What a great thing! So we decided to release ours in draft last week. We've incorporated a lot of feedback, and we hope to have it available in about a week or so. I guess NCRP's imitating the Hudson Institute is one more example of the Left learning from the Right in this case.

Before I get started, I want to acknowledge the fact that the heavy lifting on this report was actually done by two of my staff over here: Jeff Krehely, who's our deputy director and director of all of our research, and Meaghan House, who is our senior research associate. The really heavy research, heavy thinking, and heavy analysis was done by them, and I get simply to take credit for their work. They are really top-rate people.

And I also appreciate being invited to join this panel with people whom I respect and who are willing to comment on a report of which they've not seen very much. It's probably hardly a news flash that there are many areas of social and political thought about which these gentlemen and I probably have perspectives that are somewhat at variance. But I respect anybody talking about philanthropy and talking about it as a serious venture, recognizing that in general, in elevation of constructive dialogue about philanthropy, in the context of American democracy, whether we disagree or agree about the content, one area of agreement that we're probably all going to have is that philanthropy should be a serious rather than a frivolous business. And that's partially a subtext to our report. Too much is at stake to do otherwise.

Now, of course, being from the National Committee for Responsive Philanthropy, I appreciate being invited almost anywhere. We've recently encountered the phenomenon of being *disinvited* from panels because we might raise confrontational issues or we're declared as too abrasive because we raise those issues, and that comes from our role as a philanthropic watchdog. We were established in 1976 to have a unique function. We're a watchdog, promoting increased philanthropic giving and accountability and access for people with the least wealth and least opportunity in our society. And that frequently means that we are out there to promote some major changes in philanthropy. There are very few foundations that understand the need to support watchdogs as opposed to lapdogs, and we are effectively promoting some major issues that make us a watchdog with a major bite. In recent months, we have done some reports on foundation accountability and foundation trustee fees as well as charitable giving in the workplace (non-United Way giving), on the grantmaking of progressive foundations, the conditions and needs of social change, nonprofit advocacy in the metro Washington area, and, of course, we've done several studies on the issue of foundation payout—as many people know, we've long called for a higher payout rate on the part of foundations above the current 5-percent level.

And although we are a nonpartisan organization, we do have a constituency that I think reflects some of the content of our work. Our constituency is often people of color; immigrants; lesbian, gay, bisexual, transgendered people; and the urban and rural poor. Perspectives from those constituencies infuse a great deal of our work.

Let me give you some background on this study, both what led to it and what it contains.

In 1997, NCRP produced a seminal piece of research on conservative philanthropy entitled "Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations." This was a review of the grantmaking of twelve foundations. As I understand the follow-up—because I wasn't with NCRP then—this report generated quite a reaction, not necessarily from the conservative side of the ledger because in many ways it was actually quite admiring of the effectiveness of conservative foundations. On reading it, you don't come away from the report with the sense that NCRP was decrying conservative philanthropy. To the contrary, it found that these foundations were effective in what they wanted to do, and they had a pretty good idea of how to do it and what they were trying to do.

This report generated a lot of discussion—probably more discussion than action. I'm told that many foundations were quite affected by it, although it's hard to find evidence of many foundations actually having made changes as a result. And we've certainly looked at similar issues over the years.

But, still, we look at the progressive foundations, and we find relatively little that matches the conservatives. For example, NCRP has a new study on progressive public foundations, and all told, they account for \$94 million of grantmaking, and relatively little of that is devoted to public policy advocacy. And if you look at some of the liberal or moderate foundations that some people would say outnumber these conservative foundations, you

find that they don't fund quite a comparable array of public policy institutions. They tell the institutions, Don't get involved in politics, don't get involved in lobbying, don't get involved in advocacy. They'll often say, Sign a grant agreement that says you will not lobby, and so forth and so on.

We have one grantmaker that forces us to take the word "advocacy" out of our grant applications and substitute "public education" so that we don't cross them in the wrong way.

So even if you said that these organizations were supporting a liberal infrastructure of public policy advocacy, it hardly comports with the twenty percent of grants of the conservative foundations that we looked at going to public policy advocacy.

Based on our thinking about what we have learned in the past, we decided to return to the study this year for a somewhat different take on conservative philanthropy. We decided to look at a broader array of conservative foundations, not simply twelve as we did in our 1997 study, but to track a number of conservative foundations, both some that are well known and some that are less known, in terms of what we could understand about their grantmaking strategies at the turn of the new century. We decided to hone in on their public policy grantmaking, examining not their overall grantmaking but really to focus on the public policy infrastructure that they are supporting, and to examine their strategies for how they propagate and support their ideological interests in moving conservative ideas through this infrastructure into the public's consciousness.

There are a couple of caveats about it. First, we don't say that this is the largest slice of philanthropy. To the contrary, these conservative foundations are relatively small. They're a small slice of philanthropy. But our feeling is that they are effective; they are persuasive; they are thoughtful; and they represent models that are worthwhile for mainstream and liberal philanthropy to examine and potentially emulate.

But I don't underestimate the financial muscle that might also be behind the institutions conservative foundations support because we don't look at all grantmaking. We only look at private foundation grantmaking. We don't look at corporate grantmaking that may be going to support some of these institutions because, as you know, half of all corporate grantmaking is not even disclosed—and not required to be disclosed, so it's very hard to get a handle on what actually occurs there. And we think that the corporate piece of this is probably the part that gets disclosed *less*, as opposed—in terms of support for advocacy and public policy—to other kinds of corporate giving.

Secondly, I think because we're focusing on seventy-nine foundations in this study, you shouldn't think that we think the rest of philanthropy is out there marching for civil rights and social justice. To the contrary, most foundations are governed by people of wealth, people from the business sector, and not people promoting radical social change.

Third, while emphasizing that these foundations are giving grants to public policy advocacy around the country, I would hesitate to say that everything they do should be

classified as conservative grantmaking. To be on a panel with someone from the Bradley Foundation makes me remember the fact that when I worked for a national nonprofit community development infrastructure group, Bradley was supporting community development corporations that I was supporting as well. So we didn't make this leap to say that everything they do is touched and tinged by a conservative framework. But it's simply true that the advocacy of these foundations, the grantmaking of these foundations, adds up to a concerted theme, a concerted strategy that I don't think the liberal and progressive counterparts have or that they can find, or certainly at a minimum they don't do this in a way that's sustained and continuing the way the conservative ones do.

And, finally, a fourth contextual observation: While much of philanthropy is arguing about issues of accountability and effectiveness and impact, we find that—at least regarding effectiveness and impact—conservative foundations actually don't spend a lot of time embroiled with the effectiveness measurement debate. They go out there and pick the groups that seem to be effective because there's an ideological and a value coherence to them.

So here's what we did in this study. As we said, in '97 we looked at twelve foundations. We relied primarily on IRS data about these institutions. And the study at that point cut a very broad swath of what it defined as conservative philanthropy.

Our new study has a different, more journalistic kind of approach. We actually looked at some of the major conservative public policy institutions to see who their grantmakers are. Then we looked at those grantmakers to see whom else they fund. We looked at those institutions to see whom they get funded by. And through this iterative kind of process, we put together a map of what we think are some of the major institutions.

We looked at conservative institutions, policy institutions that are engaged in key themes of conservative political activism: defending and strengthening relatively deregulated free market activities, shrinking or eliminating government, privatizing government functions, and opposing many of the social issues that people on the liberal left side hold dear such as freedom of choice for women's reproductive rights and civil and employment rights of gay and lesbians and so forth.

This process got us the list of seventy-nine foundations, including two operating foundations and one grantmaking private charity. As noted, it doesn't include corporate giving. It doesn't include donor-advised funds because there's no disclosure requirement there either.

We looked at IRS data on all these foundations from the years 1999, 2000, and 2001. We also cross-checked the leadership of these foundations with many of the nonprofits that they support. We also looked at some of the Federal Elections Commission data on the political contributions of some of the key staff and people involved. And we also did five foundation interviews. We actually aimed for twenty, but fifteen of them sort of slammed the telephone receivers on our ear when they heard it was a call from NCRP, but we really

appreciate the five that were willing to talk to us about what their theories and approaches were to philanthropy.

