Andrew Carnegie - It’s easy to associate the name Andrew Carnegie with philanthropy, but it wasn’t until the end of his life that he made his mark as a philanthropist. He believed dying without dedicating his wealth to a cause would be shameful, so he endowed the Carnegie Corporation with what today would be $3 billion. This allowed his charity to continue long after his death and set the example for the modern foundation.

Robert Wood Johnson Foundation and Tobacco - When Dr. Steven Schroeder was named president of the Robert Wood Johnson Foundation in 1990, no entity had taken on the risks of tobacco as a public health issue. Over the next decade, RWJ committed more than $400 million to a wide variety of efforts to publicize the negative effects of tobacco use. The foundation is credited as the first private power player in anti-tobacco efforts and has paved the way for tobacco control, reductions in use, and smoke free environments.

Sloan Research Fellowship funds progress - Former General Motors President Alfred P. Sloan believed that investments in science, technology, and economics were the keys to our country’s progress and prosperity, so his foundation created the Sloan Research Fellowship to provide young scholars with resources to conduct research. The investments have paid off – past fellowship recipients have won 38 Nobel prizes, 14 Fields Medals for mathematics, and eight John Bates Clark awards for economics.

Good board members make a difference! - In the early 20th century, educator and political activist Booker T. Washington asked Julius Rosenwald, a business executive from Chicago, to serve on the board of the Tuskegee Institute. As a Jewish man, Rosenwald felt that he understood discrimination and wanted to combat the inequality created by segregation. Rosenwald fully endowed Tuskegee and then dedicated a private fund of more than $70 million that led to the construction of over 5,000 schools for African American students in the South. Without Rosenwald’s philanthropy and Washington’s advocacy, many young people would not have received an education.

Extending life - In 1916, the Carnegie Corporation of America accepted a proposal from Nathaniel Potter, a doctor who intended to study treatments for diabetes. With a grant from Carnegie, he and his successor, William D. Sansum, refined insulin extraction and successfully injected the hormone into the first adult recipient in the U.S. The patient who received the dose was 51 years old and considered to be terminally ill. With the insulin treatments, he lived to be 90. By 1923, insulin was a commonly used and highly depended on treatment for diabetes.

Stopping yellow fever - At the start of the 20th century, North America was plagued by yellow fever outbreaks. In 1915, The Rockefeller Foundation started a program to find a vaccine. Doctors and scientists from the foundation spent time in South America and West Africa studying the illness. Though the research was dangerous and led to many yellow fever related deaths, their efforts were successful and the first vaccine was produced in 1936. Within two years, more than a million people had received a dose, and the vaccine carried a 90% success rate. In 1951, Dr. Max Theiler, the Rockefeller scientist who created the vaccine, was awarded a Nobel Prize.

Finding cheap ways to detect cancer - Cervical cancer was once the most deadly form of cancer for women, largely due to a lack of efficient and inexpensive testing. In 1923, Dr. George N. Papanicolaou discovered that he could detect the disease in cells before any symptoms were evident. Though he was dismissed by many colleagues who thought that cancer could not be seen in individual cells, the Commonwealth Fund awarded Papanicolaou a grant of $1,800 to continue his research. This research allowed him to prove that cancer could indeed be found early in cellular irregularities. His research led to the development of the Pap Smear, an inexpensive examination of cervical cells that increase a woman’s chance of survival dramatically.
Saving space, increasing access - An increase in academic publications in the late 20th century created organizational and storage challenges for traditional libraries. In order to accommodate the increasing number of books and journals, William G. Brown – then president of the Andrew W. Mellon Foundation and president emeritus of Princeton University – sought to create a digital library. The Mellon Foundation awarded grants to the University of Michigan to develop a digital database called JSTOR, which later became available to other libraries. As of 2010, JSTOR had over 6,000 participating libraries and contained over 38 million pages of text.

