



## INTERVIEW WITH JOEL J. OROSZ – April 23, 2013

*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 Joel J. Orosz on April 23, 2013. Conducted by Kathryn Agard, primary author and interviewer for *Our State of Generosity*. Recorded at the Johnson Center for Philanthropy in Grand Rapids, 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.

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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):** This is a friendly interview.

**Joel J. Orosz (JJO):** Yes.

(KA): So you can stop me and you can change questions if you don't like a question I ask. Let me ask you another one.

(JJO): If I ever start out the answer with that son of a bitch, stop me. [Laughter]

(KA): Yes, okay. By then it will be too late! We might as well just go and keep on talking. [Laughter] I'm going to try really hard with you. It's going to be very hard not to give any verbal feedback, because I don't want my voice on this. It will be with the questioning. Sometimes, it's hard for me not, but I'll try to let you know that it's a good answer. [Laughter]

(JJO): Okay. [Laughter] So when I'm interviewing you, no follow-up questions.

(KA): No follow-up questions, but just – I tend to interrupt to people. I've been trying really hard not to do that so that you get a complete answer out.

(JJO): Okay, good.

(KA): Actually, it might feel really good for you for the first time in 25 years you'll not be able to finish them all. [Laughter]

(JJO): Then we'll find out I don't have many thoughts to finish. [Laughter]

(KA): [Laughter] It will be good. So kind to kind of warm us up...

(JJO): Yes.

(KA): [00:01:00] Could you do just a quick, at this point, just kind of a quick overview of the relationships that you've had with MNA, CMF, the Commission, and the Johnson Center? You can take them in any order that you want to.

(JJO): Sure. Well, I have had kind of a promiscuous relationship with all four of those organizations. It started off when I came to work for Kellogg Foundation in 1986. It was pretty much expected that you have some sort of relationship or volunteer role with the CMF. I served on some committees for the annual conference and got on to the CMF legs and regs equivalent (the public policy committee). And of course, every now and then, worked with Dottie on some interesting activity that she was part of – we'll go on to those in more detail later. [00:02:00]

I became involved with Michigan Nonprofit Association right from the beginning, when Russ Mawby convened the 10 CEOs and 10 board chairs of the 10 different organizations that were then representing the nonprofit sector in Michigan. Of course, that tells you the problem right there – that there were 10 different organizations, each one with its own agenda (sometimes, cross agendas). So we organized that meeting. We then organized a bunch of follow-up meetings to help birth Michigan Nonprofit Association. Great stories about Pete Ellis, who was my colleague at the foundation, saying, "I'll drive and you watch for cops," and dashing off to [00:03:00] Lansing to have yet another meeting to get it going. We were part of that. Then when the first executive director didn't work out, we deputized one of our Kellogg colleagues, Dave Egner, to go run the organization. So, I was involved with MNA from the very earlier years – very first days.

Moving to the – well, let's do the Johnson Center last. Moving to the Michigan Community Service Commission. It was – as you well remember, Kathy Agard – you who chaired the meeting of my grantees (in 1991, if I recall correctly) that first began to talk about the need for a Community Service Commission in Michigan, so that Michigan could get the federal money that was going to [00:04:00] flow through the National and Community Service Act. That meeting was held in Albion (if I recall correctly), at Albion College. So I was involved with that. To some extent, you were the one really driving it; but then I became a charter commissioner and served three terms on the Community Service Commission under



Michelle Engler's chair. A great experience and organization – especially getting to play with Governor and Mrs. Engler's three little triplets, who were just as cute as they could be, at various functions.

Finally, the Johnson Center, which grew out of yet another Russ Mawby intrigue, in which he invited all of the (I think it was 29) four-year [00:05:00] university presidents, to a meeting in Lansing at the Kellogg Center and said we'd like to help a center for the study of philanthropy, volunteerism and nonprofit initiative get started in Michigan. All the presidents said, "Yay!" Russ said, "Of course, we'll be expecting you to match our gift." The presidents said, "Oooh." [Laughter] So it was only a couple of presidents' hands that were still up. One of them was Don Lubbers at Grand Valley. I worked with him as the program officer to make the grant to get the Center started.

So I've been involved with three of the four since the very beginning. Only CMF was around when I got here.

(KA): Really, the three of them were your children. [Laughter]

(JJO): As it were, yes. [Laughter] [00:06:00]

(KA): Yes, okay. So this is a good segue, Joel, I know you've taken a look at this. Can you talk a little bit about what was happening inside the Kellogg Foundation? You were one of the few people who had this perspective about investing in these infrastructure organization channels. For a lot of people the word "infrastructure..." foundation people run the other way. They don't want to fund infrastructure. So what was happening then? What was kind of the thinking about these big, big investments by the foundation – both in terms of time and money?