Using that basic data and a narrow definition of grantmaking for public policy, we counted \$254 million in grants for those three years. That's about 4,800 grants supporting public policy institutions to 332 grantees. The top twenty foundations on our list counted for eighty percent of the grantmaking, so you have that old 80/20 principle operating here as well.

The top twenty grantees received forty-seven percent of the grants, mostly to big think tanks, but some of the big socially oriented institutions as well getting into that top twenty. Ten states dominated, of course, including mostly D.C., accounting for about eighty-six percent of the grants and about ninety percent of the grant dollars. And by issue area, the general multi-issue groups got nearly half of the grant dollars funding intellectuals and advocacy and research and government relations and so forth. But also getting large slices were the groups promoting conservative social policies in education and so forth.

Again—I keep coming back to it—we looked at some areas where we saw evidence of corporate philanthropy, for example, looking at the defense think tanks, and we saw, for example, Lockheed and Boeing playing a major role in some, but we didn't go a great deal into that.

Of particular interest to us was the fact that the type of grantmaking that these foundations supported was very interesting. Thirty-six percent of their grant dollars went for core operating support grants. Now, that's what we can identify as their core operating support grantmaking. Compare that to the top thousand foundations, from which only fourteen percent of grant dollars go to core operating support.

But a lot of the grants couldn't even be classified that way, so we think that conservative foundations do even more grantmaking for core operating support than that number suggests; we've used other databases that say that conservative foundations give a higher percentage.

So you really can't help but be struck by a couple of things in our study: clear vision on the part of these foundations as to what they want to do. You can't help but be struck by the fact that there's a commitment of these foundations to institution building through core operating support and multi-year funding. The report makes it appear that these foundations trust their grant recipients in a major way, which we think is quite interesting; that there's a lot of value coherence, which we think is worth focusing on. They seem very clear that they're focused on not their own staffing but staffing up the institutions and building the capacity in the institutions they support and having them tell the stories.

We don't see a lot of evidence, by the way, that conservative foundations are trying to force philanthropy to spend down. Some of them do want to spend down, but because they want to support the kinds of issues for which it's necessary to get the money out now. And, in fact, the key thing that's striking is that they put their money out. They put their

money out behind the organizations they want to support. And they engage in long-term public policy advocacy reform. They support the groups in there for the systems change, not just the small projects.

And, finally, even though a lot of the money goes into Washington, we see an apparatus of regional and local institutions that they support as well, so that it's not simply a Heritage or an AEI kind of strategy, but there's an array of groups out there that are really walking the halls of State Capitols and really building a constituency, which we think is all interesting work.

There's a lot more I could say. I know that was probably longer than Bill needs, so let me stop here, and I think I will be able to come back and talk about my reactions to the panel. Thank you.

MR. SCHAMBRA: Yes, absolutely. Okay.

Terry Scanlon, President of the Capital Research Center.

MR. SCANLON: Thanks, Bill. I want to thank you personally and the Bradley Center and the Bradley Foundation for sponsoring the Bradley Center and, of course, Ken Weinstein of the Hudson Institute for sponsoring this little forum.

I think I'll begin by saying that I'll accept the seventy-nine conservative foundations that you list, though I think many in the room here might quibble with how conservative some might be. But where I want to address my remarks today is to the money allotted to conservative foundations or to public policy groups by conservative foundations.

The report says that \$253 million was expended over three years. The fact is, though, that there are about 60,000 private U.S. foundations today giving away about \$29 billion. That was a 2001 figure. And since 1990, the number of foundations in the U.S. has doubled, and the contributions by these foundations have tripled. So we're talking about in 2000 the hundred largest foundations controlling approximately forty-one percent of all assets, and they distribute about thirty-seven percent of all grant funds. This will give us a picture of the whole philanthropy network.

Now, only three of those listed in the NCRP report—only three conservative foundations—are listed on the annual list of the top hundred foundations. The Bradley Foundation is number two, according to the NCRP report, in conservative giving. I believe the figure was \$38.9 million over a three-year period. But according to the Foundation Center, Bradley ranks only ninetieth of the hundred. And their assets—and, Mike, correct me if I'm wrong—in 2002 were \$485 million. Is that about right? So that will show you the smallness of the conservative world.

There are only three other NCRP-designated conservative foundations in the top hundred: Samuel Roberts Noble in Oklahoma, which ranked forty-fourth; the Walton Family Foundation, part of the Wal-Mart family, was fiftieth; and Smith Richardson, which

ranked eightieth out of a hundred. According to the report, Smith Richardson made the most gifts, totaling just under \$7 million over a three-year period.

Now, it's interesting to note that the Scaife Foundation, which according to NCRP is the largest contributor to conservative groups, doesn't even make the top hundred foundations in terms of assets. And after Scaife and Bradley, the next three foundations on the NCRP top five are the Olin Foundation, the Shelby Cullom Davis Foundation, and the DeVos Foundation out of Michigan. Each has less than \$100 million in assets, and Olin, as we know, is sunsetting and will be out of business within a couple years.

According to the Council on Foundations, the 1,000 largest private foundations have spent about \$650 million on public affairs, civil rights, and social action projects in calendar year 2001. Conservative policy and advocacy groups can tell you that this money isn't going to them. So what about the other ninety-six top foundations? Well, let's mention some of them, tell where their rank is, and then some of their projects:

The Ford Foundation, number three on the list of the top hundred, \$9.3 billion in assets.

Robert Wood Johnson Foundation, number five, \$8 billion in assets.

W.K. Kellogg Foundation, number six, \$5.7 billion.

David and Lucile Packard Foundation, eighth listing, \$4.8 billion in assets.

John D. and Catherine T. MacArthur, number nine on the list, \$3.8 billion.

Pew Charitable Trusts, number ten out of a hundred, with \$3.7 billion.

Charles Stewart Mott, twenty-first on the list, with \$2 billion in assets.

It goes down—we can reach the fifty-first, which is the Howard Heinz Endowment out of Pittsburgh, whose chairman is Teresa Heinz Kerry, and we know some of the things that they're doing in the environmental area.

So let me give you some examples of where these foundations' monies are going. We do something at Capital Research Center called Foundation Watch where we track the giving of mostly larger foundations. There are copies of recent reports out on the chair as you enter, and we'd be happy if you'd pick those up on the way out. But let me just talk about Pew to begin with.

Pew, as many of us know, recently converted to a 501(c)(3) charity, but its strategic grantmaking is in the environmental area. And it includes enormous grants to foundation-sponsored nonprofits like the Pew Center on Global Climate Change, to which the charitable trust gave \$5 million in '98, an additional \$3.7 million in 2003; the National Environmental Trust, \$4 million from Pew in 2003; and the Heritage Force Campaigns to

maintain the Clinton administration's Roadless Initiative, \$3.5 million in '98 and '99, another million and a half in 2003.

Another example would be the MacArthur Foundation, which distributed \$170 million in 2001 to groups involved with environmentalism, public interest law, gun control, feminist advocacy, and opposition to missile defense, and to groups opposing President Bush's judicial nominees.

Our Foundation Watch, when looking at MacArthur recently, found that they generally give multi-year grants to left liberal groups in big-dollar allotments: Alliance for Justice is an example, \$134,000 over two years; Center for Budget and Policy Priorities, \$250,000; Environmental Defense, \$517,000 over three years; Consumer Federation of America, CFA, \$200,000 over two years; Institute for Policy Studies, \$233,000 over three years. I could go on and on.

Then the last example, the larger from the top hundred, would be the Ford Foundation. Interestingly, Ford gave \$600,000 to the Regents of the University of Michigan in 2001, just prior to the affirmative action case that went to and was settled by the U.S. Supreme Court. And this was for, in their words, "research and public education on affirmative action." Ford also gave \$6.5 million to MALDEF, the Mexican American Legal Defense and Education Fund. In 2000, they gave another \$2 million to MALDEF.

Let's also compare an average size conservative foundation—John M. Olin, which I mentioned earlier—to, say, the Tides Foundation on the left. Both are medium-sized foundations and with strong policy commitments. Tides in 2001 had assets of \$156 million. And according to their 990, IRS Form 990, they received \$86.1 million in grants and gave away \$76 million in 2001. That is, in one giving year, \$76 million. But how does Tides work?

