Ruth Clouse Chance

At the Heart of Grants for Youth

An Interview Conducted by
Gabrielle Morris

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Ruth Chance

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June, 1976

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PREFACE

This five-volume Bay Area Foundation History Series, a special project of the Regional Oral History Office, was first discussed in late 1973. Ruth Chance and John May were then preparing to retire as executive directors, respectively, of the Rosenberg Foundation and the San Francisco Foundation, and a group of their colleagues wished to express their appreciation for the guidance and inspiration these two have provided in developing the art of philanthropic grant-making.

In addition to documenting the part Ruth Chance and John May have had in encouraging activities for the betterment of life in the Bay Area and California, it was decided to record an account of significant trends and events in the foundation community of the Bay Area. The resultant project includes twenty-four interviews of varying length with board members, staff, and grantees of a variety of Bay Area foundations representing both traditional and contemporary views of philanthropy. The series as a whole presents a picture of close to half a century of organized philanthropy in the Bay Area, including the processes of foundations and the development of community attitudes and organizations which mirror the evolution of issues of concern not only to foundations but to society in the West and nationally.

The Office wishes to express its sincere thanks to the Zellerbach Family Fund, van Loben Sels Foundation, San Francisco Foundation, and Rosenberg Foundation, whose joint grants made this project possible. We also deeply appreciate the encouragement, interest, and research assistance of the staffs of these foundations and other interested observers throughout the course of this project. Special thanks are due to the participants in the interviews for their willingness to discuss their experience with foundations and for their patience in reviewing their transcripts. It is hoped that readers now and in the future will find these manuscripts as informative and thought-provoking as has the staff who prepared them.

The interviews stimulated the deposit, by interviewees and others, of a number of letters, speeches, pamphlets, grant proposals, and other materials related to philanthropy dating back to 1926. This Bay Area Foundation History collection is being added to The Bancroft Library's extensive holdings in twentieth century Californiana.

The Regional Oral History Office was established in 1954 to tape record autobiographical interviews with persons prominent in the history of California and the West. The Office is under the administrative supervision of James D. Hart, Director of The Bancroft Library.

26 May 1976
Regional Oral History Office
Room 486 The Bancroft Library
University of California
Berkeley, California

Gabrielle Morris, Interviewer-Editor
Bay Area Foundation History Series

Willa K. Baum
Department Head
Regional Oral History Office
Ruth C. Chance was interviewed for the Bay Area Foundation History Series in order to obtain a narrative account of the work of the Rosenberg Foundation in making financial grants for the support of innovative programs in the field of children and youth in California from 1958 to 1974 while she was its executive director.

At her request, the conversations focused on the stages of development of the Foundation rather than on herself, although a number of specific details about her experience are referred to in the course of the conversations. Six interviews were recorded: March 24, May 30, and June 10, 1974, in the Foundation office at 210 Post Street in San Francisco; and on July 23, September 10, and October 8, 1974, in The Bancroft Library conference room. Petite and chic, with silvery blond hair, she responded with interest and enthusiasm to questions based on a preliminary outline of topics.

The beginning chapters are an account of the early years of the Foundation, for which she researched the board meeting minutes of 1936-1945, and include vignettes of board members of those years as well as of those she worked with herself, most particularly Charles de Young Elkus, Sr., whom she sees as a major influence in shaping the Foundation's development. What comes through is a relationship of mutual appreciation and respect between board and executive, and also between executive director and past, present, and prospective grantees.

The second half of the memoir is a discussion of working with applicants and grantees over the years, selected by the interviewer from areas in which the Foundation has had a continuing interest. These short analyses of grants to mental health services, juvenile delinquency programs, and health and welfare of farmworkers' children touch only a few of the wide range of programs that the Foundation continues to encourage. The underlying concepts, however, reflect similar changes in attitudes toward and definitions of youth that Mrs. Chance describes in relation to an explosion of creativity and energy in projects developed in the Bay Area by and for young people in the 1960s. Her lively descriptions touch on a variety of individuals and ideas involved in a given area of social concern, often mentioning the challenges of keeping up with the ever-increasing applications for grants and public interest in foundation procedures, and returning to the question of evaluating the effectiveness of individual grants.
She went over the rough-edited transcript of the interviews with care, summarizing some portions she felt repetitious and adding anecdotes and comments to illustrate a point more fully.

Gabrielle Morris
Interviewer-Editor

14 May 1976
Regional Oral History Office
486 The Bancroft Library
University of California/Berkeley
Ruth Clouse Chance

Ruth Clouse Chance, who ran the San Francisco-based Rosenberg Foundation for 14 years and had a hand in starting numerous area philanthropic groups, died last Wednesday of a pulmonary embolism. She was 94.

Ms. Chance, who was a lawyer, was appointed to several state boards by three different California governors and was called a giant in the field of philanthropy by friends and colleagues.

Born in 1908 in Hutchinson, Kan., Ms. Chance moved to the Bay Area with her family in 1916 when she was in high school. She later earned a degree in political science from the University of California at Berkeley.

In 1931, she earned a law degree from the university. She finished first in her class and was the only woman in her class, marking the first of many trail-blazing accomplishments during her life.

She married Jackson Chance, who was second in the class, and joined a Los Angeles law firm.


“Ms. Chance served on the founding boards of Commonwealth, a health and environmental research institute in Bolinas, Equal Rights Advocates, a woman’s rights group, the San Francisco Education Fund, which gives grants to teachers, and the Alvarado Arts Workshop, which brings artists into public schools.

“Ruth Chance leaves a legacy of enormous courage, integrity and compassion along with extraordinary intelligence,” said Martin Paley, executive director of the San Francisco Foundation, which awarded Ms. Chance its Robert C. Kirkwood Award. She also was awarded the United Way’s Florette Pomeroy Award.

Ms. Chance was preceded in death by her daughter, Shirley Schwamm, and is survived by a grandson and great granddaughter, who live in North Carolina.

An event to honor her is being planned for October.

Charitable contributions in her name can be sent to the San Francisco Education Fund, 47 Kearny St., San Francisco, CA 94108; Equal Rights Advocates, 1663 Mission St., Suite 530, San Francisco, CA 94103; League of Women Voters, 114 Sansome St., San Francisco, CA 94104; or Lifeprint, 120 Montgomery St., San Francisco, CA 94104.
1. EARLY DAYS OF THE ROSENBERG FOUNDATION, 1936-46

Max Rosenberg and Other Philanthropists

Morris: We were talking about Mr. Max Rosenberg's intentions in setting up the Foundation.

Chance: Yes. I've mentioned that foundations were a relatively new conception when Mr. Rosenberg's will was drafted in the early 1930s. It's probably fair to say that they were a development of the twentieth century, and mainly in America. They were built on the old English charitable trust idea, but widened it. In England, the wealthy merchant class created by the industrial revolution needed some channel for the great outpourings of wealth they gave to charity. That was the origin of the charitable trust. Those who made large fortunes in this country in the nineteenth and early twentieth centuries developed foundations for this purpose.

So the movement was still young when Max Rosenberg died in 1931. He was a bachelor who had been a quiet philanthropist during his lifetime. Probably there were only a few hundred foundations in the country at that time, compared with more than thirty thousand now.

It's generally agreed that the early ones reflected the so-called Protestant Ethic. Men like Mr. Carnegie and Mr. Rockefeller may have been ruthless in their business dealings, but they were very religious men. Once their money was made, they thought it sinful not to use it to benefit humanity. In those days there were few or no tax advantages involved in giving to philanthropy, and so foundations were not an estate or tax planning mechanism, as they sometimes became in the 1950s and '60s.

Mr. Rosenberg's foundation did not differ in form from those established in the first quarter of the twentieth century. His will gave a broad charge to the trustees he named to establish the Foundation. The terms of the will permitted a wide scope of philanthropic activities,
and the Foundation's work was not restricted geographically. He empowered the trustees to decide whether the Foundation should be a perpetuity or whether they should spend all of the money over any time period they chose.

But if the typical foundation of that time was created by a wealthy Protestant, and had a board of directors made up of men of similar background, Mr. Rosenberg's foundation differed in two ways. First, he came of Jewish lineage, and the four trustees named in his will to establish the Foundation were also Jewish. Two of these trustees were women—unusual for a foundation in those days—and two were men. Both women were relatives, while the two men were connected with the large dried fruit business (Rosenberg Brothers and Company) which Mr. Rosenberg had headed. He left the Foundation a little more than one third of the stock of this company.

It seems natural that Jewish philanthropists, to whom we owe so much in San Francisco because of their generous giving, would quickly pick up the foundation idea. I've heard that Mr. Rosenberg was influenced by a thoughtful article Julius Rosenwald had written, I believe for Harper's Magazine. He had established a time-limited foundation out of his Sears-Roebuck fortune, and had given his reasons for not making it a perpetuity.

Of course, I haven't any direct knowledge of those early days, since I didn't come to the Foundation until the Fall of 1958. But from talks with Leslie Ganyard, the first staff person employed by the Foundation, as well as with others, and from the minutes and records of the Foundation, I have some impressions of the initial years. These reflect what seems to be true of many foundations in their first phase. Grants often relate to the donor's known interests; there are problems when nearly all of the foundation's capital consists of stock in the donor's business and when some of the foundation's directors are also directors of the donor's business. Many foundations gradually move into a second phase, in which the composition of the board is broadened, the foundation divests itself of the donor's stock and diversifies its investments, and grants are no longer influenced by the personal interests of the donor. This second phase was reached in a relatively short time by the Rosenberg Foundation.

Thoughts on Leslie Ganyard

Morris: You spoke of Leslie Ganyard, the Foundation's first director and your predecessor.

Chance: I didn't meet Leslie until I was asked to take the position from which
Chance: she was retiring. But even at 65, Leslie was a vivacious, wonderfully friendly person who welcomed people and ideas. And she had kept the freshness of her look at things. Our time at the Foundation overlapped for several months. It was a fine apprenticeship for me. I began to understand her 'style.' Behind all that genuine warmth and sociability there was a very astute observer. And from her more than twenty years at the Foundation she had accumulated a remarkable background of information about California, and about programs and people. She was a state-wide resource, and the Foundation became a kind of informal center of information.

It's likely that before the days of huge federal granting, which began shortly after she left, nearly every new or interesting idea that affected community life in California came to her attention. She wasn't an expert, but she was a well informed generalist. So she was always able to tell people about others who were working on the same issues, and to make pretty sage estimates of major problems the Foundation might try to do something about.

Leslie was gregarious. She really enjoyed visiting, and she learned a lot about the capabilities of applicants and whether their plans were practical through her unhurried and disarming discussions with many people. She would come into the office in the morning, answer all the day's mail promptly, and then be out the door on her way to talk with applicants or visit projects, or just find out what was happening. She had traveled the state widely, trying to explain what a foundation was—isn't that unbelievable? But in the 1930s and even '40s, a foundation with an open office and a staff person was a rarity in California. People had to be encouraged to apply. What a difference from the rush of the 1960s when we had to measure our time so carefully because of the deluge of applications and the complexities which were growing up around the foundation field.

In many ways Leslie's period at the Foundation was the ideal one. She had a manageable situation. She was in a position to interview widely beyond matters actually pending at the Foundation; she had time to talk with people who had ideas and to travel throughout the state and see what was going on. At the same time, the Foundation was making a substantial number of grants. [See chart on page 3a.]

Morris: What was Mrs. Ganyard's personal background?

Chance: I think her girlhood was spent in Ventura. Then she went to U.C. Berkeley, and among other things was the woman's editor of the Daily Cal. Later she headed the university's Bureau of Occupations. At one time she was the executive director of the San Francisco League of Women Voters. During part of the depression of the 1930s she held executive positions with several federal or state programs. Today we'd probably say that these programs were concerned with the 'delivery of
ROSENBERG FOUNDATION GRANTS, 1937-1946

<table>
<thead>
<tr>
<th>Health</th>
<th>Intergroup Understanding</th>
<th>Community Planning</th>
<th>Formal Education</th>
<th>Voluntary Welfare Service</th>
<th>Miscellaneous Services</th>
<th>Special War Services</th>
<th>Totals</th>
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<td>$52,500(2)</td>
<td>$7,500(1)</td>
<td>$30,000(3)</td>
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<td>--</td>
<td>$90,000(6)</td>
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<td>$25,925(3)</td>
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<td>1,000(1)</td>
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<td>79,925(7)</td>
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<td>52,233(6)</td>
<td>$9,500(2)</td>
<td>17,250(3)</td>
<td>32,688(4)</td>
<td>--</td>
<td>111,671(15)</td>
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<td>1940</td>
<td>500(1)</td>
<td>21,000(1)</td>
<td>11,000(5)</td>
<td>4,200(2)</td>
<td>--</td>
<td>$7,835(3)</td>
<td>44,535(12)</td>
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<tr>
<td>1941</td>
<td>--</td>
<td>5,400(1)</td>
<td>7,500(3)</td>
<td>--</td>
<td>2,500(1)</td>
<td>1,030(1)</td>
<td>16,430(6)</td>
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<tr>
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<td>18,995(6)</td>
<td>12,800(1)</td>
<td>8,500(3)</td>
<td>35,465(6)</td>
<td>--</td>
<td>1,000(1)</td>
<td>$9,873(2)</td>
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<td>339(1)</td>
<td>27,900(3)</td>
<td>38,050(6)</td>
<td>24,300(3)</td>
<td>91(1)</td>
<td>6,150(3)</td>
<td>96,830(17)</td>
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<tr>
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<td>9,500(3)</td>
<td>33,640(5)</td>
<td>21,550(10)</td>
<td>31,208(7)</td>
<td>--</td>
<td>2,650(2)</td>
<td>98,548(27)</td>
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<tr>
<td>1945</td>
<td>8,720(2)</td>
<td>12,150(5)</td>
<td>17,750(2)</td>
<td>26,300(6)</td>
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<td>--</td>
<td>66,920(15)</td>
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<td>1946</td>
<td>56,400(3)</td>
<td>5,000(1)</td>
<td>11,180(1)</td>
<td>3,000(1)</td>
<td>--</td>
<td>--</td>
<td>75,580(6)</td>
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a. Statistics from Rosenberg Foundation, 1937-46, Ten Years of Community Service. Parentheses indicate number of grants in the group.

b. Of these grants, 7 were for youth or family services.

c. Of these grants, 5 were for youth services.

d. Of these grants, 12 were for construction of rural recreation centers, 11 more for recreation programs, and 3 for other youth services.

e. Of these grants, 13 were for World War II child care programs, one for juvenile delinquents, and the remainder for teacher training and curriculum development.

f. Of these grants, 3 were to family service agencies.

g. Of these grants, 3 were for conservation, 2 might today be classified under welfare or planning, and the $91 was for printing for the Pacific Camping Association, regarding which see Josephine Duveneck interview.

h. One of these was for the San Francisco Boys Club, to make games for servicemen.

i. Of the total of 133 grants in the first 10 years, 78 were for formal education or other services for youth and families.
Chance:  human services.' But I think Leslie would just have said that they helped needy people. At any rate, you can see that she brought wide and useful experience to the new Foundation. She seemed a natural for the job.

But in her sparkly way, Leslie used to explain that that was not what got her the Rosenberg position. The directors of the Foundation wanted to run the office frugally, and to put the money into supporting worthwhile programs. Unlike her competitors for the job, some of whom apparently had rather extravagant ideas, when Leslie was asked what she would need to open an office for the Foundation, she just said: a typewriter and a table and chair. She got the job, and became the executive secretary on December 15, 1936. In fact, she was the only employee until 1944.

Morris:  That's incredible.

Chance:  Looked at today, it is. But there were significant differences between then and now. The first was the relative simplicity of that period, and the second was the amount of actual investigation of proposals done by individual trustees or by committees of the board. On the first point, it's hard for us to realize that when the Foundation began operating in 1936 (it was legally incorporated on July 5, 1935, but since the estate had not been distributed it had no funds to grant until the next year) there were less than seven million people in California, compared with today's twenty millions. There wasn't a huge array of federal programs whose guidelines had to be known to decide whether private foundation money was still needed in a specific program area. There were few foundations in California, and, so far as we know, none with a state-wide mission and a staff.

Today a large amount of time goes into understanding what other granting agencies—both public and private—are doing, to avoid duplication and encourage cooperation. And communication was slower in the 1930s and '40s, so that California wasn't linked with other parts of the country so swiftly. The state was remote and relatively unpopulated. It hadn't yet developed the great technological complexes that were created during the Second World War in the Bay Area and Southern California. And neither Stanford nor U.C. was then rated in the forefront of universities nationally. So the large eastern foundations weren't as interested in California as they now are. Then, too, the state was mainly agricultural, and many foundations have been more interested in urban than in rural problems.

Morris:  When Mrs. Ganyard was getting started, in a sense was she creating the job?

Chance:  She was creating the job, and letting people know that there was a resource available to them, and encouraging them to apply where she thought they had an interesting idea.
Morris: When you were working with her, coming into the job, did she talk with you at all about the kinds of things she found in the late '30s when she was going out?

Chance: You know, she never did. I begged her to tape record her recollections after she retired. Leslie had very severe arthritis in both hands, and writing was very difficult for her; but she had never gotten used to using a tape recorder. I should have pursued the whole thing, but I didn't, probably because we quickly became so busy at the Foundation.

Caroline Charles did write an article about Leslie for the California Alumni Monthly shortly after she retired.*

Emphasis on Children and Youth

Morris: What were the interests and intentions of the first board?

Chance: I have the impression, from studying the minutes and files, that the directors were very conscientious about the trust Mr. Rosenberg had placed in them, and open-minded about what they should do. But, to a considerable extent, programs were determined by the two crucial events of those years. The Foundation was established in the 1930s, during the Great Depression. That was followed by the Second World War. But one constant theme has run through the whole history of the Foundation, and was not affected by these great emergencies: its money came from the agricultural areas of the state, and the board members from then until now have had special interest in rural problems.

The earliest grants followed the lead of the Rockefeller Foundation, which had had such dramatic successes with medical research. One of the first grants was made to Stanford to advance knowledge about the so-called 'Valley Fever' which affected many farm laborers. This work was taken over by the army during the war, because men were being trained in various parts of the Valley and were susceptible to the disease. At U.C., under another medical grant, Dr. Karl Meyer conducted research on sylvatic plague, a disease carried by rodents found in rural California. Again the research was continued with government funds.

Although the Foundation had had considerable luck with these two grants, the board soon realized that medical research opportunities

*"She Gave Away Millions," in October, 1959, issue and brief mention in December, 1958, issue.
Chance: were too technical for them to appraise, and that they would usually require long term support. So, after a few years they agreed as a matter of policy not to underwrite medical research. That policy continues.

The board was far more at ease in taking shrewd looks at simpler requests. That got the Foundation into making capital grants, but hardly of the 'edifice complex' type. During the Depression the federal government put men to work through the WPA [Works Progress Administration]--some of the unemployed were paid to work on public projects. Many small towns throughout the state applied to the Rosenberg Foundation for grants to build modest community or youth centers, using WPA labor. The Foundation was a good bargainer. The communities requesting money for building materials had first to 'show their earnest' by raising some local funds, and pledging to keep the buildings in good shape and to provide programs in them, before the Foundation would commit itself. And so these little community centers dotted towns throughout California, in an ingenious partnership among the federal government, the local communities, and the Foundation.

In looking at the early grants of the Rosenberg Foundation, you're struck by the combination of simplicity and sophistication. The projects practically speak for themselves, but the Foundation was astute in exacting local support so that the community had a real stake in carrying on afterwards. Of course, in those days 'community' was a more innocent term, without the profound implications it carries today.

The directors were also interested in the problems of minorities from the beginning. There is a contemporary ring about a board discussion in March, 1940, which concluded that the most critical contemporary problems are "unemployment, housing, community welfare, and the development of good citizenship and tolerance with special reference to minority groups."

Pearl Harbor and the declaration of war brought the Foundation board into action immediately. The directors voted to invest a substantial sum in defense bonds. Then they earnestly passed a resolution pledging the Foundation "to be on the alert for bottlenecks in the plans for national and community defense." But the board also agreed to continue to consider regular proposals if the war did not make them impractical.

The Foundation had already had some experience with child care centers; but now, with so many mothers working, the board took a special interest in programs to provide child care, until the Lanham Act was passed. There were many young brides during the war period who followed their husbands to California before the men were sent overseas. Grants for good maternal care as well as for recreational and other service programs were frequent during the war years.
Chance: But, with the war over, in 1946 the board, after many discussions, decided to emphasize innovative programs for California children and youth on an experimental two-year basis. By 1949 the Foundation was ready to state that "the general field of the Foundation at present is community health, education and recreation for the welfare of children and youth in California." With some modifications, that policy stood until 1973, when more limited criteria were adapted on an experimental basis to cope with the great increase in applications.

Broadening the Board and Investments

Morris: By then there had been quite a turnover in board members, hadn't there? I have a note that Dr. Deutsch was the first outsider brought on the board and Charles Elkus was the second.

Chance: Yes—that was in 1938. One of the four original trustees named in the will resigned to go to Europe, and Monroe Deutsch, then provost at U.C., Berkeley, was elected a director. A few months later Charles de Young Elkus, who had been Mr. Rosenberg's attorney, came on the board. In late 1940, Miss Emilie Oppenheimer, a cousin who had been named in the will as a trustee, and who had served as president of the Foundation since the beginning, died. The two 'outsiders,' Dr. Deutsch and Mr. Elkus, were then elected president and vice president of the Foundation.

In 1941, two additional men of public distinction were elected to the board, Paul Edwards of the San Francisco News, and Garret McEnery, a well-known attorney. From that point on, control of the Foundation was in the hands of trustees who were neither relatives of the donor nor connected with his business. In 1943, after Mr. McEnery's death, Edward Parsons, the Episcopal bishop, and Charlotte Mack, who many years later left the residue of her estate to the Foundation, became director. The criteria for board membership were stated as "broad community experience and understanding, rather than training in one field."

This enlarging of the board so that the majority had no connection with the donor or his business was an enlightened step for those days, and an important one in the evolution of the Rosenberg Foundation. Much of the direction was set, I think, by Max Rosenberg's cousin, Miss Oppenheimer, who, you'll remember, was president of the Foundation until she died. Even from the formal minutes, 'Miss Emilie' comes through as an intelligent and devoted person, searching for the best ways to carry out her cousin's purposes. She seems to have run the Foundation those first few years, with Leslie Ganyard more as her helper than as the executive director.
Morris: You've spoken of the Foundation's main asset as its stock in Rosenberg Brothers and Company. Was the conversion to a diversified portfolio done after you became the executive director?

Chance: No, much earlier—but it's an interesting story that very few people know, and an example of how the board, in carrying out its public trust, took a wise stand about the Foundation's investments that resulted in our avoiding one of the most troublesome problems dealt with later in the Tax Reform Act [TRA]. Much of the credit for this foresight goes to Charles de Young Elkus, a man of great intelligence and strong character.

You probably remember that one of the principal issues raised in every recent Congressional and Treasury Department study of foundations was that a donor or his family could keep control of a family business by placing its stock in a foundation which they also controlled.

The Rosenberg Foundation's assets at the time it was established consisted almost exclusively of stock in Rosenberg Brothers and Company, the dried fruit firm started at the beginning of the century by Max Rosenberg and his two older brothers. The Foundation was the residuary legatee under Max Rosenberg's will, and four of the founding trustees were relatives or business associates. But, as I said earlier, the board was soon expanded so that a majority were from the public and had no connection with the family or the firm.

The Foundation board authorized the first full audit of its books in 1941. The audit showed that the Foundation owned slightly more than a third of the shares of outstanding stock of Rosenberg Brothers and Company. As a result of this information, the Foundation board asked to have a representative of the Foundation placed on the firm's board of directors. (The president of the firm was also a Rosenberg trustee.) This was done, and the Foundation representative at the time I am speaking of was Charles de Young Elkus.

A few months later the United States entered World War II, and the profits of Rosenberg Brothers and Company rose substantially during the following year. The Foundation then requested that dividends be raised so that it would have more money for charitable purposes. The company board voted not to increase the dividend. The Foundation replied by asking the company to amend its bylaws to provide for seven instead of six directors, with the understanding that the seventh position would not be filled unless the Foundation designated a nominee to the company board.

About a year later Mr. Elkus wrote a crucial letter to the Foundation board. I'm going to quote parts of it, because it sets out the issue so beautifully: —"We are, as directors, trustees of a public trust. What we and our successors will be able to accomplish is, in
Chance: large part, dependent upon the income and assets which the Foundation holds. As a stockholder holding approximately a one-third interest in Rosenberg Brothers and Company we are vitally interested in the affairs of that corporation. We are interested in the protection of its assets and in their increase, as well as in the dividend policy--It is true that we have on the Foundation board the president of Rosenberg Brothers and Company--also that the business of the corporation has been under his administration very successfully conducted, as indicated by the earnings made. It is also true that the Foundation has differed with the board of directors of the company as to its dividend policy and the true value as well as book value of the stock."

After noting that the president of the company was both a shareholder in and an employee of the company, Mr. Elkus' letter continued: "It may be that what may or may not be good policy as determined by the majority of the directors of the Foundation may differ from what the president of the company would consider good policy from his viewpoint, either as the president of the corporation or as a stockholder and employee."

Mr. Elkus then recommended that the Foundation employ a business advisor to advise it, and that later the Foundation might propose that this person be the seventh director on the board of the company.

The president of Rosenberg Brothers and Company--you'll remember that he was also a trustee of the Foundation--then replied that the company had not raised its dividend because "sound reason dictates the retention of reserves as insurance against the uncertainties of the postwar period."

In the split vote of the Foundation board which followed, Mr. Elkus' motion to appoint a business adviser passed. The president of the company then resigned from the Foundation board. A few months later Jacques Bergues was employed by the Foundation as its investment counsel. He soon recommended that the Foundation sell its stock in the company during "the present favorable market," and warned (as the Treasury Department has so often since) that "the Foundation might find itself in jeopardy from concentrating its holdings in one business, and particularly in a commodity business which might be subject to wide fluctuation."

In late 1946, on Mr. Bergues' advice, the Rosenberg Foundation board authorized sale of its holdings in Rosenberg Brothers and Company. Following the sale, the board asked three well-known citizens to constitute a committee to advise it on investment policy. These three were Edward Heller, Crawford Greene and Fred Merrill. Bergues & Company continued as investment counsel.
Since that time, the Foundation's holdings have been diversified. The residue of Mrs. Mack's estate came to us diversified, and so the Foundation has had none of the business-related complications which were the subject of legislative reform in the Tax Reform Act of 1969.

But had the board not acted as it did, the Rosenberg Foundation probably wouldn't be active today. Some time after the sale the commodities market did fall, and the food company which had bought Rosenberg Brothers and Company had great losses. As it was, they were able to keep right on making grants, although the total goes up and down from year to year. But there was, as you can see, a continued growth in the number of grants and the total, which gave the Foundation some preparation for the floods of applications that came later. [See chart, p. 10a.]

**Evaluation and Annual Reports**

Morris: You were saying that there are no easy ways of evaluating the results of projects--

Chance: Yes. There's always some difference between what happens and what they said they were going to do; in other words, we know what the project is going to be about from the proposal, and what their objectives are. But we also know from experience that probably they're going to find out along the way that things don't go exactly as they planned, and that therefore they might do better if they shifted gears a little bit. If they talk it over with us and make a case for letting the project develop in a slightly different way, or for adjusting the budget to meet new circumstances that they hadn't foreseen, we'll usually agree if it's consistent with the purposes of the project.

One of the special assets of foundation funding is said to be the ability to give that kind of flexibility to your grantees. We also may take into consideration, in evaluating a project, factors that didn't appear at the beginning. Perhaps that is coping out, but if you evaluate just in terms of the specific objectives stated at the beginning, and you don't get those results, strictly speaking you have a failure. On the other hand, you may get valuable peripheral gains of some kind. Or you may have gone in new directions which were quite unexpected, but turn up something fascinating. Or you may find that it will take a good while longer before you can evaluate a program.

The transient youth study in the late 1940s is an example. The achievements came several years after the study was completed. At the time, I think there was considerable disappointment about it.
ROSENBERG FOUNDATION GRANTS: 1947-1955 *

18. Number of grants, amounts budgeted, amounts appropriated, and income each year:

<table>
<thead>
<tr>
<th>Year</th>
<th>New</th>
<th>Extension</th>
<th>Total</th>
<th>Budgeted</th>
<th>Appropriated</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>20</td>
<td>5</td>
<td>25</td>
<td>$165,000.00①</td>
<td>$240,404.00</td>
<td>②</td>
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<tr>
<td>1948</td>
<td>12</td>
<td>10</td>
<td>22</td>
<td>200,000.00</td>
<td>178,145.00</td>
<td>$104,091.45</td>
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<tr>
<td>1949</td>
<td>14</td>
<td>5</td>
<td>19</td>
<td>200,000.00</td>
<td>139,434.00</td>
<td>220,068.94</td>
</tr>
<tr>
<td>1950</td>
<td>15</td>
<td>10</td>
<td>25</td>
<td>200,000.00</td>
<td>151,432.00</td>
<td>247,379.84</td>
</tr>
<tr>
<td>1951</td>
<td>20</td>
<td>9</td>
<td>29</td>
<td>200,000.00</td>
<td>290,961.00</td>
<td>274,264.48</td>
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<tr>
<td>1952</td>
<td>17</td>
<td>13</td>
<td>30</td>
<td>200,000.00</td>
<td>256,814.00</td>
<td>286,720.05</td>
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<tr>
<td>1953</td>
<td>16</td>
<td>12</td>
<td>28</td>
<td>225,000.00</td>
<td>355,818.31</td>
<td>280,031.23</td>
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<tr>
<td>1954</td>
<td>13</td>
<td>17</td>
<td>30</td>
<td>250,000.00</td>
<td>268,431.77</td>
<td>335,554.71</td>
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<tr>
<td>1955②</td>
<td>14</td>
<td>11</td>
<td>25</td>
<td>250,000.00</td>
<td>425,162.53</td>
<td>323,071.45</td>
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</tbody>
</table>

Total ...... 141 92 233 1,890,000.00③ 2,306,602.59

Average number of new projects per annum: 15.66.
Average amount approved for all projects (new and extensions) per annum: $9,899.58.

19. Expenditures:

A. CATEGORIES BY GEOGRAPHICAL AREAS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Northern California</th>
<th>Southern California</th>
<th>State-wide</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td>$451,606.03</td>
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<tr>
<td>Welfare</td>
<td></td>
<td></td>
<td></td>
<td>$35,042.13</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td>$156,014.00</td>
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</table>

Welfare

<table>
<thead>
<tr>
<th>Category</th>
<th>Northern California</th>
<th>Southern California</th>
<th>State-wide</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Welfare</td>
<td></td>
<td></td>
<td></td>
<td>$35,042.13</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td>$156,014.00</td>
</tr>
</tbody>
</table>


Total expenditures

$185,771.80  $185,771.80  (13.87%)

① Estimated income from dividends from Rosenberg Bros. & Co. Stock in the company was sold November 26, 1947.
② Figure omitted because of the change from fiscal to calendar year and the sale of Rosenberg Bros. & Co. stock.
③ The total year of 1955 is included, although the projects evaluated in this report were only those completed by April 15, 1955.
④ Includes $157,500 allocated directly out of principal for the San Mateo project on behavioral disorders.
⑤ Does not include amounts budgeted from surplus funds or unusual opportunities account.
⑥ Northern California is defined as that area of the State lying north of the Tehachapi Mountains or north of San Luis Obispo, Kern, and San Bernardino Counties.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Grants Paid²</th>
<th>Additional Grants Authorized</th>
<th>Total Payments²</th>
<th>Total Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>24</td>
<td>Not reported</td>
<td>$298,464</td>
<td>Not reported</td>
</tr>
<tr>
<td>1957</td>
<td>20</td>
<td>&quot;</td>
<td>246,585</td>
<td>&quot;</td>
</tr>
<tr>
<td>1958</td>
<td>28</td>
<td>&quot;</td>
<td>362,697</td>
<td>&quot;</td>
</tr>
<tr>
<td>1959</td>
<td>32</td>
<td>&quot;</td>
<td>398,277</td>
<td>&quot;</td>
</tr>
<tr>
<td>1960</td>
<td>30</td>
<td>&quot;</td>
<td>330,038</td>
<td>&quot;</td>
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<tr>
<td>1961³</td>
<td>40</td>
<td>17</td>
<td>451,233</td>
<td>$453,264</td>
</tr>
<tr>
<td>1962</td>
<td>43</td>
<td>15</td>
<td>418,685</td>
<td>322,294</td>
</tr>
<tr>
<td>1963</td>
<td>45</td>
<td>14</td>
<td>417,709</td>
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<td>41</td>
<td>15</td>
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<td>1965</td>
<td>56</td>
<td>7</td>
<td>638,270</td>
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<td>1966</td>
<td>44</td>
<td>15</td>
<td>511,143</td>
<td>497,057</td>
</tr>
<tr>
<td>1967</td>
<td>52</td>
<td>13</td>
<td>576,742</td>
<td>522,878</td>
</tr>
<tr>
<td>1968</td>
<td>44</td>
<td>11</td>
<td>499,276</td>
<td>503,198</td>
</tr>
<tr>
<td>1969</td>
<td>57</td>
<td>10</td>
<td>690,937</td>
<td>628,236</td>
</tr>
<tr>
<td>1970⁴</td>
<td>68</td>
<td>8</td>
<td>824,590</td>
<td>947,306</td>
</tr>
</tbody>
</table>

1. From Rosenberg Foundation annual reports.
2. Includes grants authorized in prior years, grants authorized and paid in same year, partial payment of grants authorized for more than one year, occasional cancellations or deferred payments.
3. Change in reporting method.
Morris: With youth runaways still a social concern, I think it would be interesting to follow that transient study through to the alternate services that the youth movement is turning up now. Are there stages in this kind of transient activity, or lineal connectors in community projects dealing with it?

Chance: I'm sure there are. That's the sort of thing we used to try and do in our annual reports.

Morris: Yes. I've missed it the last few years.

Chance: We've also missed it. After Helen Rowan died, we didn't have the heart to try to continue the same kind of report. Then, too, we were still thinking through our reporting obligations under the new Tax Reform Act, especially as the final regulations weren't issued until late 1972 and became effective early in 1973. Those two things caused us to do a much briefer report—just a listing of the grants made and paid, the Foundation's guidelines, the board of directors, and a few other essential matters.