(JJO): Oh, yes. The problem here will be to shut me up because I still get cheesed off about this all the many years later. So many foundations take the infrastructure of philanthropy for granted; the infrastructure that educates them, the infrastructure that protects them in Lansing and Washington from bad laws and bad regulations [00:07:00], the infrastructure that arranges meetings so that people can share lessons learned. For the most part, most foundations just ignore it. It's a free rider problem; they let a few foundations fund it.

Fortunately, the Kellogg Foundation – the biggest foundation in the State of Michigan by quite a ways at that time (still is today) – Russ Mawby had the vision that included the importance of infrastructure organizations. It was pretty clear, too, that the *zeitgeist*, or the spirit of the age, was moving in the direction of volunteerism and philanthropy. We'd gone through the "me" decade of the '70s and in the '80s; there was really a renaissance of young people interested in volunteering and serving. [00:08:00] So Russ and Pete Ellis – I mentioned Pete Ellis earlier. Pete was my programming mentor at the Kellogg Foundation. Pete understood it too that there was a tremendous need to build an infrastructure of philanthropy and volunteerism and nonprofits in the state. Of course, on the Kellogg Board was Dorothy (Dottie) Johnson, who was the President of the Council of Michigan Foundations, and brought a "from the trenches" perspective of the importance.



Russ had a great way of putting it. He said, “So many things that we do in this country, we do for ourselves in associations, voluntary associations.” When [00:09:00] parents (just to take one example) decided that their kids should have the ability to play soccer if they wanted to, there was no government program to start soccer leagues in every sizable town in the country. There was no corporate initiative to do it. It was volunteers who got together, who formed the American Youth Soccer Organization, and who made it happen in community after community.

As Russ said, the quality of life of all of our lives really depends on that sector.

So the Kellogg Foundation put its money where its mouth was and decided to support not only individual programs in philanthropy and volunteerism, but the underlying infrastructure that supported all of those programs. So Pete [00:10:00] was giving leadership to it. Unfortunately, he had a massive heart attack and died in 1989. Russ asked me then to take the lead on it. It was fascinating sitting in a room with the giants really of that era: Dottie Johnson, just an amazing, charismatic presence, one of the greatest natural leaders I have ever seen; Russ Mawby, a visionary in so many respects, a statesman in the world of philanthropy; and some of the people who were building these things, too, who were just amazing people like John Lore, for example, and Ranny Riecker; great, great volunteers. We began to fund these infrastructure organizations [00:11:00] at a level that no one else was even approaching. I think if you took all the other foundations in Michigan and added them up, they probably still weren’t doing as much as Kellogg was doing to advance philanthropy and volunteerism.

(KA): Just a couple of the things, Joel. One of the things that I was always impressed with, when you were in that spot (and your colleagues), was that you would sit at the table to do the development of an idea, to help to nurture an idea, and then would be able to flip your hat and say, “Okay. Now, I’m the program officer and I know I used to teach all the time about sending these 10-page letters and questions.” [Laughter] Was that an assumption at the Kellogg Foundation that the program officer’s role was to be supportive? Or was that actually – probably were you trained to be that way? Tell me a little bit about the culture of what you learned about the [00:12:00] relationship with the grantee?

(JJO): Well, that is a great question. So much of it flows back to Russ Mawby. Russ was full of homey aphorisms. One of them was that some foundations are like a bed of oysters. They sit there and they wait for good ideas to wash over them and then they do something about it. Some foundations are like the lead of a pack of wolves. They’re running at the front and they expect everyone else to follow. Russ felt that neither of those approaches was the right approach. You didn’t just sit there passively and do nothing until someone threw a good idea at you nor did you say, “This is my good idea. I’m going to do it. You all follow me.” Russ felt that we needed to – “shirtsleeves”, [00:13:00] is the word that he often used. That we need to take off our jackets, roll up our shirtsleeves, and work with the people who are doing the job. Not because we’re so brilliant, so much as because it taught us what the real issues were and the real concerns were, so we were immersed in that.

