



INTERVIEW WITH JOHN LORE – SEPTEMBER 28, 2012

Our State of Generosity, a project of the Dorothy A. Johnson Center for Philanthropy (JCP) at Grand Valley State University (GVSU), in partnership with the Council of Michigan Foundations (CMF), Michigan Nonprofit Association (MNA), Michigan Community Service Commission (MCSC), and GVSU Libraries' Special Collections & University Archives present:

An interview with John Lore on September 28, 2012. Conducted by Kathryn Agard, primary author and interviewer for *Our State of Generosity*. Recorded at Saginaw Valley State University in Saginaw, Michigan. This interview is part of a series in the project, *Our State of Generosity* (OSoG). OSoG is a partnership of scholars, practitioners, and funders from four institutions – the Johnson Center; CMF; MNA; and MCSC – that collectively form the backbone of the state's philanthropic, voluntary, and nonprofit infrastructure. OSoG's mission is to capture, preserve, analyze, and share the developments, achievements, and experience that, over a period of 40 years, made Michigan a State of Generosity.

Preferred citation: Researchers wishing to cite this collection should use the following credit line: Interview with John Lore, 2012. "*Our State of Generosity*," Johnson Center Philanthropy Archives of the Special Collection & University Archives, Grand Valley State University Libraries.

Abridged: The following interview has been edited to assist readability. Extraneous verbal pauses and informal personal conversation not related to the topic of Michigan philanthropy have been deleted. Footnotes to the transcript have been added clarifying any factual errors in the memory of the person interviewed.

Text of the interview questions are as asked. Individuals interviewed have had the opportunity to add or edit their answers in order to provide their most accurate answers to the questions. For these reasons, the edited transcript may not exactly reflect the recorded interview.

Kathy Agard (KA): Are you ready?

John Lore (JL): I'm ready. Yes.

(KA): Okay. So, John, this is my question. You've been engaged in Michigan's philanthropic story for lots of years and from many different perspectives. We've been looking at the four major infrastructure organizations – the Council of Michigan Foundations, Michigan Nonprofit Association, Michigan Community Service Commission, and the Johnson Center for Philanthropy – and trying to capture the Michigan story and what might be learned by other places that would be useful on how strong and how cooperative this sector is. Tell us a little bit about your philanthropy, not your personal, biography. How did you get involved in this work, and let me know what role you have had with those various organizations.

(JL): Oh, thanks, Kathy. I was fortunate enough to be at the beginning, and I really came in as more an observer. I was a WK Kellogg Foundation intern in 1974. I was doing my doctoral dissertation on [00:01:00] the effect of the 1969 Tax Reform Act and the impact it had on private charities, supporting charitable activities. Interestingly enough there was a real concern, and I think it was being coordinated by several of the foundation leaders, that they couldn't get a common response to some of the terribly burdensome tax issues that would have come out of this tax reform act. It was really Russ Mawby and his insight and other leaders around the state that said, "We need to have some form to respond to these burdensome tax regulations." That's what really started the process. Leonard White, who was with the Kellogg Foundation, and Dottie Johnson, who was with the Council on Foundations representative group, started to really develop the Michigan Council on Foundations. I think that they were using as an example the Council on Foundations in New York. [00:02:00] So that's where my introduction started. It was really interesting to watch it from the beginning. As you can imagine as a foundation intern, I was given a lot of assignments by Russ and Dottie (as only they could do) and Leonard White. I helped them in some ways as they coordinated that effort. Probably the only way that could have happened in the state was because of Russ and Dottie. Both of them were very influential in representing their particular constituencies.

(KA): John, can you tease [out] a couple of things? Do you think that they knew what they were creating, and can you tease out for me what they actually did and what made them such powerful leaders?

(JL): Yes. I think they absolutely knew. I think probably one of the most brilliant individuals I've ever worked with, and foresightful, is Russ Mawby. And Russ [00:03:00] was always seven steps ahead of just about anyone. He is really a brilliant individual, very analytical. You would never know it though. He played that role of the "aww-shucks" and I am just an oxen [laughter] leader and driver. He just was an incredible guy and then he teamed up with another brilliant individual, a woman with incredible force, Dottie. There was no question in my mind they knew exactly what they were creating. I do think, however, they had to work hard to bring all the rest of us along. They saw a real interesting potential here in Michigan in the fact that we were one of the most unusual states for foundations. We had three of the largest foundations in the world domiciled here. We had a lot of medium-sized foundations because of our industrial base and we had a lot of small foundations because of those parasitical [00:04:00] organizations that were created to produce for the industrial need. We had a stratification of foundations unlike any in the country and we had some of the greatest foundation leaders out there through the years.

There was no question in my mind Russ and Dottie realized that and felt they needed to harness that. That's really what I think started the whole movement. They started first the representative group, and it really was the forerunner of all that we are doing today. It was called the Nonprofit Council. It was a very interesting group. I remember what some of the issues were, would it be not-for-profit council, the nonprofit council; but notwithstanding that, they appointed some very interesting people. They saw for the first time that it couldn't be just the foundations. [00:05:00]

Russ really, clearly felt that you couldn't do it without all of the players. You needed the grantseekers, you needed the grantmakers and you needed those charities that both were committed to support. So, he



started a group and encouraged the group of founders. George Romney represented not only a state initiative, Volunteer Centers of Michigan, but he represented volunteer centers throughout the United States. There was Dottie Johnson. Dottie, of course, representing the Council of Foundation Leaders. Then there was Richard Austin, who was Secretary of State at the time. There was Betty Upjohn-Mason, who represented individual philanthropy and individual support of philanthropy, a very talented woman, very bright, very articulate, a journalist at one time. There was myself. I was [00:06:00] representing the group of grantseekers. I was involved with the Association of Fundraising Professionals at the time, we had about six chapters throughout the state.