We felt badly about cutting back on our annual reporting, because Rosenberg was among the relatively few foundations that had issued reports for many years, and had distributed them widely to explain to interested people how these philanthropic funds were being used.

Looking back, I think one reason we got such a good early start was that Paul Edwards became a board member in the late 1930s. He was the associate editor of the old San Francisco News, and was considered a fine journalist.

He was responsible for the Foundation's first report, the ten-year one, which I think remains one of our best. It covered the first ten years of the Foundation's work, and he set the tone for future reports when he wrote in the introduction that it was "intended, not as a record of accomplishment, but rather as a history of the progress of an idea from a rather nebulous dream of service into a more mature conception of the role of a foundation and an increased vision of the challenges it must accept."

Ten years later a second report was issued, this time written by Frank Cameron, a free lance journalist. Frank continued to write our annual reports until 1963, when Helen Rowan took over.

Frank Cameron's 1956 report was both a history of the Foundation up to that time, and the first of our really annual reports. From then on they were issued each year.

Paul Edward's mark was on all of these reports until he retired from the Foundation board. He believed that the work of the Foundation
Chance: should be described in such a way that the reader could share the stimulation of the innovative programs the Foundation supported, and Frank's writing was well suited to this purpose of informing the public about the use of philanthropic funds.

In 1961 we began to publish a list of our investments in the report. We were among the earliest to do so. This year we're going to have a different kind of report. We've asked two U.C. students working at the Berkeley Streetwork Project to do an illustrated essay on the young transient movement now and in the past. We hope to interpret what is happening so there will be more understanding of these young people, and what might be done about their situation.

But to get back to your question about evaluation. Responsible foundations have been trying for years to find satisfactory ways of evaluating both themselves and their grants, and the issue has become part of the larger one of accountability.

The Foundation has a long history of interest in the problem, and some achievement. It's taken up at every policy meeting of the board: how can we be sure we're spending the Foundation's money well?

The first record in the minutes goes back to the November, 1944, board meeting, when Paul Edwards requested that the Foundation work out a plan to bring someone in to evaluate how the board was doing. As you know, the board later employed Mabel Ellsworth, who had been with the Ford Foundation, to conduct an evaluation of every grant the Foundation had made between 1947 and 1955, and also to make an appraisal of the Foundation itself.

I believe this is recognized as the first such evaluation. It took several years and hundreds of interviews to complete. Two volumes resulted. The first was published and distributed rather widely.* It was a description of the Foundation, its history and development, and an attempt to measure what it had done against some general yardsticks that were standard at that time.

The second volume was confidential at the request of the people interviewed, and was distributed only within the Foundation. It was a retrospective look at every grant made within the eight-year period. Miss Ellsworth visited every program still in existence, and discussed

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Chance: each one with both participants and outsiders who knew the field and the project. Because some of the interviews were critical of a grantee organization or project staff, some who were interviewed asked that the information be kept confidential. The Foundation agreed in order to get frank responses.

All in all, the Foundation came out well among those who knew it. No one doubted the ability or conscientiousness of the board, and there was high praise almost everywhere for Leslie Ganyard. The projects rated well, too, and I suppose this raises the question of whether the Foundation was venturesome enough, since so few projects were considered failures.

It's hard to evaluate this evaluation. Both the method and many of the questions would be different now. But it showed the sincerity of the board, and seems historically to have been a 'first' in the foundation field.

There still is only a smattering of formal evaluations of foundations made by outsiders. Several years ago Orville Brim, then the president of the Russell Sage Foundation, wrote a cogent and delightful essay about an unorthodox evaluation of Russell Sage done by some young Turks, and the eye opener it was.

Some foundations send in experts or generalists or journalists to evaluate individual grants. I suspect that almost every foundation staff person feels that he knows better than anyone else how a project came out, and, in fact, that's by far the most common method of sizing up the merit of a grant.

There's not much writing on this subject, either. Alice Rivlin, the economist who now heads the Congressional staff on the budget, soothed me with her lecture at U.C. Berkeley in 1970 on "Systematic Thinking for Social Action." She argued that the federal government missed its opportunities to evaluate both Title I ESEA*grants and the Head Start program. She acknowledged that it is tremendously difficult to design and manage good experiments because social scientists are afraid to admit that they don't know how to design them so that you can learn whether they worked. She made a plea for systematic experimentation on a large scale which could be evaluated. At the same time, she encouraged the 'random innovation' that most of us do, believing that there isn't any substitute for programs done by creative people who are permitted to go where their instincts lead them. She doesn't think this stage can be systematized. But what we all know is that there are hundreds of exceptional people doing imaginative things, and that it's hard to describe what they do and to disseminate it for others to copy.

*Elementary and Secondary Education Act.
Chance: In evaluating a foundation nowadays, you'd have to go far beyond its grantmaking priorities and procedures. You'd analyze the make-up of the board, the investment record, whether some program goals are accomplished through loaning or investing, rather than through making grants, and what the foundation's interest is in the social implications of its investment portfolio. Several of these things hadn't entered the public consciousness when the Ellsworth evaluation was made.

Observations on Trustees

Morris: I have some questions about other people who have been trustees of the Foundation. One, in particular, is Robert DiGiorgio [1957-61]. I wondered if he was asked to be on the board because his family also was important in California agriculture?

Chance: He was on the board when I came, and the minutes don't record reasons for selecting directors.

Morris: Had he known the Rosenberg family?

Chance: I don't know that, but you might ask him. I think it would also be very interesting to interview him because he was knowledgeable about investments, and at the same time he dealt with applications ably. He had a keen mind.* His support of earlier proposals having to do with farmworkers helped to prepare the way for some of the community development projects we financed later in the Central Valley which were difficult for him to accept.

He was very critical of some of those grants, and once telephoned me about them quite heatedly. He had a temper! But he's a fine man, a very decisive person who has firm convictions about things. And, in some of the grants that we made, such as for the farm labor cooperative project, he strongly favored the grant. He grasped the emerging minority problems early, and supported the Foundation's grants. But when his business needed all of his attention he resigned from every board he was on--more than twenty of them, Rosenberg included--the same day. I said: you can't resign from us.

*Mr. DiGiorgio declined to be interviewed, saying his term on the Rosenberg Foundation board was too long ago for his memory to be accurate. Ed.
Chance: But you did not influence Bob DiGiorgio once he had made up his mind. We had supported a number of community development programs while he was a board member, but it was after he left that we got into the more open-ended community development projects.

Morris: About that same time, in the early 1960s, there was also a series of legal actions between the DiGiorgio Corporation and the farmworkers organization. In the same years, the Foundation made a cluster of grants for Mexican-American projects. His views on all this would be very valuable, because he obviously was a very able, very concerned person, in any number of community activities.

Chance: Yes, he was. Robert DiGiorgio is a well-educated man who attended very good Eastern schools, but he came from the Valley and had a close feeling for the land. I believe his grandfather and maybe his father, although I'm not sure, lived and worked on the land; and, indeed, they owned a lot of it. He gave the impression of being far more concerned about the lives of farm labor families than the usual absentee landlord is. But in the process of developing his business, he eventually got the DiGiorgio Corporation out of most of its land holdings.

He certainly would be an especially interesting person for you to talk with about the Valley projects to get another perspective. I know you plan for us to discuss these later, so I'll just say that the period we're talking about was a very tense one, and feelings ran high, as happens often when people are caught in a time of change where the outcomes aren't known. Large growers were mechanizing, and farm labor was responding partly by trying to unionize.

Morris: What about other directors I've mentioned for possible interviewing?

Chance: Among the other people who have been suggested—I think Frank Sloss has observed the Foundation for a long time, both as a representative of a grantee and later as a trustee. He was one chairman of the statewide committee on adoptions, which did a study that had national recognition and influence. He came on our board much later than that; he was not a trustee at the time. That committee stayed in existence and later updated the first study on adoptions. The second report did not turn out to be as significant as the first one, but it dealt open-mindedly with independent adoptions, as well as with the plight of unmarried mothers and the black market in babies.

Morris: Did they go on into other studies, such as delinquent children?

Chance: We did support studies of deviant children, and I suspect Frank was on some of those, also. He's done so many civic things, and always so well. I'm sure he's a meticulous recordkeeper, in case you interview him, and he's an extraordinarily orderly person, too.

I do not know what happened to Charles de Young Elkus' papers.
Morris: Is it possible that Marjorie Elkus would?

Chance: I think it unlikely that she would; it may be that his son, Charles, would know, or Robert or Ben. Mrs. Elkus gave us one packet of his papers, and if you would like those for The Bancroft Library that would be a good place for them. [In Foundation Series papers.]

Morris: The others would be worth tracking down, too. Mr. Elkus sounds like he was a very forceful gentleman.

Chance: Oh, he was! And a wonderful person. He was a man of high integrity, and was very widely respected. He had a great commitment to children and was one of the strong influences on the Foundation's decision to use its resources for children.

By the time I came, he was the senior person on the board and he had a decisive effect on its character. I suppose that most of the directors were a generation younger than he when I came to the Foundation. His influence was that of a patriarch. But as a person their respect for him was immediately apparent. He was one of the directors who in the early days helped to establish the tradition of objectivity the Foundation board has consistently observed in acting on applications. The members never raid the Foundation for their own favorite projects. They consider that completely out of bounds. There is more possibility of getting turned down on an application if the applicant has been close to a trustee, because the board does lean over backwards so hard. If one or more board members have been 'lobbied' on a proposal, they put that out on the table when the application is considered. They're extremely scrupulous about looking at themselves as trustees of funds which are to be used in the public interest.

I think that's been one of the hallmarks of the Rosenberg Foundation—the independence and integrity of its board in making grants. The willingness to not know who the people are, but on the basis of investigation by staff to trust new people with a good idea to try to do well with a grant. And, in fact, I would say that the board members in most cases do not know the Foundation's grantees—they've never met most of them.

Morris: Have other foundations had problems with this kind of thing?

Chance: I gather it's quite a common practice. In fact, some foundations will only make grants where they know those in authority. I spoke on a panel once, in Southern California, with a trustee of one of the foundations there who said that it was useless to come to them if you didn't know a member of the board.

The first time I went to New York to a foundations conference—I think it was New York University's biennial foundations conference in
1959—I was at a round table of foundation staff people who were complaining that the board members all had favorite projects to be financed. When I told them that didn't happen at the Rosenberg Foundation, they felt that I was simply naive and must not know what was really happening.

Morris: In some of the foundations who were expressing this opinion, how did they handle this?

Chance: We never went into detail on this. I assumed the directors' wishes were met.

Small family foundations, where the donor and his family are the only trustees, probably do a good deal of this personal kind of granting, because often one reason these foundations are created is to provide a vehicle for their personal giving. Some have ongoing commitments to private schools and colleges that they or their children went to, and to their churches and other family charities. Their foundations are simply the channel for this personal giving. There is nothing unlawful about that. It's just not the way that foundations which have moved out of the donor-controlled stage operate. Once they get a more widely-based board that is able to look at new kinds of applications, instead of a family member's continuing commitments to particular institutions or causes, foundations are in a position to operate more objectively.

John May has often raised the question of whether these donor-controlled foundations should have the same status and privileges as others. Alan Pifer of the Carnegie Corporation has written an essay proposing a different standing for them. I think it is becoming a matter of more general concern since the Tax Reform Act passed.

Morris: Is this something that a potential trustee is asked about when he's being considered?

Chance: Yes. Both the president and I usually met with every new member elected to the board and discussed the work of the Foundation and its policies and traditions. They would quickly have picked up the idea when they began to attend meetings, anyway.
Evolution of the Board

Morris: Before we get into the process of handling grant applications, I have a few more questions on the beginnings of the Foundation.

During the 1940s, several grants were made for studies by the Governor's Advisory Committee on Children and Youth. Did Leslie Ganyard or members of the board ever comment on whether this relationship influenced the Foundation to continue on in the field of youth, or perhaps directed the board's attention to fields in which they might make grants?

Chance: Their decision to concentrate on children and youth preceded the formation of the Governor's Advisory Committee. As we were saying last time, it probably was influenced at first by their awareness of Mr. Rosenberg's concern for children while he was living. However, for the first few years after the Foundation was established, the board accepted all kinds of applications. But the minutes record many policy discussions about narrowing the field as the trustees gained experience.

Children were a major interest of Charles de Young Elkus, who was well-known for his work in their behalf. As early as 1939, Mr. Elkus proposed child welfare as a subject for special attention by the Foundation, and in 1940 it was one of two general areas (the other was community welfare) selected for emphasis. But the next year brought the war and the Foundation turned to meet whatever social needs required attention during that period. Many of these had to do with children, as I said earlier, for there were many young mothers with babies and thousands of working mothers.

So, before Governor Warren appointed his first advisory committee, the board had already shown its special interest in children. However, the governor's committee was a strong mechanism for statewide activities, because it had some very capable members, and its appointment was not just a gesture, but reflected Governor Warren's deep concern for children. (Certainly no governor who followed him gave this quality of support.)

I think I've already said that Charlotte Mack, who came on the board in 1943, was devoted to children; so she would have been a strong advocate of using the Foundation's resources in their behalf. And
Paul Edwards was one member who kept stressing in board meetings the need to focus on some priorities and adopt criteria.

By then, many of the older board members had gotten off and they were bringing on new members, like Eleanor Fleishhacker Sloss and Caroline Charles. Ellie was elected in 1946 and Caroline in 1948. So when I came to the Foundation in late 1958, I was fortunate that four of the directors had recollections that went back to Rosenberg's early days.

Charles Elkus and Paul Edwards had been major influences in shaping the course of the Foundation as a public trust, but they were by then well along in years, and both were gone by the early '60s. Eleanor and Caroline, on the other hand, were quite young women when they became board members, and both remained on the board through most of the time I was the executive; and each served as president. They were forward-looking and at the same time they gave continuity, and reinforced the Foundation's traditions as new board members were elected.

Then Ward Mailliard, also, came on the board in 1946, but he was gone before I came.

This is the father of Congressman William Mailliard?

Yes. Ward was president of the board at the time of his death.

Is Eleanor Sloss the sister-in-law of Frank Sloss?

No. They are related, but you'll have to ask Frank to disentangle the relationship. That Sloss family is related by marriage or birth to so many eminent families, and is itself so distinguished, that it's difficult to trace all those lines.

Was Mrs. Mack still on the board when you came?

No. She was only on the board a few years, but she maintained a great interest in the Foundation all her life. After I got to know her, I used to see her frequently. She loved to hear what the Foundation was doing, particularly if the grants were venturesome. She always was a risk-taker—in buying art, in assisting artists, in helping minorities. She was a truly extraordinary woman throughout her life. She died in her eighties, still full of interest in what was going on.

Was she considered a maverick on the board?

I don't know for sure, because she was off the board before I came, but I think there is a little maverick in all of Rosenberg's board members. They've always been distinctive people, and almost always
Chance: have been willing to look at things from a slightly different angle.
So I guess the answer is that she was accepted like the rest of them, as a person with an independent perspective.

Morris: So Mrs. Mack kept tabs on what was going on at the Foundation through you.

Chance: Yes, after I came to the Foundation. But she had several friends on the board, especially Mr. Elkus and Eleanor Sloss, whom she saw, too.

She and I had a friend, Mary Conway Kohler, to whom we were both devoted, and Mary saw that we got together. We began to see a great deal of one another. It was a most enjoyable experience for me, because I'd never known anybody like her. She was such an extraordinary woman, and she became an important influence in my life.

Morris: There's a memorial piece about her in the 1969 annual report.

Chance: That's a wonderful piece written by Katherine Hulme.

Morris: Yes, I really got a sense that this was a remarkable woman.

Chance: She was. After Charlotte died, I felt that there had to be some tribute to her, but it was so hard to think what to do. She had helped Katherine Hulme during the period that Miss Hulme was writing The Nun's Story. It occurred to me that Katherine Hulme knew her well, and so I telephoned her in Hawaii, where she lives. I asked her if she would consider writing an essay for us about Charlotte. She said that she couldn't imagine a more difficult thing to undertake, but she would like to try, and she wrote it.

Katherine Hulme describes her so vividly that you don't need a picture of her. It's a good thing, because you could not get a photograph of Charlotte. Imogen Cunningham had taken a picture of her at one time, and I used to beg her for a copy of that. But she was very reticent about any kind of publicity. I once decided to make an unobtrusive effort to find out about her early life [laughter] and what made her tick. Finally, on about the fourth visit, when she was telling me about her childhood in Virginia, she suddenly said: are you making notes of this when you go home? [Laughter]

And I said: Charolotte, I just can't lie to you; yes, I am.

And she said: I'll never speak to you about any of it again. I just don't like it, that's all there is to it.

So to keep the peace, I had to give up on that one. I just had to take sporadic things I learned when she was off guard and talked. [Laughter]
Chance: She was a tiny little thing, but a terribly astute woman. Extremely shrewd, very, very bright.

She'd gone to the University of Chicago, in one of its early classes, and had had some great teachers. She'd had Robert Millikan in physics—later a Nobel laureate—and Thorstein Veblen in economics. She loved learning and appreciated her education. She was mathematically inclined, and a person of fine intelligence.

She had a great interest in modern art. She wasn't attracted by traditional art, but everything was changed when she saw an early exhibit of expressionists.

Except for indulging her interest in art, she lived a very simple life. When she had to give up her car because of her eyesight, she almost never took a cab or even a bus. She walked at a fast clip everywhere. She and I shared a passion for chocolate, but she didn't like for you to bring her a fancy box of candy. A Hershey bar was fine, though.

She was a most unusual woman, a delight to be with, but you had to be on your toes. You did not relax around Charlotte, because she liked good conversation. She enjoyed discussion and, although she was decisive, she liked people to be equally positive whether they agreed with her or not. She didn't like to be bored.

But children never bored her. She worked as a volunteer on a children's ward in a hospital until she was in her late '70s.

She was a life-long learner. I'll never forget that when she went in the hospital for the last time she took two books with her— one by Alfred North Whitehead, and Arthur Koestler's The Act of Creation.

[This interview of June 10, 1974, continues on p. 46.]
2. FINANCIAL AND PHILOSOPHIC THINKING OF A FAMILY FOUNDATION

Stages of Growth

Morris: You were describing the stages of growth, as it were, of a family foundation. I'd like to put it on tape.

Chance: Yes, it's all right with me.

I do have a certain ambivalence about being critical of control by living donors who set up foundations. Simply because if their primary interest is in philanthropy, and it isn't just in estate planning, current taxes, or that sort of thing—if the primary interest is in philanthropy, these people often have strong convictions about what they want to do with their money.

If they add people to their boards, often these will be friends who are quite close to them who will probably agree with them, tending to feel that 'since it's your money we ought to give special consideration to what you want to do'. But I think there's often a lot of strength in that first-generation giving where the donors are people of vision and conviction. Some of the most enlightened granting in the United States today is being done by family-controlled foundations. But for each one of these there are dozens we know nothing about. Many are undoubtedly using their foundation money for good purposes, even though these may be the family's regular giving. But others have been created with the philanthropic purpose a secondary consideration. It's this inability to classify within the amorphous foundation world that makes it so confusing and troublesome.

Then, as you professionalize foundations and get staff and a board which is completely divorced from the original donor's family, you may get a wider look and a more dispassionate one; but it's hard to say in many cases whether what is done with the money is an improvement over the original giving. It's akin to the argument in
Chance: the corporate world that raises questions about management that has very little honest-to-goodness stake in a corporation, and yet runs its affairs.

All in all, though, if you want to look at foundations as an institution, it's hard to do so because they cover many different methods of organization and operation and reflect different interests and attitudes.

Morris: They come in many varieties.

Chance: Yes, they certainly come in many varieties, so that generalizations about them are questionable or meaningless or deceptive.

Now the foundation field is faced with new complexities. There are new issues that foundations didn't initially have to deal with. These aren't just program ones, which have brought a greater range of applicants and applications along with questions of access and of openness and the need to think harder about priorities, so that limited money will be used for work of consequence. There are other dimensions that have come into the picture, such as how boards should be constituted.

You don't want board members who can't be rational in their decisions because they have unyielding commitments to particular causes or constituencies. I think boards do their most courageous work when the members trust one another and believe that all are seeking the best answers. They must have a sense of being true colleagues.

But we shouldn't forget that to some extent we're all captives of the kinds of backgrounds we come out of. That goes for people from majority as well as minority backgrounds. Minorities, because they are on their way up, are looking for ways to influence the giving of foundation money. But non-minority people have ways of looking at things, too, and they are sometimes almost unaware of the fact that they see things as they do because of that.

Investment Policies over the Years

Chance: At the same time that foundations are looking at board make-up, they are having to look at new issues around investments. If a foundation has the good fortune to have a diversified portfolio, it still has to figure how to get the best return on its capital to meet the mandatory payout requirements of the TRA, and all with the carefulness the law requires of trustees of charitable funds. Beyond that, it must watch by some reasonable criteria so that as far as practicable its investments don't conflict with its philanthropic purposes.
Morris: In other words, that the stocks and bonds that a foundation's corpus is invested in are also directed toward the same kinds of policies that grants are.

Chance: That's right. But your point relates to a difficult problem. Universities have tried to deal with it, foundations are trying to deal with it. It takes a great deal of time, even with a relatively small portfolio, to figure which issues you can deal with—you can't deal with all of them. For instance, should a small foundation like Rosenberg, which makes grants only in California, be concerned in making its investments with what happens in South Africa? If you have to choose a limited number of social issues to watch in making or holding investments or voting proxies, is affirmative action in this country more important than what is happening in South Africa and Rhodesia?

Would the use of some of the Foundation's money, deposited in minority banks be such an asset to them that, although your program guidelines deal only with children, it makes sense to help a minority community in a slight way?

In the last few years we have spent considerable time, not getting very far, on these problems of social responsibility.

Morris: Has your board discussed these issues in terms of investment?

Chance: Yes, they have. We have a Financial Policies Committee which has been very aware of the situation and has been considering what a reasonable approach would be. The Committee will, I think, agree upon some start-up soon.

Many private foundations are wrestling with this one. I think community foundations may feel they have other problems, but not this one. I suspect, though, that they, too, are eventually going to have to face up to the implications of their investments, because more than private foundations, they are considered to be responsive to community pressures. That may turn out to be a fiction, but it was the rationale of the TRA in classifying them more favorably than private foundations.

The Tax Reform Act of 1969 exacts quite a heavy price from private foundations, simply because their money usually comes from one donor or family. They not only pay an excise tax, but gifts to them are treated somewhat differently and there are a number of inhibiting program restrictions that do not pertain to community or public foundations, nor to any other category of 501(c)(3) philanthropic organization. At the same time, they retain complete control over selection of their own board members, although I'm not sure this will last, and over what their particular philanthropic interest will be.
Chance: Community foundations may well come under attack. I think they have an almost insoluble problem, because they haven't enough money, either, and they are the basic private funding source for programs that aren't handled by the United Way or through government funds.

Morris: The community foundation is.

Chance: Yes. If applicants told me, during my last few years at the Rosenberg Foundation and after the San Francisco Foundation began to be so large, that they were applying to the San Francisco Foundation and to Rosenberg, I would tell them first to see what the San Francisco Foundation was interested in doing, since it is the basic funding foundation for this community while Rosenberg's interests are statewide. If, after they handled the application, no grant was made, we might then accept an application. Of course, that assumes the proposal was within our policies and that the applicant hadn't applied to the two foundations for joint funding.

But, to go back, I suspect that even those trust funds community foundations hold, which come from many different individuals, are going to be subject to the same kinds of pressures that universities, foundations, and others who purport to have the social good as their end are under, and that they are going to have to respond by insisting that the banks who handle their money take a look at where they're investing those funds.

Under the TRA, community foundations aren't as vulnerable legally as private foundations, but in another sense they're more vulnerable because of the privileges extended to them by the law on the assumption that they are somewhat representative of the community, both because of their wider financial base, and the fact that the members of their distribution committees are appointed by very prestigious outside organizations.

**Financial Policies Committee, 1974**

Morris: Who are the members of your Financial Policies Committee?

Chance: Peter Haas is the chairman; he is also our treasurer. And on the Financial Policies Committee—it's such an excellent committee—are Lewis Butler, William Matson Roth and Leslie Luttgens.

Leslie Luttgens has a great interest in social investments. She's an extremely able board member with a wide interest, not only in program, but in all the things that appertain to foundations. Probably the most experienced person is Bill Roth because of his business experience and managing his own wealth.
Morris: Yes, he's had his own investment corporation, so that he's actually worked in the field.

Chance: Furthermore, he has very deep feelings about social justice. He is one of the directors who has spurred the board to think about the social implications of the Foundation's investments.

Peter Haas, the chairman of the committee, is the president of Levi Strauss, and so has a remarkable grasp of business. He's been a very strong board member, both in finance and program. I know that our investment counsel have been deeply pleased over the revitalization of this committee under Peter's chairmanship. In board meetings he is a quiet person whose thoughtful contributions carry great weight. With all of his practical business sense, he's been a person who speaks out for some of the newer ideas.

Lew Butler, the final member of the committee, is sui generis. He's a very valuable maverick. I could never be sure how he'd come out on proposals. He's witty, intelligent, and sensitive to the ways in which society is changing.

That's the committee. But to get back to the issue of the social implications of investments, last year we began to see ways to get a handle on this thing. When a new problem comes to light there aren't always the aids you need to help you look at it. For instance, we discovered that the investments of the Rosenberg Foundation, which are in the custody of a large bank, are held in a common pool with the investments of many others. Just to get them to sort out our stocks so that we could be notified about proxies where there were matters of controversy at first seemed to be a problem. That took time to resolve.

Then we also learned that the bank had a clearing committee, which was supposed to be informed about social and other issues that were coming up at annual corporate meetings. But banks had not had much experience with this either.

Morris: In the various corporations whose stocks the Foundation holds?

Chance: That's right. So until this year the bank committee probably hasn't functioned adequately. Now I gather it is improving as more individuals, businesses, and institutions such as foundations become alert to the effects of their investments.

One reason is probably that investment counsel, who have established the trustee accounts, are being asked by their clients about the social implications of various corporations' policies and activities. For instance, our investment counsel, Wentworth, Dahl and Belden, also invests for several nonprofit organizations, such as colleges and a conservation organization. Obviously, investment managers get questions from clients like that.
Morris: How far back did Rosenberg Foundation people begin to feel the need for this kind of allook at their investments?

Chance: Well, it's a good five years since I began calling it to the attention of the board, perhaps longer than that, but with any plan to deal with it—just identifying it as an issue foundations must begin to think about. I suppose it started when the student agitation started on the campuses. It began to be clear that every organization that was a 501(c)(3) tax-exempt entity and had investments should consider itself on notice about this problem, which indeed we should have recognized before. But when a new problem breaks, after recognizing it you have to find manageable ways of handling it. The first analyses by scholars like John Simon at Yale had not yet been published, nor had any services been established to get systematic information to interested investors. This problem arose before the TRA was passed, but when that legislation established a pay-out rate for private foundations an additional financial problem was added to the social responsibility one.

The pay-out rate for private foundations has been set by the Treasury at 5.5% this year [1974]. That is for foundations created before a certain date. The rate is above that for foundations created just before the TRA was passed. But it's 5.5% now, and trying to get a 5.5 return is very significant, so that the foundation isn't constantly decreasing its capital in a period of inflation. At the same time, as we've been saying, you must begin to look at the social implications of the investments that are being made by the foundation's investment counsel, who usually has authority to invest without frequent direction from the board, because a board usually can't assume that responsibility on a purchase by purchase basis. They can lay out general guidelines, but they cannot ordinarily do the day to day business.

Interest in the social implications of investments will probably, over the long run, vary, depending upon how passionately people are feeling about particular situations. But foundations need to have workable policies anyway. To arrive at them you need help; and several years ago some promising services began to be established to give it.

Morris: Are you thinking of corporation annual reports, some of which have begun to report on their social responsibility actions?

Chance: Now, you don't get much from the corporations themselves, although they're beginning to do better. The service we are now using started up when several of the large national foundations underwrote a new organization to study the social implications of investments and to give nonprofit organizations and others helpful information. It finally began to function about the beginning of last year [1973], I'd say.

Morris: What's it called?
Chance: It's the Investor Responsibility Research Center, and it's in Washington, D. C.

Morris: That sounds as if it might have far-reaching implications.

Chance: It does. But, once again, a small foundation has added another dimension to its work.

Morris: Does this kind of thinking and policy-making cut into the time the board has for grant-making decisions?

Chance: It cuts into both board and staff time. I know that Kirke and probably some members of the Financial Policies Committee spend hours reviewing the material.

When I left we were aware of the problem, we were interested, and had begun to try to figure what was manageable for a small foundation which was hard-pressed just in dealing with our primary responsibilities to applicants and grantees. The large number of applications was the major focus of attention, as program should always be.

Bequests

Morris: Before we get too far past it, I have a question on the sources of Rosenberg Foundation assets. Charlotte Mack's bequest was quite a sizable addition.

Chance: It was nearly two and a half million dollars.

Morris: If the Foundation was established by one donor, how was it possible for her to make a bequest to Rosenberg and did it make a difference in the Foundation's legal status?

Chance: It makes no difference in our legal status at all. We remain a private foundation because we haven't had enough gifts from the public to let us qualify as a 'public' foundation within the meaning of the TRA of 1969. But anyone can make a gift to the Rosenberg Foundation, although the TRA imposes some restrictions that I'll talk about in a minute, and, in fact, a number of people have.

One of the original trustees of the Rosenberg Foundation left us a hundred thousand dollars in 1937. A few years later a Marin County doctor bequeathed a thousand dollars to the Foundation, and several years after that an interested person made a gift of stock.
Chance: When that was received the board made a rather fateful decision. If the directors had been able to foresee the current inflation and the disadvantaged position in which the TRA would place 'private' foundations (a new term in the law), it's possible they might have decided to encourage gifts and to become a statewide community or public foundation.

But at that time the board agreed that while it would be willing to accept gifts made voluntarily and without conditions, it did not wish to engage in actively soliciting funds. That policy was adopted a number of years before the San Francisco Foundation was established.

As you know, the Rosenberg Foundation actively encouraged the creation of the San Francisco Foundation, and I sometimes tease John May by calling him one of our greatest successes. We share the community's pride in the tremendous growth and distinction of the San Francisco Foundation. With the Columbia Foundation, which was then still active, we helped to carry the administrative expenses for several years to get the San Francisco Foundation started. That was an unusual grant for Rosenberg. It was outside our policies, but the board thought it an important civic development. However, the minutes record that the grant "is an aberration." What a choice aberration that was!

But to get back to gifts to the Rosenberg Foundation--anyone can still make a gift to a private foundation.

Morris: That's good to know.

Chance: But there are some limitations that are less generous than those accorded to 'publicly supported' 501(c)(3) organizations. For example, a giver can't deduct from his income taxes a gift to a private foundation that is more than twenty percent of his adjusted gross income, nor can he deduct more than fifty percent of the gain on a gift of appreciated property such as stocks.

But gifts to the Rosenberg Foundation would usually be unaffected by these limitations. For example, when Charlotte Mack died we received a number of memorial gifts, and once a former project director made a gift. That touched us very much.

[Tape off briefly]

Accountability and Social Investments

Morris: You mentioned accountability. Hasn't accountability received as much public attention as the social responsibility aspect of philanthropic expenditures?
Chance: On the question of public accountability—being able to account publicly in such a way as to make clear that a foundation's primary commitment is the distribution of philanthropic funds left or given for that purpose—I think there must be many problems among all the varieties of things called foundations. In fact, we know there are.

It's the reason for the TRA's emphasis on diversification, so that the business interests of a corporation, or family, do not dominate over the foundation's philanthropic purposes. The law requires diversification over a period of time. That will eventually free foundations from family business concerns, and may discourage the creation of some foundations whose primary goals aren't philanthropic.

Trustees of philanthropic funds have a responsibility to invest prudently. The TRA makes an exception where the investment is attempting to benefit some deprived or disadvantaged group in society—when you're making a socially useful investment you may not get the security or the return from such investments that you would from more conventional holdings, but the law in an effort to encourage recognition of the fact that the capital--

Morris: That the investment itself has philanthropic intent?

Chance: Yes, that's right. It's a very interesting thing that the idea is not new, but has recently come into use again. In the early part of the century the Russell Sage Foundation was the first foundation I know of which tried to use some portion of its capital for investment purposes which represented its program objectives. The idea fell into abeyance for a long time, until we became much more aware in the sixties of the poverty problem. It had always been there, but it's very fascinating how things that are in our knowledge rise to the surface so strongly that they become significant for society generally, and therefore make institutions move at least some.

Now forward-looking foundations are aware not only of the social implications of their investment policies, but also in relation to achieving program objectives. Sometimes an investment may be more appropriate than a grant. It's another difficult area. We're just at the beginning stages of understanding how to use it. So far, the Foundation is experimenting with loans, and we haven't gone beyond that; but I think we shall.
3. THE FLOOD OF APPLICATIONS IN THE 1960s

Concerns for Grantees

Morris: Just from reading your annual reports, it seems to me there has been a great increase in the kinds of things that have happened in the community and what the Foundation has done in response to them.

Chance: That's true. There's no question that, as times change, if you are with a foundation that receives applications rather than with one that initiates its own entire program, you begin to get quite early indications of new moods in society as you read your mail. If you see a recurring theme that's different, you begin to take a look at it and to be alert to the fact that something new is in the wind. You're not a futurist; you are just seeing quite early a problem that has begun to emerge. You're in the vanguard of recognizing it because, for one thing, it's repetitiously coming across your desk.

That's one reason the Rosenberg Foundation board is unwilling to cut off applications and simply fund programs that the board and staff, after consulting with experts, decide are significant. The Foundation is viewed by the directors as a listener and observer trying to sense new currents, and so we need the flow of information that comes through correspondence as well as contacts. The mail which is such a heavy burden to foundations that have a very small staff is also an asset, because it gives you clues to what is stirring.

The problem during the 1960s was how to cope with such a fertile period. Until then every applicant received a prompt, personal reply, and if the request came within the Foundation's guidelines, a decision could be made within a month or so. We were finally reduced in about 1966 to form letters, often with little hand-written notes added at the bottom sending whatever information we thought might be helpful to them. But that flow tells you about emerging problems, if you watch it carefully.
Morris: Then for that reason, if no other, every single application that comes in is looked at?