Then, when the proposals are put together, we had some role in shaping the proposal. But then, as you said, we needed to be able to take off the working *with you, one of the gang* hat and put on the *now I’m your program officer* hat. It helped a great deal because we were much more knowledgeable about the proposal, but it did make for some hard feelings as you well know. I would [00:14:00] say, “Well, actually this thing I was musing about in the meeting we can’t do that.” [Laughter] People would say,



“Well, why didn’t you say that then?” “Well, I kind of got carried away.” It was a sort of an uneven and difficult partnership in some ways, but it did help us I think to have our thinking grounded in reality and also sometimes to help the grantee stretch a little bit – to dare to do some more things than they might otherwise dared to because they knew that money was there. So it was an interesting balancing act.

[Laughter]

(KA): By extension, was it conscious to try to establish a culture of people working together? Or was that an outcome? Do you think – I mean, why do you think we ended up – you funded all of these projects. [00:15:00] I think most of the people who have been in leadership positions are pretty aggressive. I mean it’s not like they’re shrinking violets, and yet they’ve been able to figure out ways to work together. To what extent do you think that came from in effect that there was a single funder like Kellogg or expectations that were set?

(JJO): I think very much it had to do with going back to that relationship between Russ and Dottie. They were sort of the mom and the dad of the sector in Michigan. They cooperated well themselves – not only together, but with others. They set that expectation that there would not be any lone wolves or prima donnas out there in the sector, that people needed to work together. Because Kellogg was such a predominant funder, Kellogg had the ability to say, I’m sorry. If you were doing this in cooperation [00:16:00] with others, we might consider it. But since you decided to do this on your own – and by the way, steal other people’s ideas and present them as your own – we’re not going to fund it. It was never a black list. It was never punitive to say that, Well, we’ll never fund X because he’s such a lone wolf, but it didn’t take too many turndowns like that before they got the message that, I guess I’d better start working with other people, and really working with other people not just claiming that they’re my partner. So again, it was the expectations of Russ and Dottie and how they modeled them that made that work.

(KA): So could you tell us – this is going off our conversation. [Laughter] Can you tell us the story of the creation of the project from your Kellogg’s hat point of view, and let’s kind of walk through the [00:17:00] history of each one of them starting with the cluster and Council of Michigan foundations. Tell us, from your point of view, the story of the MCFYP tax credit, FIMS [Foundation Information Management Systems] and the computer project, and that whole piece.

(JJO): Absolutely.

(KA): Little tiny projects for you to handle. [Laughter]

(JJO): Absolutely. Well, that all began in 1988 when Dottie came to the Kellogg Foundation with a problem – and it was a real problem. Michigan had a network of community foundations that was not at all comprehensive. Most of them were south of the line drawn between Muskegon on Lake Michigan and Saginaw on Lake Huron. Even in that part of the state that was richly endowed with community foundations, there were gaps. There were places that had no coverage whatsoever, and lots [00:18:00] of places that had weak, little community foundations – teeny tiny ones. Of course, once you get north of that in the Lower Peninsula, not many and once you get to the Upper Peninsula, practically none. So Dottie needed help in filling those gaps, building new community foundations, strengthening the existing ones that were teeny tiny. And Russ listened very carefully to it and said, “Well, you know, I understand



that but the Kellogg Foundation is mainly about youth. What could you do to improve the lives of young people by this project?" I don't know if Russ thought that was a very polite way of saying no, if there was no way that this project could do that or if he had some sort of inkling; but when Dottie came back (and this would have been [00:19:00] the brain trust of Dottie, Russ, Pete Ellis working together), it was with this absolutely incredible plan to put challenge grants out to any community that wanted to build a community foundation from scratch or any community that wanted to increase the size of its existing community foundation.

The rules were very simple. The Kellogg Foundation would do a one-for-two match. So, if a community wanted to get \$100,000 from the Kellogg Foundation, they had to raise \$200,000 locally. The rule was, the Kellogg money had to be endowed in a youth field of interest fund and the income from that fund had to go to support a youth advisory committee (a committee [00:20:00] that initially was at least 50 percent young people) and that income would make grants – that the kids could make grants. The money they raised locally they could endow in any way they wanted to endow, but that... so that made it real. In community after community you heard the same thing, It's challenge grants. It's money coming from outside our community. We're used to sending our money to Lansing or to Washington. We're not used to having anyone invest in Hillsdale or Iron Mountain or any of the other locations. So we had this incredible stroke of good fortune in hiring Kathy Agard to run the program. I still remember Dottie coming to me and say, "Oh I found the perfect person to run this project." Little did I know how right she was with that. [00:21:00] But what happened, essentially, then was that these communities went out there because they wanted to build their community foundations.