Major foundations make grants to the Tides Foundation, and it in turn makes grants to its affiliate, the Tides Center. The center then distributes small grants to hundreds of grass-roots left liberal groups that may not even have 501(c)(3) status. So who did Tides get money from for this reporting period? Pew, \$220,000. That was in 2000. In 2001, Pew gave in excess of \$15 million to Tides. Ford Foundation, \$1.3 million, another \$6.3 million in 2001. Packard, \$1.3 million in 2000, \$1.5 million in 2001. Stewart Mott, \$1.2 million in 2000, \$800,000 in 2001.

What I did notice when looking up the data for the giving of these various foundations—when, in particular, looking at the 2003 annual report of the W.K. Kellogg Foundation in Michigan—is that Kellogg has a section devoted to its giving in what I think it calls philanthropy and volunteering. Now, Kellogg is the sixth largest U.S. foundation on the listing of the hundred top foundations, by assets. And, Rick, I notice that they only gave \$15,000 to you.

[Laughter.]

MR. SCANLON: On the other hand—

MR. COHEN: We're trying to correct that.

MR. SCANLON: Well, you've got a lot of work to do—but let me tell you, on the other hand, Kellogg gave \$4.8 million to the Women's Funding Network to—and let me quote this—”to strengthen community-based philanthropy for women and girls by strengthening, connecting, and building philanthropic partnerships of women and girls' foundations, donors and allies worldwide.”

Well, I checked and I looked at the various groups that are part of the Women's Funding Network, and I saw Ellie Smeal's Feminist Majority Foundation. I did not see Concerned Women for America. I did not see the Independent Women's Forum or anything that might be construed as moderate or conservative.

So I think it's flattering that you in your report state that conservative dollars are going for good things and that they're more concerned about general operating support. But I think it's a little deceptive because you leave the reader, when reading the report or listening to your remarks, with the impression that conservative foundations just have deep, deep pockets and are making huge amounts of dollar grants to conservative public policy groups. That really isn't the case.

Just one thing in closing—and I hope, Bill, that I'm not exceeding my time. We had the privilege last week to hear John Podesta at NCRP's press conference. John, the former chief of staff for Bill Clinton, now heads up the Center for American Progress. American Progress just opened its doors a few months ago with a \$10 million budget.

Now, I'm old enough to remember the mid-'70s when Heritage, where I used to work but not in the mid-'70s, was getting off the ground. They had a storefront on Capitol Hill, very modest, and were thriving on a \$200,000 grant from Joe Coors, the brewer in Denver. It took several years for Heritage to grow to an organization with a \$10 million budget. So I just want to leave that thought with everyone here, that the dollars allotted to conservative groups generally are small, and the grants made to us are generally much smaller than those given to more liberal progressive groups.

Thank you.

MR. SCHAMBRA: Thank you.

Adam Meyerson, president of the Philanthropy Roundtable.

MR. MEYERSON: Thank you, Bill. Good afternoon, ladies and gentlemen.

First, I would like to express my gratitude that we live in a country where all of us in this room and all of our fellow citizens have the opportunity in this country to influence public policy. In most other countries, including many that have democratic elections, public

policy is the province of a few people—a few people in government, the civil servants, organized interests. But in this country, we have the opportunity as citizens to influence public policy in many ways, and not just during election year. And philanthropy can be a very effective way of influencing public policy. .

Second, I'd like to express my appreciation to Rick Cohen and the National Committee for Responsive Philanthropy. NCRP does serious research on philanthropy—there isn't much serious research in the field—and we're grateful for that. Moreover, over the years, NCRP has challenged the complacency and insularity and bureaucratic empire building that you see in so much of the foundation world. And I also appreciate the fact that NCRP is willing to take a good, close, respectful look at what can be learned from, if you will, your political opponents. I think that a lot of philanthropy would benefit if there were more organizations that had the same kind of spirit. In fact, political discourse in general would benefit from that, so thank you very much for the work that you do.

Bill has asked me to talk about two things. One is: What are some attributes of philanthropy in public policy that are effective whether you're from the Left, the Right, or the Center? And the second is: What are a few differences between conservative and liberal and progressive philanthropy in public policy?

There's a one-page handout you should all have on your seats which includes a short memo that I wrote a year or so ago [see *Philanthropy* magazine, March/April 2003, p. 2] on seven habits of highly effective philanthropists in public policy. I'm going to go over some of those points. They are very consistent with what Rick and the NCRP report says. And I think these attributes apply whether you are the John M. Olin Foundation or the Charles G. Koch Charitable Foundation working on constitutional law and legal reform, or if you are, to borrow some of what Terry was saying, if you're the Ford Foundation working on affirmative action or the Robert Wood Johnson Foundation working on access to health care or the Open Society Institute working on drug legalization or the 200-plus members of the Environmental Grantmakers Association, which have built an environmental infrastructure that dwarfs anything on the conservative side.

And the first one of these principles is—and Rick said this—clarity of vision. The people who succeed in this business, the philanthropists who succeed in public policy—in fact, the philanthropists who succeed in anything—are philanthropists who know what they stand for and who are deeply committed to clear principles which they don't compromise. I'm not going to go into any detail about that. I think that's pretty self-evident.

The second is, philanthropists who succeed in public policy redefine public debate. They do that through strategic investment in ideas and by collecting the right data. All of those are important—the strategic part, the ideas part, and the data part.

An example of very effective philanthropic investment comes from the Carnegie Corporation about two decades ago. Carnegie poured millions and millions of dollars into dissemination of the results of what was called the Perry Preschool Project, a preschool project based in Ypsilanti, Michigan, that showed dramatic results. There were only about

a little over a hundred participants in that program, but the results looked pretty good. The dissemination of that data dominated the Head Start debate for the next twenty or twenty-five years.

Another example, very effective, was the work that was done by Charles Murray in the mid-1980s in his book “Losing Ground,” and then by a number of other organizations, including this one, the Hudson Institute, looking at welfare reform. There have been many conservative studies looking at what was wrong with the Great Society and what was wrong with the welfare state, and most of them had little influence. And then Charles Murray redefined the public debate in the mid-1980s because he looked at the effect of the welfare state on the people it was supposed to help. And he showed that something terrible had happened around the mid-1960s, that we had been making dramatic progress in reducing poverty before then, and that that progress in reducing poverty stopped in the mid-’60s. He then explained what had happened.

This laid the groundwork for welfare reform, and for the funders involved, it was a strategic investment in ideas and data that redefined the public debate. The issue became: How do we change things so that the people we’re trying to help actually get helped?

The third attribute of effective philanthropists is that they think long term—and this is something that reinforces very much what the NCRP report says. They give long-term support to institutions that best advance their mission. It’s not just operating support. It can be project support. But the purpose is to help the institution grow. What it tends not to be, by the way, is endowment support. Effective philanthropists usually want to stay away from endowment support.

Rick said that there’s not a lot of attention among conservative philanthropists to evaluation in the short term. Effective philanthropists of whatever ideology are always looking for ways to improve short-term performance, to improve measurable results over the short term. But they realize that public policy reform takes a long, long time.

One quick example. In 2001, the United States withdrew from the ABM Treaty, which allowed the U.S. to finally conduct research that might enable us at some point to produce a defense against ballistic missiles. As we all know, right now if somebody were to attack us with a ballistic missile, we would have nothing with which to defend ourselves. U.S. withdrawal from the ABM Treaty resulted from over twenty years of work by a small number of philanthropic foundations. It took a long, long time. And, of course, we still don’t have a missile defense, so there’s still more to be done. But it’s an example of something that requires patient, long-term, persistent work, whether you’re on the right or the left.

Fourth point: Effective philanthropists in this business build broad, multi-racial coalitions that cut across party lines. Lack of ability to do this is one of the greatest obstacles to public policy success in philanthropy. If you don’t do this, you usually don’t win.