Chance: It's looked at at least cursorily. This does not mean that those completely outside the Foundation's policies for support are studied in detail. It simply means that they're read to get some idea of what's happening. You are looking hardest, though, at programs that involve children and youth, because that's where our interest is. And that inevitably means we're also interested in families. Of course, it can be argued that everything affects children and youth, and so becomes pertinent. Until the early 1970s we applied a kind of common sense flexibility. But when the pile-up of proposals is such that applicants can't get answers to whether they will be funded for months, it's often too late for them. There was a period in which we got as far behind as eight and nine months between the time an application was received and the date the board acted on it, because every board meeting was fully scheduled that far ahead.

Morris: Because there was a surge of applications?

Chance: Yes. We've always had plenty of applications, but not like the push of the '60s. Our guidelines were general. The Foundation was interested in innovative programs that might benefit children and youth in California. You could get thousands of requests that fall within those general terms. And that is the principal reason the board undertook such an intensive review of its policies and guidelines during 1972.

We had tried every method we could think of to manage the load, but simply found that with a small staff and limited money, it wasn't practical to continue in the same way. So rather than holding out false hopes to applicants, we decided to select several important categories to which we would limit applications.

After these went into effect at the beginning of 1973, I thought for a while that people didn't read them, because the volume of mail related to the old guidelines stayed heavy. But I am now inclined to think that many applicants do. However, we still get, every year, hundreds of out-of-state applications, although the Foundation Directory, compiled by the Foundation Center in New York, and the local directory issued by the foundation executives group here in the Bay Area, as well as our own annual report, all state that we make grants only for programs in California. And, of course, some applicants seem to just get lists of foundations and send proposals indiscriminately. Others quite sincerely argue that: my proposal is so important, you should change your policies.

Foundations can hardly hope to win popularity contests. It's difficult for applicants to understand your situation—that there is not much money, and that it is necessary to restrict support to limited
Chance: categories of programs in order to make the Foundation's work more focused and manageable.

I think it's awfully hard for people to realize the amount of work there is in a foundation office. They're only thinking, "I need money; I've got a good program." We might well agree with that, and we might try to be helpful to them on the telephone, or to send them a directory so they would know other places to apply. A foundation office naturally gets many kinds of requests simply because it has a lot of information: "Will you critique my application?" "Will you help me write an application?" "Will you send me to the right sources to get a grant?" "Will you give me the names of people to see?" And graduate students in universities who are writing theses related to foundations ask for information. Lengthy questionnaires come from assorted organizations or people who are compiling data.

You must tell people what you're able to as quickly as you can, because your work with applicants and grantees is so consuming, and administrative tasks have been increased by the TRA. With monthly board meetings, it means that you are hardly through with one board meeting before you must start preparing for the next meeting. And you always have to set aside several days following the meeting in which you do very little except talk with all the applicants in that agenda and get out the correspondence resulting from board actions.

Letters of grant have become very technical since the TRA was passed. You have to be sure that your files show all the things that the federal government now requires of private foundations, especially if you're making expenditure responsibility grants. And we make a number of those.

Morris: Expenditure responsibility grants?

Chance: Expenditure responsibility grants are a technical classification, applicable only to private foundations, established by the TRA. Put simply, they are grants, for example, to new organizations which have not yet received tax exempt status, or where the Internal Revenue Service has either not yet made a decision that they are publicly supported, or has decided that they do not or may not be able to meet the 'publicly supported' test. 'Publicly supported' means they either have substantial government funding or else have broadly-based financial support from the public. This is a very technical area, so I won't go into it in more detail.

We make a number of these grants because we sometimes fund new organizations as well as new programs. A new organization may well have only one source of income and that may be a private foundation.
Because we're a private foundation under the terms of the recent law, we, in effect, contaminate our grantees with our own less favored status where we're the sole grantor. That imposes certain strict reporting requirements on our grantees both as to finances and programs. We always try to tell them that they may have special problems.

By downgrading and treating differently private foundations as compared with all other 501(c)(3) organizations such as universities or well-established social agencies, no matter how earnest we are about our work, and by giving the 'public' advantage to community foundations only, the law not only penalizes private foundations but results in the community foundations carrying a heavier load. Every applicant that doesn't clearly qualify as 'publicly supported' would prefer to have a public or community foundation's money than the money of a private foundation if the applicant is alert to the provisions of the law. If they don't understand the additional record keeping, then you're both in trouble.

But John May has been perfectly wonderful, as have all the staff over at the San Francisco Foundation, in sometimes arranging cooperative granting with private foundations so that it will be possible for the organization to qualify as 'publicly supported'.

The Rosenberg Foundation has always kept quite full and careful records of all grants, so people probably wonder why the expenditure responsibility ones are so time-consuming. We probably have met the present requirements on all grants, not just expenditure responsibility ones, for many years. But now you have to be sure because there is the possibility that both the foundation and its 'managers'--that is, its board and responsible staff--can be fined.

Since we are willing to support grassroots efforts, the risks are greater because some of these organizations have not yet developed adequate managerial skills.

Then, too, the final regulations in this section of the TRA were not issued until nearly three years after the legislation was passed. During that period we were unclear about how strict the regulations would be, and so we took special precautions.

But it still remains true that you can't know how a law is going to be enforced. That will vary with the mood of the times. Our forty-year experience tells us that.

I assume that large foundations with their extensive and specialized staff, which often includes bookkeeping and legal departments, have learned to handle these grants more comfortably than small foundations with, for example, two in staff who must cover all of the bases. That is the situation at Rosenberg, which has only an executive director and
Chance: an administrative assistant. Of course, we have a bookkeeping service on a limited schedule, and a very fine attorney we can call on whenever advice is needed, as well as auditors who have spent hundreds of hours understanding the TRA. (You've probably heard that it's been called the accountants' and lawyers' relief act of 1969 because of the amount of work it has created for them!)

Joint Grants with other Foundations

Morris: Has this meant an increase, then, in jointly-funded projects? In other words, going back to the San Francisco Foundation, if the community foundation puts some money in, then is the project considered publicly supported?

Chance: Yes, if the San Francisco Foundation's grant is adequate to meet the statutory formula. And yes, we're doing more joint funding than we used to do, but not exclusively as a result of the law. It is much more a result of the growth of good foundations in the Bay Area and of increased communication among them. At one time, the Foundation didn't know anybody to turn to except the Columbia Foundation, with whom we used to grant, but they were out of the picture before I came in. Actually, they have such a distinguished history that they ought to be written up. Nowadays there are some foundations that are interested in the same kinds of things that we are.

Usually the application will be pending before several foundations at the same time, each knowing that the other is giving it serious consideration for partial support.

Aside from the Columbia Foundation, which stopped operating some years ago, our earliest collaborations were with the San Francisco Foundation. But for many years the San Francisco Foundation had such limited money that John May often suggested that where the application involved children it should be submitted to Rosenberg. Later, when the San Francisco Foundation began to grow so dramatically in wealth, it was, of course, as interested in children's programs as in everything else that affects the Bay Area. So we shared support of some projects, while either we or they totally supported others. We now regard them as the chief foundation resource for Bay Area projects.

Gradually Rosenberg began to support programs with other Bay Area foundations, and the board is increasingly interested in opportunities to join with others that have somewhat similar interests.

Morris: Is this what I've heard referred to as the brown bag group?
Chance: They would all be part of the brown bag group, or 'lunch bunch', a group of foundation executives who meet monthly to discuss matters of common interest and just to become better acquainted with one another.* That in itself can be very productive. But some of them we've never funded with--Kaiser, for instance--because its interests are medical in the main, and we ordinarily do not support medical programs.

We used to. Some of our first grants were in the medical field. We were looking for the same kind of thing that the older national foundations had done with such remarkable success. There was little government money in those days for medical research. So we wanted the California equivalent of the Rockefeller Foundation's yellow fever work. You probably have read, in one of our early annual reports, of Leslie Ganyard's question to the dean of a medical school: haven't you got a disease for us? [Laughter] And they gave her Valley Fever.

Medicine has now become such a sophisticated field that, although occasionally we're on the periphery of it, we don't really regard ourselves as competent to make judgments about basic medical research. But health care is a different thing. In the 1950s the Foundation helped communities with clinics for migrant families, with well-baby clinics and planned parenthood services. When the Stanford Medical School was moved from San Francisco to the Stanford campus, a several-year grant supported pediatric outreach services under the direction of Dr. Bruce Jessup. It would take hours to discuss just his work, for he had a restless mind always seeing new opportunities. He had a lovely way with children, and mothers trusted him. An example of a program he spurred us to support was bringing young doctors from Mexico into the San Joaquin Valley in the early 1960s to help local doctors understand the cultural attitudes of Mexican American farmworkers towards our medical practices. A second illustration came with the end of the Bracero program. The federal government gave California several million dollars to build farm labor camps. The Foundation supplied the money to design better housing with this money.

I get the impression that the Robert Wood Johnson Foundation, which is now the second largest in the country, and is located in New Jersey, is interested in working with locally-based foundations. The West Coast foundations need to develop such relationships with national foundations. Community foundations may turn out to be their best local resource, but others may be helpful, too. If the Johnson Foundation with its able specialized staff can establish that there is a need in the San Francisco Bay Area for a particular kind of health program, their careful staff work would be valuable to a local foundation without Johnson's expertise.

*In 1975-6, Mrs. Chance was chairman of this group. Ed.
Morris: As to what works in other communities?

Chance: What it's important to do. What the significant problems and issues are, and what might be successful ways to deal with them. But local foundations can make an important contribution, too. They know whether their communities would make good settings for such programs.

Morris: They have done considerable work in the delivery of health care?

Chance: Yes, the Robert Wood Johnson Foundation has an emphasis on that.

Morris: Would that be where Rosenberg's activity has—?

Chance: Our interest is not in delivery at this point, because it doesn't really fit easily with our current program interests. If we found something that did fit, we'd certainly consider it. But Johnson's interests would probably dovetail with those of the San Francisco Foundation or others located here. Because we've known Maggie Mahoney, the vice president of the Johnson Foundation, when she was on the staff of the Carnegie Corporation, she might tell us of California opportunities that they were not able to take, either because they were too local or not within the Johnson focus, or not yet developed to a point where they would take it on.

[Pause to start new tape]

The Review Process: Personal Contacts, Site Visits, Consultations

Chance: --About the review process, I think this is a mystery to applicants and to the public. So far, it can't be generalized about much because we have little information about what happens in the offices and board rooms of other foundations except as some colleagues might tell us of their experiences. But this would be only episodic, and you really would not know systematically how they went about doing it.

In this Foundation, the applicant is our most important consideration. It does not make any difference what the organization's prestige or stature is. If the proposal comes within our policies for possible support we schedule the request into the earliest available board meeting for a decision. We prefer, simply because we're so pushed, for the first contact to be made either by telephone or a short letter, in which applicants describe what they want to do. We'll ask them a series of questions to find out whether their plan is within our support policies. That's to keep them from wasting their time writing a full proposal and being hopeful about support they cannot get from us. Of course, it's to conserve our time, too.
Chance: We try to delay appointments for discussions of proposals until we first are clear whether their plan will come within our current priorities. That's an arguable point. Obviously, everybody would like to come in and talk and we could learn so much from general discussions about issues and problems and opportunities. But with such a small staff, the Foundation decided that its major attention had to go to in-depth exploration of proposals accepted for board consideration, and to being available to current grantees. Obviously, a small foundation like Rosenberg cannot see everybody who would like to come in and talk generally or about an application before it's clear whether the project would meet our criteria.

Morris: It could be a full-time job just by itself.

Chance: Well, it would be more than a full-time job. There is no conceivable way of scheduling all the people who would like to talk with you about ideas, or proposals, much as you'd enjoy doing that. And so you have to make some initial kind of clearance, if you possibly can. Either by letter, replying to applications that come in the mail, or by telephone.

Once a request is on the desk you try to get some kind of reply to them as quickly as you can: either it is or it isn't within your policies and why. They may telephone and want to talk about office denials. You will try to give them as good an answer as you can, to explain why you've made the decision you have. But for those that are within your policies, you let them know promptly that their proposal has been scheduled for consideration by the board on a particular date; that they will be interviewed by the staff, almost always at the site of the project, before the board meeting, but that they will not be interviewed personally by the board. The board does not see applicants, except under rare circumstances. Once in a very great while, they do.

Morris: As part of a regular board meeting?

Chance: Yes, or it might be a special board meeting. I think that the applicant who can talk directly to the board has a great advantage, if the person is competent and articulate. And so it's fairer for every application to be treated in the same way, unless there are very special circumstances.

Morris: What kinds of applicants might see the board?

Chance: Well, for the last decade, almost no applicants have seen the board. At one time, if a particularly noteworthy but unusually large request interested the board, it might decide on an interview. But this policy lapsed during the 1960s when the number of applications was so great that every board meeting was heavily scheduled. The times were so urgent and we were so backlogged that it seemed better to get decisions
Chance: made on the usual basis of staff interviews and consultation with experts. This information was then incorporated in a written analysis, usually accompanied by a recommendation which was sent to the board monthly, along with the entire proposal, so that action could be taken promptly. Occasionally an application would be held over for further study, or for additional information.

I can only think of a few times in the sixteen years that I've been here when the board interviewed an applicant. Now that the Foundation is initiating some programs, usually based upon previous experience with a grantee, the directors may well decide to talk with them about the project and its significance. But this has not been done so far under the new policies; although a committee of the board did consult with one potential grantee, and it was empowered to make a final decision if certain questions were answered satisfactorily. The policies are too new for me to predict board procedures.

But one thing is clear: it's almost impossible for the board members to manage much interviewing. They are very busy people. They already meet once a month, which is more than most boards do, and they put in a great deal of time studying the agendas. I regard them as remarkably conscientious. To enable somebody to give a real presentation of what he wants to do--really, to get the full story could take an entire board meeting. The directors would then have not only to understand it, but make judgments about its importance as compared with that of other pending applications, because with the Foundation's limited money there have to be some who don't get grants even though the proposal is good. As a general rule, I think it's fairer to have all interviews done by Foundation staff.

We have had for many years a rule which we try to keep: we rarely fund a project where we have not visited them in their own setting, because often the application does not give you a realistic basis on which to appraise the situation. Even an interview in the Foundation office fails to convey a lot that you need to know to make judgments. It's sometimes quite surprising how different your reactions can be when you can discuss the plan during a visit.

The Foundation's territory is the whole of California. That's extremely demanding and perhaps unrealistic, and is certainly one reason that we had to restrict our guidelines. It just is not possible to give the same amount of attention to all parts of the state when our only office is in the Bay Area. We don't have an office in Southern California, nor one in the Valley. We can't afford them. I used to get down to Southern California perhaps once a month, or I'd go to the Valley, or to the northern part of the state, because we decided to maintain our statewide interest, although we did restrict the kinds of programs that the Foundation would consider for support.
Chance: I would do a great deal of preparatory work and then try to see everybody in that area who had an application that was coming up within the next month. There was rarely an opportunity to interview several months ahead.

Morris: Not only on proposals from other parts of the state, but also the Bay Area: what about consultation with people not connected with the project, but who are knowledgeable about the subject?

Chance: People have been so good to us. They have shared so much advice and wisdom with us freely, trying to help the Foundation use its money well.

We almost never pay a consultant's fee—probably a nominal one less than a half dozen times while I've been at the Foundation. If the board is interested, we might pay for somebody to analyze a technical research design, although the board's not given to funding complex research. In the main, we have drawn on the good will of professional people who know we are a small but hard-working foundation.

We usually do not ask them to critique an application in detail. We ask them: is this a significant idea? Do you know what else is being done on this problem? Is the government funding a lot in this field? If so, is its funding mainly along one line, so that other schools of thought are not being given an opportunity? Who are the leading people in the field? Are the people we're talking about here capable of doing the proposed project? Does this seem like a reasonable amount of money to do it?

You'll ask a number of different people some of those questions, on the significance of the idea—whether it's a new, possibly important approach. You would check with two or three people to find out the different points of view about the idea so that you're not just hearing about one, or simply relying on your own judgment.

You rarely talk with a well-informed person that you don't get the names of at least two or three others qualified to discuss the proposal. Maybe they will give you a differing view. And so you call on a number of people as you look for different kinds of information; some will know the people who will be involved, the applicants, and their reputation: whether they can handle a grant and account for it and be in earnest about what they're doing.

You may decide at the end that the applicants are new and nobody knows very much about them, but that they have a significant idea and your own estimate out of all the information you've gathered is that they ought to have an opportunity. They may or may not turn out to be important people in their fields. You don't know. But the Foundation is interested in the early stages of programs, and is trying to give a start to people who don't yet have recognition or prestige.
Chance: Now, I don't mean that we don't have some prestigious people; they do come in from time to time, but the board's philosophy is that recognized people can usually get money from a number of other sources, and that the Foundation's resources ought to go to projects and people that might otherwise not get a start.

If you're going to do a study of the moral orientation of college students who took part in the Free Speech Movement, however, you've almost got to go to the University of California. You can hardly go anywhere else, if it's happening right there. Ordinarily, an application for University research of that kind would not be a priority for us, because the Foundation would assume that both the subject and the quality of the researchers would assure other funding. But Brewster Smith and his research colleagues had to secure their sample fast before the students left the campus. Rosenberg was able to move quickly so that the work could get started while the opportunity was still there.

It was a fascinating subject that was current and important, but we bargained hard on it because we thought the team could pick up the balance of the amount they were requesting within three to six months, and they did.

Another instance worked out differently. Eric Ericson spends part of the year out here, and he is, of course, a world famous man. We were asked if we would support part of his continuing study of data involving children in California. But the board concluded that Eric Ericson would inevitably attract the needed money, while many of our applicants might be unable to get support anywhere else. I guess it's reverse snobbery [laughter].

Morris: Where do you go for your advisors?

Chance: When I came to the Foundation, I had a statewide acquaintance with both volunteers and professionals because I had served on a number of boards, some local and a few statewide or national. I turned to these people for help. And Leslie Ganyard had a network of people also to whom she introduced me before she left.

Morris: It reminds one of an intelligence network, this whole process.

Chance: It really is. I don't know whether network is the right word, but you're constantly expanding the list because you're always trying to keep it current and to increase your knowledge. As the people you know become senior in their fields, you're always searching for the newer, younger people, and trying to be sure that different points of view are represented. And most of these men and women then add names of other people whose judgment they respect.
Chance: If you have an application in a specific field, you may talk first with people who have already performed successfully under Rosenberg grants in that field. Former grantees are a great source of information. They usually take a special interest in the Foundation and want to help you avoid mistakes. They will give you leads it might otherwise be hard to get. And if it's a controversial proposal, you will seek out people with a variety of points of view. So there isn't any systematic way of describing how you get a network; it's just constantly added to.

One of the things that a new foundation director brings is a new perspective, not only because of his or her own different experiences, but because of the people the next executive knows. Leslie Ganyard's network consisted mainly of a senior group of people with whom she had dealt over a long number of years. They were very useful to me and very generous, but I also had people whom I especially trusted and admired. Kirke Wilson, my successor, will refresh the Foundation with his background and resources.

Impact of Government Grants

Chance: Now, the whole process of considering applications, especially from the late 1950s into the early 1970s, was greatly complicated by the proliferation of government granting programs. Welcome as the new resources were, when money began to flow into the social field, foundation people had to do an additional kind of investigation which was time-consuming. They had to figure out what government funding for a project might be available, the sources and the priorities, so that limited private money wouldn't be used where there was federal money. In government granting, often appointed panels made recommendations or determined allocations. Were these panels predominantly of one point of view? Were the members from prestigious universities? Were awards usually to the large, well-known institutions, or what was the pattern?

Although San Francisco is the headquarters for this federal region, most decisions until the 1970s were made in Washington.

It was not easy to learn about all the agencies, bureaus, and other offices that had money for grants, and their priorities seemed to shift frequently. Rosenberg withdrew temporarily from some areas which got heavy federal support. But if we discovered that some groups couldn't get funding from them and deserved help, we might make a grant to get a hearing for another point of view.

For several years in the late 1960s we did not receive many good applications in the delinquency field. It had been a major field for
Chance: us in the past, but so much money was available under the Omnibus Crime Bill of the federal government, and the Law Enforcement Assistance Administration [LEAA], and the California Council for Criminal Justice [CCCC], that the field almost seemed preempted by federal, state, and local government funding. You get the impression with government agencies that the newest program established has a lot of flexibility and experimental potential, and often attracts dynamic staff. But to get new appropriations it has to show successes. And, because it has to have a fast track record and account for some successes, it becomes more cautious and restrictive about what it will do. And so, we're now able to fund delinquency programs again, because either they're outside the areas of interest of the LEAA, or they just plain won't be funded by government agencies. Then, too, with the recession and current government attitudes, there's not as much money, but there are new opportunities that something should be done about. So we have some quite interesting delinquency projects right now that we wouldn't have had, say, three years ago.

Morris: With accountability one of the great issues now among advocates of social change, it's interesting that there is an aspect of accountability which leads to rigidity.

Chance: It's true. Of course 'accountability' is used in several different ways, but in the limited sense in which I'm using it here I have problems about how to define it so that, on the one hand, it isn't just a rationalization of anything you're doing and, on the other hand, it makes sense when you're in an experimental period. For example, I have never been convinced about cost effectiveness as the only criterion by which some programs' success is measured. That kind of accountability can make the grantee tighten up on everything and just watch costs. It can mean that in a program for people with social and economic handicaps, only the most promising ones will be selected, and they might have made it with no program at all.

Projects in Process: Modifications in Design

Chance: Now, one of the things that happens in experimental programs is that people usually find that they want to make changes as they get experience. They find that it didn't work quite the way they thought it would. You have to hold them to the original plan or else you have to say that within the conception that was presented, this seems a legitimate deviation or change, and we're going to let you do it.
Chance: I think some extremely fascinating and advanced work has been done under government grants, but you do get the impression that some grantees are tightly locked into the project design and that even if the program isn't going well it may be continued without change, because that's the way it is designed.

It doesn't seem to me to work well to hold people too rigidly to adherence to a plan. For instance, in several of the larger grants we made at the beginning of our recent policies, I tried to get grantees to state what they thought they would have accomplished by the end of the first year in relation to the overall objectives of the program. But we found in several of these that their experience is that they just are not going to be able to hold to the specific developments and timing they had hoped for in the planning stage—and often for quite legitimate reasons.

But you always have to wonder whether you are an apologist for what happened, or are you right in giving flexibility to a demonstration or experiment so that it has more opportunity to develop.

Then, too, projects sometimes fail to achieve their main goal, but there are other interesting results. That's the famed serendipity that foundations talk about. But I don't discount the value of these unexpected results. In fact, we even claim the romances, one of which was right here at U.C., where Catherine Bauer came to lecture on a Rosenberg grant, and met William Wurster, who married her. Think of the gains that came out of that partnership!

A different kind of example is a grant in the field of delinquency a number of years ago, where there was a very ardent and sincere young man, working in a nearby probation department, who only wanted to get jobs for delinquent boys. This was years ago, when we didn't know much—even less than now—about the young delinquent who came from a low income background and was a school dropout. Well, our project director succeeded, much to our amazement, in getting all kinds of jobs for these kids, and not dead end jobs at that. But what he discovered was that they couldn't hold the jobs.

So, when the second year renewal came up, I went back to the board and said: look, this man has been very honest with us. He started out to get jobs for the kids; he got the jobs but they can't hold them. Are you willing to go a second year and let him develop his project in such a way that he tries to deal with the causes of their not being able to hold the jobs?

They agreed. His method—a version of transactional analysis, a therapy technique that was just coming into prominence—worked well with some of these young people. So our project director did not become an authority on employment of delinquents, but rather a researcher on
Chance: treatment. He's now a valued senior research person with the California Youth Authority. And we, too, learned something, or at least confirmed some of the experience in one of Red Stephenson's projects at Neighborhood House in North Richmond. We suspected that, if jobs could be found, some of these young people's habits would stand in the way of their working successfully. Neighborhood House learned that some youths have to be trained to get up in the morning and they have to be counseled and encouraged. You have to do many things to help them out.

These projects took place before the manpower and poverty programs covered the same ground, with the same results.
4. PRESENTATIONS TO THE BOARD

Preparing the Docket

Morris: To get back to the process of handling all the grant applications the Rosenberg Foundation receives—could you describe preparing the docket, or agenda, for the board to decide upon?

Chance: We'll talk first about policy. The board having decided some years before I came that it was going to put the Foundation's money into innovative programs for children and youth in California, I believe the directors were satisfied that this was a manageable field which kept us from indulging in what was then considered a heresy in foundation work—'scatteration'. That meant going off in a lot of different directions which would make the work so thin that it would not have 'impact'. But in my own mind, this chosen field was very wide and varied. You could not possibly hope to be an expert in all of the areas in which the board was making grants.

I've never felt that it was necessary to be a specialist, but you do have to have some expert help so that generalists can reach supportable decisions about whether a thing's worth doing or not.

Morris: They must have arrived at their decision on this policy about the time that the whole field of the study of children and youth made huge strides forward and sideward.

Chance: I think that's right.

The lawyers on the board always insisted that board minutes were to consist only of formal actions taken. So reasons for decisions are not recorded, and valuable as these might be, I'm clear that no secretary can summarize adequately the contributions of nine distinctive individuals to a discussion. All that is recorded in our minutes is the resolution to make a grant or not to make a grant. So I can't be certain how the board arrived at the decision years ago to restrict grants to children's programs. But I do know from experience that the children's field is a wide one, and many categories of programs come within it.
Chance: At any rate, there are several vexing problems in preparing for a docket. But first I want to mention again one truly admirable unwritten but honored Foundation policy. The board early determined, just because of the kind of people they were, that the money was not going to go to their favorite causes. The Foundation was going to be open to everybody, known or unknown, and if the idea was worthy of being considered, they would consider it seriously.

It is my really honest belief, although it's been challenged by staff members of some foundations on the East Coast, that the board makes its decisions that way, and ordinarily it does not know its grantees or applicants. Once in a while a director may, but generally not. And they're apt to lean over backwards if they do know an applicant. They want to be very sure that no unfair advantage comes from the fact that they happen to know a person involved in a proposal to us.

Morris: Why do you say this is challenged on the East Coast?

Chance: Well, it's questioned by people in some foundations everywhere, because obviously many family foundations make grants to programs that interested the donor, or where people were involved whom he was interested in. The closer you get to the donor, the more that probably tends to be true. Lots of foundations do have this donor link. Either there is a living donor who sits on the board, or members of the family do, or both. They may constitute the entire board.

I am not the person to say that that cannot result in some very good granting, because I think there is something to be said for the fact that when people spend their own money they are very careful.

Now, I don't know that anyone has made a study comparing the care with which money is allocated when a board no longer has connections with the donor. Certainly, the Rosenberg Foundation always has been frugal. While the board enjoys making grants for promising activities, and expects to support them at a level which will give the project a fair test, it scrutinizes budgets carefully and requires a full financial accounting at the end of each year of a project.

Until about six or seven years ago, if an applicant asked for ten thousand dollars and five cents, we didn't give them ten thousand and one dollars—we gave them ten thousand dollars and five cents. Finally, after merciless teasing by our annual report writer, Helen Rowan, we capitulated and rounded the figure to the nearest dollar.

That's one thing that federal government granting made more difficult. Applicants often believe that with both big foundations and government you're going to be cut back, so many of them overproject their budgets, asking for more than they need.
Morris: This is to increase the likelihood of getting the amount that they really feel they need?

Chance: Yes. In earlier days the Foundation used to have proposed to us very accurate budgets. You always studied the budgets and discussed them in detail, but you did not tend to cut back on them because usually they could justify every item they had included.

But after such massive government granting began in the 1960s, there also began to be this kind of game on the part of some applicants who believed that they were going to get cut back; so they would ask for more to begin with. Then we had to question every item and go over every budget very carefully.

Finally, we began to say to them: look, don't propose to us the kind of budget you might propose to somebody else. We are in earnest, we are not going to cut you back beyond what you must have to do this if the board approves the grant. But, on the other hand, we are not going to give you more than you need to do it. So tell us honestly what you need; and if you say that's what you need, and that you would rather have no grant than not have that amount, then that's what I will ask the board for.

You tend to get very honest answers from people under those circumstances. Some will simply say: well, you could cut back this item, this item, and this item. And some will say: I just couldn't do it for a dime less.

After you've discussed it, if you come to the conclusion that they couldn't do it for less, you will recommend that amount of money and you won't compromise with the board if it's your conviction that it isn't reasonable to give the applicant any less. Otherwise you can't expect the demonstration to have the chance to be tested fully.

I have to confess that occasionally in later years as money became scarce I sometimes shaved a budget to give the applicant a better chance for a grant. Wisely, the board often restored the full amount if it decided to support the project.

Morris: To go back just a little bit to the business of not knowing—do you tell the board who is making the proposals, or do you leave that out?

Chance: Oh, indeed we do tell them. In this Foundation the complete proposal goes to the board, including, if it's a private agency, a list of the applicant's board members.

Many foundations don't do that; of course, they identify the applicant, but they summarize the request for their board. But I prefer for the board to know exactly what the applicant says, because
Chance: the board is legally responsible for the Foundation's actions. So it's been the practice always at Rosenberg to include the full proposal, but also to summarize it in what we call a face sheet. A face sheet is a little essay which may run anywhere from three to six pages, in which you attempt to put the field, the idea, the plan, and the applicant into perspective for the board members, so that they can determine whether the proposed program is an important kind of thing to do in California. You discuss its timeliness, the competence of the people involved, whether any evaluation is planned. You summarize all the information you've gotten from advisors, and list the pros and cons; you note whether the program relates to other things the Foundation has supported or is supporting, and give them information about how it fits Foundation policy. You will usually end with a recommendation to make or deny the grant. Occasionally you will suggest a compromise to the board, or ask that the application be held over for further thought and information.

Ordinarily, because so many applications come in, you must give the board as much information as you can, so that they can make a decision promptly. Otherwise the board will have to use time in a later meeting to review the request again, and that means some other application will have to be delayed.

But there are times when it is important to hold over an application. The board may be divided and want to think about the issues longer, or may want some question answered. If the request takes the Foundation into a new area, you want to be sure that the directors understand the implications of what they are voting on, since they are ultimately responsible. For example, when we got into what might be called 'open-ended' community development, we considered the proposal during three consecutive meetings, each with new material to try to give the board the full range of approaches in community development and their implications, so that they would know they were moving in a new direction if they made this particular grant.

Morris: In other words, the board may refer a proposal back to you.

Chance: Yes, or you may urge them not to make a decision at that meeting so that you can, having tested their interest and questions, tell them more about it. Or you may sense that you haven't explained something adequately from the way in which the discussion is going. You'll then ask them to hold it over to a later board meeting.

But usually they are ready either to make or deny a grant, based upon the application and the initial write-up.

Morris: Do you do this face sheet for every application?
Chance: For every application that is considered fully by the board. We finally had to limit the number of proposals that went to the board fully prepared after about 1966, when the deluge of applications became so unmanageable and we were so backlogged that we were scheduling proposals eight and nine months ahead into board meetings.

Morris: Knowing that they were going to have to wait that long!

Chance: Yes. We'd tell applicants of the delay. One of the firm rules of the Foundation has always been that we don't play favorites. If your application arrives on Monday and somebody else's comes on Wednesday, we're not going to take the Wednesday application before we do the Monday one, if they both fit within our policies, because you have submitted yours first and are entitled to the earlier hearing. The Board has tried to go chronologically in an effort to be impartial.

But that can cause problems, too. Many foundations get a rush of summer program proposals in June. Inevitably, you're already fully scheduled for your June meeting. Applicants have to learn that there is that amount of inflexibility in foundations. Occasionally, if some applicant asks for his proposal to be deferred, you can substitute something where there is an urgent time problem. Reasonable promptness is important, but the Foundation is not a source of emergency funding.

There are disadvantages in taking proposals to the board in the order in which they are received. For example, that usually keeps you from having an entire board meeting concerned only with applications in a specific field, such as juvenile delinquency.

Guidelines for Executive Decision

Morris: Do you weed out many applications?

Chance: Yes. As applications come into the Foundation, you finally get a routine for handling them. No doubt every executive does it a different way. You begin to see the kinds of things the board just plain is not going to buy.

You then will ask them: do you want to simply tell me that in your judgment proposals in this category are not a priority, so that applicants will not get their hopes up when it's unlikely that you will make a grant?

The board may say that there are other things, given our limited money, that we think it more important to do. Then you ask whether
Chance: they will authorize you to turn these down in the office. If they say yes, you record in the minutes that the board has instructed you to turn down applications in that field. It then becomes a matter of policy.

That will cover a number of areas. Anything that has to do with scientific or medical research, or with capital improvements except as minor construction may be necessary to carry out the main purposes of a project, is outside our policies. Nor do we make contributions to capital funds. We don't give scholarships or fellowships. These are illustrative, but there are others listed in our publications.

Morris: Have you any sense of what percentage of applications received is outside the Foundation's areas for support?

Chance: Even before the new policies went into effect in 1973, by far the larger number of requests was outside, and that percentage has undoubtedly increased since our guidelines were narrowed. However, more applicants are studying 'who supports what'. And most of them are very reasonable when they find they don't qualify. As you know, several years ago the local foundations' 'brown bag' group had a very simple directory, mostly of Northern California foundations, compiled to try to help applicants find appropriate funding sources. The first edition was paid for by the San Francisco and Rosenberg foundations. But the second had wider underwriting, and in a few months the third edition, which is more ambitious and has been guided by a committee from the local foundations group, will be published, with costs borne by a still larger group of brown-baggers.

The Rosenberg Foundation has found the directory a valuable resource for applicants, and we have given away hundreds of copies.

It's the first and most basic tool the group has developed to widen access by applicants. For several years the Rosenberg Foundation and several others have been thinking about mechanisms to provide other kinds of technical help needed by some applicants and some grantees. We have done this for a number of our own grantees, but as yet the brown bag group hasn't discussed the possibility of cooperating to see that such services are available.

But to get back to your question—the larger number of applications are declined in the office.

Morris: What do you mean by the larger number of applications?