The youth advisory committees were just sort of a requirement that was put on. But once they saw these kids in action, it stopped being a bothersome requirement and became a source of pride because the kids made incredible grantmakers. In fact, we dropped that initial 50 percent youth requirement and made it virtually 100 percent youth, because the adults on the committee were only getting in the way of the kids. But that has been just a phenomenally successful program, now technically ended. More than 23 community foundations [00:22:00] started, last I knew. There had been – gosh, tens of thousands of kids who've gone through YACs and been trained as grantmakers. Now, no matter where you live in the State of Michigan – if you live in the middle of the Upper Peninsula or in the heart of downtown Detroit – you are represented by a community foundation. The whole state is covered.

(KA): I'm sure you know it was a big, complicated – a huge investment, a huge geographic investment, big risk, and it didn't have very many rules. Can you talk a little bit about what it was like as a program officer to have such – have me calling you every day [laughter] asking what counted and what didn't? [Laughter] I mean what was the thinking around something that was so loosely put together basically? Talk a little bit about that, because I think people do like to tighten things up sometimes.

(JJO): Oh absolutely. In fact, that was partly [00:23:00] Russ Mawby and partly me. Russ had a philosophy that if you had too many rules, then people began to put their energy into finding ways to evade the rules. So he liked (as a general philosophy) a fairly simple, fairly loose organization. I took that much further. I just think that strategic planning is the biggest fraud ever foisted on us, because it essentially says you can predict the future and control it. If we know there are two things humans can't do, one is predict the future and two, control it. So we deliberately went out there with a very vague kind



of thing. It drove some people absolutely crazy – particularly the accounting department at the Kellogg Foundation, [00:24:00] where I believe to this day there is a shoot-on-sight poster with my face on it – because you just never knew what was going to happen. People would try to come up with all sorts of bizarre things to service match. We were thinking match would be dollars. Kathy would call with these questions like, “Well, one of the community foundations wants to use pelts as match.” “Pelts? You mean like fur pelts?” [Laughter] “Yes, they want to use fur pelts as match.” “How do you value fur pelts?” We tried to err on the side of flexibility, of letting people do what they needed to do to raise the money, because in the end we wanted them to succeed not to fail.

[00:25:00] The greatest story on that came from Allegan one day. The Allegan Community Foundation was 25 years old. It had an initial gift of \$25,000 from a woman in Allegan who was very public spirited. What they’d done was to spend all of the income from that \$25,000 each year. So, at the end of 25 years, it was still at \$25,000. [Laughter] We got a phone call one day from Mike Jandernoa, who was the CEO of Perrigo at that time. He said, “I understand that Kellogg has this challenge out. A million dollars – up to a million dollars for \$2 million raised locally. We’d like to collect on that.” I said, “Well, great not a problem. All you have to do is organize local fundraising drives and come up with that \$2 million.

[00:26:00] We’ll let you do it in steps. You can do \$100,000.00 first that you have to match with \$200,000.00 so that you can prove that you can do it. Then you can have another campaign and another campaign.” There’s a silence after I explained it. He says, “Well, no. I want the \$2 million.” I said, “Well, gosh, I thought I explained it to you. You needed to raise that money.” He said, “Oh is that it? We’ve got the money,” [Laughter] Perrigo had gone public, and Mike had taken a million dollars of the money he got from that sale. His Chairman of the Board had done the same. They put it together and they raised the \$2 million over lunch. So, Allegan went from – Now needless to say, I was not budgeting for a million dollars for Allegan that day. That’s yet another reason [00:27:00] why the accountants aren’t crazy about me. We had to meet our obligations and we did it. So Allegan went from \$25,000 endowment for 25 years to \$3,025,000 in one day. [Laughter]

(KA): A great leverage.

(JJO): Right.

(KA): What did you learn from MCFYP, Joel?

(JJO): The most profound lesson I’ve learned from MCFYP was that if we had planned it at the Kellogg Foundation, it would’ve been much more elegant. It would have been much tighter. It would have a better name for sure. MCFYP is a strange name. It would have been better in so many ways except the one way that really counts, and that is in the community. By giving so much ownership to the community [00:28:00] on how they raised that money and what they did with it, it made them own their community foundation. There are communities all around the state today where the community foundation is theirs and they care about it. They raise money for it and they volunteer to serve it. If we at the Kellogg Foundation had planned this whole thing and imposed it on people, that wouldn’t have happened. That ownership would not have happened. So by letting it go in many ways, by ceding control to the localities, we ended up with something far, far better than we could have ever planned on our own.



(KA): What about the other organizations? What have you learned from MNA? I know that was – Dottie could have kept that because it stayed with CMF and got a joint piece. [00:29:00] What were your hopes for that, and has it lived up to those hopes?