He was concerned that we had these separate silos. Foundations were meeting separately. The grantseekers were meeting separately. The charities were meeting separately, thinking they had nothing in common – when all the while Russ knew that they all had something in common. You could not build an effective structure unless you had all of these organizations. They were all important and integral to creating a real not-for-profit environment and they did it in that way.

Russ and Dottie sponsored the first [00:08:00] grantseekers/grantmakers conference and Russ did a very wise thing. He appointed the head of that conference, one of his program people by the name of Peter Ellis. Peter Ellis is a study all on his own, but he was the most powerful, demanding individual whom I have ever worked with. He was very competent, and he was so involved in the detail. Dottie Johnson and I – Dottie, representing the foundations, I, representing the fundraisers – were really in a sense, his staff [laughter] for a period of time. There was a time I used to say to him, “Pete, I have work to do. This is a volunteer role.” I mean, he checked in to every single... and at one time I said it too often and he said to me, “Your only job is to make this first meeting of the grantmakers and grantseekers a success. That is your job.” [00:09:00] He was quite demanding that way. That was probably one of the most powerful meetings I have attended. At that meeting Russ Mawby, like only Russ could do, gave one of the most definitive speeches I will ever remember. He talked about the importance of this equation with grantmakers and grantseekers; in order to bring those over to those in need in a legitimate fashion, you needed this combination. He called the fundraisers the “doers” I think. It was a statement that I think, for the first time, not only in the State of Michigan but nationally, fundraising became a team effort.[00:10:00]

(KA): And then, John, when you had the chance to really watch Russ and Dottie sort of up close and personal, can you identify how they led a meeting or how they put a group together? What they did that you might coach young people about? What would you tell them about how they did their work?

(JL): There were two different styles and both very successful. Dottie’s style was in your face. She would really be demanding. She didn’t suffer fools gladly. She really would not be afraid in a meeting to say, “Well, I don’t agree with that. I think we’re on the wrong track and we need to... and you’re welcome to argue with me on that and debate that issue, but we need to debate that right here if we’re going to go any further.” You never left a meeting at all wondering [00:11:00], *what did she mean?* She was very direct in that way. She could do it in a way that didn’t upset, particularly, people who weren’t afraid to be challenged. It just didn’t upset them, people who were secure in their leadership. She would make you think, but it would be right on.



Russ could do it in just a couple of words and he would not come in... you'd hardly hear him during a meeting and then he would, in two or three quiet words, change the whole direction of a meeting. I've seen him do it time after time after time. What was interesting to me is the direction in which he encouraged people to go by those few words was *always* (and you don't say "always" often) *always* the right direction. He had an uncanny ability to do that for several reasons. I think his sheer intellect is number one. And number two, his incredible security [00:12:00]. He was a very secure person. Maybe there was a third and that is his touch with nature. He truly was in his mind a farmer, a rancher, an apple orchard tender. I mean, he really was. That, I think, gave him a touch to reality and to humanness that very few people had.

If I may, I'm just going to give a story and it's just typical of the way he handles himself. When I was doing my oral defense of the dissertation – it was a very esoteric dissertation. First part was in tax and secondly it was on a very rare tax reform act that impacted private foundations in a very different way than it ever happened before. You could invite outsiders to come to your dissertation defense, and I invited Russ. First of all, for him to even take the time [00:13:00] to come over to sit in this room for a defense of a dissertation was the most unusual thing in the world because his schedule was international, it wasn't national. He could be anywhere. He could be in Europe, Switzerland, Asia, South America, and so on. So, for him to do that, number one. But you always have a professor who wants to in a sense make a point, but not helping to clarify the methodology and so on but more to show what they know. There was one that just didn't get out much, he was kind of a local in his perspective and so on. He started challenging, "Well, that's not the way foundations do it. That's not the way..." Well, the other people in the room – knowing [Dr. Mawby] was going to be there, were there, the leaders of the university – were squirming and uncomfortable, and you could see and they thought, *what is going to happen here?* Russ waited until he got finished, [00:14:00] and said, "You know, I've been involved with foundations a little bit. Actually, the way Dr. Lore (which of course I hadn't had the doctor yet but it was very subtle in his part) explained that, it's really the way it is in the foundation world." That's all he said.

So then right away the chair, who was the head of the business school and is very smart, thought, *I've got to help this poor guy out.* He said, "Oh, well, you know, Dr. Mawby, being the chairman of the world's largest foundation, we appreciate hearing that from your perspective." This professor of course just backed right off. That was the way Russ was. Another person might have come right at him and said, "You don't know what you're talking about. You shouldn't be saying those kind of things." Not Russ. Russ handled it in a way that he made his point, didn't embarrass the person and that's the kind of person he is. And that's a typical Russ Mawby story. I've seen him do it often because I was close to him. When I did my internship in 1974, [00:15:00] I was his intern. My office was right outside his office. I went everywhere he went. If he went to Wisconsin, to Wingspread, I went with him. We had many, many quiet hours together and I'd seen him do it. When he'd walk into a room and he looked least important of anybody in there, and yet he was by far the leader without question.

(KA): Thanks, John. It's a great story [laughter]. I really liked that. Good. You're doing wonderful. Thank you very much. One of the things that I wanted to pursue that you know the inside story of, is the raising of the money for ConnectMichigan Alliance. If anyone had ever said to me that a group of people were going to raise \$20 million. \$10 million from government, \$10 million from foundations before an



organization [Laughter] even really existed for endowment I would say, “You’re nuts. That could never happen,” and you guys did that. So, I’d like to hear about that.

(JL): I think a lot of people felt that, Kathy, and I don’t blame them. Even [00:16:00] people like Sam Singh and Kyle Caldwell, who are incredible leaders in this industry and the not-for-profit, really worried from beginning to end that “We can’t do that. We’re not going to raise that kind of money.” Yet Russ knew. I retired from Ascension Health, the largest not-for-profit healthcare system in the world. When I retired, we had about 120,000 employees. We had about 100 hospitals and medical centers in 36 states. When I retired I said, “I need to do two things.” I travelled to China. I was on the US-China council for business exchange. I needed to do that, and I had to have knee replacement.