A good example, school choice is something that has been a darling of conservative philanthropists for many years. School choice has made political headway in only a small number of jurisdictions: Wisconsin, Ohio, Florida, Colorado, and now the District of Columbia. And in every one of those jurisdictions, it achieved success because there was a very broad bipartisan coalition in favor of it and that especially the parents of the black and Hispanic children who purportedly were going to be helped by school choice were actually in favor of it and mobilizing for school choice. When we have not seen those kinds of coalitions, those ideas never got very far politically. The philanthropists who succeed help to build those coalitions.

Number five, effective philanthropists in public policy are not afraid of controversy. They don't seek controversy, but they're not afraid of doing something unpopular. If you're in the public policy business, if you want to change public policy, you probably are going to anger some powerful interests that are happy with public policy just the way it is. And if you're not prepared to take the heat from them, you probably shouldn't be in that business.

Number six, effective philanthropists in this field establish and study models of success. These could be demonstration projects. They could be field studies. What they do is they make the case for larger public policy reform.

A very good example here is the Ford Foundation, which several decades ago really laid the groundwork for public broadcasting. It built public broadcasting before there was a PBS. And once Ford built it, the taxpayers, you and I, eventually took over.

If I'm allowed to say something nice about Mike Grebe and the Bradley Foundation—and Mike is on my board, and I have to say nice things about him—I would say that the Bradley Foundation has done a very good job creating demonstration projects, and this is one reason why, as Terry said, with only about \$500 million in assets, the Bradley Foundation has been able to have an impact exceeding many larger foundations, and that is because Bradley created in Wisconsin small projects that became national showcases for the larger policy reform agenda it wanted. Bradley did this in school choice, and it did this in welfare reform—Wisconsin really led the nation in both of those. The welfare reform that President Clinton signed in 1996 really came out of the Wisconsin welfare reform experiment. And this means that there are lots of smaller foundations all over the country that give primarily in their local communities, but can have a national impact similar to what Bradley has had, if they focus on how they make Kansas City or Albuquerque or Seattle a national showcase for reforms they would like.

And, finally, the seventh and last point here is that they keep control—effective philanthropists in this business keep control of their funding decisions. They don't do formal collaboration with others. That's a big buzz word in the field, and Bill Schambra had an excellent article in our magazine, *Philanthropy*, about what's wrong with collaboration as an idea. They don't do matching grants with the federal government. They do cooperate with like-minded funders, but they always make sure that they're in the driver's seat in their own funding decisions.

Very quickly, two differences between liberal and conservative philanthropy in this field.

First of all, most conservative public policy grantees make it a policy not to accept government funds. They don't take government subsidies. They don't do government contracts. There are many liberal—not all, but many liberal and progressive grantees in this field that have it as an essential part of their business plan that eventually they will get substantial funding from government. And that, I think, affects the way philanthropists who support those organizations think about the long-term operating support issue. The long-term operating support issue is probably more important for those institutions that as a matter of policy depend entirely on private support.

The second difference—and this was something that came up at Rick's press conference the other day. John Podesta brought this up. There's an interesting difference between the conservative think tanks and the liberal think tanks. Conservative think tanks get a lot of attention, and that's because they are very big. They are across the board. They're very good at what they do. But there are also a lot of liberal think tanks that are very good at what they do. They just don't get a lot of public attention. They're smaller, they're more focused. They're groups like the Center on Budget Policy and Priorities or the Children's Defense Fund or the National Resources Defense Council and a host of other environmental organizations, or a whole variety, panoply of organizations in the health care business. They are very focused; they're very specialized; and on many specific issues they actually have many more resources than the conservative foundations devote. This would certainly be true in the environmental area, certainly true in the health care area. It's true in many, many domestic policy areas.

There is a strength to the conservative approach, and it is especially effective on issues that can attract public attention—tax cuts, maybe welfare reform, defense spending. It's also very good at helping to define a conservative or libertarian world view.

The liberal approach of the specialized think tanks is very effective when you're working on a specific policy issue. It's less effective at building a coherent message about what liberalism stands for. And I think in part what John Podesta was saying is that's a big hole in liberalism right now, where liberals need to have some of the across-the-board, research-cum-marketing institutions the way conservatives have. But I would submit that it goes the other way, that the conservatives need as well to have some of the specialized expertise on issues such as health care and environmental subjects where right now many of the liberal groups are really dominant on the resources side.

MR. SCHAMBRA: Mike Grebe, president of the Lynde and Harry Bradley Foundation.

MR. GREBE: I'll be brief, in part because that's my nature, but also because I'm third in line and I'm going to try not to be redundant.

I want to join with Adam in complimenting NCRP on this report. I think it's a positive contribution to the field and a good study. And while I may have differences of opinion with some of the analytical comments, I think the survey is excellent.

Transparency is a tired if not trite word these days, but I personally think that transparency in philanthropy is very important. It's a good thing. It's one thing, Rick, that can cause us to be serious rather than frivolous about philanthropy.

And I can speak for the institution I represent on that subject as well. Bradley for years has issued a relatively comprehensive annual report concerning our grantmaking, and we do that because we think we have a strong sense of mission and we want people to know what we're doing. And when you see our 2003 annual report, which will be released in a few days, you'll see that we've taken another significant step in that direction, identifying our grantmaking up against our mission statement so that everyone can see whether, in fact, we are fulfilling our mission statement.

As to the analytical portions of the report, Rick, I happen to agree with all of the major conclusions that you identified at the end of your comments, and in my position, I need to resist the temptation to be too flattered by the comments in the report about the foundation that I lead. But I happen to agree that much of the philanthropy that you studied in this report is, in fact, done rather effectively.

And in addition to the other reasons that have been identified here and in your report, I would also suggest that, to the extent conservatives have been effective in their philanthropy, it is, in fact, because we have meager resources, as Terry identified, compared to those arrayed at the other end of the philosophical spectrum. We necessarily must be nimble and entrepreneurial and efficient, and that's one reason why I think you see the conservative foundations tending to operate with relatively small overheads and staffs.

You did use the term "concerted" several times in describing the philanthropy that's covered in this report. I really don't think it's concerted or collaborative. I think to the extent you see parallel grantmaking among these various foundations, it's because they have a very strong sense of mission. And to a significant extent, their missions overlap.

I would also point out that if you have a strong sense of mission and you have tensions within the conservative movement, sometimes a strong sense of mission can be an inhibition to concerted or collaborative or parallel grantmaking, and there's a fair amount of that in the conservative movement.

So I think to the extent that you see similar giving patterns, it really has to do with the sense of mission, as you've identified in the report, and not some kind of collaboration.

I think that the report accurately reflects some of the interviews where the people with whom you spoke disclaimed a great deal of collaborative effort. But I think you express some skepticism about it. At one point the report says that we're really dealing here with semantics. *We aren't dealing with semantics.*

From my own personal experience—and I've only been in this current job for about eighteen months—I was dismayed when I first got in this role and discovered how meager the collaborative activity is among like-minded conservative funders. I was disappointed. And, in fact, the Bradley Foundation has taken on as a strategic priority of ours in the coming years to enhance collaborative activity among like-minded foundations. That's one of the reasons why we support organizations like the Roundtable and the Capital Research Center and Donors Trust and others who have a role to play in achieving greater collaborative activity among conservative funders.

And I am hopeful that in a few years, when NCRP does another study of conservative grantmaking, you will conclude that we have become more effective because we collaborate more and that, in fact, that will be true.

Thank you.

MR. SCHAMBRA: Rick, do you want to take a couple of minutes?

MR. COHEN: Well, thank you for all the comments, and, you know, I'm pleased that the report is seen so well. Even when we disagree on some of the analysis, it's good to see that NCRP's work is seen as good research, even if we might have differences in analysis or semantics or other things.

Let me make just quick comments about all three respondents, and I should start with Adam because I want to acknowledge as well the fact that what's important about this kind of gathering is talking across lines, talking across perspectives. I think too many people talk in echo chambers, and they only hear themselves; they only hear the feedback that is comfortable for them. And I think that this kind of session—and, Bill, you always do this; you get a lot of good discussion going in the sector—I think this is important. I think one of the weaknesses in philanthropy is we often don't have these kinds of discussions. The range of opinions in some gatherings is all the way from A to B, and we can use a few more letters in the alphabet as part of that.