(JJO): Well, let me go back real quick and talk about one other piece of MCFYP. You had mentioned FIMS. That was the interesting problem of – the computer age was upon us. Clearly, the old pen and pencil records were no longer adequate, but no community foundation had the wherewithal to really buy a system that served them well. The smaller ones just didn't have any hope. So it would take a big central investment in computers and software and things that we didn't like to make investments in to make that work. That was for me the hardest sell of any project that I'd ever done, because the trustees were saying, "We've already given all [00:30:00] these millions of dollars to MCFYP. Now you want us to do something we don't do, which is give hardware and software. Have you lost what's left of your mind?" kinds of things. The fact of the matter was that if you had built these community foundations, they had to be efficient. They couldn't be someone in the backroom with a green eyeshade scratching figures into a ledger. They had to have modern technology so that they could perform with modern efficiency. That was a difficult thing getting across to the board members. Now, of course it's worked and FIMS has become a company of its own that sells software and hardware to community foundations – a little success story that we didn't anticipate.

(KA): What made it work?

(JJO): What made it work was the [00:31:00] ability of Dottie Johnson and others at CMF to help community foundation leaders see that there was perhaps short-term cost (in working together and making sure that there was a program not specifically tailored to one community foundation's needs, but one that would meet every community foundation's need), but there was long-term benefit to that. That's difficult, especially if you're a big community foundation like Kalamazoo or Southeastern Michigan or Grand Rapids. You want the program that you have always dreamed about. The folks over in the Four County Community Foundation, what do we care about them? Well, we helped them to see that in a lifeboat, you couldn't have just [00:32:00] one person steering or just one person eating or just one person getting water. [Laughter] Everybody needed to be part of it. I think now they would all agree that was the right thing to do, but in the short-term a difficult, difficult sell.

(KA): Then – yes. Moving on to MNA.

(JJO): Yes.

(KA): Did it fulfill your expectations? I mean, that's the one you had right from very first meeting. Has it turned out...?

(JJO): Very much so. The nonprofit sector is the sort of "leftover sector" in our society. If we want to make money, we go into business. If we want to make order, we go into government. Or now, I guess if we want to make nothing, you go into government. Anyway, everything else we sweep into the nonprofit sector. So we have nonprofit hospitals. We have nonprofit colleges and schools, nonprofit [00:33:00] social service agencies, nonprofit churches and nonprofit arts and culture organizations and even



nonprofit environmental organizations. So it was natural in the sector to have all those different kinds of organizations going after their own particular agenda. It meant that the nonprofit sector was just a patsy and a pushover in Lansing, because every time business came to speak with one voice and then the nonprofit sector spoke with 10 voices, and they could play one off against another, say *those SOBs in education are trying to steal healthcare's lunch* and *oh, look at what these guys in healthcare are making – you arts and culture people should be up in arms*. [00:34:00] The only way for the nonprofit sector to take a seat at the table with the Chamber of Commerce, for example, or with local governments was to have one voice – to have a nonprofit association.

As you can imagine, at those first meetings, there were nonprofit leaders who had their own organizations; I won't mention any names, but they could only see MNA as a threat – it would be taking some of their lunch and not providing anything. Again, Russ Mawby, the visionary said, “Look. If you 10 organizations, if you work together, all 10 of you can continue with your own organizations, you can continue with your own projects and agendas, but there will be things on which you come together. It just [00:35:00] stands to reason that if you have a team of 10 working together, then you have something stronger than 10 individuals trying to run around like an anthill and make something work.” So again, it was a tough sell, but Russ was able to do it partly because, of course, there was money there to make that happen. There was an initial hiccup with the first executive director not being the right fit for the job and having to reboot after about a year and a half, but then it has expanded beyond all expectations.

(KA): Even get into lessons learned, Joel, would it have happened if Kellogg had put money on the table, but Russ hadn't rolled up his sleeves?

(JJO): I think the answer to that is it would have happened, but it probably would have crashed and burned. [00:36:00] Russ became the chairman of the board for the first several years. It was sort of like – it's easy to have a *Lord of the Flies* situation. If someone puts money on the table and walks away, and all of you are left to fight over it. But if someone puts money on the table and sits at the table, then it becomes important to share and share alike and to be essentially on best behavior because you know you're going to go to that somebody (to Russ Mawby) for support down the line. So it may not have been *voluntary* good behavior, but nonetheless it was good behavior.

(KA): Set a habit, right?

(JJO): Right.