Chance: It's hard to state an exact ratio, because many applicants reach you first by telephone, and if their proposals are outside the Foundation's support policies, they rarely send them in once they're convinced. We
do not record these telephoned applications, mainly because of lack of time; but, of course, it would be better if we could. Of the written applications that are sent the Foundation a guess would be that about a tenth come within the guidelines. The remainder are denied by letter in the office, except for a small number that are pulled out to go to the board as inquiries because they suggest a new area of activities that may be opening up.

As I'm sure I've already said, anybody who phones or writes and asks us can get the guidelines immediately. We're eager to disseminate them because people are entitled to know what we're willing to do, and it wastes both their time and ours if requests are completely outside our current interests.

I can't say that you can ever state guidelines with such clarity that people don't misinterpret them. They do. Applicants sometimes feel that they're within the policies when you are clear that they aren't. Cases like that take time to handle sympathetically.

It wasn't until around 1966 or so that we began to use form letters for some purposes. Until then we took pride in the fact that everybody got a personal letter which was directed exactly to his application. That became impossible with a small staff. The Foundation had to choose between adding substantially to its administrative costs or permitting some short cuts. The board preferred to keep a small staff and allocate as much money as possible to direct philanthropic activities.

So we began to send form letters stating our guidelines and telling applicants who didn't qualify that they were not within them. We apologized for using a form, but many people said they were grateful just to get a reply. That tells you that some foundations don't answer their mail. I suspect these are the small foundations that have neither a staff nor office and not much of a relationship with other foundations. But it's very regrettable, and hard on responsible foundations that acknowledge their mail as promptly as possible.

Occasionally we all get mimeographed applications that seem to be circulated at random, and are not even addressed to anybody in particular. These are the only requests to which we might not reply.
Further Aspects of Joint Granting

Chance: If a proposal comes within our guidelines we'll probably inquire, either by phone or letter, whether they have applied elsewhere. If the application is already pending at one or several other foundations, Rosenberg will not consider it until the others have first acted. If no grant is made the applicant can reapply for consideration by us.

That practice grew up in the mid 1960s when there was less communication among foundations, and hours of work might have been put in on a proposal only to discover that it either had been or was going to be funded by someone else.

However, if an applicant submits a request and asks, for example, that Rosenberg, the San Francisco Foundation, the Zellerbach Family Fund, and the Hancock Foundation share support of a project, then we regard it as a joint request and get in touch with the others to see whether they are interested, and to propose a joint meeting if they are. We eliminate those who aren't, and if one foundation is willing to support the whole thing, we encourage them to do so and withdraw.

Cooperative or joint granting is not always an easy thing to do, for several reasons. One of them is that if the several foundations don't interview the applicant together, you may not have a common understanding of what you're funding.

It's very enlightening to interview with people from other foundations, and we probably don't do enough of it. The questions they or you ask may make the applicant feel that he had better emphasize certain aspects of a program if a grant is made. My own experience tells me that you should not do joint granting unless you do interviewing together, or at least come to a very clear understanding of what it is you're supporting. But it's often inconvenient to make your schedule work that way.
Chance: Another problem is that timing may be different in the several foundations. They may be either ahead of you or behind you in making a board decision. If one foundation considers the application first and acts favorably, then the problem of whether to make the grant contingent upon the others also making grants arises. Or you can allocate enough to cover the whole project if it is an especially interesting one. If you do, you have the dilemma of what to tell both the applicant and the other foundations, because you want others to fund with you if possible, given the shortage of money. But if the other foundations know you are willing to carry the whole thing there is little inducement for them to give support.

It's hard on the applicants' nerves, too. You're kind of hanging fire and so are they, until every foundation has made a decision.

A third problem is getting all the participating foundations to 'stick it out' together for the same term of support. Almost always grants are for one year only with the possibility of continuing support after review. But some foundations will support longer than others. It's an uneasy process for both the grantee and the grantors, but it is also valuable. And foundations have different styles of communicating with grantees and may require different kinds of reports. We must sometimes bewilder our beneficiaries.

So, as you can see, it's simpler and 'cleaner' to be the sole grantor, but there are advantages in joining with others. You get new insights, and you can spread your money further. Additionally, you're all sharing the same risk.

Probably the most familiar kind of granting where several foundations are involved is really not joint or cooperative granting, but what might be better called parallel granting. Each foundation acts alone rather than in concert with others. One foundation will give a program its first boost, and the grantee then tries to build on this, simply asking for additional grants from other foundations until the budget is met or the grantee gets along on what can be raised. Or an organization may have several projects needing funding, and will go separately to different foundations to each underwrite one component. There may be several grantors, each financing a different project in the same organization.

Still another type happens mostly with larger eastern foundations, and is sequential. The Rosenberg Foundation may support a small pilot program, as we did when Youth for Service began. The Ford Foundation became interested in this model, and in adding some new dimension to it. So Ford assumed the project, as it later did with such experiments as the Farm Labor Cooperative in the San Joaquin Valley, and the 'Richmond Plan' high school program. Their grant in each case picked up when ours terminated, if I remember correctly.
Community-Based Projects and Political Concerns

Morris: Are these kinds of procedural problems complicated when you do grants with foundations outside of California?

Chance: Yes, although not always. For example, some years ago the Russell Sage Foundation, located in New York, came to us because it did not want to appear to be a carpetbagger in San Francisco, but did want to test a community-based educational model here. Russell Sage asked the Rosenberg Foundation to join them in supporting the exploratory phase.

Russell Sage is an operating foundation. That is, it mainly operates its own programs, although it makes a few grants. In this case--

[Tape turned over]

Chance: Well, Russell Sage felt that some of the principles of social science could be applied to develop community support to improve the public schools.

Morris: In the sense of moral support and understanding?

Chance: All kinds of support, for whatever the citizens' group agreed was needed by the public schools to strengthen them. This design was worked out by a very capable young staff man at Russell Sage. They then sent out Francis Ianni of Columbia University, to explore the possibilities of the plan. He's a brilliant fellow, and like everybody else, he adored San Francisco.

And so, much as I tried to discourage him from coming to San Francisco, because of certain problems in the schools at that time, he decided that San Francisco was the place to try this community coalition. But Russell Sage wanted a little bit of local money in it, so that they would not be in the position of coming from the East and trying to do a community project here. We made a small grant so that a local foundation would be linked with it, and because, had it worked, it would have greatly benefitted the public schools.

The project finally failed to receive the large funding it needed for the second phase, so did not get beyond the preliminary stage. But the excellent report was widely read and influenced some educational efforts here and, I understand, more widely.

That was not a difficult relationship. Although Russell Sage's people came in and out of our office and discussed what they were doing, they placed the people they wanted, Ianni and others, and did the work. They knew what they were after, and they kept us informed.
Chance: The Rosenberg board was skeptical about the plan, but thought it should be tried. They were right; it didn't succeed for at least two reasons. One was that Russell Sage had too short a time to come in from the outside, learn to know the community, identify the key people, and get going. The second one was that the TRA was pending, which was very worrisome. Russell Sage had to go to a larger funding source for the big money needed to establish the program after the exploratory period. They were within a hair's breadth of receiving a grant, but--

Morris: The larger foundation was frightened off?

Chance: It was frightened off by the TRA, and would only make the grant directly to the School District or to the Board of Supervisors to protect themselves by having a publicly-supported grantee so they wouldn't run into the grassroots problem that they would otherwise have with a new community-based organization.

Later a San Francisco group, some of whose members had studied the report, began a modified program influenced to some extent by the exploratory work Russell Sage had done. They had the advantage that they were much more a part of the community than anything that could emerge from an over-the-summer kind of plan to put together an organization.

Morris: Sparked by professionals from--

Chance: Yes, sparked by professionals from outside.

Morris: That's fascinating, because the coalition approach to local affairs is not very well understood but seems to be increasingly important.

Chance: Yes, that's very true. We and the San Francisco Foundation are both making grants to an organization—the San Francisco Foundation is supporting their community activities and we're supporting their educational activities, and one aspect of these is along the lines of the Russell Sage plan.

Because of the San Francisco Foundation money, the organization meets the tests for being 'publicly supported'. That gives them the leeway to do an 'insubstantial' amount of lobbying on their legislative concerns. A private foundation cannot support these, as I've said, but appearing before certain government bodies is possible.

The lowest legislative body within the prohibitions of the statute is a city council. But a board of education is not considered a legislative body. Our grantees can therefore appear before a board of education or an administrative or regulatory agency even if they are supported only by us, and are not classified by the Internal Revenue Service as publicly supported. They cannot, however, appear before a city council or a board of supervisors, or the state legislature, or Congress.
Morris: The water district?

Chance: Yes, anything of that kind.

More typical of national and local foundation funding than the Russell Sage project is the situation I spoke of earlier, where a local foundation supports a pilot project that does well, and the larger foundation comes in later and expands the program, possibly adding new components to it.

There is usually not much communication between the two foundations, although I believe this may change, as foundation people get to know one another and as the cluster of good Bay Area foundations becomes better known in the East.

Pleasant as it is for demonstration or pilot projects to have this recognition, larger foundation support causes problems if it expands the project and then withdraws after several years of help. Local foundations can't pick up these more ambitious projects, and sometimes no basis is laid for other local support when the large foundation withdraws.

Grants Budgets and Inquiries to the Board

Morris: When you're preparing the presentation for your board, are you working within a given amount of money which is available to be spent in that month?

Chance: No. When I first came to the Foundation, the board had a grants budget which was adopted at the beginning of each fiscal year. But as time passed, they rarely abided by it. They consistently overspent it and invaded capital on a relatively modest scale. In fact, I think in fourteen of the sixteen years I was the executive, they overspent income. This was because of the nature of the times. The board saw that the quiet years of the 1950s were at an end, and in a 1959 board policy discussion noted that "we are in a dynamic period and should take advantage of it. There is a climate of willingness to experiment."

Morris: That's what it looked like in the annual reports.

Chance: Yes, there were two years, I think, when they didn't. Our fiscal year is the calendar year, and my position was that December applications must have the same opportunities for a grant as January ones. The board was in complete agreement. They treated their December applicants with great care and made sure that they received the same
Chance: consideration they would have gotten in any other part of the year. But that was a very prosperous period.*

I think I didn't tell you that in the middle 1960s, in an effort to find our way out of the terrible backlog problem which made it impossible for us to help our applicants reasonably promptly, and was fast destroying our flexibility, we simply had to find a new approach to cope with the increasing backlog. Our board meetings were filled for months ahead because I could only take to each meeting the limited number of proposals that I could investigate fully enough for the board to act on.

We agreed to divide applications into categories. There were several of these. The first were proposals which clearly came within our priorities for possible support. All of these were analyzed thoroughly and sent to the board with the so-called face sheet, bound into the agenda for the month in which they were to be acted on by the board.

A second group of applications consisted of those that were on the edges of the guidelines; perhaps the board might consider them within, perhaps not. Those also went to the board, usually with a partial work-up—enough for the board to make a decision as to whether to ask for a full discussion at a later meeting, or not to consider the request further.

A third category we call 'inquiries'. That term covers several kinds of applications. The most interesting type is a proposal that is outside current policies for support, but appears to be part of a new trend the board should be aware of. The inquiry tests whether the board wants to waive its usual guidelines and consider the proposal fully at a later meeting. Another type is a proposal for support of a project which is similar to one the Foundation is already supporting. Does the board want to finance several to compare their methods and results, or has it allocated as much money as it sees fit for that kind of program?

Still another group would be applications which are within current guidelines, but where for some reason the plan falls short of having the elements needed for a good demonstration. In each case a brief summary and commentary goes to the board to determine whether the directors are interested enough to select from the inquiry group one or more for full consideration later. Actually, some fine grants are eventually made from the inquiry list.

*In reviewing the transcript, Mrs. Chance added: we had just begun to work with a grants budget again when I retired. Ed.
Chance: The final category covers all written applications turned down in the office. Each is listed with a short description so that the board is aware of every request made, and can, if it wants, ask for a board review. The only requests not reported in some way to the board are those that come in by telephone and do not get beyond the telephone discussion.

Applicants were always told which category their proposal was in so that there would be as few misunderstandings as possible.

The 'inquiry system' proved very useful, even if it did not solve our problem of numbers. That led eventually to the 1972 review and the experimental narrowing of categories.

But using the inquiry category did help us with the bottleneck, and I think it was accepted by most people. You sent them a form letter immediately after their application arrived, stating that the proposal was not within the Foundation's priorities and therefore probably did not stand much of a chance of getting a grant. On the other hand, it was interesting enough so that you intended to present it to the board as an inquiry. The form letter described what an inquiry was, and told them the month in which the request would be considered. So they knew it was a long shot, but that their proposal just might be chosen for further consideration.

Applicants want to know 'where they are' with a foundation, and whether you're trying to be fair with them. I think the most provoking thing is to go weeks or even months and not have an acknowledgment, or to be permitted to drift along with expectations that have no possibility of fulfillment.

People sometimes even thank you for a denial letter. They are generally reasonable and respect the fact that you can't do everything with limited money, and therefore boards have to set priorities. They occasionally question the priorities or argue that you ought to go outside of them. If you think they have a good case, you may discuss possible changes with the board at its next policy meeting.

To go back to inquiries--they save a great deal of time. As I said earlier, for a fully prepared application you visit the applicant and discuss in detail with those involved what they want to do and how. You also interview a number of people with information about the stature of the organization, its competence to do the thing proposed, the merit of the idea and its significance, how much is already being done in this field and by whom. All of this has to be summarized and analyzed in the face sheet which is attached to the proposal and sent as part of the docket for that meeting of the board.
Chance: It takes a great deal of time to prepare an application that way. In an inquiry, on the other hand, you'll summarize what it is that the applicant wants to do, make several telephone calls to check a few points and write a paragraph of discussion—enough to give the board a perspective so that they can make a decision as to whether they want to go outside the usual policies.

That procedure has helped us handle a large number of applications more expeditiously.

Morris: If you submit an inquiry one month and then two or three months later the same kind of thing comes in again, would that be brought up to the board?

Chance: If the board were decisively not interested in the first one, you would simply deny other similar requests in the office. If, on the other hand, the board thought the idea interesting but decided not to give further consideration at that time, you might take a later application to the board and probe a little deeper to test their position. You try to keep some flexibility.

Building on Experience: 1972 Guidelines

Morris: I sense that you're always looking for ways to keep the process open.

Chance: As much as you reasonably can. Right now the new policies the Foundation is operating under are considered interim and experimental. They were meant to be interim for two reasons. First, we could not handle the applications that were coming in, and so were frankly experimenting with ways to cut back, but still keep open to some extent the application process. Second, the board was exploring cautiously whether the Foundation should initiate programs, based upon its years of experience and the knowledge that there was unfinished work to be done.

It has rarely been our practice to devise projects and invite a group to carry them out. Our history in this respect has not been too reassuring. But by moving carefully on the basis usually of enlarging successful small projects, we started to give support where there was a clear need for something additional to be done.

Our first initiated grants under the new policy were in the fields of child abuse, education, and penology. A substantial part of our money is now going to these larger, longer-term projects, which build upon experience that the Foundation has had and where additional efforts are needed. Three of the five are in settings where we've had previous successes. The other two require new organizations and so seem at this
Chance: point to involve more risk. The directions the board takes later will depend upon what is learned from this group of projects. Organizations can't apply for these grants. They are initiated by the Foundation.

The other two areas are open to applicants. One is early childhood development, but the Foundation will not support the usual child care or nursery school program; we've been doing those since before the second world war. But we are interested in unusual new opportunities in the early childhood field. The second 'open' area concerns another age group that we also regard as particularly important and vulnerable: the adolescent. It's a very difficult time individually and socially for many young people trying to make their way into adulthood, and the board is interested in projects that make the transition a healthy, responsible process.

Morris: Did this set of guidelines evolve from efforts to the backlog of the sixties?

Chance: Yes. There were a number of things that came together to make it imperative for us to limit applications quite drastically. Since the early 1960s we had run such a backlog of applications which came within the board's policies for possible support that we were losing the flexibility which is supposed to be one of the distinguishing characteristics of foundations as contrasted with government. The 1950s had been a far quieter period. In fact, when I came to the Foundation in 1958, an applicant ordinarily could get a board decision within a month. Now our agendas were full for seven or eight months ahead.

But there were other things that precipitated the review. One was the added administrative load caused by the 1969 TRA. Another was government funding, even though there were growing uncertainties about the extent and way in which it would be continued. The third was that I was retiring, and we needed to make the job manageable for the person selected as executive director. Then, too, inflation was affecting us. The '60s had been such an extraordinary period that the Foundation spent beyond its income.

A new era was beginning in which we were taxed under the new law and a payout rate was established by the Treasury Department just as investments began tumbling in value. The lush period of both foundation and government granting was under review. For the first time in years the board decided to work with a grants budget. We had no intention of cutting back substantially on the amount the Foundation was granting (although our past invasions of capital had given us a carry-over figure which would have allowed us to go several years without making any grants at all under the provisions of the TRA). We had to take a hard look at all these new circumstances and try to estimate their consequences.
Chance: Beyond that we had more than doubled the number of grants the Foundation made yearly in the 1950s. It's been a consistent practice to keep quite detailed records on each grant. Although Betty Bettell, the Foundation's administrative assistant, is as efficient and orderly as they come, the burden of documentation was mounting because of the technical requirements of the TRA as well as because of the number of grants. Then, too, the more grantees there are, the greater the number of people who are in touch with you. And, of course, you have to keep track of your grants. [See Appendix C for preliminary analysis of these guidelines.]

No Perfect Projects

Morris: In terms of keeping track of them while they were going on and--

Chance: Your best grantees almost always keep in touch. It is against our policy to supervise projects, but if they're doing well or badly, they want to tell you about it, and they like for you to visit occasionally. That's just the way it is. You know, if the Foundation has been interested enough to make a grant. It's kind of a partnership thing, even though they are free to run it. They understand that, but they're often eager to talk over how things are going.

You can come to the office on a day you've kept clear of appointments, thinking that you'll catch up with correspondence and routine tasks that have to be done. But it rarely works that way. You'll have one crisis or triumph after another to discuss on the telephone or in an emergency appointment. Your day will be absorbed by things that are unanticipated.

Morris: That's absolutely fascinating.

Chance: It's one thing that makes the work so exciting. And, of course, it's very valuable—you learn a lot from these experiences. People feel free to tell us if they are having a hard time. I've always told them that we don't have any perfect projects, we've never had one. If I get a report on a perfect project, I'm going to know that something is not quite right. They just don't go that way. You can have projects that are very exhilarating, and very good; but usually they haven't worked out quite as you'd hoped, or as you'd projected at the beginning, or you've had some miserable stumbling blocks along the way to be conquered if you can. But these are things they want to share.

Morris: Isn't this the story of anything having to do with human beings?

Chance: I think so. I think it is the place where a small foundation has some advantages. Grantees know if they telephone or come in they'll get the same people each time. They're not going to have to explain to a new staff person who is somewhere in the hierarchy, as they might in a large national foundation.
Sharing Progress: Carnegie and Rosenberg Reports

Chance: But, of course, there are always exceptions. Certainly some of the most remarkable relationships are developed by the Carnegie people with their grantees.

Morris: They have the same kind of experience of people calling for supportive--?

Chance: I think they must have. And applicants tell me that to be interviewed at Carnegie is to feel that you have been engaged in a peer relationship in which they respect you and you respect them; it's a perfectly free and open discussion in which you're both exploring an idea and each of you will finish with a larger vision than you started with. They grant mainly to institutions of higher learning, or where scholars of note are involved. Carnegie is an educational foundation and so not as grassrootsy as we are.

I think one reason that Helen Rowan, who wrote our annual report for so many years, enjoyed doing the Carnegie report was because of the high intellectual content due to the stellar people they backed. She was interviewing or reading the publications of people who were nationally and internationally known, and at the same time she was seeing here Rosenberg grantees who might be right straight out of city slums or San Joaquin Valley fields.

Morris: In other words, she did both annual reports?

Chance: She did our annual report and earlier she had done Carnegie's when she had been their editor. After she moved to San Francisco she continued to write their Quarterly.

Morris: That's an awfully interesting combination.

Chance: Yes, it was. John Gardner was the president of Carnegie when Helen first went there. And he is by training a clinical psychologist. I think he early understood that here was a brilliant, somewhat restless young woman, who just couldn't be bound by a regular office routine. And finally he saw that she had to live in San Francisco rather than in New York.

Morris: She was from the Bay Area, originally?

Chance: No, she came from Southern California; she went to Mills College, though. Mr. Gardner valued her analytical ability, her vivid writing, and her clear insights, and so arranged for her to continue to be helpful to Carnegie and to him. She always helped to edit his books, and he induced her to edit one of his books completely so he could put her
Chance: name on the title page. He said: you ought to write a book and you haven't written one, so this time your name's going on—a very generous and fine gesture.

Mr. Gardner made it possible for her to live out here and still do the Carnegie Quarterly. She finally got so that she didn't have much connection with their annual report, except possibly with his president's message while he was at Carnegie, or with a special essay for the report, such as the one she did on early childhood education. She always went back for their staff retreats. They have a quite small staff for a foundation of their size. It's an unusually good staff, and their retreats gave them an opportunity to talk not only about what they were doing, but what new directions Carnegie might take.

Helen also free-lanced. The Rosenberg report was the only other assignment that she kept on an ongoing basis. She enjoyed doing our report, even though it didn't receive anything like the widespread circulation that the Carnegie Quarterly got, because she loved to visit the projects and get their flavor. She had an informal, delightful style. At the same time she was a keen observer. She sized up projects in a way that made her yearly study of what Rosenberg was supporting an evaluation. She just liked the tone of the projects which were so earthy often, you know. So it was fun for her and it was wonderful for us.

Morris: Yes, in her annual reports you get a marvelous sense of the flow of and the motion of what was going on.

Chance: You really do. She always grasped so easily what you were about. She was as interested in people as in ideas. The simplest people trying to do good things were as interesting to her as the world famous scholars. When she wrote projects up, she had a way of making a transition from clusters of grants to others that didn't seem artificial at all. She was very good at it.

Morris: Was that something that you and she discussed—did you present proposals in that same kind of cluster fashion?

Chance: Well, we agreed on an arrangement after I gave Helen the face sheets for the whole year. These are confidential, but, of course, she saw them.

They're confidential except for board members and the Internal Revenue Service. This is because you're trying to tell the board as honestly as you can what you have found out about the merit of the proposal when you investigated it.
Board Discussions

Chance:  By the time the directors come to a board meeting, they have casually read the docket thoroughly. The board is extraordinarily conscientious. They study their dockets, and are ready to go to work when they get to a board meeting.

Morris:  So they know the whole range of—

Chance:  They know each proposal and they probably have made notes on how they've reacted to it. Their minds can be changed during the discussion, but when they come, each will probably have made a tentative decision at least. So you have to get as much information to them as you possibly can in the written material.

Now, during the discussion they may say: well, if you feel that way about it, okay, I'm willing to try it. You've convinced me we ought to try it.

They're very good about not getting defensive when they've taken a 'no' position and somebody else takes a 'yes'. They all are so competent; it is an extraordinary board. They share their opinions freely and are very trusting of one another.

This is, I think, what has made it so important to them to have monthly board meetings: to get this feeling of knowing one another, being at ease with one another, being willing to take risks with one another, and feeling that they are trying to do the best they can with limited money. A very remarkable board. And, of course, excellence draws excellence. I can remember only once when a person who was asked to become a board member declined.

If I was not sure about a proposal myself, and didn't want the board members to make up their minds before they got to the meeting, the hint I always gave them was a note on the face sheet that I'd have additional information by the time the board met. And they would invariably ask for the new information to help them assess the proposal.

Morris:  Did board members understand that this meant that you weren't quite sure, yourself?

Chance:  Oh, yes, I think they understood me very well! They knew my weaknesses and they enjoyed teasing me from time to time, because they knew I took the decisions on those applications awfully seriously. But that didn't alter their independent judgments about how the Foundation's money should be spent.
Chance: Sometimes you are very torn about an application. We had one recently that really plagued me, because I so admired the applicant, but thought the proposed program weak and untimely. I told the board that although I found the application a poor one, I thought that they ought to explore it thoroughly before they made a decision, because when this organization applies it is always in earnest, and believes it has something very worthwhile to do. We had a long discussion on that one.

Continuity: The American Friends Service Committee and Neighborhood House

Morris: Earlier on you said that the board has bent over backwards to avoid making grants to organizations they could be considered closely connected to.

Chance: That's right.

Morris: Now, on the other hand, Rosenberg Foundation has a distinguished record of continuing support for certain kinds of activities, done often by the same people.

Chance: What I was trying to say was that they judged particularly critically applications where their friends were involved, or where they were close to members of the applicant's board of directors. Most of their grantees were completely unknown to them, although they might know about the reputation of an agency, or of a project director.

For example, the Foundation had a consistent record of support over a period of years to Neighborhood House in North Richmond. Rosenberg helped the American Friends Service Committee to establish it. No one on the Foundation board was a Quaker, nor did any of them for a number of years know the executive director of Neighborhood House. The board just thought it was essential for something to be done in this enclave of poor black families who came here to work during the Second World War and couldn't find any other place to live.

From its earliest years the Foundation had a commitment, expressed over and over again, to the problems of race and poverty.

The American Friends Service Committee has a way of first testing a program under its own auspices, and if it turns out well they free it to become a separate legal entity. This happened to Neighborhood House before there was widespread recognition of the problems of ethnic minorities. So the Foundation continued to help the new organization. E. P. ('Red') Stephenson was its second director, and he stayed a number
Chance: of years. During that time the Foundation supported a series of projects at Neighborhood House.

But I should explain that you have at least two different kinds of project directors. You have the fast starters who get things going and then leave the program for someone else to continue, while they move on to start something else; and you have the starters who stay and learn and create something new out of what they've learned.

Red Stephenson is among the best examples of this second kind. He learned from every experience that he had, and evolved the next step out of the earlier experiences. You might make the same sort of grant to another organization and the fellow would leave after a year, and often the program doesn't develop much beyond the first phase. Since there is no new demonstration the Foundation would not simply continue support of the same thing.

In Red's case, he just has that dazzling ability to figure out the next steps that need trying. They were usually significant advances that appealed to the board.

Red has imagination and yet he is intensely practical. He also has a strong will, real devotion, and lots of energy. He helped the people who used Neighborhood House become more assured and independent. That finally meant they needed a black director. He suffered over leaving, but in a sense having to go was his best victory.

But I think that the board had made most of these grants to Neighborhood House before most of the directors had met Red.

Morris: But, over the years, they would have a sense of the track record.

Chance: Yes. They might not know the person, but they knew the record, and they knew from reviewing the projects that here was a person capable of building project on project, each a progression and with a new dimension.

Wherever in our annual reports you find a series of grants to the same grantee, it will usually mean either that the organization has some exceptional person able to figure what ought to be tried next; or you have a problem being dealt with in a good setting, but either the location or the subject doesn't attract other support. Our grants in rural California illustrate the difficulty of getting foundations to look beyond the more dramatic urban problems. We were one of the few outside resources until the federal programs came in in the '60s.

Red Stephenson is only one of a number of exceptional people around whom you and I could have discussed continuous granting.
[Date of Interview: 23 July 1974]

6. FOUNDING FORD

Rowan Gaither and Paul Hoffman in Pasadena

[Preliminary discussion of interview outline, and friendship between Mrs. Chance, her husband, and Rowan Gaither, dating from their student days at University of California's Boalt Hall. Interviewer asks that they continue the conversation on tape to record Mrs. Chance's observations of the early days of the Ford Foundation.]

Chance: Well, the way in which Rowan Gaither first became connected with the Ford Foundation study, which was the basis for the enlarged Ford Foundation after Henry Ford and his son Edsel had died, was first told to me, I believe, by Lee duBridge, who left MIT at the end of World War II to become the president of Cal Tech.

When it was clear that the Ford Foundation was going to be such a large foundation after the deaths of the elder Ford and his son because so much Ford Motor Company stock would come to the Foundation, they knew that they would have to seek far wider opportunities than when they were a foundation in Detroit. They decided to go about the enlargement in a different way, by making a study of what this huge foundation should be involved in.

The decision was to get a very well-known and respected person to organize and direct a planning study to recommend policy and program to the board of trustees of the Ford Foundation.

They looked for this person of great prominence who would have a nationwide and maybe worldwide reputation, but they couldn't find anybody who was free to do it, or who exactly fit the bill.

One day, somebody who was scouting for them spoke to Karl Compton, the physicist. I think he was then the president of MIT. He said: I would not look for the kind of person you're looking for. I would look for a younger person who has already done something very well, so that
Chance: he's proven himself to some extent, but is not yet well-known, and will work very hard to do an extraordinarily good job.

Morris: For whom this will be a really great new opportunity.

Chance: Absolutely.

Morris: That's interesting.

Chance: And he said: I would recommend Rowan Gaither, because Rowan had been there at MIT expediting the work of the scientists during the war. Rowan knew many people by that time, and they appeared to have great confidence in him. And so Rowan was finally selected.

I have never known exactly how he got together the two groups that worked with him. One was the staff and the other was the Study Committee, both composed of distinguished men. He had a tendency to draw to himself people whom he trusted. Among these was Dyke Brown, who later became the vice president for public affairs of the Ford Foundation. More recently Dyke founded the Athenean School in the East Bay. He had practiced law with Rowan before the war.

Morris: I see.

Chance: In my recollection, Peter Odegard was a member of the Study Committee.

Morris: He was.

Chance: Have you done his oral history?

Morris: Not as yet.

Chance: Well, my information is all second hand. He and Dyke, who was a staff member, would have the most direct information.

Morris: That's good to know.

Chance: What they did was to interview over a thousand people--practically everybody who was a major or important figure in the worlds of scholarship, statesmanship, business, or labor. They had volumes of interview papers, and then they published a one volume report. This general report was released, but I don't know whether the back-up papers were. The report, as I recollect it, recommended that the Ford Foundation concentrate on critical social areas, since human problems seemed the most intractable ones. And so the board of the Ford Foundation made its decision, based on these extensive studies and reports.
Chance: When they came to the business of selecting a president to be the chief executive officer, I'm sure that a number of people besides myself had mentioned Paul Hoffman to Rowan. He would instantly have come to many people's minds, because he had administered the Marshall Plan. He had a great reputation among people who were international-minded; and he was and is an inspiring man. He's a man who seems in many ways a simple but good human being with great spirit and faith. In saying simple, I just mean that he was a man of good will, very approachable, and a friendly, pleasant person who seemed to have good instincts about things.

Of course, I don't know the details of his selection as the first president of the Ford Foundation, but it was obvious that some unusual public opportunity would open to him.

People might have been divided on the Marshall Plan, and on how capable an administrator he was; but I've always thought that if you had gotten the most efficient man in the world to administer that Plan, but he hadn't believed that Europe could be saved, it wouldn't have worked. I think his strong conviction and optimism were essential to its success.

At any rate, Mr. Hoffman became the first president of the Ford Foundation. It seemed a surprising and generous decision on the part of the board, which included two members of the Ford family and several directors of the Ford Motor Company, to select a man who had been president of the Studebaker Corporation.

Morris: That's one of those charming ironies of history.

Chance: It is. I think he would only agree to take the position if they would locate the Ford Foundation in Pasadena.

The Hoffmans had a ranch over on the arroyo side of Pasadena--beautiful grounds and a lovely big old place. I've never known how many of the children were adopted and how many were theirs, but there were seven children in the Hoffman family. These children had been raised in a way which gave them a great deal of freedom, and they turned out to be decided individualists.

As agreed, the Ford Foundation bought one of the fine homes in Pasadena, near the Huntington Hotel, as its headquarters. This was the Tuerk place.

Morris: Was it a departure in those days for a foundation of the size that Ford was going to be to be out on the West Coast?

Chance: Oh, absolutely. It was unheard of. Everything was located either in New York or somewhere on the East Coast, or certainly east of the Mississippi. It's still true that that is where the concentration is.
The Foundation used the Huntington Hotel and cottages to house their important guests and consultants or others who had business with them.

Paul Hoffman had been a trustee of the University of Chicago. He was deeply interested in it, and gathered around him as top staff some of the men he had known in his University of Chicago relationships. That's how Robert Hutchins happened to come to Ford, I think as a vice president, but I'm not sure of the titles. I remember that Clarence Faust and Alvin Eurich were the important figures in the Fund for the Advancement of Education, which sponsored some of the interesting educational innovations of the day. One or both of them came from Stanford, I believe.

Of course, they had the money to bid for almost anybody they wanted as staff. Hoffman brought Milton Katz back from Europe to direct the international part of the program. Milton had been a Harvard law professor and then became the ambassador to Europe for the Marshall Plan.

Having all of these intellectuals arrive was quite a heady experience for Pasadena, which was a kind of settled, rather conservative town. I think the idea of Robert Hutchins as a president was rather dismaying to some. He was the maverick in the educational world at that time. Among other heresies he didn't like football; in fact, he had done away with intercollegiate football at the University of Chicago, and that did not endear him to the Pasadena fans of the early 1950s.

Morris: Did he take a dim view of the Rose Bowl?

Chance: I think he took a dim view of all those things. He was just not that interested in athletics. He's supposed to have said that if he ever had an urge to exercise he would immediately lie down.

Of course, there had to be civic greetings when this mystifying several-billion dollar enterprise arrived in town, and so the Chamber of Commerce planned a large meeting in the civic auditorium to greet the board and staff members. The city really turned out for that. I had been appointed chairman (that was the accepted word in those days) of the arrangements committee by the president of the Chamber of Commerce, and we had a lot of subcommittees working on this ceremonial welcome.

My recollection is that both Robert Hutchins and Milton Katz arrived some weeks later. My husband and I had asked Vivian and Milton Katz to go with us to the dinner that was being given to welcome Robert Hutchins. I had warned the Katz's that Robert Hutchins might be received rather coldly. How wrong I was!
Chance: Hutchins has an irresistible way of ingratiating himself, if he wants to go to the bother. If he doesn't want to, it's quite a different matter. But that evening he was absolutely splendid. He's very witty, too. At the end of his talk he had a standing ovation from a crowd that I had thought might boo him; it was a personal triumph. It's a remarkable thing to see a gifted speaker turn an audience around.