A second point that I think comes through in both Mike's and Adam's presentations is about collaboration. We didn't say that there was a lot of formal collaboration going on. But we did see the like-mindedness of the philanthropy occurring, and we also pointed out, much as Podesta did at our press conference, the tendency of the liberal and progressive side to be siloed. And sometimes that siloization occurs because the foundations themselves ask grantees to differentiate themselves into narrower and narrower kinds of identities. The result is that you have a lot of silos that are working parallel but don't really get to cross the silos in a way that's much more effective in generating a broader perspective. And I think there's something there that philanthropy has to work on.

A third point would be on evaluation. What I think I meant by my comment on evaluation is that I don't see a lot of churning about evaluation on the conservative side. I don't see the generation of an industry of people specializing in foundation evaluation, driving

grantees to come up with benchmarks of performance, something that our studies show many liberal and progressive groups feel that they are being pushed into—as a part of advocacy projects, as opposed to the long-term systems change that they’re trying to get at. The result is that they’re told to show what’s going to happen as a result of the grant in a rather short period of time, and a consequence is that groups basically come up with short-term projects and not the longer-term, deeper, harder systems change work that needs to occur. So I think there’s something to be learned there.

On the amount of philanthropy, conservative vs. liberal/progressive, to address some of Terry’s comments, I sat there thinking, well, you know, what’s conservative and what’s liberal? How conservative is conservative?

In this report, we didn’t use secondary data. We didn’t use Foundation Center data to come up with a gross categorization of what is public policy grantmaking. We actually went through the actual grants because we find that we don’t trust some of the broader analyses that I don’t think tell you very much about the kind and quality of grantmaking, specifically, public policy grantmaking. And to take the Foundation Center number for us would be a combination of apples, oranges, and other fruits that I’m not sure tells you a great deal.

So we think that partly the transparency issue and research issue is to come up with better definitions of what we’re looking at so we can have a better, more informed dialogue about the actual substance of philanthropy. And, therefore, we excluded lots of kinds of grants—grants for religious institutions that were purely for religious institutions, for example. We didn’t include grants that went to universities per se as opposed to university-based think tanks or policy centers that had a very specific public policy advocacy orientation for conservative issues. We really tried to narrow it down.

And a result, if you look at our study, is that our number is actually smaller, comparatively, than the ‘97 study because we used a much tighter definition of what we were looking for. We felt that precision is a much better way of getting at what the actual lessons ought to be than making broader categorizations of what the money is.

And then, finally—I could comment on twenty points, but I don’t want to because I’d rather hear everybody else—but Podesta’s creation of the Center for American Progress with \$10 million recently is actually a very interesting example to cite because there is nothing on the liberal and left side that remotely approaches some of the conservative think tanks and the conservative policy centers, which is why you see this new effort on the part of the Left to create these institutions.

I think the reality is that there’s still a lot less there; there are a lot weaker institutions. There are certainly the siloed institutions that Adam talked about that haven’t really found the underlying values to cooperate and communicate and really to get a world view out there in a major way. For some reason, on our side everything looks better on the other side of the yard. But it seems that conservative foundations find themselves in agreement

on core values, and even though you may not be involved in collaborative efforts in a major way, you're able to see an opportunity to co-fund.

I remember one funder, one major foundation, upon hearing of a wonderful funding opportunity in New York, sent the foundation VP, who entertained a whole discussion of the proposal and said that it's a wonderful project, a wonderful activity, but that she couldn't fund it because the foundation wanted to be the lead funder, and it simply wouldn't be their project. And I thought, you know, what a dopey thing to say. I mean, you know, it's a good thing, so *fund it*, as opposed to demanding your seal on it so that you can say that it's yours.

We don't find that kind of minutiae dividing the conservative funders, or at least apparently dividing the conservative funders. We *often* see that on the mainstream and liberal side.

There are many more things I could say. I'd love to talk about Tides and some of the things that Tides actually does, contrary to Terry's analysis. I could give a long commentary that would have a different perspective, but let me stop there, and I'd love to hear from people here.

MR. SCHAMBRA: Thank you.

I will take the prerogative of the moderator to pose the first question while you all are thinking about what you'd like to say.

There seems to be considerable agreement here that John Podesta's organization is a sensible way to go about this problem of generating a vision on the left, if you will. And I'm wondering. Is the problem on the left, in fact, that there is an insufficient coherence of vision? Does that explain in part possibly why mainstream foundations are somewhat reluctant to get into public policy? And, therefore, is the Left kind of kidding itself that an institutional fix is really the way to tackle that problem? This also points to a larger issue of, you know, how much of conservative success is, in fact, institutional, and how much of it is technical and procedural, and how much of it is, in fact, a kind of well-thought-out, broader vision? Is that a sufficiently broad question that...

MR. SCANLON: I just have one question, if I could.

MR. SCHAMBRA: Sure.

MR. SCANLON: This is for Rick or anybody in the room on the liberal/progressive side. What's happened to Brookings? I've always thought that Brookings, with a huge budget, gigantic endowment, and it's been around for—what?—eighty years or almost eighty years, was the premier liberal think tank. Are they considered mainstream now by liberals? I'm just curious as to why there was a need for Podesta's group.

MR. SCHAMBRA: Anybody?

MR. COHEN: I can't speak for Brookings or Podesta's group. I mean, if you're looking at political involvement and advocacy, I don't think you see that on a strongly liberal side from Brookings. You find a very balanced, mixed composition of the thinkers and researchers and speakers that both traverse through Brookings and represent Brookings, which is, I think, one of the issues that I often see on the liberal side, this sense of wanting to make sure that there's balance, and as opposed to working on that coherent vision that I think needs the work.

In part, what you referred to as the incoherence of the vision of the Left is fundamentally an inability on our side—and I hate to speak too broadly because our side is so microcosm'd in terms of the number of tiny institutions out there—to have the dialogue that gets people to sit down and ask what it is that they're trying to achieve, and where the connections are between what some groups are doing in environmental policy and other groups are doing in tax policy and still other groups are doing in civil rights. We have an inability to figure out where the core values are and to get past the barriers that really prevent an adequate discussion.

Now from your side, maybe Brookings looks like it's on the far left. From our side it looks pretty mainstream to me. But I think that the fundamental issue is that the liberal/progressive dialogue is limited when it comes to getting past the specific issues into core values.

And then I would probably add a second dimension to it, and I even see this among the progressive funders with whom we sometimes work. There's a reluctance to talk public policy. There's often a focus on change, but change without a policy dimension. Adam's several points encompassed elements of taking a vision of change and translating that vision effectively into policies that are democratic debate points about what direction our country is going to take, and a ways for them to be implemented. But on our side, I don't see a lot of that. There's almost a reluctance to engage in policy dialogue on the part of many, many institutions and many funders.

MR. SCHAMBRA: Martin?

MR. WOOSTER: I'm Martin Morse Wooster. I work for three people in this room.

First off, I would say that Brookings thinks of itself as center. I recall a couple of years ago when some of the Nixon tapes talked about fire-bombing Brookings, and I heard that people at Brookings were aghast that anyone would want to think of them as liberals. I think there are some liberal people at Brookings, but there are a lot of economists who are very free-market.

Second, a question for Mr. Cohen. A lot of times progressive groups illustrate their argument that the Right has a lot more money than they do by taking groups that I would think to be on the left, specifically Ford and Pew, and grouping them, in effect, with the Right. Is that an argument you're making?

MR. COHEN: Well, first we focused on public policy grantmaking, and our issue was not to say that we think one side has more or less money, but we suggested that there are issues of effectiveness of the money and the deployment of the money that made a dollar not necessarily equal to a dollar. That's the argument in our report. We profiled what we thought were effective uses of conservative philanthropy in a way that promoted policy change. Leaving aside the substance of the change that's promoted, we see these as effective models of philanthropy; you don't often see that kind of coherence, mobilization, and effectiveness in mainstream philanthropy.

MR. GREBE: If I just may add a comment. And this is dangerous because, you know, far be it from me to opine why there's a lack of cohesive vision on the left.

[Laughter.]

MR. GREBE: But within foundationland, I wonder if there isn't a factor involved in how foundations work. I think the large mainstream liberal foundations tend to have large staffs, develop ideas, and then look for people to implement them.