Russ called about the first two or three weeks before I retired and said, “Now John, I’d like to talk to you about the possibility of coming to do this. Here’s what we have to do. I have to have someone that the not-for-profit [00:17:00] people would respect, I have to have someone that the foundation people and I have to have someone in the state. If I could get someone with your background because of what you built at Ascension, I’m convinced we can raise the money and then coordinate all the not-for-profits in this state.” He said, “Would you commit to that?” I said, “Well, Russ, I really need to do a lot of things. I’ve got to travel and so on. How about if you talk to me in a year from now? We’ll talk about what might be possible. Can you wait that long?” He said, “I think we can. I’d like to do it sooner, but I think we can wait that long.”

Well, interestingly enough, a year from that date I get a call from Russ Mawby and you know how Russ Mawby is. He said, “Now, you promised me that you’d take this role.” [Laughter] I said, “No, Russ, I promised we would talk.” He said, “It’s not how I remember it, John. We’re really [00:18:00] ready to have you go. We’ve held everything off. Basically, you need to come to this.” I said, “I’m ready, but I just need to sit down and talk with you first about what you’re trying to do here and so on. Is it doable, Russ?” He said, “Yes, it is doable. It’s going to be hard, but it’s doable. So, what we would like to do is bring all of those groups together--Michigan Community Service Commission, Campus Compact, Volunteer Centers of Michigan, and Michigan Nonprofit Association. We’d like them all under one roof and we would like them all working together as one. So committed is the state to that, on the Michigan Community Service Commission, they’re willing to match 10 million if we can raise the other 10 million.” And I said, “Where are the boards on all of these? You know how possessive we all are and they’re not-for-profit boards.” He said, “They are all willing to do this. Now, some of them are willing if they get [00:19:00] the right leaders,” – typical Russ and his recruiting. He said, “But they’re willing to do it. So, you’ve got two things that you’ll have to deal with. One is bringing the groups together and number two is the raising of the money.” So, I said, “Who do you have as part of the team?” “I have Michelle Engler, she said she is committed to help. He said, “I have Julie Fisher Cummings. I have Dottie Johnson, and Bill Richardson at the Kellogg Foundation.” I said, “That’s a pretty powerful [Laughter] team. What’s my role with that team?” He said, “Well, you’re to coordinate the efforts.”

When we started the process it was absolutely incredible, the response that we received from out there for two reasons. Number one, I think the community was ready. I think number two is that Michigan had already served as a model. You had Sam Singh who is known throughout the country. [00:20:00] You had



Dottie who is known throughout the country. You had all of these people involved. Kyle Caldwell was so respected in the Michigan Community Service Commission. All of these people were so well-known and so respected at a statewide level. Michigan had really put itself out as a potential model for the whole country if this could be done. And so that was an incredible appeal to the funders. They were so good with it. When we went to Kresge, I said to Russ, “Russ, you can’t send anyone else. It has to be you and me and perhaps Michelle, but you have to be there.” And he said, “I don’t need to be there.” I said, “No, you really do. With Kresge, it’s very special because it’s a very difficult thing for them. They’re moving from a brick and mortar to programs in the city [00:21:00] and to ask them to do a statewide effort is just, you know, it’s going to be very difficult. You need to be a part of that call.” And he did. He didn’t care for it much because he was on his, you know, “I’ve done this and been there,” but he was absolutely brilliant in that call. He really was.

John Marshall could ask questions like no other person could and really make you perspire--almost like a Pete Ellis--but it was really something, the way he responded. Actually, Michelle and I just sat and listened, Russ was so incredible. Then he went to Bill White at Mott. Again, very difficult because Mott is so focused on community but yet ready to break out and look at a statewide effort. The case was made in a way and Bill not only said, “We’re going to do this but we’re going to help you with other foundations.” So, that could only be done because of that incredible relationship that they had. [00:22:00] It was just unreal. Michelle and I went to Chrysler and Ford, and they both committed a million dollars. Russ and I had worked together closely with Ranny Riecker. We were on the Starr Commonwealth board together, had become very close through the years. Russ said, “I don’t need to go to that one. You know her as well as I. So, that’s the one you go to.” I brought Sam and Kyle, who she respected very much. This was a big move. Ranny let us know that, because in the middle, she said, “We’re not statewide. That’s not been our pasture in the past. We have a lot that we do here.” The case was made, and unfortunately – and Ranny has said this in the past -- it was on the day of 9-11. It was a very stressful and difficult time. They had all their board in there from New York and some of them had family members involved. [00:23:00] I then said to Ranny, “Ranny, why don’t we cancel this? We’ll come back. Kyle and Sam and I can come back. It’s not an issue.” She said, “No. Let’s get this done. I don’t know what we’re going to be able to do. I don’t think any of our people are going to be able to fly back. We just may have to interrupt the meeting if we hear from family members to make sure they’re all okay.” Ranny said to me – it was very interesting, “In many ways, we thought this might be the end of the world. Why don’t you just give them the million dollars because we may not have any more money?”

It wasn’t that way. It was more than that, but it was the way of just what was happening. That was a very interesting story. The other one was Chrysler and Ford, because we had to make sure when Michelle and I were going in and I said, “Michelle, I drive a Ford. I’ll drive my car when we go visit the Ford Foundation but we have to figure it out for Chrysler. We have to get a Chrysler to drive [00:24:00].” [Laughter] We’re not going to go ask for a million dollars and drive a competitor’s car...” You had all that inside stuff. She was absolutely incredible. She was really something.

(KA): How long did it take to raise the money?