The Ford Foundation's Pasadena era didn't last very long. Paul Hoffman, a moderate Republican, became one of the key figures in trying to influence General Eisenhower to run for the presidency. John McCone, who also lived in Pasadena, and who later became the head of the CIA, had joined with the Bechtel Corporation to produce many of the victory ships which were used in the war to transport troops and materials to Europe and Asia. McCone and Hoffman were two of the emissaries who convinced General Eisenhower that he should declare himself a Republican, because it was really not known what he was, and I gather he may have been uncertain, too. I can't remember whether he had never registered, or had never voted.

Morris: In those days, I believe the military, particularly career officers, did not feel that it was proper for them to register and vote.

Chance: Is that right?

Morris: Barbara Tuchman mentions it in her book on Joseph Stilwell.

Chance: I guess I'm not surprised; I should have thought of that. But anyway, he did find himself to be a Republican and decided to run. Mr. Hoffman then wanted to be active in the campaign.

Of course, that was not compatible with being the president of a foundation. But even had he not become interested in the presidential campaign, I have the impression that his leaving was a mutually agreeable decision. He didn't stay long enough to make a strong record, but I think he was one of the most imaginative people they've had. People have said that he was not a good administrator. I was in no position to make a judgment about that.

[Tape off for phone call]

Chance: It became clear that because of the election and for other reasons Paul Hoffman would not remain at the Foundation. They began to look for a new president. In the interim (I have never really known what the exact story was), I think Mr. Ford asked Rowan to take the presidency.

By this time, what they had found out was that Pasadena was not exactly the crossroads of the world. Everybody had to be brought out
from New York or from some other place. Air travel was not that simple in the early 1950s. It took twelve hours or so to come across the country by plane, you know. The Foundation had to bring everybody out to the West Coast. Being in Pasadena was awkward and delayed everything for them. People who came to New York to consult with the large, well-known national foundations had to come all the way to Pasadena to see Ford, or the Ford staff was constantly traveling East.

So the decision was made to move the Foundation to New York. They then settled at 477 Madison Avenue, where they rented several floors until a number of years later when the Foundation built its own spectacular but controversial building not far from the United Nations.

Advancement of Education: Ford and Rosenberg Support Teaching Intern Programs

Chance: Among Rowan's responsibilities as president was establishing a new administrative pattern, and reorganizing personnel. They also had to grant a great deal of money, partly, I think, for tax reasons. I'm not clear what the technical nature of those tax matters was. Probably one of Ford's practical problems was how to divest itself of an appropriate amount of money annually through ordinary grant channels worked out by their staff. They helped to solve this by setting up several separate legal entities to which they granted very substantial amounts of money. One of these was for refugees, I believe; another was the Fund for Adult Education; and a third was the Fund for the Advancement of Education. All of these early ones have since gone out of existence, except for the Fund for the Republic, the parent of the Center for the Study of Democratic Institutions.

The Fund for the Advancement of Education turned out to be one of their remarkable successes. It was an extremely interesting model in that it had a board of very astute and able professionals, unlike the Ford Foundation board, which, of course, was a board of businessmen. (There were no women on the Ford board until the last few years.)

Morris: That's unusual.

Chance: Well, it wasn't very usual for a long time in foundations unless you had somebody like the Carnegie daughter. I remember that Rowan hoped to place at least one woman on the board, but apparently ran into difficulties. He never said why. The Ford daughters never became trustees when they grew up. At any rate, there were no women on the board until I would say, within the last three or four years. That's quite unusual nowadays.
Chance: But to get back—the Ford board probably would have been more cautious than the board of the Fund for the Advancement of Education in schooling matters. As a satellite with some millions of dollars of its own it was able, using its capable professional board, to select opportunities and to test things on what the Ford Foundation would have considered a small scale. Then, if the ideas worked out well and proved to be important, the Ford staff could take these successful projects to the Foundation board and get the larger support needed to spread the demonstrations, or pilots, more widely. By then, they would have the evidence to convince the Ford Foundation board. That is my understanding of how the Fund for the Advancement of Education functioned. It did the experimenting and Ford the spreading.

Morris: That's a very interesting idea, to create independent entities to move out front of the parent organization. Whose idea was that?

Chance: I suppose there were some models for it, but Ford at that time used it on a larger scale than had been tried before. The Fund for the Advancement of Education, for instance, launched the most controversial thing of its day in teacher education, although most people don't remember it. It was called the Arkansas Plan, I think because the University of Arkansas was willing to test this new method, which was nothing more than giving people who wanted to be teachers experience in the classroom at the same time they're being trained. It was considered radical in those days. At that time you went through four years of college and then you had a fifth year in which you took a lot of education courses and towards the end did a little bit of practice teaching, after which you got a job and taught.

The intern method, or Arkansas Plan, puts the student almost immediately, after just a few weeks of seminars, into the classroom. Seminars and teaching practice continue together until the student completes requirements.

I believe Rosenberg was one of the earliest foundations to support the method in another state. The University of California applied to Rosenberg in the early fifties for a grant to train teachers by this internship method. There was a great shortage of teachers in California, and a need to get people into classroom teaching more quickly. At the same time, the Rosenberg Foundation made a sister grant to what was then called the College of the Pacific. They trained elementary school teachers, and the University trained high school teachers by this new method.

I think that I sprang on the Rosenberg board the knowledge, after I came to the Foundation, that this had been tried by Ford and was called the Arkansas Plan. The board was a bit miffed to find that they were following in somebody's footsteps, when they thought they had launched something new.
Chance: The program was never accepted by U.C.'s School of Education, although school districts have told me many times that the intern program turned out an unusually large percentage of excellent teachers. I guess I was quite outraged that, in all the years we supported it, the University would not absorb it into its School of Education. We first supported several years of the intern program itself. When we found that the weakness was that they needed good supervision, we then made grants to help them develop a supervising system. Following that, we made an additional grant to help them demonstrate some striking innovations in various schools.

About that point, Ford came in and made a grant to the intern program to train teachers for inner city schools. Until then, that kind of preparation was quite unknown; teachers expected to teach middle class children who would usually be highly motivated and success-oriented. Some educators didn't think you could induce teachers to teach any other kind of child; there would be no motivation to do it, they said. It's hard to realize that that attitude prevailed really only a short while ago.

The most distinguished social scientist in the country at that time was probably Ralph Tyler. He had been dean of social sciences at the University of Chicago. I don't know of any man whose name appears more frequently in dedications or prefaces of books written by grateful students. He became the first director of the Center for Advanced Study in the Behavioral Sciences. In talking with Ralph about the U.C. intern program one day, and my indignation that the School of Education had not absorbed it as an alternative method of teacher preparation, Tyler said that probably all of the greatness of that little project would have been destroyed by the overwhelming nature of the traditionalist system. He felt that the intern program had been saved by not being in the School of Education.

I think much of the program's success was due to the competence and temperament of Clark Robinson. I don't know whether you've known Clark or not. He isn't a flashy or dramatic person, but in a quiet way he brings out the best in his students. He selected a staff which responded so much to his total dedication to good teaching that they turned out remarkable teachers. It was a fine small program. Being small, they had to be selective in admitting people to the program. They gave careful training and follow-through. The atmosphere of really caring about the children, no matter what, was impressive. A number of these teachers have been recognized as outstanding.

We've gotten way off our story, onto the Rosenberg project that came out of the Ford model.
Morris: Did you go on the staff of Ford yourself?

Chance: Not in Pasadena. Rowan often stayed with us when he was in Pasadena. My husband was alive at the time; he died in 1955. Rowan enjoyed discussing what was going on. Of course, we did, too, and we'd mull over things that had happened since our Boalt Hall days. We and the Gaithers were always in close touch. Rowan was from an old Southern family in Natchez and had that traditional kind of warmth and hospitality. He and his wife had many friends and those he was fond of he liked to have close to him.

Rowan returned to his law practice after Paul Hoffman became president, if I remember correctly, but was still a consultant to Ford. Then the Foundation moved East, and Rowan became president. He brought in Dyke Brown and others with whom he liked to work. I suppose that arrangements had to be made for some of the major people who had been close to Paul Hoffman, men who probably had long-term contracts with the Ford Foundation or some kind of commitment. I think it was at this time that Robert Hutchins became head of the newly-formed Fund for the Republic. He wouldn't have given up the presidency of the University of Chicago, I should think, unless some arrangement had been made about his future. I don't know the facts, but you don't let people like that go with just a little notice.

I believe there was considerable negotiation before Ford set up the Fund for the Republic, which later established the Center for the Study of Democratic Institutions in Santa Barbara.

Another of the Ford satellites was the Fund for Adult Education, which was headed by an Australian named Scott Fletcher, who was an associate of Paul Hoffman's from his Studebaker days. It also had enough money to last for a period of time. For some reason, this Fund was not in high favor with the Foundation and I don't think it received any additional money. The Fund for the Advancement of Education, on the other hand, was so successful that it was eventually drawn back into the Foundation, and its remaining staff became part of the education staff of the Ford Foundation.

The Fund for the Republic, with the Center for the Study of Democratic Institutions which it later established, was, as I've said, legally completely separate from the Foundation, but Ford could never rid itself of the Fund because everybody knew where the original money came from. And Ford Motor Company dealers all over the country complain about it because some of their customers don't like Dr. Hutchins and his ideas. Once you're the source of funding for anything, you tend to get the blame, even after you sever all connections with it.
Chance: Another entity which Ford established which I think is a truly outstanding success is the Center for Advanced Study in the Behavioral Sciences. It is located at Stanford, but it's not part of the University. This Center doesn't stir animosities, because of the nature of its program. Each year scholars from the various social sciences are invited to study there. Some will be distinguished scholars, some professors just coming into recognition, and some the promising younger people. It has an exhilarating mix of age groups and fields of knowledge. Among those I've known who have had this experience, all have come away with wider perspectives.

No one has to produce anything while he is there. The atmosphere is informal and uncompetitive. Many of the scholars work on books while they are there, but if these turn out to be controversial they are not associated with the Center.

Interdisciplinary understanding is hard to achieve. We've had more than one project fail because of that. The Center helps economists, political scientists, anthropologists, sociologists and others broaden their understanding and learn from one another.

Anyway, Rowan was the president for a number of years. I don't really know what brought about his replacement, but Henry Heald became the next president. Ford had an unusual organizational set-up for a foundation. It had a full time chairman of the executive committee, as well as a president of the Foundation. These were both paid executive jobs; I don't know how the functions were divided between them, and whether they still have this pattern.

I think Rowan's principal role was managerial. He was the person brought in to straighten out a situation. But Rowan was capable of far more than reorganizing. Unfortunately, he developed first a heart condition and then cancer. He died quite young, in his early fifties.

Do you want to turn that off?

Morris: Of course.

[Date of Interview: 23 July 1974]

New York and Washington Centers of Influence

Morris: Before we get into my questions about some of the Rosenberg Foundation granting patterns, I'd like to get you to the Foundation as executive director.
Morris: Did Rowan Gaither recruit you for the public affairs section of Ford out here or in New York? And then how did you get to Rosenberg?

Chance: I was not with Ford at all in Pasadena. My husband and I simply got to know many of the Ford people who had come there, through Rowan Gaither. In those years, I was just a volunteer working on various programs in Pasadena and Los Angeles, and was often called upon to do things where my path crossed theirs.

I did not have any professional connection with it until late 1955, some months after my husband died. The Ford Foundation had been at 477 Madison Avenue for some time by then, and Rowan was president.

As I've said, most of the major foundations are in the East, particularly around New York. Whether that will remain true, I don't know, but it will for a long time. I understand that some large foundations are provided for in wills here on the Coast. And, of course, several already in existence have large resources. But the concentration is east of the Mississippi. It's such a short distance from any place on the East Coast to New York or Washington, and so much of what happens in the federal government is important to foundations—the program directions, the policies, the guidelines.

Although we appear to be entering a period of regionalization and decentralization—well, it's not yet much of a reality; the power hasn't really moved from Washington down to the regions. I think we've spoken about the fact that San Francisco is the headquarters of Region IX of the United States government. But still I notice, for instance in the child abuse field, that most of the government grants seem to be awarded in Washington rather than by the regional offices here.

Morris: The progress of regionalization in the federal government should be an interesting topic to keep an eye on.

Chance: Yes, I think it is. There's considerable discussion in the foundation field—for instance, an article in the Council on Foundations' bi-monthly Reporter, by Larry Kramer of San Francisco, on regionalization and its implications for local foundations. It's difficult for foundations to figure out where they are vis-a-vis government in such a transitional period.

Morris: Am I correct that it was Dyke Brown you worked with when you were in New York with Ford?

Chance: It was an in-house study of philanthropy, which was a marvelous background of understanding for my later work with the Rosenberg Foundation.

During the Cox and Reece congressional hearings on foundations in the 1950s, those favorable to foundations had very limited data on which
Chance: to rely. Rowan Gaither saw the need to develop a number of studies—historical, economic, legal—which would begin to build objective information about philanthropy generally and, more specifically, foundations. Carl Spaeth, the dean of the Stanford Law School, headed the project, and I was his administrative assistant. Legal studies were undertaken by Stanley Surrey, Austen Scott, and Albert Sacks of the Harvard Law School. The Bureau of Economic Research began some economic analyses. Merle Curti, the Pulitzer prize-winning social historian, developed a center of historical studies of philanthropy at the University of Wisconsin.

Historians like David Owen and Wilbur K. Jordan, both of Harvard, were assisted, so that the English precursors of American philanthropy and foundations could be better understood. Until the time of these Ford-sponsored studies, the Russell Sage Foundation had been responsible for most of the scholarly work done on philanthropy.

In 1957, the Ford Foundation decided to give up its in-house studies and to finance continuation of selected efforts, mainly through Russell Sage. I did not want to live in New York at that point, and was delighted when Dean Spaeth asked me to become his administrative assistant at the Stanford Law School.

But you wanted to talk about Rosenberg Foundation grants today.
7. SOME GRANTING PATTERNS AFTER WORLD WAR II: AWARENESS OF MEXICAN-
AMERICANS AND OTHER MINORITIES

Depression and War: Priorities and Concepts Change

Morris: As I wrote in the outline I sent you for today, after studying all your annual reports, I selected several areas of concern about children and youth in which it seemed to me that there has been continued evolution, or stages of development, in grants made by Rosenberg—sometimes to the same agency, sometimes to a variety of agencies.

I'd like to talk about these areas in some detail to see if you recall if there was this sense of growth in grantee thinking and board discussions, or if it's just visible looking backwards from a distance. This way I hope we can develop a picture of how the Foundation has responded to social needs, although I know we shall miss talking about many talented people and remarkable projects that Rosenberg has made grants to.

Chance: Saying it that way, you put my mind at ease—because when I was thinking about what we should cover in our discussion today, I kept remembering other people we've made grants to who have done marvelous work. There's a whole line of projects in conservation, for instance—and in the arts.

Morris: Perhaps it says something about the urgent needs, or priorities, of ten and twenty and thirty years ago, that the kinds of projects described in most detail in public information materials had to do with mental health, young people in trouble with the law, teacher shortages, and what sounds like a much simpler view of race relations.

Chance: Looking at our past grants, we're still dealing with many of the same subjects we dealt with in the 1940s and 1950s. Then and now, children's education, their health, and their welfare concerned us. What used to be called inter-cultural problems in the early Rosenberg era are now called ethnic and racial issues—we have such a diverse population in California. But in each era we treat the subject differently. Both as to the organizations we fund and in terms of what current knowledge
Chance: and experience tell us to do. Take juvenile delinquency. Some of the things we supported in the late '30s, '40s and '50s look bad now, and yet they were advanced in those days.

For instance, the Rosenberg Foundation assisted San Francisco County in establishing Log Cabin Ranch for delinquent boys. That was considered a great move forward in those days because you were getting these children out into the country in the belief that this healthy atmosphere would be great for them. Now, keeping as many children as possible out of institutions and in contact with their families and neighborhoods is considered best for most children. And so, what you once did that was thought of as advanced looks embarrassingly regressive later. But recently a person who had sat on the juvenile court bench in the 1940s told me what a godsend Log Cabin Ranch had been when compared with the deplorable places where children were held in those days.

You could list our grants under the same topics throughout our history, but what you do about those issues is so different.

As I said earlier, the Rosenberg Foundation was created in the period of the Great Depression, and before there was an array of government programs to help people. Our earliest grants were influenced by the nature of those times.

As the country moved out of the Depression, it moved into the war period. During the war everybody directed attention to things that seemed terribly urgent at the time. So, a good deal of the Foundation's regular work was interrupted. Some grantees never drew their money because in wartime they couldn't conduct the programs they had planned.

During the war, industry developed rapidly and required new workers. Although California already had a large heterogeneous population, the influx of blacks in such large numbers was a new phenomenon.

Morris: To California, yes.

Chance: The state had already increased its population during the Depression because of people getting away from the Dust Bowl situation. Then a new migration came to help with the war effort. As the Japanese were moved out, the blacks often moved into the neighborhoods they left. When the war was over many of the Japanese-Americans came home. This was, of course, before I came to work for the Foundation, but I've always been pleased that Rosenberg immediately made a grant to establish the West Coast office of the Japanese-American Citizens League. The Foundation created a fund to assist young Japanese-American college students. At that time I was living in Southern California, and I remember that it was not popular to be helpful to the returning Japanese-Americans. But it was in keeping with the Foundation's inter-cultural commitment to do what it did so promptly.
Rural School Superintendents' Concern for Migrants

Chance: Rosenberg has had a number of projects through the years that were directed to the plight of migrants. These people were from various ethnic backgrounds--Anglo, Asiatic, black, Mexican-American. But the plight of Mexican-Americans came to the Foundation's attention early.

Morris: When you say migrants, you mean farmworkers?

Chance: Yes. They really were not settled in those days, as they tend to be now. Often the entire family followed the crops as they ripened from Texas through Colorado and California and on north.

Morris: In going through the annual reports, I came across a note that between 1947 and '59 (just up to the point where you'd gotten your feet under the desk), the Rosenberg Foundation made twenty-three grants to Mexican-American projects of one sort or another.

Chance: Yes. And, no doubt, almost all of them--in fact, all of them were made to organizations that were not Mexican-American controlled, because there were few or none that were 501(c)(3) organizations.

Morris: That's an interesting characteristic of that whole period, I think.

Chance: That's right. Mexican-Americans had not yet developed the non-profit organizations to which foundations usually make grants, nor had they yet come forward to seek grants. But they had leaders. I don't know if you've read Ernesto Galarza's book about his childhood.

Morris: Yes, Barrio Boy; it's a delightful book.

Chance: A delightful book. Well, they had leaders. Ernesto was both a scholar and a great figure in what became the chicano movement. But the Foundation mainly saw people from public and private agencies, such as school districts or the American Friends Service Committee, who were intervening in behalf of Mexican-Americans. Watching our grants over a period of time, I'd say that, strangely enough, in Tulare County, where so much of the problem of the organizing of farm labor has centered, and with a great deal of feeling in the Valley, nevertheless some school districts there, like Visalia's, were interested in Mexican-American children.

And so was the Fresno County Superintendent of Schools. Usually, it seemed to me that proposals came from applicants mainly in Fresno and Tulare counties. There were few from north of San Francisco or south of Los Angeles. It's an oversimplification to trace programs to just one man, but Max Cochran stands out in my mind as the person in
Chance: the education field who was the initiator and catalyst in Tulare County. Max is now the county superintendent of schools there, but at the time of the initial grants relating to Mexican-Americans, he was the associate superintendent in Visalia.

Morris: Did he come to the Foundation directly, or did he write it up through his board of education?

Chance: I think he usually initiated the discussions informally, after talking with other interested school people. But, of course, the formal applications had to be submitted by the board of education. I dealt primarily with Max and some of his professional associates. I don't know about Leslie Ganyard. She went into the Valley a good deal, and she undoubtedly met him and encouraged him at some time; whenever he had an idea, he probably sent it on to her.

Max Cochran is a very unusual man whose enthusiasm has sparked a lot, and he has a way of drawing capable people around him, and giving them responsibility and generous credit.

Just offhand I can think of several unusual programs that made a real difference for Mexican-American children. In the middle 1950s he and the American Friends Service Committee started an outdoor education project. For one thing, they wanted to see whether the children of growers and prosperous townspeople would mix better with farm labor children in a camp setting removed from the regular school world. From this small experiment developed one of the fine outdoor education programs in the state. Dozens of school districts worked together on a beautiful campsite given by a local family. Whole families spent weekends building the camp together over a long period of time. Now school districts as far south as some in Los Angeles County use the Clemmie Gill site for their outdoor education programs. Rosenberg grants helped at several points.

Max Cochran, considerably before the big government programs, involved Mexican-American parents with the schools. Some of these men and women later became leaders as federal funding came in. He had a preschool project on the order of Head Start before that program was developed. And, again before the federal educational enrichment projects, he planned bus tours to San Francisco, Los Angeles, and other places, so that children who had never seen a museum or an observatory, or even the sea, had their visions of the world widened.

With another Foundation grant he searched out the most promising educational innovations in California, and took busloads of administrators and school board members to see these. (The teacher shortage of the 1950s and '60s often meant that rural areas drew from what was called 'the Oklahoma circuit', while administrators frequently had been home town boys who had gone to Fresno State College and hadn't seen much beyond the valley.)
Chance: But even in the very late 1960s no school district in the county had an administrator who was a chicano. Mr. Cochran and his staff worked out an intern plan with a number of school districts in the county, and, again with a Foundation grant, recruited and gave on-the-job training to chicano teachers to become school administrators. School districts found them very helpful, and they all achieved administrative positions.

Mr. Cochran's path wasn't an easy one, for the 1960s was a period of heated feelings in the Valley. The union movement was developing, and Mexican-Americans had a growing sense of identity. Transitional periods are hard on those who work ahead of accepted practices. I remember that we supported a youth program on the chicano side of Visalia. There were some conventional activities, but the teenagers also made demands on the schools for a stronger ethnic program. It took Max Cochran a few weeks to calm down on that one, but the next thing I heard was that he had appointed a Mexican-American advisory committee to work with his office on changes needed from the chicano perspective.

Community Efforts for Water, Housing, Health

Chance: After the Foundation made the chicano youth program grant and learned that the chicano group had confronted the school board, we felt it was only fair to make a grant to the schools to help them move if they needed resources beyond those they could muster, and were in earnest about recognizing that their ethnic materials weren't adequate.

Morris: Are you saying that in some instances you would make pairs of grants?

Chance: We had no idea the chicano youths would do what they did. But after it happened and the schools were willing to respond, we were ready to help.

By the way, our grant for the youth project was to the American Friends Service Committee, which has a local committee in Tulare County familiar with what is happening there.

Morris: Was it the local committee that applied, or is there a regional AFSC organization?

Chance: The Foundation's grants are made to the regional office of the AFSC in San Francisco. But, of course, I went to Visalia and talked with both young chicanos and some of the members of the local committee before the grant was made, as well as with others not connected with the program.
Chance: The Friends' work in the Central Valley has been deeply interesting. The first thing the Friends did that I have direct knowledge of was to have a man down in the Valley just to live there and see what was happening. That was Bard McAllister.

Bard should be an immortal. He's an extraordinary man who, although he did not speak Spanish, simply sat around where the farmworkers gathered, and listened. He's a whittler (really a sculptor—his things are beautiful), and he would whittle while he listened to see what these people wanted—what did they want to do?

Bard McAllister was the catalyst in bringing water into Teviston, for instance, and that was years before most of those places got water. The people had to haul the water they needed for every purpose. As soon as Teviston brought water in, others saw that it could be done, and later various federal programs helped them.

Morris: That's a remarkable story.

Chance: It is. He was interested in process—in helping people learn to do it themselves. They went through prolonged stages of developing the confidence that something could be done and that they could do it, and then listing what they wanted to do, and learning how to take the steps, and, finally, taking them. That's the enabler role, and it takes a lot of patience and skill to help people believe that things aren't hopeless for them, and that something could be done. It's part of what we call technical assistance now, when technical assistance is done well; but I'm talking about a time before the civil rights movement when many very poor people from minority backgrounds really didn't think they could improve their situations.

Bard was also the central person in the revival of self-help housing in this country, and he adapted it to rural areas and to the needs of farm labor. As he listened, he decided that there was little that the American Friends Service Committee could do to wipe out poverty directly among farm laborers—but that if they could own a home, this would change many things in their lives. Some of them would begin moving into the middle class. Having a home was one of the things they constantly talked about.

This was, of course, after we realized that many of these people were settling. They weren't migrants in the old sense, but came back to the Valley towns after they had followed the harvests. And many left their children with relatives so that the young ones could stay in school.

The grant which gave us information that they were settling, and which seemed to startle the sociologists and the anthropologists who had apparently been watching foreign countries more closely than they
Chance: they had the Valley—that grant goes back to Florence Wyckoff, and to the fact that although Florence was the chairman of the subcommittee on migrant children of the Governor's Advisory Committee on Children and Youth, she couldn't just go into Fresno County or anywhere else and do something about those children; she had to have the support of some key local people.

She helped to develop a citizens' group there, which cooperated with her, some of them rather reluctantly, I think, and some with energy and conviction. They created the first health programs for migrants where the clinics were held at night on ranches. These were supported by some ranchers as well as by the Foundation. That's the Westside Health Clinic project you've probably read about in one of the Foundation's annual reports.

But to get this done required a local constituency. There had to be local growers who were interested, as well as doctors and public health nurses and local citizens. They formed a committee called the Fresno Citizens Rural Health and Education Committee, which stayed in existence for a number of years.

A 1958 grant to the same group was linked with Fresno State College for the migrant settling study I spoke of earlier—what was happening to agricultural labor from a social and cultural point of view. They verified that many of these families were no longer migrants. While some members of the family would travel to the harvests, they returned to their families in the shack towns which were appearing on the edges of the Valley towns. I think there are very few copies of that report still around; we must have a file copy, though.

But I do remember that several of the sociologists and anthropologists who were involved in that study (there were also some social workers) were absolutely fascinated by what they found. They interviewed in the fields and camps and other places, and they were amazed to learn how settled some families were. In the earlier days a school might expect to have six hundred children at the beginning of the year and three thousand at some stage, but maybe only for a few days while a crop was being picked.

Some years before—and here I think the Foundation did play an effective role—the whole problem of "is there anything you can do to help these children who change schools frequently" resulted in several grants to help the Fresno County schools prepare a publication about teaching children who move with the crops. That little book seems to have been cherished by teachers. It was reprinted at least four times, and so must have given practical help where children were moving from one school to another as their families followed the harvests.
Finally, I think Florence's committee (she will have to check on this for you) devised a school card that the child took with him when he moved on, so that the most recent teacher could give the next one help on what the child knew—clues so that the children didn't have to just sit in the classroom not understanding the lessons. My recollection is that the PTA distributed "Children Who Move with the Crops" nationally, and that the Children's Bureau also asked to do so.

That reminds me of the military procedure by which, when a soldier is transferred to another base, he carries his records with him.

Isn't that interesting? I read just the other day that out of HEW, I believe, they have gotten some kind of record system going for some group of people who move a good deal. I was fascinated because, you're right, there have to be parallels and people who adapt things to other situations where they might work. But because migrant children were at the bottom of the heap educationally, it was important that somehow the best teachers try to figure out what they could do with those children for the few days or weeks they were in a particular classroom.

Would this relate to the changing ideas on confidentiality? There was a time ten years ago when neither parent nor child was ever allowed to look at the child's cumulative record in a school.

The public awareness of that problem is becoming clear rapidly, and foundations are beginning to give some support in this area.

Yes. It's cropping up all over.

I know that Kirke has now an application to take to the board on this problem. It should be a very intriguing one, because I suspect most educators are ready to say that something ought to be done about what goes into and stays in files. But in those days, I don't suppose that much went into the record, although I've never seen one.

Nowadays, the child's school counselor has them on file. It's kind of a tabulating card with grade points and test scores.

I suspect they didn't have that much in those days. In fact, my recollection is that minority parents sometimes complained that their children's folders were very thin as compared with those of white children. The cards I'm speaking of for migrant boys and girls were carried by the families themselves, and so they could see what was on them.

I think Florence Wyckoff could tell you more about this. I never saw one of the cards; I don't think we have one around the office.
Gathering Data and Encouraging Study

Morris: Going back to the Foundation's interest—Charles Elkus, I gather, was most interested in the Mexican-Americans and Indian-Americans.

Chance: Enormously interested in Indians. I think his family, at the time of his death, wondered why the Foundation decided to honor him by doing something about Mexican-Americans instead of Indians. It was partly because the Foundation had had a number of applications relating to Mexican-Americans. We frankly couldn't figure what it was significant to do; we were making grants, but we kept discussing whether there was a more significant approach.

Mr. Elkus and I used to talk about this over lunch at Sam's, the old San Francisco restaurant which had reserved a booth for him for years. After he died, I really felt that we had talked so much about it that Mr. Elkus would want that idea pursued. That's how we came to honor him with a symposium, which finally resulted in a publication.

Morris: Yes. I've been reading La Raza. You said that the book is the first of its kind, the first to try to get a comprehensive look at the Mexican-American situation.

Chance: Yes. After Mr. Elkus' death, the board realized that he was the single most important person they had known in relation to Max Rosenberg and the Foundation. He drafted the will; while he was not on the original board, he came on very shortly after, in 1938, and he remained a trustee until he died the day after New Year's in 1963.

I think I've said before that he was, aside from Paul Edwards, the only person of his generation on the board when I came. Everybody else was younger, so that he had a kind of patriarchal influence on the board.

The fact that he had been so close to Mr. Rosenberg and understood a great deal about Mr. Rosenberg's thinking, and that he was responsible for divesting the Foundation of its stock in Rosenberg Brothers because he thought the business tie was not good for the Foundation, and that he also had a deep interest in the Foundation's program made him a central figure in Rosenberg's history. He was first the vice president, then the president of the board, and always a powerful board member because of his continuity, intelligence and character. He was a skeptic, but a generous one, willing to try things even though he questioned whether they would succeed.

The board isn't given to memorials, but they wanted to initiate something in his memory. We usually do not operate programs, but we did convene a small conference of Mexican-Americans and others whom
Chance: they selected. In planning the meeting we were greatly helped by Herman Gallegos, who is now a Rosenberg board member.

Morris: Yes. I was interested to find him back then working on this project.

Chance: That's right. Herman Gallegos, Julian Samora, then the head of the sociology department at Notre Dame University, and Ernesto Galarza.

Morris: On the acknowledgements page I also find Paul Ylvisaker.

Chance: We invited Paul to come from the Ford Foundation. I had worked for Paul at Ford and had the warmest admiration for him. Ford had recently made a grant to UCLA for an economic study that dealt with Mexican-Americans, but in the early stages no Mexican-Americans were involved in the research. Lyle Saunders was formerly at the University of Colorado, and he had advised Rosenberg earlier on a number of things having to do with Mexican-Americans. He was then with Ford. He knew a great deal about Mexico and Central and South America, as well as about Mexican-Americans. Paul brought him to the conference, also.

Morris: How did the Californians connect with the Coloradans?

Chance: I suppose because the migrant stream comes that way, and Lyle Saunders was just a natural person, apparently, for everybody interested to learn about. There were very few scholars who know anything about Mexican-Americans at that time.

Paul Sheldon at Occidental was a key person who has never received the recognition he deserves. He was one of the early students, particularly of urban Mexican-Americans, and made some of the first studies of East Los Angeles, which has such a large concentration of chicanos.

Morris: There was a Rosenberg grant in '57 to Paul Sheldon who was doing a study on the dropout rate of Mexican-American students.

Chance: That's right. I think the Mexican-Americans that I knew at the time of this seminar felt a strong respect for Paul Sheldon. He was the head of the Laboratory of Urban Studies at Occidental and a man who believed—long before his day—that urban studies ought to include experiences in the community. And so instead of restricting himself to the delightful Occidental campus, he and his students were really out in the community, learning the situation at first hand. Even then he was trying to devise a culture-fair test for young people from Spanish-speaking backgrounds.

Morris: Was he a man of Mr. Elkus' generation?
Chance: No, not at all. He probably was in his late forties or early fifties; he has since died. Paul Sheldon always seemed in rather frail health.

Either the Rockefeller Foundation, or one of the Rockefeller funds, had given him a grant to hold a research conference on Mexican-Americans shortly after I came to the Foundation. He invited me to that. Most of the scholars who attended were students of Latin American countries and peoples, rather than of Mexican Americans of the Southwest. And, if I remember correctly, they were mainly Anglos. It was very interesting to me because they agreed that the only studies being done at that time were underwritten by Rosenberg.

I would have to look back at our files to see what those studies were, aside from Paul Sheldon's dropout research. The sociological study which revealed the settling of migrants in the Valley was one of them. That was a joint grant to Fresno State College and the Fresno Citizens Rural Health and Education Committee.

Another was undoubtedly Margaret Clark's cultural study of health in a Mexican-American barrio in Santa Clara County. Her book was a sleeper for several years until the plight of Mexican-Americans began to be recognized. Then the edition sold out, and the book was reissued as a paperback.

Whether the statements at the Occidental conference about the lack of research were too broad, I don't know. But they stirred my interest because California's largest minority apparently wasn't receiving much attention, and very few resources were going into their problems.

Morris: So you called everybody together for a symposium, then, at which they exchanged ideas and discussed what needed to be done.

Chance: Yes, that's right. A number of position papers were commissioned on such subjects as educational achievement, employment, migratory labor, census data, and development of leadership. We violated several of our usual policies, such as that we don't operate programs, and that we restrict our grants to California. The conference group came from various parts of the country, and dealt with all Mexican-Americans.

Paul Ylvisaker knew about Puerto Ricans because he was working in New York and most of his experience had been along the East Coast. He knew very little about Mexican-Americans, but he was always intellectually alert to all social issues. (You know he's now the dean of the Graduate School of Education at Harvard, although I don't believe any of his degrees is in education. But it was very imaginative of Harvard, which took him from a professorship in urban affairs at Princeton. He held that after he left the Ford Foundation to work with the governor of New Jersey on urban problems.)
Chance: The Rosenberg conference included both Anglo scholars and Mexican-Americans, and they put what they knew on the table. So much needed to be done. Consequently, the resulting book could not have been a really strong one; it isn't the kind of book you'd write with the greater knowledge people now have.

One of the things I found they were sensitive about bringing up was the very real problem, not faced up to in the book, of Mexican-Americans vis-a-vis blacks, who were moving up more rapidly.