I think the more conservative foundations tend to look for entrepreneurial prospective grantees to come to them with ideas for funding. And I really believe in many cases within foundations the vision develops from the bottom up, and I think it's more effective and more entrepreneurial.

MR. FRADKIN: Hillel Fradkin. I guess this is a day of full disclosure, so I should disclose that I used to work for the Bradley Foundation.

I have an observation and a question for Mr. Cohen, and the observation really follows on a previous point. A lot of the things that you both described about liberal or left-wing grantmaking—and not only described but presented as complaints—do sound as if they are accounts of a very bureaucratic world, a very bureaucratic process, a very bureaucratic vision. And one can't help but wonder whether that isn't a function not merely of the normal bureaucratization of life, but of the original vision that foundations had, say, in the '50s and '60s. Philanthropy was very much government oriented. It was very much for building up a bureaucracy, of creating, in fact, new agencies within the government to deal with specific issues, out of which came a lot of the organizations that you describe.

And that would suggest that, if it is a problem, it's a problem with the original vision—that liberal grantmaking shot itself in the foot back then.

The question is really what you mean by public advocacy, because in the way in which you use the term, there seems to be the suggestion that basically all of the grantmaking that either liberal or conservative foundations do in the public policy area is of the nature of advocacy rather than what is ordinarily claimed research, education, and so forth.

It seems to me that there are meaningful distinctions between these, and the fact that you keep coming back to advocacy, maybe that's why the dollars matter. But if it's really research that is going on, at least part of the time, then it would be to some degree a function of ideas, not merely how much force or money is behind a particular point of view.

MR. COHEN: Let me respond to both your opening question and also the question about advocacy per se. In full disclosure, I'm a product of the Ford Foundation's support for the antipoverty movement—I come out of maybe that purported bureaucratization that you talk about. But what I see that as is not support for bureaucracy but support for the major ideas of social change that have really propelled our nation. At its best, philanthropy has provided the risk money for thinking about where social change really comes from and what's needed. Many of the things that we rely on today, as just the basics in the way our society deals with problems, were created through demonstration money given by foundations during that era. So I think that you have an element of change that occurred that way.

I will take your bureaucracy question in a slightly different direction, which is not that foundations have supported the growth of an external bureaucracy that has taken away from them. It's that they've supported *their own* bureaucracy. Again, we're talking broad generalizations—and I hate these broad generalizations; there are 65,000 grantmaking foundations out there, all different kinds of foundations—different sizes, locations (local and regional). So we're making broad swaths of generalization, but there are really differences across the board. But in many cases, foundations have become deaf; they've stopped listening to the creativity of the groups that come to them, and this is where Mike and I agree quite extensively.

I used to work for a national nonprofit intermediary, Local Initiative Support Corporation, which was also created by the Ford Foundation. And the best things we did weren't generated by our New York office. The equity fund that we created came out of our people in Chicago. The secondary market program we created came out of the grass-roots work that was done in Hartford. And we always found that kind of creativity occurring in the nonprofit sector at the grassroots level. It's when foundations stop listening and start creating their own institutions to basically take the place of what people on the ground are learning that philanthropy gets misguided. And the result is that funding that should be going to groups out there in the grass-roots areas that are doing creative work is actually staying inside the foundation, and the people in the foundation don't hear what's really going on. They don't learn what people on the ground on the front lines are really learning about social problems.

So that's been our concern about bureaucracy. It's less that they've supported an external bureaucracy or created a framework for bureaucracy. They've actually created their own.

MR. FRADKIN: Those are the same complaints ordinary people have about bureaucracy in general, and it seems to me that since the prescription of the Left in the '50s and '60s

was for the growth of bureaucracies, it seems natural, not an immoral thing, that they should have thought that that would work for philanthropy as well.

The question really is whether it works for either, whether both forms of bureaucracy don't cut people off from the vitality that you talk about at the grass roots.

MR. COHEN: Well, I happen to also be a product of government; I used to run government agencies. I ran many of those bureaucracies. And if you run them well, you can listen to the grass roots and mobilize them and involve them and get them into your activities. And if you run them like they're castles and surrounded by moats, they'll function like castles surrounded by moats.

But we're suffering in the conversation from broad generalizations, and so it's important to make the distinctions.

I really want to go to your substantive point about the issue of how we define grantmaking. We carefully *did not* declare all conservative foundation grantmaking public-policy-research-and-advocacy grantmaking. And we included research as well. We actually had a very narrow definition, in part because we wanted to get much more precise and not fall into the trap of saying that if the Bradley Foundation supports a CDC on Martin Luther King Drive in Milwaukee, that is public policy advocacy. We didn't want to say that if a conservative foundation supports a nonprofit community land trust, that's public policy advocacy or research.

I mean, we tried to come up with a much narrower definition to focus on what these foundations were doing to support organizations that are engaged in the public policy dynamic of promoting conservative ideas in public agendas and public policy, which includes communications and it includes research. But we really made a very narrow definition, which is why our number is actually a much tighter number than numbers you've gotten in the past from us. But we think it's a more precise and educational number that talks about *effective* grantmaking.

MR. GREBE: But it probably does understate it a bit because the specific example you just identified on Martin Luther King Drive in Milwaukee *does* have a public policy connotation to it.

MR. COHEN: Well, actually, what we're hoping to look at next, because this study leads to many more questions than it answers, are other kinds of grantmaking by conservative foundations—not necessarily the funding major research efforts or the funding of national or state policy, but funding, for example, that CDC on Martin Luther King Drive, which, in order to be able to do the economic development it's doing on that strip, has to get changes out of the Milwaukee city government. Now, *that's* advocacy; *that's* public policy. So we want to get at more of the other flavors of grantmaking and what they all add up to, including service delivery—what kinds of services are being supported, what the content is of the service delivery, and whether there's a demonstration factor to it that

has meaning for the public policy dynamic—even if it doesn't advocate for public policy per se.

MR. GREBE: I don't want to belabor it, but other examples are our grants to faith-based organizations in Milwaukee that provide services to people in the central city. They have, we hope, an impact that transcends the borders of the city of Milwaukee.

MR. SCHAMBRA: Ellen?

MS. DADISMAN: I'm Ellen Dadisman. I work at the Council on Foundations.

I would like to ask anyone who wants to answer how you view this conversation—how do you imagine this conversation might be going ten years from now? In other words, do you think that nonprofits will continue to be allowed to be as active as we are? We're seeing a lot of politicians starting up foundations and charities in honor of themselves or their pet causes. And we're seeing a lot of nonprofits acting as third parties in electoral politics. And, you know, we know that there are different classifications in the tax law, but the way the public perceives our sector, it gets very blurred.

MR. SCANLON: Ellen, I'd just make one brief comment. I think that there will be legislation that will be more restrictive of foundation activities, and I personally don't want to see it, but I think it's going to happen. And I think it's going to happen because of things brought to bear from, say, the *Boston Globe* series of abuses, particularly of Massachusetts-based foundations. And I think if there are many more of those, we definitely will have legislation which will restrict the activities of grantees.

MS. DADISMAN: [inaudible].

MR. SCANLON: I think so. I think it will impact that.

MR. MEYERSON: What I'd like to see within the next ten years—this may be wishful thinking, but it's what we're certainly going to dedicate everything we're doing at the Philanthropy Roundtable to achieve—is that some very serious problems in this country will have found solutions, and philanthropists will have been the key drivers in making those solutions come true.

For example, probably our single highest priority at the Philanthropy Roundtable is to help donors solve the problem of education, K-12 education for low-income children. We think that problem can be solved, or at least, major headway can be made on that within ten years, and that the solution of that problem will then capture the imagination of other donors to solve some other great problems in the country.

MR. GREBE: I'm confident that in ten years the field will be much better endowed, much more effective, more diverse, and just better.

MR. COHEN: Based on those \$15,000 grants that Terry found that we're getting, I hope that NCRP is even at the table to have the conversation. What I would look for in ten years is a much more serious kind of philanthropy. If we were all sitting here debating not the fact that so much of philanthropy doesn't go in important directions and doesn't address critical issues that are in front of the public today, but we're discussing what the substance is, the meat of that kind of philanthropy, that would be a thrilling discussion, especially if it involved other nonprofits whose voices are rarely heard today on the subject. So to have substantive dialogue with other kinds of voices would be a great thing ten years from now, with NCRP still there.