(JL): It took longer than we thought for two reasons. Number one, we had initially – and you know how any of these campaigns are – we were at about 17 million. That last three million, there were some issues going on with elections and so on. That last three million was starting to get a little bit vexing. We had to pull back and we were getting, “We’re starting to cut, we’ll do that if we’ll do that and we’ll do this and we’ll do that.” It was a very difficult thing towards the end but once we said, “No, no. We’ve come this far.” We’re at – I think we’re at 18 million – and I said, “We’re not going to do these deals and so on. [00:25:00] We’re going to go out and still seek funding.”

So, we started reaching people that we never thought, Comcast Communication and others. A situation came up with General Motors, they wouldn’t give us the million dollars and gave us a very small amount which caused a lot of anger out there. But a very interesting thing happened. A General Motors’ person was leading the effort for the waterfront in Detroit, and they asked for a \$15 million grant from the Kellogg Foundation which they were going to give but then after the strategy sessions said, “Hold on. They’re asking 15 [laughter]. They won’t even give, they gave a small amount.” So finally, we got the real estate person at General Motors to know that he would have to find ways to make that up. So, that then helped. Then Comcast’s family that people knew helped. We started going to sources [00:26:00] that we never thought would consider gifts like that. We went well over the \$20 million for two reasons. That was a very difficult economy, it happened with 9-11, there were all kinds of issues around it, but I think the story was so compelling and I think the track record of the not-for-profit community was such that people said, “We’re going to invest in this. This is going to work.” And it has. You know the history today with Michigan Nonprofit Association being in Michigan by far (this isn’t being braggadocio or chauvinistic by far) being a model for the whole country. You don’t find many philanthropic structures like this around the country.

(KA): Thank you. It’s really good. When you think about it, John, “herding cats” is a good phrase. Why haven’t these big personalities with natural leadership tendencies– as you know and you’ve seen [00:27:00] in your own career people when they take the jobs, they want to build their own institutions. It’s just in the DNA of people who do those kinds of jobs. Why haven’t we ended up in huge big fights in Michigan?

(JL): I’d think of several reasons. Number one, I think there is a servant leader culture out there. I think it was some of the great leaders in the past, the Stewart Mott’s and Stanley Kresge’s, they didn’t need name recognition. They didn’t need to build an empire. Stanley would sign every check for a while that went out. They hired people in their image and that’s what happened. So, you had Ted Taylor and you had Bill White; none of these are names that you would see nationally. They weren’t in the news all the time. They weren’t the people being shot at for being arrogant with their foundation strength. The other thing is they never used those resources in the foundation [00:28:00] world for ill-gain, they always did the right thing for it. They didn’t do it politically. We didn’t get in to any of the issues of the Cleveland Community Foundation, the Ford Foundation in New York. We didn’t get into any of that stuff. It was always done for the right reasons.

I think there are two or three reasons for that. Number one is that there was a real recognition. With these resources come responsibilities. The foundation felt all along, “We have to have professional program



people. They're the ones that can make these decisions. We have to work with professional fundraisers, grantseekers. They're people we can trust. They have a code of ethics. They have ethical standards. They have certification process. So, we have to do these things in order to have a fair, balanced infrastructure." That [00:29:00] was so important to the foundations, that the Kellogg Foundation gave significant moneys to the Association of Fundraising Professionals to establish a strong code of ethics, a strong enforcement, etc. The first grant ever received by the Association of Fundraising Professionals was from the Kellogg Foundation. That was overseen by none other than Dr. Peter Ellis. So you know that every single dollar of that investment, as he and Russ used to call it, was spent wisely.

One would say, "Why didn't they just concentrate on their sector?" Again, it goes back to Russ' wisdom. He knew you couldn't do it just with their sector. If we're going to grow, we have to have professionalism at the same level. Those grantseekers [00:30:00] have to be as professional, as accredited, and as ethical as the organizations they serve and the foundations. That's what I think really made Michigan different, and we all saw that. Ted Taylor saw that in the form of the Bill Baldwin who followed, and so on. All these people were in the same cast as Stanley Kresge. I remember receiving a grant from Stanley when I was president of Nazareth College to finish our auditorium. I remember on the back of the check, he said something in the name of God, signed by him. I'm looking at this check, and at the time it was about a \$700,000.00 check. Now, remember I was president in '72. That's a century ago. Seven hundred thousand was worth some money [laughter] then. He signed the check himself. To me, that says a lot about [00:31:00] how they really understood their stewardship of those funds, there just wasn't arrogance. The same with the Mott Foundation and their outreach to community and the programs they started were absolutely incredible. Charles Stewart Mott, he was tough. I remember one time he got very upset. There were three or four of us talking with him and I took some papers that he had given to me and there was a paper clip on it [laughter]. He got upset and grabbed that paper clip. Russ Mawby will tell you the story about that. It's just one of those things that typified [Mott], you know. He wasn't a wastrel. He had all this money but in his mind, "We have to keep as much as we can to do what we do. We give money away, we do not spend it."

Now, there were some foundation staff that didn't care for that because [laughter] their offices weren't quite what some of the other foundations' were, but they all had that kind of [00:32:00] real substance about them. They were frugal, they were wise, they were focused on what their job was, and again, they were servant leaders. They were true servant leaders. It's easy to say, It's a wonderful watch word, but to be a servant leader and to live it... and you saw it every day going on. You saw it in the not-for-profit community too and the people that ran Little Sisters, Big Brothers, Starr Commonwealth; I can go on and on and they're all incredible people. Any one of them could have gone to industry and made much more money. For that matter, you [Kathy] could have, Joel could have, Peter could have. You elected not to. You elected to really stay in a field where you could make an impact and make a difference that was measurable. And we could do that, we could measure it and I think that was an important aspect of it.

(KA): Good. Thank you. I'm trying very hard not to giggle or give you too much brutal feedback, which is very tough for me. [Laughter] [00:33:00] Let's go a little bit more with your role as a national fundraiser and how you helped to professionalize that field when you were there.