Expanding the field of health professionals - After WWII, population shifts contributed to a shortage of doctors and available medical care. Philanthropic support led to the creation of two new classes of health care providers. The Commonwealth Fund gave a grant to the University of Colorado to help convert registered nurses into “nurse practitioners.” Soon after, the Robert Wood Johnson Foundation funded the development of standards for the new profession. Similarly, funding from the National Heart Institute, the Carnegie Corporation, the Rockefeller Foundation, and Commonwealth allowed Duke University to train military medical corps members as “physician’s assistants.”

Fixing a broken NCAA - In the late 1980s, the NCAA was faced with major ethical problems – corruption, bribery, cheating, low academic standards – and severe public distrust. As the situation neared a boiling point, the John S. and James L. Knight Foundation created and funded the Knight Commission on Intercollegiate Athletics. The commission, consisting of academic, athletic, and business leaders, developed and lobbied for a reform agenda focused on framing college sports within the context of higher education. Most of the commission’s recommendations were adopted and have been credited with restoring confidence, and fairness, in college athletics.

Completely rethinking student achievement - Until the mid-60s, the conventional thinking in education was that simply providing more funding to schools would improve student achievement. But sociologist James Coleman concluded in a controversial report that school funding had minimal effect on student achievement. The Carnegie Corporation funded a seminar at Harvard, led by Daniel Patrick Moynihan and Thomas Pettigrew, to explore the findings. From the seminar, Moynihan co-authored a book that focused on Coleman’s findings and led to a radical shift in thinking about the conditions for improving student achievement.

To infinity and beyond... Long before NASA was established, research into rockets and other technology that led to human space exploration was funded by private foundations. With $5,000 from the Hodgkins Fund of the Smithsonian Institution, physics professor Robert H. Goddard built a rocket that flew 41 feet for 2.5 seconds. Thanks to the advocacy of Charles Lindberg, the Guggenheim family and the Daniel and Florence Guggenheim Foundation funded Goddard for many years, allowing him to build rockets that reached altitudes of over 1.5 miles. While he was largely ridiculed in his own time, Goddard is now recognized as one of the founders of modern rocketry, and credited with both the vision and initial design of the technology that ultimately led to space flight.

Changing the philosophy of care for the terminally-ill - Prior to the 1970s, medical treatment for the terminally-ill focused on continuing to fight the disease until death, frequently with painful results. While serving as dean of Yale’s School of Nursing, Florence Wald was inspired by guest-lecturer Cicely Saunders’ philosophy of hospice care which focused on comfort and emotional support for terminally-ill patients and their families.

Through funding from the Van Ameringen Foundation, the Ittleson Foundation, and the Commonwealth Fund, Wald established the first American hospice in Connecticut. The hospice also served as a training center, and the model quickly expanded. Today, more than 3000 hospices operate in the United States. In 2008, 1.45 million individual and their families in the United States received end-of-life care from them.
Getting the public to talk about cancer - In 1942, Albert Lasker, a businessman considered to be the father of modern advertising, and his wife, Mary, founded the Lasker Foundation to support medical research. The Laskers’ particular interest was in fighting cancer, and they leveraged their own giving by advocating to Congress to fund medical research. But they found that galvanizing public support was difficult, as cancer was still considered to be a taboo subject.

Albert Lasker realized that in order to get people talking about cancer, the right voices needed to be delivering the message. So, he applied his expertise in communications and worked connections in broadcasting to get the lead characters on a popular radio show, Fibber McGee and Molly, to make a frank point: “Cancer isn’t a thing that will go away if you close your eyes. Cancer isn’t a disgrace; it’s a disgrace to think it’s a disgrace.”

The scale of American philanthropy - Thus far we’ve focused on history, but today we want to share some numbers to illustrate the scale of contemporary American philanthropy. According to the Foundation Center, there are more than 76,000 active foundations in the country and nearly two-thirds of them were established in the last two decades alone. Last year, these foundations gave a total of $45.7 billion dollars.

The origins of the community foundation - Since 1914, community foundations have been major sources of philanthropic dollars in cities and regions across the country. The first community foundation was the Cleveland Foundation, founded by Frederick Harris Goff, a lawyer, banker, and civic leader who envisioned a trust that would pool the resources of many donors in the city, and then distribute the funds to worthy causes and institutions that would “best make for the mental, moral, and physical improvement of the inhabitants of Cleveland.”

