

REPORT ON CONFERENCE FOR MICHIGAN FOUNDATIONS HELD AT
MEADOW BROOK HALL, OAKLAND UNIVERSITY, ROCHESTER, MICHIGAN
ON DECEMBER 3, 1968.

The theme of the conference was, The Role of Foundations
in a Dynamic Society.

The morning session was highlighted by a discussion of
the Philosophy of Foundation Giving, with the opening
address by Dr. Lindsley F. Kimball of New York City, the
former Executive Vice President of the Rockefeller Foundation
and now an associate of the Rockefeller Brothers.

Dr. Kimball divided his presentation into four parts:
Foundation Sins, Foundation Hazards, Plus Factors in
Foundation Projects and Questions on the Future of Foundations.

Under Foundation Sins he listed three principal ones as follows:

- 1- The God Complex that Foundations can and do acquire.
- 2- Fear of opening Pandora's Box if Foundations stray from giving in a set channel or groove.
- 3- Foundations look at persistent askers as pests rather than measuring the true value of their requests or their dedication to a project.

Under Foundation Hazards he highlighted three major areas:

- 1- Giving to a marginal activity of an institution rather than to the major activities or capabilities.
- 2- Limit an institution by warping their approach or growth thru restrictions on grants or encouraging activities in areas not in the best interest of the institution.
- 3- "Chip-in" giving, as compared to significant giving, as well as allowing institutions to establish project where the request is too little to accomplish the objective.

The significant Plus Factors established by Dr. Kimball were:

- 1- Strength and ability of the person that will carry the project thru to completion.
- 2- The built-in or innate viability of the personnel and project. Strong element of self-help.
- 3- The project will arouse others to action or act as a yeast to other projects.
- 4- The end or results should be greater than the means. What is left after the money is gone should be significant and could act as a multiple effect.
- 5- Foundations can act when no one else is left to give financial support and can do some things others can't do
- 6- Giving is nearly always buying, and a Foundation is strengthened by looking at projects as purchases.
- 7- Askers never adequately justify the gift, consequently Foundations can add to the project.

The above Plus Factors help establish what a Foundation needs besides money to give money away.

The Questions on the Future of Foundations are:

- 1-Is there a sufficient change in philanthropic giving or motives to justify the continuation of Foundations?
- 2- Are we reaching the limits of voluntary action especially with old line agencies such as the Y.M.C.A?
- 3- Why are Foundations tax-exempt?
- 4-Are Foundations now entering an era of controversy?

Following Dr. Kimball's talk, a panel consisting of Dr. Varner, Chancellor of Oakland University; P.E. Blackerby, President of the Kellogg Foundation and Kent Mathewson, President of Metropolitan Fund Incorporated of Detroit, held short discussions on the subject of the Role of Foundations.

Dr. Varner representing a grant-receiving institution made some interesting observations:

- 1-That Foundations sit in a clearing house position, thus pass on valuable information to other interested institutions.
- 2- Many Foundations will not listen to new institutions. They definitely need to learn more about these new institutions and organizations. Foundations tend to go against institutions with trouble on their campuses resulting in undesirable publicity even though the activities are by a small minority of students.
- 3- Foundations lack the risk element and want their projects to be demonstrable but continuous in nature.
- 4- Foundations need to tackle the over-riding social problems of our country.

Dr. Blackerby commented that all Foundations need a well thought out philosophy. He asked the question, Does your Foundation have a philosophy such as what are you going to emphasize and what are your relative priorities?

In the afternoon Dr. Dave Freeman, President of the Council on Foundations, Inc. talked on the subject:
How Can Foundations Best Do Their Job?

- 1- Foundations should establish their philosophy and purpose. Then it should be published in the Foundation Directory for use by other institutions. It can save many useless inquiries and stimulate worthwhile ones.
- 2- Trustees and staff must have a place to turn for information on projects. Their 'generalists' must turn to 'specialists'. The smaller Foundations should consider the use of part time consultants.
- 3- Small Foundations should use information from the staffs of larger Foundations.
- 4- Agencies asking for money should supply past records of achievements in the project area and a list of present donors.
- 5- The utility of a project is important also, are others supporting the project? The matching fund approach is being used more frequently and is especially in risk splitting in the urban problem area.
- 6- How much funding is appropriate, is a difficult problem. Most Foundations should not spend too much on new experimental projects.

7- Foundation evaluation by peers is helpful and should be used more often.

Dr. Freeman stated that present conditions for further Federal regulation of Foundations is contained in the attached Summary of the 1965 Treasury Report on Private Foundations.

State regulations on Foundations are increasing but in general are worthwhile improvements that protect the legitimate Foundations.

Self-regulation of Foundations will help avoid restrictive legislation.

Dr. Freeman thinks that Nixon approach to government-private resources relationship will put additional pressure in private Foundations.

Report respectfully submitted,



W. W. Allen
Secretary

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