(KA): You're really talking about and it's something that we were explained a little bit. It's ways to use power [00:37:00] because people think of the use of power always, I think, in the negative. Can you reflect a little bit about what you saw with – I mean your own use of power. You had lots, and Dottie and Russ and Ranny. I mean the people who really have both the money and stature and how they chose to use what they had.

(JJO): Yes. That is such an important point. Power, of course, can be exercised in a very assertive and forceful my-way-or-the-highway fashion. It can be done manipulatively, secretly, behind people's backs – pushing buttons and pulling levers. Or it can be done the way that those giants of the sectors did it – Russ,



Dottie, Ranny and John Lore and a few others. The way they did it essentially was to put their cards on the table and say, Here is what we would [00:38:00] like to see happen, but we're not going to dictate how that happens. We want to see a car built; we're not going to say it has to be a four-wheel drive or two doors or an SUV versus a subcompact – that's all up to you. We're going to sit here at the table to help you believe that this is real. Because let's face it, some foundations have done some horrible things. For example, putting out an RFP [Request for Proposal] saying, "We want proposals on this." And then all the proposals come in and they all get turned down, Boom! Not good enough. Well, rather than bait and switch, rather than making people guess about commitment, the Rannys and the Dotties and the Russells would sit there, roll up their [00:39:00] sleeves and work with these folks. So that they knew eventually something was going to happen. Yet, they also knew that they were the ones building it, they are the ones driving it. Even when the money came, they were the ones who are going to be responsible; it wasn't a Kellogg-funded, Kellogg-owned project.

That's what I always try to do, too. I was often accused by my colleagues of lacking vision, of not doing strategic planning. A couple even called me lazy because I wasn't there every minute of every day looking over people's shoulders. My feeling always was that if you worked hard on the front-end of the project (on its development and its architecture and getting the right people at the table) then you could back off. [00:40:00] In fact, then you should back off because at some point, you stop being helpful and start being like the old Saturday Night Live skit of "The Thing That Wouldn't Leave." [Laughter] So you really needed to know when it was time to say, "Alright. This is up and running now. People are doing a good job. I don't need to be at every meeting. In fact, I don't need to be at any meeting anymore. It's on zone."

(KA): We're going to run out of time because I could talk to you all day. One of the things – you are one of maybe one person [laughter] in the world that has really thought deeply about the art and practice of being a grantmaker. I'd like to talk a little bit about what you would share with the new grantmaker from Eastern Europe who's coming into the work or Louisiana, or Minnesota, Mississippi or California. [00:41:00] What is it about that role that you think is important for people to know?

(JJO): Well, that's a great question. I think the most important single thing is that there is a body of knowledge out there about how to be a good grantmaker. Chances are no one's going to show it to you or assign it to you. Chances are you're going to have to be proactive and access it yourself. Of course, with the internet now, it becomes much more practical to do that. The problem, the great problem with grantmaking, is that it is and has been from the beginning – from 1867 when the first program officer was hired at an American foundation – it has been a sort of reward for a job [00:42:00] well done. You've been a brilliant physician or you've been a brilliant teacher or a brilliant president of a university, and you'd become a grantmaker, a president of a foundation, or a program officer or director. The expectation is that you're wise and you know what to do. You know what the field needs and you make grants. You're afraid to say, "I don't know what I'm doing," because you don't. So you fake it and in fact, I think that should be the theme song for grantmakers everywhere; Simon and Garfunkel's "I'm only faking it, and not really making it." So often the work that grantmakers do is not only not good, it's actually harmful, counterproductive. The [00:43:00] grantmakers who think that if they cook up a plan in great detail and then shop it around to someone, that will solve the problem. Well, no one owns that plan.



No one would die for it. They just simply take the money and oftentimes do what they wanted to do with it and give you a report that said, “Everything is good.”

So it’s learning that you’re not there to be the sage on the stage; that you are there to be the guide on the side. I think that’s the toughest thing, especially for people who’ve been used to being in charge. The college presidents frequently make lousy grantmakers because they’ve been used to calling the shots, and they want to be the star of the show. That’s not what your job is as a grantmaker. Your job [00:44:00] – at best you’re a director and at worse you’re a critic, but either way, you’re not on the stage declaiming. That’s someone else’s job.

(KA): What motivated you to then create The Grantmaking School?

(JJO): Well, I had an opportunity to have a professional study leave, a sabbatical, at the Kellogg Foundation in 1999. I wrote the best book ever written on how to be a grantmaker. I can say that without fear of contradiction because it was then and remains now the only book that’s ever been written on how to be a grantmaker. It still sells, by the way, for people who want to know how to do the job. Published in 2000. After that I came away thinking, “There needs to be not just a book, but there needs to be [00:45:00] actual teaching, actual seminar on how to be a grantmaker.”