(JL): Yes.

(KA): Talk a little bit about what the reaction was from the fundraising field at the time.

(JL): I think there was hunger for that. I really do. I think there were so many very capable fundraisers who in many ways suffered under little remarks like “money grabbers,” and “they got their hand in our wallet,” and things like that. They were very professional people who really cared and saw the need. There was this tremendous need and hunger out there for *how do we do it?* When we first started, we had basically one chapter, the Michigan chapter. We were very successful in several programs that we put together where we were funding through vendors. One of the things we said [00:34:00] is that, “We can’t just keep building up Michigan. We can’t make people drive from all over. Let’s seed a program throughout the state. Let’s give them resources.” We started moving around the state giving several thousand dollars for them to get started in mailings and so on. We didn’t want those people driving from all over, so the mid-Michigan chapter and the Lansing, the capital chapter. There were chapters throughout that we really focused on; the greater Detroit chapter.

It was also important for me to meet with our seniors, because once you reached the senior level in fundraising you felt that you didn’t need to share with others. I mean, you got there, you reached it. You’re a critical part of an important cabinet in your own organization. We would literally, two or three of us – Ken Isherwood, myself, and others – would go and say to people, “You have a responsibility [00:35:00] and you’re no busier than we are.” This is particularly true when I became the head of the Sisters of Saint Joseph. We had about 60,000 employees and it got to be very difficult trying to schedule time. But I would always, always, whenever someone came and wanted to talk about fundraising or the profession, I would make that time, I didn’t care what time it was. It could have been 6:00, 7:00 o’clock at night. I would do that and I just would say to all of the others, “Mentoring is your responsibility. I don’t care how high you are in the organization. You can be a vice president of a great university and so on. You have a responsibility to mentor. You must do that. You have to be mentors. It’s the only way we’re really going to build that strength and professionalism for the future.”

So that was one that we really started and it really started to mushroom at the same time. When I became president of the SSSH Health System in ‘93, we had kind of a scandal at the national level. [00:36:00] I became chair of the board at the national level, and an attorney advised that since we didn’t have the right articulation of the enforcement codes that we drop our values, we drop everything; which they did at the time, because it was nascent organization afraid of being sued. We came at it in a whole different way. That’s where I went after my good friend Dr. Peter Ellis, to seek foundation support. “Peter, you’re so concerned about the professionalism of our industry. Here’s a chance. We can change it. Help us introduce enforcement procedures and our code of conduct. We can’t afford attorneys, but you can give us money so we can [00:37:00] get attorneys so we can turn this around. We shouldn’t be going without values and a code of enforcement.” So he saw that, you just had to justify it for him.

Not only did he help with that, but he also became involved in meetings. He would come to Washington D.C. and meet with the president of the association. That to me had a national impact and I used to often say to both Russ and Peter at that time that, “You know, I know you don’t realize this because you think



about that money coming from a state request. This has national impact. This really does because now we have a strong enforcement code. We have a strong code of conduct. We created a donor bill of rights. With that bill of rights, with anybody that had a CFRE certified fundraising executive number [00:38:00] behind them or name behind them had to actually articulate that donor bill of rights to all of their donors so that they knew what their rights were. We couldn't do that at the national level without that involvement and those moneys." So to me, that was the best investment that Kellogg could make and it really did have a national impact. The Association of Fundraising Professionals is a very strong organization today, but Kellogg's fingerprints and handprints, and footprints in some cases, it's on all of that.

(KA): You bring up a topic that I talked a little bit with Dottie about and I know you also had both done this and observed it. That's the interrelatedness of the boards and people wearing different hats at different times, and the fact that the Kellogg program officers in particular I think not to the lesser extent, weren't afraid to weigh in and put their muscle behind the project as well as their money, their knowledge, and their context. Can you talk a little about the process? Some people might look at that [00:39:00] on the negative and say, "Oh my gosh! It's a closed community." On the positive, you look at it, there's a great deal of trust as a result of people working together. Can you chat a little bit about people wearing multiple hats?

(JL): Yes, I can. It's an interesting subject that you bring up here because there were greater risks than we all realized, particularly after the Tax Reform Act of '69. There was an expenditure responsibility, Section 49-45, that had very punitive attachments to it if you didn't support a "safe" charity or if something happened that you had to take the responsibility. Unfortunately, a lot of the national foundations and even local and smaller ones, because they had to protect themselves, went into a shell. People like Russ Mawby and Ted Taylor and Bill White said, "No, we're not going to do that. I mean if we see that a child is being [00:40:00] hurt, molested, killed in some cases because of a home, an abandoned home that's sitting there and they can't get funding because they're not a 501(c)3 legitimate charity -- we're going to find ways to help them." And that's how they started setting up the not-for-profit and non-profit groups and moving them to Detroit. They said, "You know, we understand our responsibility but we're not going to let you go and help them. You help them and if they can't, you find someone that can take that responsibility. Because we want to give them the funds to tear that home down, we don't want another child injured in any way." Very few people would take that. They all took the safe route and I can understand that. You're dealing with a lot of resources here. Some of these were very punitive measures against them, but people like Russ particularly -- it's just incredible how he looked at that. [00:41:00] He would even have program directors say, "We can't do it. They're not safe." He would challenge them and say, "Go back and find out how you can do it. Don't come and tell me you can't. Tell me how you can and keep us safe at the same time but tell me how you can. There's a way we can do it."