MR. SCHAMBRA: Kim?

MS. DENNIS: Kim Dennis with the D&D Foundation, which is a conservative public policy foundation. I also play a role in a program at the American Enterprise Institute, and I can guarantee you, Rick, that there are a lot of people on the right who think that AEI is a left-wing organization.

[Laughter.]

MS. DENNIS: I really do think that a lot of these terms we're discussing are relative.

I want to try and get back to Bill's question about whether the reason for the Right's seeming effectiveness in philanthropy is the fact that it has a more focused agenda relative to the Left. It seems to me one possible answer to this is that progressives, if you will, have a much bigger agenda. They seem to have all sorts of things they want. Compare them to conservatives; there are just a few things we want. We want reduced taxes. We want smaller government. We want a more conservative social structure. But that's about it.

I love this idea that we have all this focus, but the truth is, we sit around and think, Oh, what good is one more study on privatizing Social Security going to do, but we don't have that many issues. You know, so we keep doing more studies on privatizing Social Security and we figure that eventually it might happen.

But the progressive have a whole array of wants and desires. Rick, in your opening remarks, you went down a list of your constituencies—there's the multi-cultural constituency, there are the gays, lesbians, and transgendered. It seems to me that you have a very splintered agenda that is endless, whereas conservatives, we're just pretty simple-minded.

[Laughter.]

MR. COHEN: I would hate to endorse that last comment.

[Laughter.]

MR. COHEN: I didn't say it!

It's funny; on the liberal side, if you get past all the identity silos, the issues are just as simple. There are issues of fairness. There are issues of decency. There are issues of helping people who are really in need, and so forth. And I think that when you come to some of those issues, I bet if you scratched all of us here at the table, we'd probably all share some aspect of those definitions. The question is not what the issue is. It's our take.

So I don't think that the conservative agenda is quite as simple. I try to read a lot of that stuff, and I love reading it. There are some excellent writers on the right that I get to read on a regular basis. But it doesn't seem quite that simple. To me, it's actually very complex and there are many, many differences. The question becomes: Can the Left make a statement the way you did, which is, Here are the core values that we really believe in. Can we recognize the fact that outside of our silos there are also those values that are shared. I think it's the absence of that dialogue that constrains the Left.

But this is not a discussion of politics; rather, it's a discussion of philanthropy, and on the left or on the liberal side, among the mainstream funders, frequently the funding is based on grantees making the case of how they're different; they're asked to distinguish themselves in terms of issue, focus, approach, or identity. Grantees are forced to narrow themselves into playing up minor differences. They don't have the incentive of having funders ask how they work with others and how they have converging values and where there are commonalities in terms of perspectives that ought to be recognized and supported.

So I think there's a mainstream liberal funder bias that I think does cause problems that makes us sound more complicated than I hope we really are.

MR. SCHAMBRA: Adam?

MR. MEYERSON: At the risk of overcomplicating things, I actually think that the conservative philanthropic movement suffers now from not having sufficient depth on a number of key issues that matter to the American people. Health care, for example. Conservatives don't necessarily have a well-thought-out approach to health care at the governmental level. Our solutions to helping provide health care access—good health care at reasonable cost with lots of innovation—are going to involve the private sector, both the private *for-profit* sector and the private *nonprofit* sector. But even those I'm not sure we've thought through sufficiently.

The fact is that if we were to try to bring together all the philanthropists who seriously thought about how to create a good conservative society in health care, addressing the political problems of health care and addressing them non-governmentally, it would be a very small conversation. Over time, we need to find ways to expand that conversation. That's also true in the environmental area where we need to provide an alternative to the state on a number of these issues, and to develop the civil society as well as market

institutions that will address those questions. We're beginning to do that in some very key areas such as education, but we have lots and lots of work to do in other areas.

MR. REGNERY: Thank you. I'm Al Regnery. I'm the publisher of the *American Spectator*. A question for Rick Cohen. I wonder if you could talk about your study in terms of looking back, when you first conceived of it. What was it you were looking for? As you did the research and you wrote the study, to what extent did what you actually find coincide with what you thought you were going to find?

MR. COHEN: Well, as I mentioned, this was our second study looking at this. The first study took place before I came to NCRP, so I don't want to characterize what might have motivated it then.

I think what motivated us to come back to the study was a feeling that actually reflects many of the comments I've had in responding to some of the questions. I wanted to see us take a finer grain, a less rhetorical, more research-based approach to looking at conservative philanthropy rather than making overly broad generalizations about the directions of philanthropy.

What actually motivated me in part to come to this, besides the concern that I had about the broadness of earlier studies, were mainstream funders who told me that they loved the earlier NCRP study but that they couldn't show it to their trustees because of the language. I thought, How interesting.

If the research is good, it ought to be research that can be shared and discussed widely. And if people feel that the approach is not one that really engenders good conversation—productive conversation, then we ought to come back to the issue and think about how to present the data in a way that creates dialogue as opposed to creates camps. And that's probably what we wanted to try.

And then the third part that motivated us was the sense that issues in philanthropy are changing. The 1997 study dealt with data that I think was from '92 to '95, if I remember correctly. And you have to think that times change, issues change, and philanthropy develops. There have been many movements in philanthropy—the growth of philanthropy, the new funders that have come in, the funders that have spent down. We felt that there must have been changes that were worth trying to examine, and we certainly found some changes, and we found some interesting dynamics, particularly with regard to the impact of overall philanthropy on the thinking of many conservative foundations. But to get at what we thought were some of the principles of effective grantmaking, we had some hypotheses—and many of them were borne out. Many of them are quite consistent with Adam's presentation. And to get to some of the specifics around institution building, in particular, we thought was very important.

So that's what motivated us.

MR. REGNERY: Can you say whether or not conservative grantmaking has been more effective or less effective than you thought it was going to be? Was it bigger, smaller than you thought it was going to be?

MR. COHEN: When you say more or less or bigger or smaller, it depends on your comparison. I think from my perspective—and I can actually ask my staff if they would have a different perspective on this—but I was struck by how large a proportion of the total grantmaking went in this direction compared to what I experienced in other foundations.

Secondly, we were very struck by the significance of not only core operating support but multi-year support, and we thought that that was a very important finding. Does it actually add up to hugely greater effectiveness? Who knows! But in terms of building strong institutions, we came away stunned by the commitment of these foundations to build organizations that lasted longer than the projects that they were trying to work on. For many of the others on the other side of the political spectrum, we find organizations doing nice project work and dying on the vine as institutions.

So we were quite struck by the commitment to building a healthy infrastructure of organizations that had the—Mike, I think you used the word “nimbleness”—that had the nimbleness in a sense to be able to respond to and address the variety of issues out there.

MR. GREBE: Just as a comment on that: At Bradley we have a significant portion of our grantmaking identified under a section called “Intellectual Infrastructure,” where we fund exactly those kinds of programs year in and year out.

MR. COHEN: As opposed to many of us—I am so used to, at NCRP, getting \$15,000 grants, which nowadays look large to me.

[Laughter.]

MR. COHEN: That’s a whole other conversation we don’t have to get into. But we’re so used to getting funders who say to us, Gee, we funded you for three years, it’s time to take a break because you must be self-sufficient after three years of funding. So many of the conservative foundations will stick with their grantees for a very long period of time. It tells us something that we think is very, very important.

MR. GREBE: Although that does become an issue for us; I mean, at some point—and this will come back to me—at some point, when you’ve been funding organizations like AEI and Heritage, which have been so successful and, arguably, self-sufficient, you have to ask yourself how long and at what level to continue that.

That will come back to me.

[Laughter.]

MR. SCHAMBRA: Why don't we go to Jeff here?

MR. KREHELY: I'm Jeff Krehely. I'm the deputy director of NCRP and one of the authors of the report we're talking about here today. And I would like to thank Terry, Adam, and Michael for their comments and taking the time to put some really good thought into this and give us some really good feedback and have a great discussion here.