Morris: The only thing I ran across going through it this morning is a feeling of resignation that the Mexican-American community would probably remain at the bottom of the minority acculturation ladder.

Chance: It was very striking at that point that they did not confront the fact that blacks were becoming very active, and that this had great implications for the ways in which Mexican-Americans were going to move later. Although culturally the two groups were very different, some of the same kinds of strategies that the blacks used were used later by the Mexican-Americans. They worked out other approaches later which were more natural or appropriate for them, because their culture is so family-oriented and they are localized much more. While there are clusters of Mexican-Americans throughout the country, they are predominantly in the Southwest, and so they don't have the well-established nationally based organizations the blacks have.

The reason Julian Samora was able to do research near Notre Dame is that there is a large group of mexican-Americans who immigrated to South Chicago, and he made studies there. But he also knew a great deal about the whole Southwest.

Morris: The migrant loop, according to some of the tables in La Raza—the actual harvesting loop group goes up through Wisconsin—Illinois to Wisconsin—and back down through Ohio.

Chance: I think that may be right. When you talk to Florence Wyckoff, you'll probably find that the migrant loop that was most common for California and the Pacific Coast started in Texas and came up through Colorado and then around into California, or else through the southern route and then up through California and the Northwest.

Florence knows the national migrant picture well because she's been on so many national committees and always studies the migrant patterns wherever she goes.

At one time she proposed to us that we study the stream that came up from Texas. She hoped to piece together the money to make a study of the loop that came around the Southwest. There are undoubtedly other routes for other parts of the country.
Chance: But to get back to our conference, it seemed stimulating for the Mexican-Americans, and for everybody else who was there.

Morris: It would be a learning situation, too, for the Foundation people.

Chance: It was. The Rosenberg board did not attend because the directors wanted this to be the Mexican-Americans' conference. However, the board did give a dinner for the group, and there was a great deal of discussion and friendly mixing that made it a memorable occasion which the board enjoyed thoroughly. It's too bad that trustees don't often have the stimulation of meeting with grantees.

Out of the whole occasion came the board's desire to do something more, that would be worthwhile. When they asked what they could do, the conference group decided that they wanted a publication. They had the papers from the conference, so that with some additional writing and a good deal of editing, *La Raza: Forgotten Americans* was put together.

It proved very timely, because the book was issued just as the rush began in this field. When chicano studies opened up, there really weren't many books available.

I think I've already told you of our experience with Margaret Clark and her book, *Health in the Mexican-American Community*. Margaret Clark was an anthropologist at the University of California who wrote her doctoral dissertation on the health practices of Mexican-Americans in a suburb of San Jose.

Morris: That's not Alviso, is it?

Chance: No, the neighborhood was known as 'Sal si Puedes', which I understand means 'get out if you can'.

The Foundation decided that this information was particularly interesting because the customary ways in which these people met their health needs were quite different from the ways used by 'establishment' medicine. These cultural differences were significant enough so that they deserved to be known. The Foundation made a grant of three thousand dollars, repayable by the UC Press, if the book sold. In fact, we received almost all of it back eventually. But for about three years there was no sale for it at all, because the time wasn't ripe. Then all of a sudden interest began to grow and the whole hardcover edition sold out. The UC Press reprinted it, and also issued a paperback edition after Margaret had updated it.

Perhaps by now much of that cultural information may be mainly of historical interest. It may be that, except as relatives from Mexico come in with the old ways, there is much more acceptance of modern American medicine than there was then. But it's a very poignant
Chance: book about their bewildering experiences and lack of understanding of our medical practices and institutions which were so foreign to their culture.

Of course, now there are lots of chicano publications, but not at the time of the Clark book in the late '50s or La Raza in the early '60s. Herman Gallegos, Julian Samora, and Ernesto Galarza wrote a later book which was also widely used.
8. DEVELOPMENT OF NEW LEadership: Several Approaches

Agricultural Workers' Organizations

Morris: Dr. Galarza is a remarkably prolific writer.

Chance: As I think I've said to you, his scholarly credentials are impeccable, and yet, as you know, he also organized in the Valley before César Chávez.

Morris: Did the Foundation have further contact with Dr. Galarza?

Chance: He is such a principled man! I know there had been a bitter battle in which the DiGiorgio Corporation was involved. Dr. Galarza had a defeat in one sense, but I think he probably helped to bring about the defeat, although I have only the most superficial knowledge and have never discussed it with him. I understood that he wanted any organization that he helped to build to reflect the indigenous movement, and that there were problems about affiliating with the established labor movement.

Is an oral history being done on him?

Morris: We're negotiating.

Chance: It ought to be.

One thing you ought to talk to Ernesto Galarza about is his books for children. He told me that there's nothing like Mother Goose in Mexico, and that he had written a number of little poems to help develop a tradition of this kind. The Foundation made a grant to the Southwest Council for La Raza to publish some preschool books which families could read to their young children. Among these were Ernesto Galarza's verses in Spanish and in English.

They're just enchanting. They're amusing and delightful. Children's librarians like his things. When I called around to ask what they thought of them, they were always enthusiastic. Enough
copies were printed so that the little books could be distributed to school districts where there was a large enrollment of Mexican-American children, and to libraries.

I should think they would.

I've read some accounts of agricultural organizing in the 1950s, which involved some controversies with DiGiorgio Company farms. Did this cause any discomfort for Robert DiGiorgio when he was a Rosenberg trustee and the board was discussing some of the Valley grants related to farmworkers?

Of course, the actual issue of supporting the organizing of a labor union never came up because that would not be a philanthropic activity, and so would not be a legitimate activity for a foundation. I think most of Mr. DiGiorgio's problems with the Foundation arose some time after he left the board.

He was a very able board member during the years I knew him. He was a consistent supporter of grants to aid minority children and families, whether they were located in cities or in the country. Among the grants I particularly remember were one to improve the economic situation of Indians in Round Valley, a summer session for migrant children near Sebastopol, making possible the attendance of farm laborers at the annual conferences which the Governor's Advisory Committee on Children and Youth held for several years on Families Who Follow the Crops (ironically, the earlier ones were attended by people interested in the problems of migrants, but not by farm laborers themselves).

While Mr. DiGiorgio was on the board, the Foundation also supported the Fresno socioeconomic study of farm laborers, community development projects among black agricultural workers in South Dos Palos, a program in Tulare County to train farm laborers to do some skilled ranch work, and another to develop a farm labor cooperative in that county.

Since our grants were made only to 501(c)(3) organizations, labor unions didn't apply. In fact, I was hardly aware that César Chávez was organizing in the Valley—his work was being done around Delano, and our grants were north of there.

Let me back up a minute. The farm labor cooperative was an American Friends Service Committee project in Tulare County. I told the board that we had no way of knowing whether the cooperative might finally evolve into a union. But in its earliest stages, it was a cooperative relationship among these men to sell their labor to an employer, who could then count on having a work force for a specified period of time.
Morris: That's an interesting parallel to the idea of cooperative marketing organizations which have been such an important part of the development of California agriculture.

Chance: You might want to talk about this project with Kirke Wilson, the Foundation's new executive director.

The first time I ever saw Kirke, he had just become the staff man on that farm labor cooperative project and was reporting on the program at one of Florence Wyckoff's conferences on Families Who Follow the Crops. I was immediately struck by his grasp of the issues and by his articulateness and obvious competency.

It turned out that he had been out of Yale about a year, and had gone to Three Rivers in Tulare County to read philosophy. I think he was just taking a year out to see what he wanted to do, you know.

A neighbor of his, Russ Curtis, was the American Friends Service Committee man who was running the Farm Labor Cooperative, and I believe Russ Curtis' house burned down. I can't remember the exact story, but at any rate, he became discouraged and wanted to go abroad again to work in one of the underdeveloped countries. Kirke had often helped him as a volunteer, so he took over running the project.

I think this was at the point where the Ford Foundation had just begun to finance the program. After we supported it for a while, Ford came in to expand and research it.

Morris: Did this result from your suggestion, or did you and Paul Ylvisaker regularly keep in touch?

Chance: In those days, some of Ford's staff tended to ask us from time to time what we were doing in a particular field. I don't mean they asked us often, but if they were coming into California, they'd say: what are you doing that's interesting?—that kind of thing. I don't really remember how they learned about the farm labor cooperative.

I think we would have gone on longer with it, but they were ready to come in, as they had with Youth For Service in San Francisco and other things. Since we are never possessive about projects, if somebody else wants to assume support they may be in a position to strengthen the program, and we're glad to have them do so. Ford usually had some theories to test and some researchers who wanted to test them. They usually made much larger grants than we did, and tried, not always successfully, to evaluate the results. But I think Kirke could tell you whether he ran into any problems with the DiGiorgio interests.
I don't believe that Mr. DiGiorgio had significant problems with the Foundation's grants while he was a board member, or we would have known about it very quickly because he didn't dissemble. I suspect it was several years after he resigned from the board that he became disturbed over the new type of community development grants we sometimes made, such as those to the California Migrant Ministry, which had a different way of doing things than the Friends did.

Self-Help Projects

These Migrant Ministry grants were quite different from the grants to the American Friends Service Committee, perhaps not so much in process as in the matter of dealing with goals. That's when we got into the whole question of defining community development. Community development, as it was understood by the board in the early days, was much more like community organization, a much more 'establishment' term.

Community organization is a well-established part of middle class life. People know they can have some influence over what happens to them by joining together to get specific things done. Professionals in community organization often teach them the steps they have to take to achieve their goals.

Organizations such as the American Friends Service Committee applied these techniques and methods in places where people were poor or from ethnic minorities or uneducated, and often had little hope that they could change anything for the better.

The whole concept of community development, especially in relation to people who felt powerless, was evolving. Rosenberg supported a variety of projects in which there were at least subtle differences of approach, although all were described as 'self-help!'.

For example, at the North Avenue Community Center in Fresno, we made a series of grants to help that black slum community improve its situation. There were very tangible results--new sewage and water systems, better streets, extension of the public transportation system to the area. But these results were obtained mainly by middle class people and social work professionals, rather than by the residents of the area. It's true that they were on committees, but rather than being taught how to achieve these gains through their own direct efforts, with technical assistance and advice, their participation was nominal.
Chance: In North Richmond, at Neighborhood House, 'Red' Stephenson with his Quaker beliefs respected the ability of the people in this depressed district to learn to change things themselves. In the first stages of securing some goal, such as the establishment of a nursery school, he and his staff took a lot of the initiative, but they were teaching some of the residents as they went along. Within a few years the mothers in the nursery school could carry the responsibility themselves.

In the American Friends Service Committee projects in the Valley, Bard McAllister considered himself a listener and an enabler. Before the AFSC came to us for a grant, Bard had spent many hours just listening in order to understand what the farm laborers and their families wanted that seemed achievable. With the goal set, the Friends would apply for a grant. The farm labor families learned to work towards the objective, but the Foundation knew when the grant was made what it was for.

Bard's kind of community development was bringing water into Teviston, which I mentioned (although no Rosenberg support was involved), and helping people build their own houses. In Teviston, the focus was on water and attention was on the process of getting water.

As you help the people learn the steps that have to be taken to get water, you undoubtedly develop some who have more competence and confidence as they learn how to do this specific thing. They may carry these skills and attitudes over into other situations. This was long before the federal poverty program with its insistence on 'maximum feasible participation' of the poor.

Morris: Could you tell me more about the housing effort?

Chance: It has become an international model for self-help enterprises. In fact, that is now its corporate name: Self Help Enterprises. It first started as an American Friends Service Committee project in which Bard McAllister, as usual, listened for a good while. He realized that at that time you really could not change the financial situation of farm labor families very much, except by something far more drastic than any of us could do, or perhaps were willing or ready to do, but that if people could own a home, and if it could be a home of which they could be proud, that in itself would raise them into the middle class.

Morris: They became property owners.

Chance: Exactly. But there was no way of doing this, because they could not afford to buy land or houses or build houses, except by self-help, in which a group of families agreed to help build one another's homes, with technical assistance from people who understood construction and had other necessary skills.
Morris: That's very early pioneer American.

Chance: It really is; it's the house-raising thing. The Quakers had tried self-help housing in some eastern cities a good while before, but I believe it wasn't very successful.

Apparently many farm laborers have almost no skills, except those they know from work in the fields. So, there had to be some kind of structure that made it possible for them to do this.

The story of self-help housing in the Valley really ought to be taken by itself. It's an inspiring one which shows how hard people will work when they really want something. There are some quite good evaluations of the program, and hundreds of houses to show for it, although every inch of the way was paved with difficulties.

The first person to give the American Friends Service Committee money to start the pilot program was Charlotte Mack.

Morris: As an individual?

Chance: As an individual.

Morris: While she was on your board?

Chance: Not while she was on our board. I was visiting with her pretty regularly at that time; we usually saw one another several times a week. She told me that the Friends had approached her for the money to begin this self-help housing in Goshen, which is a little town in Tulare County, and that the first goal was four or five houses.

The Friends would have to tell you how they pieced the rest of the financing together, but the money to get a staff man to start the project came from Charlotte. We talked about the plan at length. She became very much interested in Bard McAllister and she was always interested in the Friends. A little residue of her money went to them.

Morris: I have a vision of her possibly tooting down to Goshen to lend a hand herself, or cook for the people while they were building.

Chance: Actually, she would have loved to do it. I think she finally got to see the movie which John Korty made. At that time, long before he had won any film prizes, he was working for the American Friends Service Committee. I don't remember whether this had to do with his being a conscientious objector. He made a film about self-help housing at that stage. It's a realistic but also a poetic and joyous film.
Chance: When Self Help Enterprises was incorporated as an entity separate from the Friends, Rosenberg made a three year grant to give the organization some flexibility and some experimental money. Its major funding was from several government sources.

Morris: How did these kinds of things differ from what the Migrant Ministry was doing?

Chance: The Migrant Ministry did the same kinds of things for a long time. Then some of their men were trained by Saul Alinsky or his followers. You probably know that César Chávez was also trained by Alinsky. Although Alinsky could be very offensive, I think he made an important contribution when he began to show disadvantaged people how they could organize to gain power to attempt to influence what happened to them, just as middle class people do through many organizations. Because he liked to shock and insult people, it was hard to be open-minded about the merit of his methods.

César Chávez is a man of extraordinary character; the tone of his projects was always quite different from those done directly by Saul Alinsky, I think. Of course, he has political skills, but he also has great spiritual qualities, and believes in nonviolence.

But to get back to the Migrant Ministry: our interest was in training leadership. Too few farm laborers had learned how to work together to improve their families' lives. Our aim was to develop leadership. They could then decide the ways in which they wanted to use their new skills. This was the key difference from other community development projects. The Migrant Ministry ones had no predetermined goals; the participants themselves decided what their aims would be.

Morris: You were primarily thinking in terms of services and--?

Chance: We didn't think in any particular terms. That was the point of open-ended community development. You did not train for a predesignated purpose. They chose their own objectives. I think we assumed that they would probably take the kinds of directions that other projects had taken, but with people of their own ethnic background in charge of the programs rather than professionals from other organizations and backgrounds.

[Pause for thought]

We in foundations have a problem with how to know when a project is successful. Does it have to meet exactly those criteria that were out in the original application? If you fall short of those, have you had a failure? Can you look at the results more generally, or are you just rationalizing if you say: Earl Smith developed out of that project, and look what he has done over the years. That man developed
Chance: into a significant kind of person who could represent his own group and negotiate with people in positions of authority he wouldn't have known how to approach--get many things done because he has been through that process.

If one or two people become effective leaders, is your project a success, when you funded the project in order to see to it that some tangible thing such as sewing machines for women to sew with, or a place where they could meet, and children could play, or a course could be taken? The project may have fallen short of achieving its stated goals, but it may have achieved something else that was valuable but not part of the original objectives.

We probably all tend to glorify our projects a little, but I think that the peripheral things--the unexpected offshoots--can sometimes be more significant in the long run--the people who develop, the different and productive course their lives take, maybe something else you didn't anticipate when it started.

So in community development projects you've moved away from the focused kind of community development in which the aim was to upgrade housing or education or to open up camping--some specific kind of thing--once you move to the open-ended type where the participants themselves make the decision as to what their objective is going to be after the grant has been made and they have organized; you have no control of the project, so long as the program doesn't go outside the educational and charitable bounds that are permissible. And training for citizenship is education. If those trained later become leaders in their community who are not too comfortable for other people to have around--

Morris: And possibly are going to challenge the established ways?

Chance: Yes; then you have a different kind of community development than the earlier type. You usually got, out of the older kind, some leadership training, but you didn't get the same decision-making process.

Morris: When the board was discussing community development proposals, was the point of concern the fact that minority groups were going to be involved in the decision-making, or was it the leadership training?

Chance: I don't believe they were much concerned about either. Theoretically, they no doubt favored both. But the issue I was putting them on notice about was that in almost all projects up to then we knew the exact goal to be achieved. Here we wouldn't know until after the project was in operation and the participants made that decision. My material put to
Chance: them very clearly that we were dealing with minority groups, and that
the aim of these grants was to develop better citizens, better parents,
better leaders among disadvantaged people, but that I did not know what
course they would take.

The board understood that this was different from the other kind
of community development which did tend to develop capabilities, but
was not as directly focused on decision-making by the group itself.

Before we made the Migrant Ministry grants in 1964, I believe we
reviewed the proposal at three different meetings, with additional
materials each time so that they would know that it was new and that
it's potential was different.

Morris: When they hold over a discussion like this of a new topic, do the board
members themselves go out into the community?

Chance: Very occasionally the board will, as a group, meet with people who are
either applicants or can throw light on some special subject. But it's
rare. As I said earlier, in the first years of the Foundation the
board tended to meet with applicants more than it does now, and to
investigate applications.

Local Constituencies: Support and Strains

Morris: I was thinking more that, if they anticipated that there might be
public objections to this new kind of a grant, they might themselves,
as individuals, check out what the feeling might be in the Valley.

Chance: They always want to know what people are involved, and if they know any
of them it's always possible that a director might telephone. But,
basically, the position of the board is that they select an executive
whom they trust, and then do not actively investigate applications
themselves. If they lost confidence in the executive, they would make
a change.

When we first went into the Migrant Ministry grants we went in
jointly with local churches in Valley towns. A foundation is an
outsider in the Valley, and so it is far better to join with local
people or organizations so that the project has a local constituency.
Many church people in the Valley had deep concerns about farm laborers,
and favored their churches' contributing to specific projects. The
foundation which joins them in financing is not invading their territory
to initiate its own programs, but is coming in because the local people
can't raise enough money, and they welcome the help.
Chance: So we went in quite honestly understanding that this was a different kind of community development. But, on the other hand, we also knew that there were committed groups of local citizens who through their churches were contributing to the same program.

The problem arose when the local churches withdrew. Some sincere people changed their minds and some were influenced by pressures from powerful people or interests. But we had made a commitment, and the board decided that it was not going to withdraw from that commitment. Even though some churches withdrew, the Migrant Ministry continued its programs, and our grant had been made to the Ministry, as had the churches'.

Morris: It by then was separate from the churches?

Chance: The California Migrant Ministry is a part of the National Council of Churches. Local churches contribute to its support, and to its projects. In this case, the local churches and the Rosenberg Foundation agreed to help support the Migrant Ministry staff people who were going to do this different kind of community development. But the Migrant Ministry was the grantee, and the local churches and we were the contributors or grantors.

At the point where the local churches withdrew, the Migrant Ministry replaced their money from sources farther away geographically. You know, if you get at a distance from a problem, you can have more courage than if you're right on the scene. You can see the justice of farm labor's efforts to upgrade itself. Some of these local church people, after all, were tradespeople, or businessmen, or professionals, much of whose livelihood depended on the growers. They had a great stake in what happened to the growers, and tensions were high during that transitional period in labor relations.

Some people stood very strongly at great personal cost all the way through. Some courageous ministers lost their positions. The Migrant Ministry went further than we did. In line with the National Council of Church's position, Migrant Ministry staff joined the grape pickers' strike picket lines. We told the Migrant Ministry that the Foundation's grant was not to be used for organizing unions. It was meant to educate for leadership, and to teach these leaders the technical and organizing skills they would need whatever work they undertook after their training was completed. What the leaders did after they got through with the training was their business, but the Foundation's grant could not be used to train organizers in the fields.

We don't supervise projects, but I had their promise in many talks to observe the terms of the grant. We know that a lot of leadership came out of those projects, and that some of those trained soon or eventually joined the César Chávez movement. One group voted to move over at the time of the first strike.
Morris: Out of the Ministry into the organizing--?

Chance: I don't know whether they remained connected with the Ministry any longer; but they had no more connection with the Foundation's grant when they left. Of course, if they had an immigration or welfare or health problem, they could take these to the Migrant Ministry project for help.

As I've said, some of the people who developed in the project became quite important in the Chávez movement. Of course, Wayne Hartmire, the head of the Migrant Ministry, later became one of César Chávez's closest advisers.

I should have said that before then, in 1963, the Foundation supported a symposium on community development. So far as I know, this was among the earliest attempts to analyze the forms community development takes, the effectiveness of each, and whether there was a consensus about preferred methods. The small report of that symposium is very hard to get, although we provided the money for a second printing.*

The symposium was planned and the report chiefly written by Bard McAllister of the American Friends Service Committee, Wayne Hartmire of the California Migrant Ministry, and Ed Dutton who had worked for the Planning Council in San Francisco and later became the executive of the Center for Community Development in Del Rey, near Fresno.

This symposium report is said to have been quite influential because it was one of the first documents to distinguish among the various approaches to community development. Organizing and training for leadership became commonplace a few years later because of guidelines in some of the large government programs which required community participation and input, so that it's hard to realize the difficulties these forerunners had in their day.

Morris: Was it the symposium that led the Foundation to make a grant to establish the Center for Community Development?

Chance: Yes, that was among the reasons. But from the beginning, the Foundation always showed a special interest in self-help projects.

The Center was an interesting conception, and had some able staff, but it was established just as the Central Valley moved into a period of great friction over farm labor relations. The Center's board reflected, I believe, the whole range of philosophies about community

*Copy in Foundation Series papers.
Chance: development. But all community development involves the possibility of shifts in power. The Center's commitment was obviously to the poor, and to helping them gain the training and experience to improve their lives. This was particularly threatening in such a place and at such a time.

One indelible learning came to me from this project—how vulnerable an organization is which depends to a great extent on government funding. The Rosenberg Foundation supplied only the core budget for the operation. Government grants brought the Center ten times that much. But as the strains grew greater in the Valley, political pressures against the Center were so powerful that it could not survive.

The Migrant Ministry provided an interesting contrast. As a church instrument, it refused to take government money. Although under as heavy attack as the Center, it rode out the storm because it could not be threatened by loss of government money, and because its religious affiliations gave it a measure of protection non-clerical organizations can't achieve.
Multi-Problem Families and Public Agencies in San Mateo County

Morris: On the phone, we talked about today discussing some of the work that Rosenberg has done with the Youth Authority and correctional things, and then the needs of children in what's now known as developmental difficulties and used to be mental health, I guess.

Chance: Yes.

Morris: What struck me when we talked before is your comment that in responding through the years to the needs of children--do I have this right here--although it seems as if the things we're doing are the same, the concepts of how to do them have changed.

Chance: Yes, and will continue to do so. A couple of years before I came, the Foundation made the largest grant in its history: to San Mateo County and to a consulting group called Community Research Associates, to set up a system to work with multi-problem families in the hope of breaking the cycle they were in.

Community Research Associates' premise was that a small percentage of families receive a large percentage of the services provided by society and that, therefore, if you could help that small number--I believe they calculated it was less than 5 per cent--who consistently require a disproportionate amount of welfare, health, probation, and other services, you would not only improve their lives, but learn how to organize services less expensively and more effectively and efficiently.

This was a controversial grant among social workers because eventually, if successful, the program would have cut back the number of highly trained people needed--those with masters degrees--and also because the beneficiary of the grant, Community Research Associates, was accused by some research scholars of failing to reveal their
Chance: methodology so that their claims could be researched and their programs replicated. It was contended that they were a consulting firm which, although nonprofit, used grants to develop a package which they offered to public and private agencies at a considerable fee. The 'package' included their consultation on the project.

I doubt that this criticism was brought to the Foundation board's attention when the grant was made.

But I think in the broad outline of what they were trying to do—that is, to identify those families in the community who were utilizing a great many public services and were in deep trouble much of the time and in many ways, and in attempting to reach the families as units, giving them various kinds of help—they called attention to an important problem, and developed a rationale for organizing services around families instead of individuals, and for cooperation across department lines among agencies.

Morris: This was before you came?

Chance: Yes, probably a couple of years or more.

Morris: The term of the San Mateo County project was '55 to '57.

Chance: Well, it actually lasted longer than that and, as a matter of fact, was still going on its very complex way when I came in late 1958. I found it very difficult to understand what they were doing, or to make a judgment about whether they were having some success. Just identifying the hard core families through all of the agencies involved with them was a major task. It was before the days when computers were in use and they had an enormous roster which they had gotten together by pooling the records of all of the agencies which were supposed to be cooperating. Probably it was an unparalleled assembling of data, but without today's retrieval capabilities. I gathered that it did not prove very functional.

Training the staff and setting up the new system were massive undertakings. Finally several hundred of these multi-problem families received concentrated services for a pilot period. When the grant terminated apparently these services terminated, too, while the county deliberated on what parts of the project should be retained.

Morris: I wondered how the project happened to be in San Mateo County.

Chance: It happened, I guess, when the word got out that the Foundation was prepared to make a grant in this field. San Mateo County showed itself more interested and more willing to take the initiative than anybody else. I have to say, with some concern, that I think this was true for the period of the grant, but I'm not sure the interest
Chance: continued effectively after the grant expired. That's one of the serious problems about project grants—how to be sure the program will be continued afterwards if it was successful. In the San Mateo project which was so complex, it's hard to even decide how much success there was.

There are people in San Mateo County who say that it had a great effect on some of the staff and agencies involved, and there are others who say that it had very little effect. I just don't know because we never had an evaluation of the results of that very expensive project, the most expensive in the history of the Foundation.

Morris: Even still?

Chance: Still; the Foundation committed around a third of a million dollars. The Hill Family Foundation was supporting a similar program with Community Research Associates in Minnesota, and the Grant Foundation in New York gave continuous support to CRA over a number of years.

I think the thing that made San Mateo look like a natural for the project was that they already had an umbrella department which had done what has been done in more recent years at the state level in a number of counties; that is, they had their mental health, health, welfare, and also, I think, their probation departments all under one head. That made it look as if they could get communication and cooperation among these, but since by law they all had specific functions and responsibilities, it's a very complicated matter which no level of government has worked out very successfully. The Ford Foundation's 'Gray Areas' projects tried to induce this kind of cooperation years later, but I doubt they would claim much success.

An additional problem was that they did not have what also proved to be important—jurisdiction over the school system.

Morris: That goes back to the state codes, doesn't it?

Chance: Yes. Consequently, they had to get the cooperation of schools as they were able to. My own assessment of the San Mateo project is 'after the fact' and superficial. The idea is logical: to deal with the troubled family as a unit. They were ahead of the times in trying to do that. The Foundation hoped that having identified the problem families, and having combined all the community's resources to make a plan to help each one, that the children might be helped early enough to escape repeating the pattern.

Certainly, Community Research Associates was among the first to call attention to what we would now call a target group, and also to propose reorganization of services both for efficiency and to give better planned services to these clients. It's probably true, too,
that many families need very little help beyond some money when they run into occasional difficulties, and so some classification system should distinguish among categories of clients.

But I think it's questionable whether the project should have put its resources so heavily into the group which had the most handicaps, difficulties, and problems. Without drastic changes in society you probably can't do much about the people at the very lowest end of the scale where everything is weighted against them. Without a far greater commitment from society, these are the least salvageable.

It may be that your best opportunities are with families at a little higher level who are having a tough time and need help, but aren't yet demoralized from years of bad health, poor schooling, joblessness, and possibly criminal records.

I might compare the situation to what happened with the Manpower Act of the early 1960s. I was a member of the advisory committee for Region IX of the Department of Labor and HEW. The public probably never understood that compared with the total problem of unemployment and retraining, the resources were very limited. In the later years of the Manpower Act, before it was superceded last year, we became quite selective about the people to be retrained. That was called 'creaming', and to many was a derogatory term.

I think a certain amount of 'creaming' is legitimate when you have a limited program, because if you take a man who has barely been out of work and you make every effort before his habits have changed and his spirits are broken to retrain him promptly and get him back into the mainstream, you'll probably have far more success than with somebody who has never had the opportunity to work and hasn't the confidence to believe that he can hold a job or may even not want one.

But the San Mateo project took the most discouraging group of families as its focus. At least some of the San Mateo County and some of the Community Research Associates staff finally questioned whether this had been wise. A project which raises an important issue like this can be significant even if it doesn't succeed with the target population. It should suggest that others think through where to concentrate resources. But I do not remember that this issue was identified in reports to put others on notice.

I also think if the project had had strong leadership from the top which had conviction and insisted upon cooperation we would have achieved more. As I said earlier, our experience was somewhat like that the Ford Foundation had later in its big cities 'Gray Areas' projects. If I understand their intent and experience correctly, they, too, found out that for the period of the grant you will get some cooperation, at least within the bounds of the grant. But when it ends you will usually be disappointed in the amount of real institutional change.
Morris: And you really haven't made a change in the way the department people relate to each other and across department lines?

Chance: There are always some people who change, but we're all still in the process of experimenting with getting true organizational change. We can chalk up the San Mateo project as an early effort to deal with a problem where the successes are still limited, but the issue is an important one. It isn't just to make government more efficient; it's to give people the feeling that government isn't just a maze, but that help can be located and coordinated.

A Narrower Focus in San Francisco: Impact on Human Lives

Morris: I was interested in the point that the Community Research people didn't share their results. Then how was this approach transferred up to San Francisco? Didn't they work with Ronald Born in San Francisco?

Chance: Indeed, they did. Community Research Associates' policy, as I understand it, was to contract with others to consult on their problems, using the materials developed by them from their theories and from their experience in places such as San Mateo County. Going back to your question, though, CRA was perfectly willing to share its results. The complaint, I believe, was that researchers did not have access to the methodology and data upon which CRA based its claim of results.

That suggests another possible weakness in the San Mateo project. CRA came in as a consultant rather than with real responsibility for administering the program. If you are only consultants to a project, you don't bear the day-to-day burden of trying to get that thing to work. You come in for a week at a time, or you come in at stipulated intervals, to advise and consult; but you are not responsible in the long run for making the system work. I may be wrong, but I question whether consultation is enough without authority in a fundamental organizational change.

The San Francisco project was voted after I came to the Foundation and had called the board's attention to some of the problems I saw, although we were still too close to the San Mateo project to know what might eventually come out of it.

The board nevertheless was willing to go ahead in San Francisco because Ronald Born was convinced that with CRA's help he could reorganize his department more efficiently and concentrate attention where it was most needed.
Chance: I had been for a number of years and until shortly after I came to the Foundation a member of the State Social Welfare Board. San Francisco was known to need better methods of operation and a more humane program. The Foundation board understood that this would be a simpler project than the one in San Mateo because, instead of working with a number of departments, Community Research Associates would now be working only with the welfare department. The board also realized that this could be interpreted as a step backward because only those people who came to the attention of one department were to be dealt with.

But San Francisco was not the most enlightened welfare department in California, and the State Department of Social Welfare was eager to cooperate to get changes in San Francisco. So we also made a grant to the state to be involved in the project. Jack Wedemeyer,* the director of the State Department of Social Welfare, had previously been with the San Mateo project. He hoped not only to help San Francisco, but to spread the pattern to other counties. I had considerable respect for Jack, and must confess that his continued belief in the value of the CRA approach was very comforting to me.

Morris: There was a Dr. Wiltse from the UC School of Social Welfare on this project?

Chance: Dr. Kermit Wiltse. He's still at the University, I believe. He understood, I think, that CRA was under criticism from his own school at the University, but he was a consultant to the San Francisco department, and hoped that the changes would improve the morale of both staff and recipients. San Francisco had a very high staff turnover, and Professor Wiltse also hoped to influence attitudes towards clients.

Morris: Did CRA do in-service training?

Chance: Yes, that was part of the package. They had to teach the staff how to use the system. How much of the idea of viewing the total family as the client 'took' with the staff, I have no way of knowing. It's possible that this conception had considerable influence as caseworkers widened their views. That's an intangible you can't measure. But certainly the idea began to be widely accepted within a few years. You just can't gauge how much or how little of that was attributable to CRA with its projects in several parts of the country.

Foundations are often criticized for not admitting and publicizing their failures. The problem with the San Mateo project is that we're not clear what the failures and successes were. I do think Community

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Chance: Research Associates was one of the pioneers in calling attention to the need for family-centered work, and for cooperative action among agencies serving different members of the same family. CRA also placed attention on classifying clients and relating service to classification. The publicizing of these ideas may have been more significant than what happened in San Mateo County. But I'm inclined to think that because the board was not clear about what was achieved in the San Mateo project, it became more cautious about making large grants.

[Tape off briefly]

My impression from some social workers is that, dealing with the most disorganized people, they come to feel that when so many agencies are involved they are really interfering too deeply in people's lives without accomplishing much of anything. Interestingly enough, I had an opportunity to talk with several Members of British Parliament, Tories, who feel strongly about this very thing. They believe that there is a small percentage of people to whom it is really useless to give a wide range of services. They're not going to profit much from it, and the best thing society can do is to see that they have a subsistence living and then leave them alone.

Early Identification School Checklist

Chance: Now, out of that project in San Mateo County there came another project which was not under Community Research Associates, but under the San Mateo County schools. That was done by Paul Beisser, who had been a major person in Community Research Associates, but had left the organization. He had come to the conclusion that you should start with a more hopeful group than the families they worked with in San Mateo County. He believed you should begin with the families of young school children, and that classroom teachers could be taught to use a checklist through which they could discover which children looked as if they were developing troubles. He validated his checklist by tracing back the children that the teachers identified against the master roster that had been made from the initial San Mateo County project. They discovered that many of these children were from the multi-problem families identified in the earlier project.