And again, I told you a little bit about Russ. He seemed like the most casual guy ever. When he had you under the scrutiny of those eyes -- and I was under it a couple of times where I was out of line on some things -- when he looked at you like that, you actually started perspiring. I mean you did. He just had that way about him and it was a very interesting... but again it was a wonderful servant-leader paradox. The paradox is something like, *be gentle enough or sensitive enough to be angry*. [00:42:00] That anger was



to help you because every time it happened to me, not too often but when it did, it was a wonderful lesson learned and I was very careful. I may have still gone back to try, but I did it in a different way. So he taught you how to do that. That's one of the things they were very good at, because it was very hard. You get these small organizations who needed so much help. They had no way, there was no sophistication in those organizations, they didn't have it. And so the foundation started looking for ways of "How do we start up not-for-profit legal centers? How do we start this?" They didn't just say, "It's your problem. You find out and go and see if you can hire somebody, with no money, to do it." They said, "We're going to help you do it." And that's the kind of the forward thinking that you had.

They did take big chances, much more than we ever thought, much more before the Tax Reform Act of '69 which had very punitive restrictions on what you could do because they were going after a small handful of foundations [00:43:00] who violated. So instead of going after those foundations, they did this broad – it was awful. And so Russ and people like Bill White particularly, were good at that in saying, "Look, we're a community program, we support community. They don't have the resources to do it. *Help them*. Find out how they can. We want to make this grant. Find out how they can." In many ways, I think that's one of the reasons that someone like Kyle is going to the Mott Foundation. That's, to me, representative of here's a person that can do anything he wants, go anywhere he wants, built a national structure and now he's going to a foundation to help children and communities in need. I think that's the way things are here, Kyle could be national. Kyle could go to Washington D.C. tomorrow and do very well, he really could, but that's the way everything's ingrained and it's no coincidence that he's a very close friend of Russ Mawby's. [00:44:00]

(KA): Really well-mentored.

(JL): Yeah, yeah.

(KA): Okay, let me go on over quite a bit of these so I'm gonna skip ahead. [Pause] You're doing a good job, John.

(JL): Why, thank you.

(KA): You're getting through many of these very well. You've done a little bit of this, but would you mind sharing a couple more of your favorite Michigan philanthropy stories?

(JL): Yes.

(KA): We're trying to humanize some of those because some of those are pretty technical.

(JL): I will, I will. One – it talks about the sensitivity of very important people. One is another Pete Ellis-George Romney kind of story. On one of the early grantmaker/grantseeker meetings, we had a very difficult election, very difficult. We had two incredible women, [00:45:00] Mrs. Engler and Mrs. Blanchard. They both committed to come to the grantmakers/grantseekers conference because we were in the transition. So everybody wanted the new first lady, but they also wanted the former first lady because



they had served roles through the Michigan Community Service Commission. And so, they wanted them there. It was very difficult for Mrs. Blanchard at the time because the governor was 24 points ahead and then ended up losing, so it was a very difficult thing. But yet you had two incredible women who were both in... just very incredible people.

Somehow they were (which would make sense) seated together at the head table and some of us didn't want to be at the head so we were at different tables. Pretty soon, about an hour before [00:46:00] the dinner, I'm getting one of *these* ["come here" gesture] from Pete Ellis. He and Romney are talking together. He pulled me in there and said, "We're going to split that table up." Pete said, "Don't give me this nonsense about not sitting at the head table. You're doing it because there's a reason. We're going to put you in the center between the two first ladies." Then George Romney came in and said, "Now John, if anybody comes up and tries to embarrass them or ask a stupid question, I'm holding you responsible." I'm thinking [Laughter] *Governor Romney, how can I control what people say?* He said, "I'm holding you responsible. If they leave in any way hurt, I'm holding you personally responsible." That's typical of George Romney, right? That's why he was so successful in his role.

It wasn't a fun evening for me. I'm nervous as can be, and people are coming up and I'm listening to make sure nobody... and I'm interpreting between the two because I know both of them, going back and forth, [00:47:00] which ended being a very difficult thing for both of them. Not just Michelle, but for both of them. Afterwards I thought, "Here's a man of national stature in George Romney, known throughout the world let alone the United States, so concerned, and Pete Ellis, so concerned about the feelings of two incredible women, that they made it very clear that I am to sit there." And George Romney made it very clear to me, "If they're hurt or embarrassed, I'm holding you personally responsible." [Laughter] I don't know what I could have done if someone came and caused – I probably could have jumped over the table and wrestled them or something. I don't know. It was the funniest thing, but it was a wonderful story about George Romney, wasn't it? I mean this guy is the most incredible person in many ways because he cared. He cared nationally, but he cared at that level and he didn't want them hurt. He felt honored that they both would come in a very difficult time for both of them to perpetuate [00:48:00] the whole not-for-profit movement because both of them, as you know, were very important to the Michigan Community Service Commission. It was their role, the first lady's role, the same responsibility.

So it was a very interesting story that I will always remember. I had just tremendous respect. I chaired Give Five with George Romney and Ted Taylor and myself, and we chaired this section, the Detroit section. I get a call from Ted and said, "Whatever you're doing Thursday morning, cancel it, you and I have been summoned. We're going to Romney's house and we're having breakfast." So I said, "No problem. [Laughter] Yes, sir." And so he comes by and picks me up. We drive over there and there's Ted, myself, and George. Lenore is in her room doing her thing, says "Hello." Pretty soon, George gets up. He's got an apron on. He starts cooking us [00:49:00] breakfast. [Laughter] So Ted and I are looking at each other, I thought for sure they'd have it catered or something. I mean here's this incredible man and he's actually cooking us breakfast. Ted said, "I don't normally eat a big breakfast but I damn well was going to today" [Laughter]. Those are the kind of people we're dealing with, I mean it's just incredible people. It really is.



(KA): I had said to someone that I feel like Governor Romney bullied us all into the volunteer centers. We were getting [Laughter] in volunteer centers whether anybody in the state wanted to or not.