When I left the Kellogg Foundation after 15 years in 2001, came to Grand Valley, had the opportunity to get it started. It is the most interesting combination of a professional seminar group and a sort of a secret club of guerilla grantmakers (because everyone who’s there understands that they needed to learn, which is not an understanding that often the president of their foundation has or the vice-president even they report; they just don’t quite buy it. They never had any training and they turned out fine, right? At least, so they think). So it is sort of a guerilla group. [00:46:00] It’s sort of a therapy group, too, because people talk about being the only one in their organization who’s serious about getting it right, Gosh, it shouldn’t be that way. We shouldn’t have to have this sort of underground movement to train professionals. In this weird field of grantmaking, you have to.

(KA): You spent your whole life in nonprofit and a good chunk of your life in the grantmaking side. What are you worried about for the future of the field?

(JJO): Well, a number of things. The great glory of the nonprofit sector is that anyone can look at any problem and say, “I’m going to start an organization to fix that.” I mean that’s how Habitat for Humanity started. That’s how Doctors Without Borders started; all the great nonprofits. So that’s a great glory of the nonprofit sector. The great curse of the [00:47:00] nonprofit sector is that anyone could look at any problem and say, “I’m going to start an organization to fix that.” So we have all of these, you know – We’re over two million nonprofit organizations now – many of which are overlapping in what they do, others of which leave big gaps that they should be covering. All of whom are tripping over each other fundraising. One of these days, people might sit down and say, “Now, wait a minute. Why are there six organizations in my community all dedicated to homelessness relief and yet people are still homeless? What’s going on here?” So we need to find some way to keep the sector open to social entrepreneurs, but to make sure that they don’t start the seventh or the eighth [00:48:00] homelessness relief organization in town. Because if six didn’t solve it, seven won’t solve it either.



On the philanthropy side, it is this stubborn refusal of so many in philanthropy to actually learn good practice in philanthropy. Somehow they seem to feel that maybe their great wisdom means that they don't need to do – or experience – means they don't need to learn basic stuff. I get phone calls every week from people who have another horror story to tell about foundations. One recently, for example, was right here in Grand Rapids. She was encouraged to write a big proposal to fund a suburban school district. When she handed it in to the very person who had encouraged her to do it, [00:49:00] the person glanced at it and said, “Oh we're only doing City of Grand Rapids. We're not supporting any suburban districts.” “Well, you knew that when you encouraged me to write the proposal. What kind of amateurish thing is that?” So unless foundations clean up their act and begin to act in a more professional and respectful fashion, I think nonprofits and grantees, at some point, are going to – not boycott because they all need the money, but they might complain to their Congress people, who having nothing better to do apparently, would say, Gosh, you know, the foundations are not behaving well. Look at them. they're a big old bunch of money that we're not taxing. So how about some sort of a punitive tax on foundations. [00:50:00] It can happen. It happened in 1969. It could happen again.

(KA): Thanks. So now I'm going ask you two more questions. One is what haven't I asked you that you wanted to make sure we talked about? I mean we have a lot of questions we didn't get to, but what do you really want to make sure gets on the record about these 40 years of history and what has been learned?

(JJO): I think the thing that is most important to learn is that in the ahistorical nature of our field, most people, especially in foundations, think that history began the day they walked in the door. The most important thing to know is that the Michigan story is not the typical story. Most areas have a weak regional association [00:51:00] of grantmakers, if they have one at all – a lot of areas don't. Most states have weak nonprofit associations, if they have one at all – many still don't. The Community Service Commissions vary in quality all over the map, ours is a particularly good one. Most places don't have a Center for the Study of Philanthropy in the local university.

To have all four of those, and to have them all networked together and working together and to have them be as strong as they are, none of this is an accident. There's a \$20 million endowment in Michigan Nonprofit Association not by accident, but because the governor at that time, John Engler, felt it was important to endow [00:52:00] an organization called Connect Michigan, which now has been absorbed into Connect Michigan Alliance, now absorbed into the [Michigan] Nonprofit Association. It happened because he put up \$10 million of state money and \$10 million had to be raised because people felt that was important. We've got probably the second best library in philanthropy and volunteerism at the Johnson Center at Grand Valley in the country, not because someone just decided to give it to them, but because there were a lot of people working at it over the years. Primary, of course, the Council of Michigan Foundations, which did donate its library, but a lot of other people saying, “We need that information resource.” It drives me absolutely nuts when people come in to the [00:53:00] field and just take these resources for granted and say, “Oh you know, if we need a strong infrastructure, we'll fund it ourselves.” Well, you've got one and it's unusual and you should use it to the full extent. There are people who would kill to have this kind of an infrastructure in their state. So learn a little a bit about the world, my friends.