The San Mateo County schools hypothesized that if teachers used this simple checklist with all the children, not only would children from the roster families show up, but other children with the same characteristics would be found. These families could then be offered early preventive help.
Chance: The Foundation's grant was to validate the simple instrument that they had developed. It was a combination of two things: first, they drew from the work of Eleanor and Sheldon Glueck at Harvard on early identification of children who may become delinquent. This was combined with an instrument developed by, I believe, Dr. Eli Bower of the State Department of Mental Hygiene, working under a grant from the National Institute of Mental Health. It tested children for indications of emotional disturbance.

They put these two together in a relatively simple checklist, which they thought classroom teachers could be trained to use to discover children early so that they could get preventive help.

We didn't give support beyond the validation, but some years later the federal government funded an exemplary program in one part of San Mateo County based upon this checklist. I visited the project because of my concern, and found that the young mothers of Kindergartners in the program seemed pleased with the help they were getting.

I think we're all much more alert now to the dangers of early identification of children, and to the implication of labeling. But we haven't discarded this idea completely, and probably can't. Teachers are quite naturally doing it whether you give them a checklist or not.

Morris: Yes. They look over the classroom and decide--

Chance: They just naturally look for the children in the classroom who are hyperactive or are troublemakers, and they've now become more alert to the unusually quiet child.

So, what teachers do almost intuitively, what almost any person does, I guess--these projects were attempts to formulate into something that was more systematic. But because we're now more sensitive to the problems of labeling, the Foundation is extremely careful about supporting programs of early identification, and the odds will probably be against funding.

Although we have one project that looks exceptionally good right now, the Foundation's interest currently is more likely to be in protecting the rights of children.

Ventures in Special Education

Morris: Was the board interested in other approaches to mental illness problems in children?
Chance: Yes. As an example, in 1956 an enlightened administrator in the San Joaquin Valley wanted to do something about the children in the schools who were not learning and who were showing such signs of emotional disturbance that they could not be kept in the regular classroom. So, with a grant from the Foundation, the district set up a program for children of this kind. It included help for the parents, and the goal was to return the children to regular classrooms as soon as possible.

But at that time there were few psychiatrists in the San Joaquin Valley, and no child psychiatrist. The grant covered regular consultation with a child psychiatrist as well as the costs for other specialized staff. Dr. Gerald Jampolsky, who was a highly regarded child psychiatrist in Marin County, flew down at regular intervals to consult with the project teachers and staff.

I believe this was the first program of its kind in the state, and it was, I understand, one of the main reasons why the California legislature passed a law making possible special programs for these disturbed children.

So, what finally influenced school programs throughout the state was pioneered in a little Valley schoolroom with an imported child psychiatrist, because of an enlightened school administrator.

Morris: That's fascinating.

Chance: It really is.

Morris: Did this kind of project help in the development of community mental health services? There was state legislation about 1957 which made money available. Did some of the people who had come to Rosenberg for grants then go on to--?

Chance: I don't know for sure. But usually people concerned with a problem will press for action once they have seen a way to go about it.

There was a period when we had a great interest in children who had any kind of handicap, whether it was physical, emotional, or mental. The Foundation, for example, helped to start the Special Education Department at San Francisco State College, which for years was considered by many to be the best in the state. For the last few years, however, we have felt very uncertain about supporting programs in the special education field, and have not funded those which required a great deal of expert interpretation. Diagnosis has become so refined and subtle, and policy questions as to which children should be in regular or special classrooms so confusing that we have not felt competent to make judgments about some applications, even with the advice of specialists.
When a problem area becomes so subtle and specialized that board and staff feel baffled by applications on which the experts disagree, then it is sometimes better not to accept those applications until you are clearer that the grant won't do harm. It isn't a question of unwillingness to venture—it's more one of whether it is appropriate for a foundation to act when both the board and staff are uncomfortable about possible results.

We did that a number of years ago when the board decided to withdraw from the field of the neurologically handicapped because we simply felt that we might do more damage than good by underwriting some of the things that were coming to us.

Morris: That's startling.

In a way, it is. Up to that time we had tried to find out as best we could by consulting with specialists. But the board finally decided to stay out of the field for a while after I had discussed one proposal with eighteen specialists, and they had split nine to nine on its merit.

A Generalist's Observations on Innovation and Prestige

Where we are most at ease is with the kinds of projects that are new for their period, but that generalists can make sensible judgments about. For example, over the years and before it was commonplace we've helped teenagers work under supervision with mentally retarded or emotionally disturbed children in a huge state institution that could not provide much personal attention (both the teenagers and the young patients seemed to gain so much from these associations). We've demonstrated good community programs for young people who either have been institutionalized or can be helped at home if there is a resource. The Foundation supported the first hotline in the country for adolescents. We assisted a group of black psychiatrists and other black mental health professionals to serve people of their own race until they could demonstrate the need and become part of the community mental health set-up. Many years ago we financed training houseparents for children's residential institutions when there were none.

Other examples are helping young ministers in a remote rural area improve their counselling of troubled families; giving young artists the opportunity to perform for institutionalized children and also to conduct workshops so that the children could participate; helping Japanese wives of American servicemen adjust better to the vast differences of life in America; demonstrating a model elementary school counselling program at a time when counselling had not yet begun below the high school level.
Chance: Of course, when a new field opens up and no one knows the answers, a foundation without specialized staff can and should be venturesome, as when the drug era began in the 1960s. Since there were no clear-cut answers, experiments were necessary.

I think I told you of our having supported one program in Los Angeles County, where the woman simply could not get a federal grant, and where several members of the government panel who had studied her applications urged me confidentially to give her approach an opportunity because they thought it ought to be explored. Not only was the predominant school of thought against her position, she also lacked an appointment at a prestigious university, and these seemed to be the places where the grants were going.

I still don't know who was right, but I do know that her material has proved useful to many teachers and therapists in the intervening years; and she seems to have a great deal of acceptance among some people in her field abroad, also, for she lectures frequently at international conferences. I think it was good to have gone against the weight of opinion at that moment, and to have made a grant to a woman who was experienced and had good credentials, but wasn't on the faculty of a frontline university. But she was working very closely with children, and it was their parents, who had tried many programs without success, as well as the several open-minded people on the panel, who convinced us she deserved help.

Morris: That's interesting that the people on the federal panel had the feeling that there should be access for someone to try to do something different.

Chance: Not the major part of the panel, but two or three that I respected for their excellent reputations.

Morris: In a sense, then, the Rosenberg board validated her ideas?

Chance: I think what some of these projects tend to show is that you should not always go with what seems to be the tide. You ought to be skeptical about what is generally accepted and done. Things that one of the Foundation's early trustees favored, but were then considered radical, are mostly commonplace and old-fashioned now.

A small foundation at least can use its common sense to say: this is a responsible person. She's closely observed children and is working with children who have these problems. She seems to be having some success with them. Why shouldn't she have a lift, even if it's not stylish?

Morris: After she had received the grant from Rosenberg, did she then later get a federal grant?
Chance: Later she succeeded in getting grants, I think not from that federal agency, but from others. I'm not sure that they've ever greeted her with enthusiasm, because she does lack a university base.

One can understand this. You don't want mediocrity when you are working with extremely complex problems and, consequently, caution is warranted. On the other hand, there are times when, adding up the pros and cons, you think there is a good enough case to go ahead.

One of the first lessons we have to learn in grantmaking is that it's presumptuous to be too sure about most things. Futurists tend often to be alarmingly wrong.

We don't attempt to predict a long way ahead. Some unexpected thing will trip you up--those 'variables' the researchers talk about. We almost always find that things we supported years ago either seem 'old hat' or obsolete or open to question, and that we're going to have to try some other approach to that problem. It's the same problem, but time, knowledge, and experience outrun the old solutions.

Morris: Nor do any of the answers really solve the problem.

Chance: You're right. They generally lead to other problems. I think that the more modest you are in making judgments about what you are doing, the better off you'll be. You can count on it that time is going to upset your solutions, and also that a period of great ferment and experiment will be followed by one of reexamination to see what should be absorbed or modified or rejected. If many new services have been created, the next phase may well be one of monitoring them for performance and validity. But that shouldn't discourage us from acting on the issues as we see them at a given time.

The swing of the pendulum will come and maybe you will start all over again, but it does seem to inch us forward in understanding how complex and remote solutions are.
10. CHANGING CONCEPTS IN CORRECTIONS, 1958-1974

Diverting the Young

Morris: The delinquency area is one in which Rosenberg worked very closely with the California Youth Authority [CYA]. It's interesting to me that a private foundation would be supporting a state agency's research.

Chance: Yes. I think I should say, first, that the Rosenberg Foundation, unlike many foundations, has never restricted its grants to private agencies. Where a government agency is attempting something new that it cannot finance out of its own budget but which, if successful, might be adopted as part of the agency's program, we have felt that we ought to be just as open to applications from local or state agencies as we are from private ones. But we want convincing evidence that the money can't be found in the agency's budget, or that the program is too experimental to be written into the budget at that point. On rare occasions we have also augmented a federal program.

Morris: Have you? That's interesting.

Chance: But it's a rather different circumstance, as, for example, where a project is basically supported by a federal grant but there is an opportunity to add a new element, a discrete component, for which federal money isn't available without a convincing demonstration first, or for some technical reason that doesn't limit the Foundation but wouldn't be possible for the government.*

*An example would be Self Help Housing, where two federal agencies supported specific parts of this pioneering rural program to help farm labor families build their own homes. The Rosenberg grant covered components that were not yet covered by federal guidelines. The grant was not, however, made to the government but to the organization funded by the two federal programs. R.C.
Chance: The Foundation has had a long-term interest in the problem of delinquency, but obviously there is growing recognition of its complexity. Are its causes societal or are they within the individual, or is it a combination? I think we are in a period of skepticism in which we know we don't have definitive answers, but where practically every approach is questioned; yet reasonable people want to find out what is helpful, at least to some children. That is a good atmosphere for studies and research on which to base or test programs.

For a long time, we had, for instance, what later came to be thought of as the simplistic notion that delinquency prevention consisted in funding the Boy Scouts, the Girl Scouts, the Ys, and other youth group-work agencies. I think we're now going back to that, but also beyond it. The research of the last twenty years shows such disappointing results from institutionalization that many leaders feel the emphasis must be on prevention. By prevention some of them mean that to bring juvenile delinquency rates down we must be interested in every child and his healthy development. These thinkers want activities and programs which give all children opportunities to develop into responsible adults. They see the community as the place where this must happen, and so they are interested in the total health of the community—homes, schools, recreational and character building agencies, youth employment, the effects of physical and other kinds of handicaps, and of cultural and economic differences.

Ideally, all children and their opportunity to develop in normal ways are the concern of those who believe that you reduce delinquency by comprehensive plans for youth development. The California Youth Authority is now applying this conception in two or three pilot programs. These are basically community development demonstrations involving self-help methods and much community and youth involvement.

So the old idea of the significance of recreation and character building activities is once again in favor, but now as part of a comprehensive approach to prevention. And the activities must respond to the particular needs perceived by each community.

This vision of a society interested in the healthy development of all of its youth as the best of prevention plans is sometimes referred to as the 'enumerator-denominator' approach. A very good case can be made for it, but except for a few demonstration programs we'll probably have to accept a much narrower idea of 'prevention' for some time to come.

Now, that goes along with another conception that is receiving growing recognition—that society makes delinquents by defining what delinquency is, and that we have cast far too wide a net in defining delinquency, and are pulling many young people whose actions would not be offenses except that they are minors. These are called 'status'
Chance: offenses. There is an attempt now to narrow those definitions. But until that is done, the hope is to divert many of these young people from the criminal justice system.

The current belief of the most recognized professionals in the delinquency field is that you divert at the earliest point you can, because once a youth gets into the system he usually gets more and more enmeshed, with less and less chance of having a normal life. Authorities take these positions because they are convinced on the basis of what research we have that while a limited number of young people must be incarcerated because they are dangerous to society, most delinquents don't belong in institutions and will usually not profit from the experience.

A good deal has happened over the years since the Rosenberg Foundation has been in existence and working in the delinquency field. We have supported both public and private programs, and preventive projects—which we prefer—as well as some in institutions. We certainly don't claim to have made a great impact on the problems of delinquency, but we've had a small part in demonstrating alternatives in adding to the relatively limited good research.

[Pause to turn over tape]

One encouraging thing is that it's much rarer to send a young child or even an older one to the Youth Authority than it was. That results largely from the probation subsidy program. This program didn't come out of anything that Rosenberg demonstrated, except as the implications of the projects pointed towards the failure of institutions to rehabilitate and the sensibleness of keeping a child close to home rather than often hundreds of miles away in a Youth Authority institution. To give counties an incentive to handle the problem locally, payments were made to them for each child they made a plan for in the home community instead of sending to the Youth Authority.

This was a brilliant idea, but few things work out as well in practice. Counties used not only their own juvenile institutions, but also many programs short of institutionalization which they developed. Diverting youthful offenders is one of these. But that, also, can mean that police don't arrest a youngster at all, so that he has no official record, but local public or private agencies may be called on to be helpful.

Or it may mean that the young person is arrested but a non-criminal disposition is made of the case. That is the definition the CYA prefers, but there is confusion about what is meant. A good juvenile judge will find a substitute for incarceration in appropriate cases nowadays. But there are some judges, you know, who believe that a good lesson taught to a child early is the best thing that can happen to him, and a lot of people seem to agree with that approach.
Chance: But counties can misuse the subsidy program by picking up children for minor things and qualifying for the subsidy by not sending them to the Youth Authority. I gather, though, that the amount of the subsidy hasn't kept up with the inflation.

When I came to the Foundation, it was in the period just before the move to keep children in their own communities had developed. Although we have always been more interested in prevention programs than in institutional ones, at that time so many children were committed to the CYA, and for extensive periods of time, that a lot of attention was centered on the institutions. The CYA was considered part of the most enlightened correctional system in the United States. At that time, Richard McGee was the head of the Department of Corrections, and Karl Holton, the first director of the Youth Authority, had just returned to Los Angeles as its chief probation officer. These were both outstanding men in corrections, although amazingly different in temperament. It seemed a good time to help these agencies do some of the things they wanted to do.

The Fricot Project: Small Facility for Small Boys

Chance: The California Youth Authority had developed a research department and they applied to us for a grant for their Fricot project, just after I came to the Foundation. The Fricot Ranch was the only facility for young boys between the ages of eight and fourteen. It was located in an isolated part of the Gold Country north of Sacramento. The fact that they were so young suggests how difficult these kids were; otherwise judges would not have sent them away from home. Since the greater number were from Southern California, many of their families didn't get to visit them often, if at all. The CYA knew they were going to be difficult to keep out of the system, because if you really are incorrigible at the age of eight, it's going to be awfully hard to do much with you.

Morris: You have to have gone some.

Chance: You're right.

The Fricot Project was proposed to us by the Youth Authority because its research department had been established by the legislature with a basic operating budget but no money for special research projects.

Morris: Was this Norman Fenton?
Chance: No. Norman Fenton usually worked with the Department of Corrections rather than with the Youth Authority. We ought to talk later about Norman Fenton because he was a great pioneer, I think, and should be remembered for his deceptively simple but actually very sophisticated approach to corrections.

After considerable study—and this was one example of the board's meeting with an applicant—the Foundation decided to support the Fricot project. The new research department of the Youth Authority was under the direction of Dr. Keith Griffiths who had come from Oregon to take that position. We rather innocently supported the first proposal that the new research division submitted to us, probably because Fricot dealt with the younger children.

The plan was to test whether an experimental group of randomly selected children in a small living unit, for twenty, would be rehabilitated more successfully than children similarly selected who were in a larger unit which housed fifty. The smaller unit had the same number of staff as the larger one. The hypothesis was that you would get better results with the smaller unit. The children would have more opportunity for direct contacts with staff, and these would be of a different quality than they would have had in a fifty-unit dormitory where the business of keeping order and seeing that things were done in a routine and orderly fashion was important in managing the larger building, which housed more boys.

Fricot has since been closed, but it then was under the direction of a man I consider extremely fine in the correctional field. That's Allen Breed, who is now the director of the Youth Authority.

Morris: Was he the first superintendent of Fricot?

Chance: I don't know whether he was the first, but he was at Fricot at that time, in the late 1950s. As much as I dreaded going there, where such young children were wards, it was a joy to watch him with those small boys. They followed him around, you know, as if he were their father, and he was so natural with them. It was really moving.

Morris: He was quite a young man at that time.

Chance: He was. He had young children of his own, and lived at Fricot. His wife was the only woman around there and, of course, she was busy with her own family; but I'm sure that just the sight of a young mother was good for the children. I've often said to the Rosenberg board since, that probably if we had put several women there to mother these kids we might have had more satisfaction than with a five-year project to discover whether a small facility was better than a larger unit.
Chance: That attitude shows you that I wouldn't make much of a researcher. But I believe most of them put up a struggle in a situation like that where they are trying to be completely objective, but get upset over things that happen to the kids. Dr. Carl Jesness, who was the project director, I think suffered a good deal in trying to keep himself aloof from day-to-day issues.

One of the most apparent things was that these young boys were hungry for affection and attention. There were some pretty rocks around the Ranch. When I left I was weighted down with them--gifts from the children.

Morris: There was no school program with female teachers?

Chance: There was a school program, but I'm sure the teachers were all men.

I spent a couple of days there while we discussed the application. Something that impressed me greatly was the openness of Allen Breed, Keith Griffiths, and others. They simply brought the Fricot staff in, and we sat around and talked about the research design. Although I have no skill in such matters, just asking questions based on observation, and having everyone participate in the questioning and analysis on an even footing, led to substantial changes in design.

Research in corrections was very limited in 1959, and without any defensiveness at all, they redrafted the study. I doubt that any of us at that time foresaw the technical as well as practical problems which would be encountered before the five years were over. Nor did I really grasp how complex the research would be.

We discussed this five years later when the project was over, and I said to Keith Griffiths: why didn't we do the community treatment one instead of an institutional one? Why did we do the Fricot one as we did it?

The answer was that 1959 was just ahead of that important moment when policy began to favor keeping children in the community. The issue at the time the Fricot study started was how to make institutions work better. There was very little first-rate research in juvenile delinquency. You just simply had to begin to do it as well as you could, and see what you learn. More children were being committed to the Youth Authority. Programs were based on experience or hunches. It was time to try to find out what worked and why.

The results of the project were, I suppose, rather modest. You couldn't call them a dramatic breakthrough in corrections. The hypothesis was sustained. That is, when the boys were released, there were fewer failures or recidivists among those in the smaller unit than in the larger one. However, the Youth Authority did not follow
These boys long enough to discover whether the rehabilitative successes of the smaller unit held over the years. We should have insisted on this, I guess. But the CYA's experience was that when a ward goes back to the same conditions and surroundings in which his delinquent conduct took place, probably any gains made in the institutions will be lost after a period of time.

The Fricot study still remains one of the few pieces of well-designed research bearing on the size of facilities, and is still quoted to make the case for smaller institutions. That is now a definite trend, influenced greatly by the policy of keeping young people in the community. Because years of forward planning have to be done in state government, putting into practice what you learn from research is delayed.

The unanticipated or side results of the project were noteworthy. First, the CYA, through other research as well as the Fricot study, became one of the most respected centers for juvenile delinquency research in the country. It's true that much of this led to the conclusion that institutionalization not only didn't help most young offenders, but was detrimental. That knowledge has been the basis for trying to divert children from the system, and for keeping them in their own communities with supporting services whenever the public isn't endangered by doing so.

The young project director, Dr. Carl Jesness, stayed with the five-year Fricot project all the way through. I was so new to the realities of foundation work that I didn't realize how difficult it is to keep a good project director over a span of five years. Carl has been since then one of the mainstays of research in the Youth Authority.

In the course of the project, he developed a number of measurement scales or 'instruments'. These were important in analyzing the effect of treatment on different types of boys. In the Fricot research, boys who were typed as manipulators or conformists were helped less by treatment than those classified as immature or neurotic. As you know, there's a dispute about the efficacy of treatment going on right now. Carl Jesness' inventory and other tests establishing classifications for delinquents are used quite widely, and relating treatment to type may finally tell us when treatment is appropriate, and what kind.

It was an expensive project for us, costing more than $160,000 over the five-year period.

I gather that the research was done there at Fricot.

The project research staff was at Fricot, observing the institution and the boys and the staff, and, in the manner of researchers, using tests to see what was happening. Where no appropriate instruments...
Chance: existed, Carl created them. But the project was responsible to Dr. Griffiths in the Sacramento office of the Youth Authority.

Something that was rarely noticed in those days was the environment in which the program being studied took place. 'Environment' can be considered in several ways. First of all, Allen Breed, because of the kind of person he is, established a wonderful environment, if there can be such a thing in a correctional institution. He is considered to be a good administrator, but he carried his management role in a way which did not detract from his quality as a person. He later went on to Preston as superintendent, and in that forbidding institution for older boys he did the same kind of thing, but obviously with many more constraints than he had at Fricot.

But environment also means the physical setting and the buildings. There had been a pioneer in the Gold Country who had made a fortune and left his beautiful estate, Fricot, to California to use in whatever way it saw fit. I don't think he ever anticipated that that would be for two hundred young boys who were pretty troublesome, but that's what the state decided to do with it. In this lovely setting the Youth Authority built dormitories, each of which housed fifty boys. But there was one which accommodated only twenty. This one smaller unit had really been built for the most difficult children, the ones who had to be isolated from time to time. So, ironically, we put our more informal, homey program into the most structured-looking facility they had.

Environmental Design

Chance: Now, what that does to a research design I really can't tell you, but we're trying to understand it. Right now we're supporting a program in which Sanford Hirshen of the UC School of Environmental Design and several people from other disciplines are attempting to make more livable the places where young people in trouble stay day after day. I'm almost certain that this makes a difference in how people feel about themselves.

Morris: That brings to mind the study on detention care that was done in '45 and '46, before your time, but with a Rosenberg grant.

Chance: That's right, and it was a significant study.

Morris: And it, even then, made the point about the environment and what effect it has on the kids.
Chance: I think we are growingly recognizing this, partly because many younger people seem to understand how significant surroundings are to the way people feel about themselves.

My own perspective on that was drastically changed when I was a young woman and was asked by the League of Women Voters to visit the local offices of the Department of Public Assistance and of Social Security.

Social Security--for example, old age insurance--is regarded as a right, and the people who came into that office were treated with respect. The place looked like a business office, and people could not feel demeaned by going there. The County Welfare Department was very different. It was in a shoddy building. The offices were rundown, and rows of desks were arranged so that there was little privacy for the person whose name was called on a loudspeaker. An environment like that does something to people, and I think that must be even more true of penal institutions.

The environmental project I spoke about also assumes that the people in an institution know a good deal about how they want it to look and that they should help to make some of the decisions about this.

Morris: I should think so. Then you get into the whole questions of who is managing the institution.

Chance: That's right. You do. And you also get into a conception that has been of great interest to the Rosenberg Foundation for a number of years--that the products of a social problem, as the sociologists might state it, can also help to solve the problem: that people who are involved in a problem are sometimes more able than others to help people with the same kind of problem.

We have supported many projects in which ex-offenders, or people who have had mental health problems, or an addiction of some kind, or children who have not done well in school, all become part of solving the problem by helping others with similar difficulties. They are not simply passive receivers of services, but are active participants in arranging solutions. It's another extension of the self-help idea.

Prison Guards and Group Therapy

Morris: Is this what Norman Fenton was working on?

Chance: This is part of what Norman Fenton stressed, and it was also utilized by Douglas Grant. Both of these men are original thinkers.
Chance: Douglas Grant is considerably younger than Norman Fenton, who must now be somewhere in his eighties, I should think, and is retired in Carmel.

Morris: I believe he also is just publishing another book.

Chance: Oh, I would love to think he is still that active. Dr. Fenton is one of the most productive men I have ever known. We never funded him when we didn't get a book, or a pamphlet, or a usable something to be disseminated, in addition to the program itself. He was remarkable.

When we first got involved with Norman Fenton, and that was possibly a couple of years before I came to the Foundation, he was working in the adult prison system, attempting to change the attitudes of guards.

My understanding of his belief was that if you could call guards 'correctional officers', and could give them some responsibilities in which they could take pride, the atmosphere in the prison would change and there would be fewer disciplinary problems.

The status of guard in a prison is not a very high one, and Fenton found that it affected their relations with their families, as well as with prisoners. When the guards felt better about themselves, they could ease up on the prisoners. And that had an effect on the prisoners' behavior. The prisoners also met in groups to discuss their problems. A guard sat with them. He did not direct what they were doing, but was able, with the Fenton training, to keep the conversation on the track. He was there as a listener and convener, and not as a professional counselor. But the prisoners themselves learned so much from one another, and lost some of their tensions by discussing their worries.

Dr. Fenton's studies also indicated that this kind of program for 'correctional officers' and prisoners might carry over beneficially after prisoners were released. He was too familiar with the unhappy facts to think that some of the men would not be repeaters; but he did note instances in which earlier offenses might have involved violence, while the new crime did not, and also that there might be longer intervals between crimes if a new one were committed.

I don't mean to imply that he had statistically significant evidence. He was discussing instances he knew about. The record of failure to rehabilitate in prisons is so dismal that even the commission of lesser crimes and of more time between offenses are gains.

Dr. Fenton was also interested in the prisoners' family relationships. I had never seen one of these group meetings and was reluctant to go into such a delicate situation and observe it. Usually we visit Foundation projects, but I felt that an outsider in
one of these groups was intruding on their privacy. But I had a friend from New York who had been a juvenile court judge and she was very much interested in visiting this program.* I finally agreed to go, after the group voted that we could attend. We sat in with the prisoners and their wives. It was visiting day, and the wives were supposed to come with the husbands.

When I was younger I had hoped never to have to visit a prison. It was something I thought I couldn't bear. It was very difficult for me to go into institutions where children were incarcerated as they were by Youth Authority. I had a great deal of trouble with that, and I thought adult prisons would be almost intolerable.

But I hadn't really anticipated what I saw, which was really just so incredibly moving, and that was the youth of the prisoners in the adult system. In San Quentin the group we were with was very young. I would think that all of these men were under thirty. There were possibly a dozen people, aside from us. One prisoner's wife didn't show up. I must say that that man's heart seemed broken. He kept watching for his wife to come, but she never did. It is dreadful to see a human being in so much anguish when there is nothing he can do about it.

Another thing I hadn't anticipated, because I knew so little about prison life, was that these young couples would use the occasion to be close to one another and to hold hands, just for personal relationships that they couldn't have otherwise. They had not brought their children with them.

The amazing thing that happened in the course of an hour in that project could not, I believe—and I have seen a good deal of psychiatry—have happened had a psychiatrist with all his professional knowledge and skills been in charge of the group. It was the fact that people in the same circumstances were sharing a common problem. The problem was that one of these young couples was trying to decide whether to tell the children in the family that the father was in prison. Most of them had told their children that father was in the military service, and this seems to be a common thing to do.

In the midst of that discussion one of them spoke up and said, "How are your children behaving?" Well, each of the other families was having a lot of trouble with their children, which they attributed to the fathers being away from home, which may have been true. But the couple who had told their children that father was in prison said they believed that the other children knew, too. It was known up and down the street, probably, and at school; and so the kids knew, but because mother hadn't told them, they did not talk about it with her.

*Mary Conway Kohler.
Chance: The young couple urged the others to tell their children the truth—that father had made a mistake and was in prison, and that they'd continue to love him when he returned home. Otherwise, the couple felt that the children would get more and more disturbed.

I just have to say it was a very moving thing. I don't believe a psychiatrist could have gotten those families to agree, as they all did before they left, that the mothers were to go home and talk with the children. They were convinced by people in the same situation, although it was a complete reversal of the way they felt when they came into that meeting.

Morris: How wise of the person who asked that simple question.

Chance: The guard quietly kept the subject on the track, brought them back to discussions about it, until they reached a resolution of it. Since that meeting, I have never forgotten how important it is for prisoners, whether men or women, to keep their family relationships while they are in prison. We're seeing more and more of that nowadays, although prisons are located away from cities, and are difficult for poor families—and most of them are poor—to get to. There isn't much research yet in this field, but early studies suggest that men with family and community ties have lower recidivism rates.

The Foundation had a long-term grant with a voluntary organization called Friends Outside, which involves wives or husbands of prisoners, ex-convicts and their wives, and volunteers of all kinds—men and women, judges, police and probation officers—helping prisoners' families and arranging for families to visit in prison and for prisoners to have links with the community when they come out. This program started in San Jose, but is now statewide.

Prison Populations and Civil Rights

Morris: Would you know, from the kinds of grants you were making, at what point the prison population began to be increasingly black? I am wondering if that has changed the situation?

Chance: Well, I think that the big wave of black population came to California with the Second World War. Blacks came into the cities to work in war industries and other places, and from then on there was a constant accretion. The migration from the South continued for a long time, although I guess it has slowed considerably during the last few years.
Chance: The Foundation's grants for institutional projects were not for any one ethnic group. But we all know that adult prisoners and Youth Authority wards are disproportionately poor people from minority backgrounds. I don't know how much that changed the tone of institutions.

But the civil rights movement did make a difference in the prisons. What was happening in the wider society reached into the prisons. Because so many prisoners are young, they brought the more aggressive attitudes with them. The practice of criminal law used to be disdained by most young lawyers, but this changed all through the 1960s as both minorities and *ites became interested in securing justice for poor people accused of crimes.

A smaller but interesting impetus for prison reform, which took quite a spurt during the '60s and early '70s, came from imprisoning middle class white youth during the period in which drugs were so prevalent, and penalties so severe. A more affluent public was now directly involved, with considerable power to effect change.

Morris: That's a curious development.

Chance: It's an interesting one. The more people of different backgrounds, rather than just the poor, who get mixed in these places, the more possibility there will be for reform.

Morris: That will be an interesting thing to watch in the next few years.

Chance: I think so, too, although socially or economically privileged people seem to be sent to places like the federal facility at Lompoc on this coast, where some of ex-President Nixon's men are. At a minimum security prison like that, they will hardly have the kinds of experiences men have in a prison like Leavenworth or San Quentin.

However, I notice that some of these people have begun to feel that reforms are needed, and maybe a different approach to rehabilitation.

California Youth Authority: Staffing and Federal Funding

Morris: Going back a bit, I have a note here on grants to the Institute for the Study of Crime and Delinquency. Was that the sponsoring organization for Mr. Fenton's work?

Chance: I think the Institute may have received some of the grants for Dr. Fenton's work and some for Youth Authority projects. The Institute for the Study of Crime and Delinquency was started for
Chance: several reasons, such as to escape the civil service rules of the state government in selecting staff for projects, and to cut back on overhead costs.

The Institute was a nonprofit, private organization, but most of the members of its governing board were directly connected at a high level with the correctional system in California. I think that initially on it were Richard McGee, who was the head of the Department of Corrections at the time; Allen Breed (he may have come on later) and his predecessor as Director of the Youth Authority, Heman Stark; Keith Griffiths, the chief of research for the CYA; and others who recognized that if you don't have some elbow room in selecting project directors and other personnel for experimental projects and you have to take the regular civil service route, you may fail to get the talent and flexibility you want for projects.

The Institute for the Study of Crime and Delinquency is now called the American Justice Institute, and it has far wider interests in the criminal justice field. Although Mr. McGee retired some time ago from the Department of Corrections, his reputation and energy keep him as busy as ever, and he continues to be the driving force of the American Justice Institute.

The Foundation's latest grant was made directly to the Youth Authority because it was just as inexpensive to do it that way. Additionally, CYA institutions and programs are the setting for the project, and the CYA's official commitment is essential where major policy changes are involved. The agency also has important resources to draw on. If a separate agency had received the grant, the Foundation would not be in a position to exact accountability from the CYA. The 1973 grant enables the Youth Authority to contract for outside consultation in a very touchy program area. The Youth Authority is attempting to create a grievance procedure for CYA wards, using the wards themselves to help work out and establish the procedures. The project is greatly enriched by the CYA's resources, including some of the time of Allen Breed and several of his top staff, for which, of course, we're not charged.

But let me divert a few minutes to mention that for several years in the late 1960s and early 1970s we supported few projects in the delinquency field. The amount of federal money was so great that most programs, especially those proposed by government agencies, could get funded. During that time few excellent proposals related to delinquency came to us, because almost everything could be taken care of. Private agencies, too, could get LEAA funds if recommended by the panels.

Then came a more restricted period which began perhaps a couple of years ago, in which federal policies and guidelines were narrowed
substantially and state policies were such that it was much more
difficult to get an experimental program introduced into an agency,
because it either wasn't within the new guidelines of the federal
government or it was simply hard to get through the state Department
of Finance or the governor's cabinet. So, once again, the opportunity
opened up for the Foundation.

Grievance Procedure for Young Wards

I was intrigued by the realization, first of all, that there was again
a role for private foundations, and a real role, because there were
important things that could not be done by the Youth Authority without
outside private assistance again; and, secondly, the Youth Authority
was willing to try a very advanced kind of program in which wards of
the Youth Authority, working with outside consultants, would formulate
a grievance procedure for themselves and help to spread it throughout
the system.

That is a pretty forward-looking move, and they've had far more
difficulty than we perhaps anticipated. One of the reasons for those
difficulties is that young people in Youth Authority institutions
quickly learn a good deal about the system and know that the way to
get out is by observing the rules and conforming. If you are going to
set out your grievances, the question is whether you will be penalized
for doing so.

It takes a shift in the culture of the institution to get kids to
believe that they can express their grievances and not have it counted
against them when they come up for consideration by the Youth Authority
board. This has been not an easy thing to resolve. It's hard to
convince kids who have seen it happen the other way that if you do what
the rules now say you can do, you won't be jeopardized.

This is fascinating from a generalist point of view, in terms of young
people in their other institution, schools.

Yes.

I wonder if there will be any feedback between the various social
institutions as a result of this project.

Now, what are you saying again?

In the public school system, which is the institution with which kids
chiefly come in contact, I understand that there is the same reluctance
to express one's grievances.
Chance: Yes, that's usually right. I think it may, since the CYA will attempt to develop a grievance procedure in community based programs, too, and so, at least informally, other teenagers will hear about it.

I believe Allen Breed is very much in earnest in wanting this program, or he would not have asked for a grant to hire outside consultants to help with it. There is said to be only one agency in the country that is expert in this field, the Center for Correctional Justice, and it is based in Washington, D. C. A fascinating young woman lawyer named Linda Singer is the head of it. She is going to be teaching at Stanford next semester, and some of her clinical material will be drawn from this project.