We use Adam's research at the Philanthropy Roundtable in quite a few of our different research projects, so I think we really find that there is a richness from that perspective and that his organization really deals with some things that research organizations on the left and the middle just aren't working with. And it's a valuable resource for us.

My question would probably be more for Adam and Michael. How do you keep it fresh? As you have these policy successes and you start seeing some of your demonstration projects on the ground becoming part of public policy, becoming the rule of the land, how do you keep it moving? How do you avoid getting captured by the government? Adam, you made the comment that a lot of the grantees on the right just avoid taking government money, and yet there's the push with the Bush administration, with Charitable Choice, to try to get more conservative or right-of-center nonprofit organizations, religious organizations, providing these services. Is there tension there? How do you factor that into your planning when you're thinking ten years out?

So it's kind of a rambling question, but how do you keep it fresh, basically?

MR. GREBE: Well, I'll take the first crack at that, and my first thought is going to be a little dangerous, but I think there's a leadership issue involved in keeping it fresh, both at the staff and board level. And I think a foundation board is very important in making sure that the people who are running the foundation on a day-to-day basis keep it fresh.

I also think that our grantee base helps us keep things fresh. They are very entrepreneurial, and they constantly bring us new ideas and new proposals. That's another way of keeping it fresh.

But, you know, you have to keep coming back to the mission. You can get so fresh that you stray from your objective. And I regard my job in our foundation to be the primary keeper of the culture and to be the person who yaps about the mission statement more than anybody else. And the people who work for me are really getting tired of hearing me talk about the mission statement. But I guess that's just an overbearing way of saying, Beware of getting too fresh.

MR. MEYERSON: We see lots of opportunities for philanthropists to make a difference. I suppose we'll know we're not being fresh if no one comes to our meetings. But we look; we try to keep in touch with what philanthropists are doing around the country—and there are lots of exciting things.

We just did a program a couple of days ago with a philanthropist about whom you might not have heard, but he's a basketball player named David Robinson, and he put \$10 million of his own money into a private school serving low-income kids in San Antonio. And it is a great school. And it shows what you can do with philanthropic leadership. We did a program there with David Robinson, and nobody who heard David Robinson could come away feeling un-fresh or feeling that these weren't exciting things.

We're trying to develop an approach to environmental philanthropy with which Alex Echols, who is here with us, is helping us. There aren't many conservative philanthropists interested in environmental giving now, but we're trying to help build a critical mass of donors who are going to be interested in solving some of our problems and finding environmental solutions that are based on science and are consistent with a free society. And we'll work with anybody, Left, Right, or Center, who wants to participate in that. We see that as something that's going to keep us fresh for a very, very long time.

MR. JORDAN: Stephen Jordan with the U.S. Chamber Center for Corporate Citizenship. Going back to the question about coherent liberal groups, what about the DLC and the Progressive Policy Institute and the New America Foundation and some of those guys? But that's really not my question.

Coming from where I come from, I suspect that the reason you didn't see a lot of corporate support of the foundations is that a lot of companies have a tendency to do their public policy advocacy work through the trade associations, either the horizontals or the verticals. And so I'd suspect that that might have been one of the reasons why corporate philanthropy didn't show up so much on your radar screen.

But, regardless, I'd still be curious—because I suspect that it's a little bit counterintuitive—how you would characterize corporate philanthropy and how it shakes out across the ideological spectrum.

MR. SCHAMBRA: For whom is your question?

MR. JORDAN: All of you.

MR. SCANLON: At Capital Research Center, we do a directory about every eighteen months or so called "Patterns in Corporate Philanthropy," and we look at the top Forbes-listed companies by assets and their charitable giving.

Now, Rick mentioned that it's about fifty percent. I'm not quite sure where he got that figure, but I'm sure it's close. Unless the corporation is giving through its own foundation, and then refusing to tell us what it's giving privately, then we don't have that information. But I think we have the best data around that there is on corporate giving.

The ratio is about four and a half to one, four and a half dollars to liberal, progressive, left-of-center groups, to one dollar for conservative groups. And that has been fairly consistent over the twenty years that we've been tracking corporate giving.

So if you went outside and did a poll on the corner here of Eighteenth and L and you asked John Q. Public what he thought corporations were giving, you'd probably get an overwhelming response, Oh, to conservative groups, or what have you. But it just isn't the case. And there are reasons why. I mean, that could be a topic of another luncheon discussion, but corporate giving is overwhelmingly liberal.

MR. COHEN: It could be a topic of more research as well because, I mean, partly our feeling is that because corporations are not required to report their charitable giving unless it comes through a private foundation, our analysis—and we've done this kind of analysis in the past—is that a good chunk of it—and our estimate was fifty percent, based on our limited surveys—is really not being reported. And as a result, we miss the grantmaking that occurs through the president's office, through the marketing department, and through a variety of other formats. Therefore, the content of corporate philanthropy is in some ways a large unknown.

Now, Terry and I, as you have probably figured out, have slightly different definitions of liberal and conservative, so we might even disagree about his four and a half to one analysis. But I don't even think we really know. You could take other studies by the Center for Science in the Public Interest, which has done a regular sort of collection of corporate grants that go for a variety of purposes—some through trade associations, some direct giving to public policy think tanks and research centers, which has a much different tint to it ideologically.

I think it's an area where, if I would go back to the question of transparency, we need transparency. We don't really know. And I think that probably when Terry does his research, he's as frustrated with not being able to get the full story as we are. When we do our surveys of corporate philanthropy, we say, Please tell us beyond the foundation, if you have a foundation, what you give. And we get some people that send and many people that won't. It is a frustration to the ability of the sector to know where charitable dollars are really going.

MR. BJERGA: I'd like to try and bring it all back home here with a final question, going back to the original introduction that you made. I'm Alan Bjerga. I'm a journalist with Knight Ridder newspapers. And as I look at the distinctions between conservative and liberal foundations—I know people get very fixated on the Right-Left divide—I sometimes wonder if we're really looking at the life cycles of organizations. It's certainly not unheard of for an older, more mature organization to get more bureaucratic, to have more tightly defined parameters on things, and younger organizations, say less than a generation old, to have a little bit of a wider playing field, in this case the marketplace of ideas, to not bump into one another and have more room for entrepreneurial growth.

My question—and I guess one part would go to the Right and one would go to the Left—is for the folks on the right: Are you concerned—and this has been alluded to before—that as you get more successful and more groups come forth, you become more bureaucratic? How do you ward that off? And for people on the left, is the real hope for the Fords and

the Pews to reform themselves, or are you really looking at maybe some new families or some fresh blood on the left, organizations that will take more of that conservative model and then introduce that into the marketplace of ideas?

MR. GREBE: I'm not concerned at our Foundation about becoming bureaucratic. It's just not our nature. We're not going to do it. I don't care how old we are.

[Laughter.]

MR. COHEN: Well, coming from the left, I would guess that at any foundation, Right or Left, the people in Mike's position every once in a while have to remind the trustees to remember why they're there—they're there to get the money out and to remember the mission, which is why I think you said, Mike, that you often speak to the mission and remind people about the mission.

I think it's very easy to be in an institution where the institution becomes the predominant factor and the mission is something that is stated but people forget it day-to-day. So I think that the issue of bureaucratization, of forgetting the mission, of turning it into another institution that is concerned about institutional survival rather than change, whatever the perspective is, is a challenge for anybody. So although it may be against the culture of the Bradley Foundation, I'll bet that there are plenty of people like Mike who say, Remember why you're here, remember what your purpose is, get the money out on the street, it's not just to fund you.

From the more liberal side, I think that there's new blood in philanthropy all the time. One of the exciting and dynamic parts of philanthropy is the creation of new foundations. New funders like the Gates Foundation provide yardstick competition for the others. They do things differently. Sometimes they do things without a lot of bureaucracy. Sometimes they remember to focus on the big issues. And I would think that the existing foundations look at those yardstick competition players and say, How come they're doing it that way? Maybe there's something for us to learn, and maybe we can do our job better—although then the new players have to resist the pressures from the old players to say, Why are you doing it in such a free-wheeling way? Why don't you become more like us?

So there's a tension in both directions on the liberal or left side.

MR. SCHAMBRA: Last word, anyone? Okay. Thank you very much.

[Applause.]