(JL): Oh, he was tough. Oh, he was tough and I for one time was pleased to watch him lace down Pete Ellis, because nobody did that to Pete Ellis. He did. He got after Pete and he had his hand in [Laughter] like *that*. I said, “I wish I had a picture of that, Pete” later on. He said, “If you had a picture of that, you’d be dead today.” [Laughter] But he did, he laced him right down and everything was about volunteer centers. But it wasn’t just nationally. [00:50:00] He certainly wanted national support, but he took that to Michigan too and I think it was so important for him to see that in Michigan. He was very happy with the whole movement of the ConnectMichigan Alliance because he saw the value and we didn’t leave them out, we didn’t leave Campus Compact out. We made them all part of an integrated system and I think that meant a lot to him, It really did. Now it was his way of thinking that they should have led the whole effort on volunteer centers. It’s typical George, because everything was that way, just as he said, “I’m holding you personally responsible if anyone--.” And that’s just the way he was. You could see why he was so successful as a leader. I mean he’s just an incredibly strong person, but very compassionate in his own way.

(KA): Well John, tell us a little bit about your own personal – as Bob Payton would say, “What is your own personal philanthropic biography?” You were born in Bay City, Michigan?

(JL): Yes, [00:51:00] I was born in Bay City, Michigan. Born of a family that had many needs, and so my first reaction and interaction with the Goodfellows was when we received food at Christmas time and so on. I can remember the first sweater I had was a sweater with a snowflake on it from the Goodfellows. So I saw first-hand the importance of service to others. Then probably the most definitive part of my life was working with the Sisters of Saint Joseph, an incredible order. When I was at Nazareth, we had 14 of the Sisters of Saint Joseph on the faculty, twelve of them had Ph.Ds in their discipline. This is a learned order. We had 16 in administration, all 16 had Ph.Ds, and an alumni director with a PhD from Fordham. I had a records director with a Ph.D from Notre Dame. [00:52:00] I mean this is a very learned order. But one of their core values was servant leadership. I learned a lot about servant leadership watching them.

For me, process was very difficult, I was really a hard charger. I was a Pete Ellis without the size, without the strength. I really was type A and so process was very difficult. So they taught me process. They taught me just to think it through first. Think *how does it affect everyone? How does it affect others?* Just don’t go and make that decision even though you feel you can, you feel you know the field and so on. Think through it, take time, process it, wait a couple of days, wait a couple of weeks. Don’t do it tomorrow. I think it was a wonderful lesson.

Watching the Sisters of St. Joseph when they would be a head of a three billion dollar operation (because they had health care, and colleges, and schools), the minute they left the office they went and waited on other people, [00:53:00] brought coffee and so on. It was an incredible lesson to watch them. I was so fascinated with this thinking of servant leadership and how it manifested itself with these very learned, bright individuals and I enjoyed watching them. They could go from this great leadership where they were flying all over the place in private planes and then the next thing, they’re delivering coffee to a



learning center. I'd never seen anything like it in my life. I thought, *you know, that's a style that's very important to me.*

Then when I went to Sisters of Saint Joseph Health System, and then eventually Ascension, it was something that stayed with me throughout. We were building this incredible operation, very large. We were the first health care organization to float a bond of \$2.8 billion. It took five financial houses in New York to do it. [00:54:00] Salomon Smith Barney led it but we had five others – Bear Stearns and Lehman Brothers and others – involved. It was so large and so big and our revenues were about \$22 billion a year and so on. So I kept worrying, “Are we building this for business, or are we building this for what we say? So that we can strengthen Catholic health care, number one, and number two so that we can better serve those we elect to serve.” I worried about it constantly.

I always decided that what I was going to do is be a true servant leader in that role. I could have been very powerful, having everybody do everything for me because we had so many people. We had a hundred and some thousand employees. I thought, *I'm not going in that direction.* What I did is I purposely didn't join the hospital boards and the off-shore captives. I put [00:55:00] all of our CEOs in charge, who reported to me, because I didn't want to get caught into that trap. I wanted to stay free enough to be able to make the kind of decisions and to prove that we were doing this right and for all the right reasons, because I didn't sign on just to build an empire.

So the one thing that I decided to do is if you think about automotive industry and other industry, they never have to worry about servicing their car. When you think about a hotel leader, he or she never has to worry about making a reservation or going to a sold-out room. I'd have blood work four times a year because of a thyroid issue. I decided that I was going to go to our labs, our labs in Texas, our labs in Indianapolis, our labs in Ohio, our labs in Wisconsin, because I would be visiting all of our facilities and meeting with our regional people. I decided I would go there and know firsthand what it was like. I was really pleased as I moved around the country to see how they responded to the customer. I had one bad incident, [00:56:00] and unfortunately it happened to be in the portion that I led, that I had brought into the other group with the Sisters of Saint Joseph and the Daughters [of Charity]. It *had* to be one of ours, which of course is hurtful to a degree because you think “We didn't do it right.” But it was a very interesting thing and a very interesting story because again, nobody knew who I was because we were so large and all I dealt with were the CEOs and the regional CEOs. That's enough direct reports, but they had no idea, staff had no idea, and I went to one of the blood labs in a place that shall remain nameless.

Behind the desk, the women and men were talking, laughing with the windows pulled; a lot of frivolity, which is okay. You want happy people, but outside there was a little woman, quite sick, another man quite sick, and a lot of children. But they weren't coming [00:57:00] out to explain anything. We're waiting and waiting and waiting. So I'm thinking, “They've got to explain what's going on, particularly with these sick people. I mean that's awful to have them sit there like that.” So I went up to the window and said, “Ma'am, could I speak to someone?” She said, “Sir, step behind that yellow line.” I said, “Ma'am, could you have someone come and speak to me please?” She said, “Sir, I'm going to tell you one more time. Step behind that yellow line, or I will call security and have you removed and maybe even arrested.” I said, “Why don't you call security, Ma'am.”