The community foundation model was an immediate success: within five years, community foundations were founded in Chicago, Boston, Milwaukee, Minneapolis, and Buffalo. Today, there are over 700 community foundations around the country, holding over $40 billion in assets, and making about $3 billion in grants every year. Outside the United States there are about 365 community foundations in 37 countries.

The big impact of family foundations - It would be hard to overstate the significant role that family foundations play in American philanthropy. While there is no precise legal definition of a “family foundation,” the Council on Foundations and others generally define them to be foundations whose assets are derived from a single family, and in which a member of that family plays a prominent role in managing or governing the foundation.

According to the Foundation Center, there were at least 38,339 such foundations in the U.S. in 2008, making up more than half of all independent foundations. That same year, the Foundation Center estimated that family foundations held over $246 billion in assets, which is 43 percent of all foundation assets, and gave away $21.1 billion in grants, which is 62 percent of all foundation giving.

A delicious model of philanthropy - The late actor Paul Newman started the food company Newman’s Own in 1982 with a purpose – “Shameless exploitation in pursuit of the common good.” Using his name and likeness on every product, Newman grew the company with the goal of giving 100% of the profits back to charity. Since the company opened, the Newman’s Own Foundation has given more than $300 million to thousands of nonprofits.
Philanthropy’s mythological roots - You might know that the word philanthropy comes from the Greek word philantropos – a combination of philos (loving) and anthropos (humanity). More interesting, however, is the mythological context for the coining of the word.

According to the Catalogue for Philanthropy’s publication Philanthropy Reconsidered, the word philanthropy was likely first used by the Greek playwright Aeschylus in Prometheus Unbound around 460 BC. As the story goes, the Titan Prometheus created mankind. Guided by his philantropos tropos, or humanity-loving character, Prometheus gave humans two gifts – fire and optimism. Fire was the symbolic tool to build civilizations, and optimism was the quality that would motivate humans to use fire to improve the human condition.

A history of giving to the max - As incomes rose in the early part of the 20th century, individual philanthropic giving to social welfare organizations became a deeply entrenched part of American life. In his new book, Philanthropy in America: A History, Olivier Zunz describes 1920s and 30s research into individual giving trends. Between 1900 and 1929 the percentage of people in a given city who donated to philanthropic causes jumped from 3 percent to 35 percent. A 1929 survey of farmers’ budgets in 11 states found that families donated an average of $1.10 to the Red Cross and other organizations, in addition to giving to churches.

This charitable impulse continued even during the hard times of the Great Depression. A 1933 study of clerks and streetcar employees in San Francisco found that 93 percent donated an average of 1.5 percent of their earnings to the church or to social welfare organizations, and that 88 percent of those families donated to organized charities.

The origins of corporate philanthropy - Today’s corporate philanthropy has its roots in the great Depression. The Revenue Act of 1935 allowed corporate charitable contributions of up to five percent of net income to be tax exempt. Subsequently most states gradually changed their corporate charters to allow these kinds of contributions. However, as Olivier Zunz describes in Philanthropy in America: A History, this often created tension between management and stockholders, as the latter generally did not believe that management had the right to distribute profits.

When the A.P. Smith Manufacturing Company attempted to donate $1,500 to Princeton University in 1951 and were blocked by stockholders, the case ended up before the New Jersey Supreme Court. The court favored management, noting that “the appellants, as individual stockholders whose private interests rest entirely upon the well-being of the plaintiff corporation, ought not be permitted to close their eyes to present-day realities and thwart the long-visioned corporate action in recognizing and voluntarily discharging its high obligations as a constituent of our modern social structure.”

America’s first fundraising campaign - The history of philanthropy – and its natural counterpart, fundraising – in the United States dates back to before the country even existed. What is believed to have been the first fundraising drive was held in 1643 to benefit Harvard University. The effort raised 500 pounds – that’s about $67,000 in today’s dollars.