(KA): Good things. Then I want you to tell us your story. You're born into big wealth and your parents were philanthropists. [Laughter] Tell us about your life story. How you wandered into this field. Let's start with your family.

(JJO): My folks – I was the first in my family to go to college. My dad worked in a factory. My mother was a waitress. If you had ever said to the young me, “Someday you'll [00:54:00] be working in an organization in which you'll be handling millions of dollars.” I could not have conceived that because I couldn't have understood how much that was. It was just a mindboggling thing. I got started in philanthropy because I was a grantee. I was a grantee when I worked at... it was then called the Kalamazoo Public Museum, now the Kalamazoo Valley Museum. The program officer for the grant called me one day and said, “There's an opening for executive assistant to Russ Mawby, the Chairman of the Board, I think you should apply for it.” Of course I did, thinking that there was no way that I had a chance, that there would be people with much more experience in philanthropy, but I would perhaps get to meet Russ Mawby and that couldn't hurt future grant prospects.

So [00:55:00] I went to the interview very loose and confident because all I needed to do was charm Russ Mawby, right? I figured 15 minutes and I'd be out. After about 30 minutes, when he was still asking questions, I realized this was an honest to God interview. I think the rest of the time I said something like, “Bleh, bleh, bleh” [laughter] but apparently I did pretty well during the first half. I got the job as executive assistant. Interestingly, that is – As Russ said, “You don't want to retire as an executive assistant.” There were folks who said, “All you really did was drive him around for three years, right?” Well, yes, that was the main part of the job is driving Russ around, drafting his speeches and so forth; but here's a guy who thousands of leaders around the world would die to talk for 10 [00:56:00] minutes and I've got him for three hours driving him to O'Hare Airport. So it was an incredible opportunity to seminar with him to learn about the history of not only the Kellogg Foundation, but of philanthropy itself, to learn how to do the job – incredible opportunity.

Then Russ kicked me out of the nest and over to the program side, and assigned Pete Ellis to be my mentor. Pete was a Navy veteran, 6'4" and 240 pounds, just a bear of a guy, and he was a great teacher. He'd been a coach in a previous life and he was a great teacher. He taught me really how to be a program officer. A lot of The Grantmaking School curriculum goes right back to Pete Ellis and what he taught me. So [00:57:00] I had these wonderful opportunities. As Isaac Newton said, “To stand on the shoulders of giants,” and I was able to take that opportunity. One of the things I wanted to do with The Grantmaking School was to make that opportunity widely available. Not everyone can sit in a car with Russ Mawby for three hours or have Pete Ellis take you under his wing. Those were incredible gifts I was given. So passing those along to other people in a more systematic way through The Grantmaking School made sense to me.

Then to finish the story, after 15 years at the foundation, three as an executive assistant, 12 as a program director, it was time to move on and had the opportunity to become the first professor of philanthropic studies in the state of Michigan. [00:58:00] There will be many better ones, but there'll never be another first one. [Laughter] I loved my title, which was Distinguished Professor of Philanthropic Studies, but I had the opportunity to take one of my grants, the Johnson Center, and help it grow. When I came in there were – to the staff, there were three or four other employees. I can't remember exactly which, but by the



time I left, again, with the great work of Kathy Agard playing into this, there were more than 30 employees and now there are more than 50. So it is meeting a tremendous need; and it's good to see one of your kids grow up and become an absolutely essential pillar of the community.

(KA): Anything else you want to add. That's great.

(JJO): I think the only other [00:59:00] thing I would add is that this is a business where it would be wise to remember the adage – Abraham Lincoln is often credited for this – “To sit quietly, you appear to be an idiot. If you open your mouth, you remove all doubt.” [Laughter] There simply is not enough listening in the foundation world, not enough respect for the ideas that come in from outside, not enough people who are willing to say, “I'm going to stand here quietly on the side and facilitate this good idea rather than jumping into the spotlight.” It is so important to be willing to subordinate your own ego and your own needs [01:00:00] for notoriety in order to make good ideas work. The ones who were the best of that – Kathy Agard is the classic example – are the ones who did it on the side, helping from the background and not on the stage declaiming... doing the soliloquy from Hamlet. That's how you make things happen in this sector.

(KA): You've been great. Thank you. [Laughter]

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