Well, in comes the person I happened to hire. He was with the Secret Service, we hired him to run it because this was a very large organization. I thought he was going to faint, he immediately calls the head of the lab down. I said, “Ron, I want these people to come over to the window. I want to talk to them.” He’s like, “Just a minute. Let me get ‘Al’ out, the head of the labs.” Al comes down and he looks at me and he said, “Why didn’t you tell me you were coming? I would have got you...” [00:58:00] And I said, “Al, that’s the worst thing you could say. I am so angry right now for the way these patients are being treated. That’s the worst thing you could have said.” “So what do you want me to do? I’ll fire them all.” I said, “No, Al. If anybody’s going to get fired, it’s going to be you, not them. These people aren’t at fault, there’s something going on here. You haven’t trained them, you haven’t pointed out to them what their role is.” What we found out later is the computers were down, so they couldn’t do anything about it, but instead of coming out, telling the people, bringing them coffee, they’re all behind talking about their weekend and laughing. So you can see how that appears here.

Finally, the CEO of the hospital comes out. “John, what do you want me to do? This is embarrassing for me.” At that I said, “I want you to go through a customer relations program with all of these staff models. Al, I want you to be part of that and I want you to write a report to me in about 10 days telling me what you’ve learned out of this and how you’re going to change it.” My thought was if we don’t do that [00:59:00] more and understand what we’re doing and what we’re about, when you get to that level you can’t do that. But you see, Russ was never that way. Ted was never that way. Bill White wasn’t that way. All of our leaders of our not-for-profits, all these people you’ve known through the years – Dottie wasn’t that way. We always knew. So that got through the system very quickly. That was an important situation because everybody knew then. Pretty soon, the CEOs started doing that. Instead of going right through and getting their appointments and going in, being so important that they couldn’t wait, they started waiting in their waiting rooms and there were a lot of things they found out and became very customer-focused.

Then, the other thing that I think is fairly important – you asked me early on what impact has this had on me. One of the things that became very interesting to me is that we – and you will understand this because it’s happening where you are, where everybody is [01:00:00] – we went from being a middle to small size employer in all of our markets, to where 70 percent of our markets, we were the largest employer. Now think about that. It is frightening when you think about it for a whole variety of reasons. One of the things we had to change was this mindset of *we were out asking people all the time to support us, we’re a 501(c)3. We certainly can’t go out and support others because we’re a 501(c)3, you need to support us.*

Now, this twisted. Here we were, the largest employer. We had a commitment to community. We had an incredible commitment. We had to meet throughout the whole system and say, “Hey gang, life has changed. You have to find ways to support community. You have to find ways. You’re the largest employer now. You impact what happens.” No more [01:01:00] are you asking them, “Give us land, give us this building.” When you go out to build a laundry, it’s where are you going to build it to make the most impact and how are you going to really be a servant to community. This was a very interesting revolution throughout and it didn’t take long for all of our system to understand, “My gosh! We have major responsibilities. We are now the largest employer. We are in Saginaw. We are in Indianapolis.



Health care is the largest employer. Detroit, largest employer. More health care than there is auto industry and all the related industries.”

It was a whole different mindset. This servant-leadership mentality that I learned through all of my involvement in the State of Michigan impacted a very large health system. We saw other examples of other systems that didn't didn't have that service mentality, so they weren't supporting community and it caused some real [01:02:00] challenges. I think that really helped influence me, and I really credit the Russ Mawbys, the Dottie Johnsons, the Bill Baldwins, the Ted Taylors, the Bill Whites, the George Romneys, and on and on. There are so many others that you could name. I really credit them with instilling that in me personally so that it had some impact on an organization.

(KA): When you were thinking about coming here today, John, what did you want to say that I might not have asked you or what would you like to have sort of on the record about what makes Michigan novel, unique, and what is good to be shared?

(JL): There are some things that are important to me – and not because you're here asking the questions – that were important to how do you build and sustain this for the future. That's why your involvement with Learning to Give was so important. I was involved [01:03:00] with Learning to Give at a time. We were extremely busy, so just trying to schedule things and so on and get there. I wanted to be at all of those meetings because what I knew was what we were doing and what we did impacted now. How are we going to impact the future?

When I was a part of it and saw what you and your group were able to do with Learning to Give, I knew then that it's more than just now. It's more than just what we created. It's something that's going to be perpetuated in many years to come. So impressive, the way you went about doing it instead of hitting heads on curriculum, which is so political, to create the modules and create the concept of *any teacher can grab any part of this and bring it and instill philanthropy*. [01:04:00] It said to me that the chances of us to continue what's been done -- because we'll all soon be gone. We will. Russ and I, and others will all be gone. Not you, you're too young. But a lot of us will not be around for long and I just feel very badly that we didn't capture some of the thinking of a George Romney before he left us and a Richard Austin and so on, because they all had a part in identifying.

So I'm so pleased with what you're doing with this. That to me was very critical, and so I think we need to continue that. That's where I think I was excited about the Center for Philanthropy. I watched the one through the years in Indianapolis and what happened there, and I was so pleased when they did this in our area. I think it really sent a [01:05:00] message that we are going to continue our focus on philanthropy. We're one of the few states that understand the broader definition of philanthropy, not just fundraising, volunteerism, not-for-profit leadership, servant leadership; that all comes under philanthropy. We were able to do that because of the enlightenment of the Russ Mawbys of the world and the Dottie Johnsons, etc. They represent all of us who are a part of it, a small part. They were a major part.

What we did with Learning to Give, to me, says that we will secure the future. We will also make sure that what we've created here won't stop. It's going to continue. We need to continue to do that, and we



found ways which goes back to the old Russ Mawby way, and Bill White way, and Ted Taylor way. They may not be a legitimate 501(c)3. [01:06:00] Find a way to do it. When we ran into some of the political issues of curriculum, find a way to do it. You did, your team did and we're the better for it. So thank God for that. Thank God for the Joel Oroszs of the world who have continued the legacy, as only he can, through his writing. All of that is important, and one that I want to make sure that people understand in the future.

(KA): Thanks. Thank you so much.

(JL): You're welcome so much.

- End of Recording -