Her organization consults with prisons and other correctional facilities in various parts of the country. As a consultant to the Youth Authority she and her colleagues don't simply confer with top management; she and her team go directly into the institutions and work with the superintendent, staff, and wards in setting up the grievance system. A community committee or other outside relationship is part of each plan, so that the wards know they have recourse beyond the institution.

Bringing in outside people assures the young offenders that they really are going to have freedom to express what they believe to be injustices, and not be punished for doing so. The program started in an institution in the Stockton area that used behavior modification as the treatment method. In behavior modification you are rewarded for doing the right thing, for observing the rules, and something is taken away from you for not doing so. Now, when that is combined with a grievance system which encourages you to assert your rights, you've got a pretty complicated thing going. It's confusing to the staff and it's confusing to the kids. It's hard to work out, but I hope they're going to make it.

Courts have increasingly ruled that people in institutions have rights. Although there seems to be a leveling off of this kind of decision in the Supreme Court and some lower courts, we have been through an active period of legislation and particularly of judicial decisions which have given a lot of impetus to recognizing the rights of people in various situations, including within institutions. So, there is now developing a whole new field of law applicable within correctional institutions, but it's probably far better for the institutions to take the lead and develop realistic programs before the courts intervene.

If the Youth Authority had simply promulgated a grievance procedure, it's very likely the kids would not believe it to be real. But when the director brought consultants in from outside and picked the most promising institution to pilot it in, and asked wards
Chance: themselves to participate in the planning, you have to take it seriously. Of course, you can't foresee all the problems; they begin to come out in the first year of operation. I gather that the wards are apt to start with small protests that are not that jarring, and then move on to things they feel quite strongly about, such as the length of their hair.

It's kind of ironic to see the problems that arise out of benevolence. Allen Breed is a very humane man, and when the wards protested not being able to wear their hair longer he ruled against them. He had in mind, I'm sure, that when they came up before the Youth Authority for a decision as to when they could be released, if some members of the board saw them with long hair and looking quite disheveled, the board might get impressions that delayed their release.

I think Mr. Breed's desire would be that wards be moved out as quickly as is practicable, because there is no evidence that keeping them longer rehabilitates them more successfully. So, I think that his ruling, while it was very disappointing to the kids, was really made out of concern for them.

Morris: That was not discussed or explained as the reason?

Chance: I don't know. Finally, he was overruled at a later stage in the grievance procedure and the boys were permitted to wear their hair longer.

Morris: Earlier, you mentioned Friends Outside as a private organization helping prisoners. Does it have any relationship to the Northern California Service League? They've both received Rosenberg grants.

Chance: We talked some about Friends Outside. It was started by an extraordinary woman of English birth whose husband was at the Stanford Research Institute. She visited the Santa Clara County jails while trying to decide which candidate for sheriff she would vote for. She saw such pitiful things in the jails that she immediately started Friends Outside to help prisoners with family emergencies.

Rosemary Goodenough had little interest in professionalism. She didn't think the kinds of problems she was finding in jails necessarily required an MSW degree to solve. A man would be frantic because his wife didn't know he was in jail, and there was no food in the house, or she was about to have a baby. He needed to know what was happening. She got her friends and acquaintances to help make the visits and telephone calls and do the babysitting or find the needed clothes or get the mother to the doctor.

Within a few years this extraordinary volunteer had hundreds of people involved, and they came from all classes and races. Prisoners' wives worked with everybody else. There were nursery schools for the
small children, and college students tutored youngsters whose fathers were in prison. There were mothers' clubs and summer camps. I've rarely seen so much variety in a project, or so many different kinds of people.

Finally, the load just got too heavy, and so the Rosenberg Foundation made a grant for modest basic expenses. The whole thing might have collapsed had Rosemary Goodenough been the kind of person who couldn't let loose. But she had that gift, too, having convinced herself that the person in charge would handle the program in the spirit in which it had thrived. Anyway, she had other plans in mind. As the men in jail were sent to prison, they went to institutions up and down the state, often hundreds of miles away. So Mrs. Goodenough asked the Foundation for three thousand dollars to explore creating some new Friends Outside organizations in various parts of the state, often near prisons. These she nursed into being. They picked up weary families and drove them to the prisons--have you ever tried to get to Tehachapi? They took care of children while the parents visited, and expected an exchange of favors when prisoners' families from their areas went to other parts of the state.

By then a new service was developing. The Department of Corrections let Friends Outside place a person in one prison to deal with family emergencies. The Hancock Foundation supported that. Now there are Friends Outside helpers in a number of California prisons.

The Northern California Service League is another private organization which works mainly in the jails. The project we supported demonstrated an alternative to incarceration. It was before the movement for alternatives and for diversion was strong, and although the project had considerable success with the men it helped, the plan was not picked up by the authorities at the end of the demonstration.

Institutional Buildings: Planning, Form, and Function

I didn't mention before the ironical twist to the Fricot project. Even as their findings were coming out on the significance of smaller living units and supporting the case for smaller facilities, since the state must usually plan years ahead to get facilities built, a number of good-sized institutions were already on the drawing boards. They had been voted by the legislature earlier and without knowledge of what the research would show, in order to have facilities ready when the projected number of young people became CYA wards.
Chance: Actually, several major policy changes were made in the interim. The benefits of smaller facilities were not as important as the experiments in community treatment, which indicated that most young wards will do as well or better in their own communities in appropriate programs. And it usually costs less.

The CYA's famous Community Treatment project, which started a trend that is still gaining strength, had no Rosenberg money, but we were supporting other community-based models, such as the Silverlake experiment, which were influential in reinforcing this trend. And where young people are placed in local facilities, it's accepted that if possible there should not be large institutions but smaller units.

The upshot of the community treatment models and the state subsidy to counties program was that the CYA overbuilt during this major transitional period because the legislature probably could not have foreseen these new directions when it appropriated funds and planning started.

Morris: Heman Stark talked about being caught in this bind while he was director of the Youth Authority. The legislature had approved a whopping sum of money for a new large institution and he went to them and said: I don't really want a large institution. What I want to do is start this county subsidy to keep the kids out of the institution. Will you let me use the money that you have budgeted for this building for a probation subsidy program instead?*

Chance: And what did they do?

Morris: They said yes.

Chance: Well, the subsidy for counties to keep youthful offenders in their own communities was an inspired idea, and began the move to community treatment. Like all ideas, this one had weaknesses in implementation, but it was clearly a major step in corrections. The subsidy plan didn't actually begin until 1966, and didn't stop the building of some CYA facilities which were already authorized, but several of these were not opened, or older ones were closed.

The small living unit experiment recognized that some percentage of young people, hopefully a small one, will be committed to Youth Authority institutions to protect society, and so there have to be some buildings, but they should be differently designed.

Chance: And when children are kept in their own communities they shouldn't be in large county institutions like juvenile halls. If they aren't to be in their own homes with appropriate supportive help, then they should be in foster homes or group homes or day center programs whose atmosphere is different from that of big institutions. But we still don't have any CYA twenty-bed institutions that I know of, unless they've done it by partitioning.

Morris: You're saying that the planning for buildings can interfere with flexibility of programs?

Chance: Yes, I believe buildings can interfere with programs or can enhance them. We also made a grant at one time to the Marin County Probation Department to design a facility for a particular kind of program for delinquent children. This was when Dean Lohman of the U.C. School of Criminology was still alive. He was a controversial, fearless bull of a man. Since we had financed the plan, he and I were asked to speak at the dedication of the building. I made a naive speech in which I congratulated Marin County on its attractive, homey building which was so well designed for the special kind of program for teenagers about to begin there.

When Dean Lohman spoke, he quickly brought us down to earth: "Do remember," he said, "that facilities are rarely used in the way in which you have planned for them to be used." He predicted that within five years the small institution would be overcrowded and that the program would not be the one for which the building was planned. He was right on all counts except that it didn't take five years.

Out of his experience as sheriff of Cook County, Illinois, in which Chicago is located, and from looking at prisons and jails all over the country, he realistically assessed the probability which I had by-passed in my idealistic talk.

I can't say I regret that we made that grant, because I think important experience was gained by an unusually fine project staff whose professional career since have been outstanding. We did not achieve our main goal, but just as the Fricot project trained good career people for the Youth Authority, the Marin grant helped to develop unusually competent people who have influenced the lives of thousands of children. And I was taught a lesson which influenced my analysis of many later applications.

Evaluation: Primary Goals and Alternate Achievements

Chance: So, you may call it rationalization when you start to evaluate what you got out of a grant if the major stated objective wasn't clearly
Chance: achieved. But I consider it acceptable to ask, "What else did we learn?" and to say, "Well, we really don't know whether those Fricot children got along better after a five-year period than the others did." We learned, too, that they have a better experience in the institution, and this may be helpful in their later lives. We know that there is a movement, and it appears to be a healthy one, toward putting children in smaller groups--in fact, I believe it's now CYA policy.

We learned that it is hard to coordinate the huge planning of a state with what's being found out in small projects. We do know that very capable people have been trained who learned a lot from the project, and have produced some ways of relating a ward's characteristics to the kinds of programs that might help him change.

Above all, we learned how profoundly difficult and long term it is going to be to slowly build knowledge about delinquents and delinquency.

Morris: How does the board feel about that approach?

Chance: Well, as I think I've said before, the board is always wishing that we knew more about the significance of projects the Foundation supports, and we know that much more evaluation needs to be done. But finding effective ways to evaluate can be baffling, too.

For instance, in the middle of the Fricot project, Allen Breed was transferred to the CYA institution at Preston. The subtle and not-so-subtle changes in atmosphere at Fricot when a new superintendent with a different kind of temperament came in were, I think, discernible in the project. But there is no way of knowing what would have come out differently had he stayed.

So, the board is aware that it just has to adjust to the fact that we don't know how to measure or understand all the effects of changes in the course of a project. And sometimes the significance of a project can't be estimated for years, as Heman Stark will tell you in relation to the study of young transients the Foundation supported just after the Second World War.

In the late 1950s the Foundation also supported a study proposed by the Governor's Advisory Committee on Children and Youth of The Older Girl and the Law. It wasn't timely. The study was a good one, but the findings weren't utilized. Think how differently such a study would be treated today!

A number of foundations feel that bringing in a journalist who is used to asking astute questions, as you are, and who goes and takes a good look at a project and asks discerning questions about it--they often feel they're getting as much that way as they need to make a satisfactory assessment of some projects.
Morris: It would be difficult to set up a quality control system such as you can for refrigerators.

Chance: Yes. And yet there are among some people discussions about making cost-effectiveness the major criterion of success. We do have to work out some better ways of being accountable, but that is a wider subject we may get to later.

Perhaps I should say that evaluations can also make you cautious. The Ford Foundation, for instance, in *A Foundation Goes to School*, which is a retrospective evaluation of Ford's school projects over a ten-year period, learned about a number of things that didn't seem to work. It's a courageous thing to have done. But now applicants tell me they sometimes feel the evaluation has made Ford too cautious.

I think we all learned a great deal from those Ford projects, and from the evaluation. The truth is that although we assert that foundation money is venture capital, none of us really likes to fail. But to me some kinds of failures are more tolerable than others. If an idea gets a good test but doesn't work out, that has value. But I dislike a failure where I've misjudged the quality of the people or their commitment. Then you don't know what you've got, because you don't know whether the plan has been tested adequately.

Morris: When you get the final reports from grantees at the end of projects, do you take those back to the board at all?

Chance: We try to feed the information back in some way, but we're not very successful. The board is so busy coping with new applications that what you usually do is to summarize the results when you are writing up a related new proposal. That reminds the directors both of what they have supported before, and which ones have been worth doing.

Let's simply say, too, that final reports from grantees are not in any sense evaluations, although they're often very honest attempts at an assessment.

Morris: On a subjective basis?

Chance: Yes, seen from the point of view of those involved.

But to go back to your question: although we aren't as systematic as we should be in reporting results at the end of a program, every project that lasts more than one year, and that is most of them, I believe, is reviewed by the board at the time the renewal is considered. There is a thorough analysis of the project and an evaluation of its progress before the board decides whether to continue support.
Project Design: The Silverlake Experiment

Chance: Now, in something like the Silverlake Experiment in Los Angeles County, which was a four year project, the Foundation supported rigorously designed research comparing the effectiveness of two programs for serious young offenders between the ages of fifteen and seventeen.

Both programs were under the auspices of Boys Republic, a highly regarded private institution in Southern California. The staff and board wanted to know whether they could do more effective work with delinquent boys than they were accomplishing in their pleasant rural setting, which had a traditional program of school, work, counseling, and recreation. Boys Republic asked La Mar Empey of the Youth Studies Center at USC to help them plan an alternative program for twenty boys in a residential area of Los Angeles, and research what happened.

The resulting book, The Silverlake Experiment,* can, I think, be fairly described as a report on a classic piece of research. It's remarkable because Boys Republic and La Mar Empey agreed that the community program would be based upon a theory of delinquency, and that an intervention strategy would be developed to test whether the program instituted reduced delinquency among these boys as compared with a random sample of boys in the traditional Boys Republic program.

It was an innovative attempt to deal more successfully with serious delinquents, and La Mar directed the research with great integrity.

I won't detail the theory except to say that it hypothesized that lower class delinquents who were poor achievers and who associated almost exclusively with boys like themselves became part of a delinquent subculture which gives them their only status, recognition, and sense of belonging. The program attempted to intervene with them in such a way that the entire group became the target of change. The group emphasized law-abiding behavior. Pressures were generated within the group as the members became the medium of change.

I can't go into the intricacies of the program, but they carry a warning for community-based programs—the tremendous difficulty of getting the neighborhood and the school to accept these boys, although the research showed that they offered little danger to the community.

Chance: La Mar Empey is a remarkable man as well as sociologist. In the first place, he was deeply interested in the boys in the project, but this did not affect the toughness of the daily sessions—called guided group interaction—in which the boys mercilessly pressed on one another to change. It's very rough going.

Morris: They used to be called "lemon sessions" by high school students.

Chance: Well, these were pretty bitter medicine. But La Mar recognized that for these boys life was very harsh, and he was trying to find a way to get them back into a normal life. He never forgot that each day they spent in the program was subtracted from their time for freedom, and that time is as precious to them as to other young people.

He was too intelligent as a person and too experienced as a practitioner and researcher to promise us any panaceas. He knew that human behaviour is very complex, and that well-designed research based on theory is sparse.

What the research established is that the outcome for the boys at Silverlake (the community residence) and at Boys Republic were about the same. But the community-based program was less expensive per day, and the Silverlake boys stayed an average of six months as compared to thirteen months at Boys Republic. So approximately the same results could be obtained in a shorter time and at about forty percent of the cost at the original institution.

That's a disappointing result for people who want fast, sure cures. But it confirms again our lack of knowledge of what to do about the overall problem of delinquency, and the need to go beyond the hunches that come from experience and do some careful research. And we'll have to be satisfied with small gains in knowledge and sometimes with negative findings.

The Silverlake experiment is one of the unusual projects in which the board funded a complex evaluation of a program. We're much more oriented to support of programs, with less formal estimates as to whether they did well or not.

Morris: The book was planned into the project from the beginning?

Chance: The design was there before the project began, but I did not require a book. I did expect a final report covering the research and its implications. Dr. Empey wasn't satisfied that he could cover the ground fully that way, and so he decided to write the book; and, of course, I encouraged him to do so.
Chance: The Silverlake experiment has really changed the way in which Boys Republic operates in Southern California. It now has small group homes in several nearby communities, and we recently began supporting mainly the research portion, not nearly as highly structured, of a program in which Boys Republic is concentrating attention on the schools. When La Mar Empey got through with the Silverlake experiment, he said: I would never do it again in a residential setting. I would do it in the schools, because if the schools don't change, you're not going to change the major institution where you have most of the kids.

The public school tended to blame almost everything unfortunate that happened on the group of boys from Silverlake until towards the end of the project, when they began to get more accepting because of their experience with the boys.

The current Boys Republic project cooperates with the schools. It uses ex-ward or wards to work with junior high school children who are predelinquent.

We were hesitant about this project, because, once again, it involves early identification. We have been careful to be assured that parents were willing for their children to enter the program, and to insist that no pressure be put on them to do so, because it is a possible marking of the child. But what they really have found is that a lot of kids want to be in it.

Morris: Isn't that interesting.

Summarizing

Morris: We've talked a lot about the Youth Authority. Are there any other projects within the delinquency and corrections field that have been striking innovations?

Chance: Well, let's just quickly summarize by saying that we've talked about the Youth Authority: the Fricot project, and the grievance project that we're helping now, and the rationale for granting to government agencies. We've talked about the Norman Fenton programs, which were much more directed toward the family, the young family, than they were to juvenile offenders. They were an attempt to humanize the institutions in such a way that contacts were kept with the outside world, and tensions were reduced in the prisons.

Now, Dr. Fenton did some of his work at Soledad, which has since seemed to be at times an armed camp. Ethnic awareness has become much more intense since then. Although there were disproportionate numbers
Chance: of men from minority backgrounds in Fenton's day, we hadn't had the
civil rights awakening yet. At that time I think Soledad, although an
adult prison, did not even have any gun turrets.

We don't know what is going to happen in Youth Authority institutions
where half the young people are now sent by adult courts, not juvenile
courts. We are making a junior prison system out of the Youth Authority,
and really can't tell yet how that is going to change the nature of
Youth Authority institutions.

The current atmosphere of society is reflected in the prisons, as
I've said; the civil rights movement, the violence, the rest of it, is
reflected in the prisons, and there is also a hardened mood in society
at the same time that we are learning more about the kinds of programs
that are futile. The two will sometimes beat odds.

Morris: Did the changes in guards' attitudes that Norman Fenton noted continue
on into later projects?

Chance: I honestly don't know. We haven't supported much in adult prisons
since then, with the exception of Friends Outside. And it usually
takes a Norman Fenton or some determined person or group to maintain
gains, especially when the times change drastically. But you have to
assume that in-service training is doing something, and there is more
knowledge, limited as it still is, in the criminal justice field.

There isn't yet real agreement on how to train people to work in
prisons. But some things have been learned from many projects with
different approaches. The Rosenberg grants fed in small ways into
this accumulating knowledge and experience.

Morris: With all of these grants to the Youth Authority, I wonder if the Tax
Reform Act of '69 raised any questions, either from people requiring
the reporting or from the board, as to the propriety of the Foundation
supporting state projects?

Chance: No. No questions have been raised, except as the board wants firm
evidence that the money needed can't be gotten from government sources.
In fact, the easiest grant a private foundation can make is to a
governmental unit for a philanthropic purpose. More accountability is
what is required by the statute. If a foundation makes grants to the
most accepted institutions in our society--the governmental units, the
universities that are well established, the private agencies that have
a long history and have become recognized--these are the easiest to
deal with under the new law. That's because they are publicly
supported, either by tax money or by contribution, from a widely-based
public. To be 'publicly supported' gives them a privileged status
and they are the organizations that are treated with the greatest
tenderness by the Tax Reform Act.
Chance: Those that are least favored by TRA and require more monitoring and reporting are new kinds of organizations or programs that recognize some of the new trends—for example, where some previously excluded groups such as minorities and women establish and operate their own programs, or where young people create projects which may not be in line with the status quo, or where ex-prisoners or former drug users engage in self-help programs—the emerging kinds of things which, because they are somewhat untried, seem to be suspect.

These are the projects where private foundations have what is called expenditure responsibility, because they ordinarily would not yet have broadly based public support. If only a private foundation supports them they take on the status of the source of funding. If the source is a private foundation such as Rosenberg, then its grantees may be classified as private operating foundations, because you mark them with your own status through the grant. The result is that both you and they have to do special record keeping and reporting about both expenditures and program, and their activities are more limited than those of public charities. On top of that, a foundation's 'managers'—that is, its trustees and staff—can be fined if a grantee gets over the limit.

Morris: That's absolutely fascinating. But they don't question funding for a project within a state agency, which may be a whole new approach, like helping young offenders to express their grievances.

Chance: No, not as long as it has a philanthropic purpose; and, certainly, a grant to the Youth Authority, one of whose aims is to rehabilitate young people, is for a philanthropic purpose. The government problem you might have probably won't be with the IRS, but with the state—whether the grant can get through the upper echelons of state government, whether the Finance Department and the governor's cabinet will accept it as being sufficiently in line with the kinds of policies and practices they want in correctional institutions.

You understand, of course, that we don't initiate these programs. We don't propose them to the Youth Authority. The CYA comes to us and asks whether the Foundation would consider financing part of a program it wants to do.
11. BROADENING TRADITIONAL YOUTH AGENCIES

Primary Prevention

Morris: When we started out on this, you said that there is a return to the idea of delinquency prevention through strengthening services to the whole range of children, and that prevention has been Rosenberg's primary concern.

Chance: Yes. Our main interest has always been in prevention, but, as I've said, we had what seemed later the perhaps naive belief that if you just give kids good opportunities to develop, anything you do in that way is preventive. Now, there is a kind of return to this idea, but with a more thoughtful rationale and a more comprehensive approach.

The Youth Authority is moving in that direction in its prevention programs. It's encouraging programs for all youth, under a variety of public and private auspices. It's interested in healthy community life and opportunities, and in self-help programs in which young people have some of the initiative.

Morris: I was thinking also of a couple of grants I came across to the Girl Scout organization and the Campfire organization. Are those organizations seeking ways to broaden their programs?

Chance: We have not been supporters of traditional agencies for traditional purposes, with a few exceptions. But wherever a traditional agency, with the rich investment that society has in it over so many years, is ready to try to make a change in a new and more modern direction, we are open to applications that come within our current policies.

For example, the Girl Scouts and Campfire Girls were usually considered rather upper and middle class programs. We have made grants where they ask for help to widen the range of children they serve, and to revise their programs to be more sensitive to children from different cultural backgrounds and their families.
Scouting, YMCA, United Crusade

Chance: There was at one time on the Girl Scout national staff a very gifted woman whose name was Lueda Boswell. She was sincerely interested in minorities, both in the cities and in the country. We made a grant to the Girl Scouts to introduce Girl Scouting to migrant children, and it was one of the most incredible things.

Women who worked in the fields were recruited and trained as group leaders. They would have their Girl Scout meetings after they came in from work in the fields. When families moved on to a new harvest, they'd start another group. It was a remarkable program for the 1950s.

Miss Boswell had a poetic quality and wrote movingly about her experiences. The project report was given at one of the annual meetings of the National Conference on Social Welfare, and I believe was then published in their Proceedings. It's been widely distributed beyond Girl Scout chapters.

How deeply these programs get rooted is hard to say, especially when they are a little ahead of the times and are on a rather short-term project basis. You are gambling that even if the United Way doesn't give them additional money, their own boards will be so convinced by the demonstration that they will absorb the cost in the agency's budget, even if it means giving up something else.

Usually, before the Foundation makes such a grant you'll discuss it with the United Way for that area, to be sure that they are aware that they may have to augment the agency's budget later, and believe the program enough of a priority to be open to considering additional funding, or to work with the agency to include the new program by rearranging its own budget to cover this new priority.

A three-year grant to demonstrate serving a new clientele would probably decline in amount in the second and third years, so that the agency is carrying a larger amount of the costs each year, and it is practical to assume that the costs can be absorbed at the end of the grant period.

That's been a ritual with foundations for a long time: the magic 'three years and out' formula, but we've all learned that in many cases it isn't realistic. And so we've done a lot of thinking about responsible grantmaking which doesn't let a good program die while we launch another new one.

But what we do know about the Girl Scout projects is that they were among the very earliest efforts to reach minority children and to experiment with recruiting indigenous leadership. They provided
Chance: some of the experience which others could use when new outlooks began
to move all group work agencies to serve a wider population. I'm not
saying that all of the problems have been solved and that it's now
routine. But there is progress.

Although we were interested in changes in traditional agencies, we
also knew that ethnic groups wanted to set up their own programs. So
in the 1960s we helped organizations such as the Real Alternatives
Program (RAP) get established. There a group of young men from the
Mission area of San Francisco worked both in preventive programs and
with young delinquents. I'm sure RAP was not a comfortable agency for
some of the established public and private services, nor did we always
have a serene relationship with it, but changes of this kind were
overdue.

I think nowadays that, especially in the Bay Area, a real start
has been made by the United Way in recognizing the entire
population in the programs it supports, and not just the middle class
youngsters who used to be served in most of the group work programs.

We've helped a few YMCAs, too, and had some good projects.
Compton, in Los Angeles County, is one of the largest black cities in
the country. With Rosenberg grants, the low budget YMCA there has
used black college students as paraprofessionals. In East Los Angeles,
which I believe has the largest Mexican American population of any city
in the United States, young chicanos adapted the Y's program for younger
boys to appeal to Mexican American parents.

YWCAs are usually outstanding when they decide to go on something.
If you've got a good YWCA, it will do unusual things in advance of
many others.

Morris: Are you thinking of the YMCA and the YWCA as a regional organization,
or of some of the individual city Ys?

Chance: Both. We made a grant several years ago to the national YMCA to do a
program which was to be carried out in California. This was an effort
to include the entire family and to use various parent effectiveness
training techniques, so that activities would become more family-
centered instead of separating the fathers and sons from the rest of
the family. That movement is going quite strongly in various parts of
the country. Some of the younger members of the staff were very much
attracted by this approach, and it has influenced a number of programs
here in California. While I was never sure that it was a priority
with the national board, it had considerable local appeal.
Chance: In the YWCA our grants have not been to the national in my memory. We supported a remarkable program related to the YWCA in Oakland which changed state policy on the education of pregnant girls. This was an offshoot of the Oakland Ford Foundation Gray Areas project. In fact, Oakland received the first grant in this series of big city projects which were the precursors of the poverty program.

Morris: I'd like to hear about that.

Chance: Well, that was a very interesting situation. The Ford Foundation was supporting, in its Gray Areas projects, comprehensive efforts to develop innovative programs, to coordinate what was going on, and to get interagency cooperation. They were working across department and even across levels of government lines, as well as with two private agencies, attempting to get the various health and social services and the schools to cooperate. In this aspect it was somewhat like the San Mateo project supported by Rosenberg a number of years before the Ford effort. I suspect Ford may be as bewildered as we about how much success they had.

There was a good deal of pregnancy then among school girls, and many were minority girls. Families of white, middle-class girls tended still, at that time, to send the girls away to the Florence Crittenton homes or similar institutions to avoid being 'disgraced'. That doesn't happen much any more, since abortion and contraceptives are available and the atmosphere has changed remarkably swiftly about marriage.

The Oakland YWCA told the Ford project that something ought to be done about these girls, who were immediately eliminated from school as soon as their pregnancy was discovered. They were sent home, and there they tended to be hidden by their families because of the families' shame. Only a few girls were permitted by the schools to continue their education by having a visiting teacher come to their homes. The policies were very limited and strictly enforced. Girls had to be within a certain period of graduation and doing very well scholastically to have a visiting teacher.

Morris: It's not a likely combination.

Chance: You're right. So most of them just plain became dropouts from school from then on, because they had a baby to take care of and they had lost their place in the school.

I knew that there had been a surreptitious project in Los Angeles County which had not been reported even to the school board there, in which they were bringing a small group of pregnant girls together each
Chance: day with professionals who were sympathetic from the schools, from the health and recreation departments, and possibly from other interested agencies. The girls were getting good prenatal care, keeping up with their studies, learning that there is something to recreation besides having relations with a boy.

So, having heard of this project through the grapevine and then seeing a list of needed projects Oakland had offered to the Ford Foundation for funding, I noticed that Ford had turned down the pregnancy project in which the YWCA hoped to work with the recreation department, the schools, the health department, and others on a program similar to the Los Angeles one, which would bring the young women together at several sites in the city for a variety of services they needed during pregnancy, including keeping up with their schooling.

The Rosenberg board agreed to fund this specific program which Ford did not want to support.

Morris: Did you fund it directly to the Y?

Chance: We funded to the City of Oakland and its Interagency Project.

Morris: Did that work out of the Social Planning Council?

Chance: I think that at the beginning of the Ford Interagency Project the Social Planning Council was supposed to have an important role, but it didn't work out that way. Dr. Norvel Smith, who, by the way, is now a member of the Rosenberg board, was the project director, and he was much more related to the government agencies. It is very difficult for a private planning agency to exercise any control over several public departments which have huge budgets and functions set out by statute or local ordinance or regulations.

You see, after Ford had demonstrated the dimensions in which you have to work in a community (they had not demonstrated them very successfully, but bless them for trying to at all), then came the federal poverty program, which was built to a large extent upon Ford's experiences in a series of projects. When the poverty money came, the Interagency Project, I think, became the basic community action agency, or whatever that was called in Oakland.

Morris: I was never clear whether that was a separate, independent entity, or whether it was attached fiscally to the city government, or the county, or Social Planning.

Chance: I think it was all accounted for through the city. Since one of Ford's purposes was to get cooperation among city, county, and even state agencies, I'm quite certain that the city received the money, and that the Rosenberg grant was made to the Oakland Interagency Project, and was paid to the city earmarked for the program we were supporting.
At any rate, in the pregnancy project, the interested agencies located several recreation centers in different parts of town which were accessible to the pregnant girls and brought them together in groups with a teacher, a public health nurse, a recreation person, and the YWCA social worker, who was an extraordinarily able young woman named Billie Jo Raines.

The Oakland schools did not know that as the State Department of Education interpreted the law and regulations you could not use a visiting teacher with a group; these teachers were only permitted to go into individual homes. That's not very economical when you could do so much for so many more girls if you brought them together where they had some companionship, continued their studies, and received prenatal care.

This Oakland project was significant as a turning point in state policy. The Los Angeles program had been done secretly. The Oakland schools fought the State Department of Education's policy in the open, and won. That meant that other school districts could set up similar programs.

But the Oakland YWCA took strong leadership in this project, and if it had not been for their excellent social worker who coordinated the program among agencies and departments it would never have worked. The YWCA was not only open to change, it helped initiate a decisive institutional reform in a government agency.

We funded a project of the Los Angeles YWCA which I thought a very good illustration of the agency's taking a new role. In the first place, the Los Angeles YWCA has had one of the most successful Job Corps in the country. The Department of Labor financed a women's Job Corps operated by the Los Angeles Y. I have been very critical of many of the Job Corps, such as the Litton effort at Pleasanton and others, in which industry in a slack period contracts to run a program for young people.

The YWCA knows a lot about girls because that's their business. They needed help on the job training side, but they certainly knew how to work with young women. YWCAs have been ahead of most established agencies in accepting girls from a variety of social, economic and ethnic backgrounds.
Chance: So the pioneer here was not a foundation, but the federal government through the Department of Labor and the Poverty Program. They awarded the money to the YWCA to demonstrate what could be done with a residential women's job corps to train young women for jobs, and they've had one of the best of these programs. It was kept when many others were phased out.

Then the Los Angeles YWCA was creative enough to suggest that there could be a non-residential Job Corps for local girls, and the federal government funded them to do that, in addition to the more expensive residential one. It was the first program in the country of that kind.

From all this experience the YWCA realized that most girls had only a few ideas about occupations for women—secretary and stewardess were common among these. This was several years before the women's movement really hit. Most of them had romantic ideas about what their lives would be like, and many had fantasies of living like screen stars. There was this movie idea of what life is like when you're married, and they all thought they were going to be married. They had not seen the statistics that said that large numbers of them would work most of their lives, either because they wanted to or because they absolutely had to.

Morris: Married or not.

Chance: That's right. So, because the YWCA has had so much experience with girls, and now also knew considerable about vocational possibilities, the Foundation gave them the money to try a career information program in cooperation with some Los Angeles County schools. They have done very well with it. In a reversal of the old pattern, the Foundation's project was bolstered enormously by experience the YWCA gained in its federally supported Job Corps programs.

The counselling of girls in schools is still pretty minimal, I think. Don't you?

Morris: I think so, perhaps because the counselors are mostly of a different generation.

Chance: That's certainly one reason. And they're still mostly used for purposes other than vocational counselling. That's a specialization in itself.

Morris: Yes. I don't think the counselors per se see career guidance as their major function.

Chance: No. It's an extremely complex field, and hardly anybody is able to master the enormous range of possibilities in the job market.
Morris: It's always seemed to me that the schools did a much better job of career exploration in the early primary grades, where they study their home town, the policeman, the public health nurse kind of thing.

Chance: That's a good place to start.

We're now helping to support a new organization called Change for Children. The program is at the preschool level. They are working with teachers, parents and young children to encourage the belief that a child should be able to have whatever interests appeal to that particular youngster, whether the activity is usually considered to be masculine or feminine. They are concerned about the boys as well as the girls. It's not strictly a women's lib project, although their motivation comes from the women's movement, but they recognize that stereotyping works both ways.

Perhaps, since we're talking about schools and career planning, I should mention one of the Foundation's best known grants. In the 1950s the Santa Barbara County schools, working with a citizens advisory committee, and with all school districts in the county, gave every high school student a continuous experience in industry or business or a profession as part of his schooling. This tested the young person's interest, because the teenager decided what kind of job he wanted to work at. The program often led to employment or to similar training in college. Then, too, some students as a result of their work experience changed their minds about what they thought they had wanted to do.

Legislation was passed so that other school districts could use this experience-based educational approach. The project got considerable national attention. It was favorably evaluated by a team from UCLA—one of the few projects where we've paid for an outside evaluation, although occasionally some government agency will let a contract to evaluate a pilot program financed by Rosenberg. (Two of these cost several times the amount we had put into the projects.)

Morris: Perhaps that's a good place to stop for today.

Chance: Yes, I think so, too.
12. CHALLENGES FROM YOUTH IN THE 1970s

Changes in the Generational Borderline

Morris: When we talked about the interviews we have done, you wanted to make the point that the projects we've talked about were not selected as the most important Rosenberg grants, but rather are examples of some areas the Foundation has worked in and of how one idea or project sometimes develops into others.

Chance: I think that if you read our annual reports, it looks as if you could trace a developing pattern in a number of areas that affect youth; and to a certain extent you can, but it is not really a systematic pattern, because we were open to all kinds of applications if they looked significant for children or youth, whether they were related to work the Foundation had previously supported or not.

You may find that some of them do look like the result of good forward planning which culminates right at a time when it is important that certain other programs should have preceded them, and did. But it's usually more random than that, and good timing is often an accident. I wish I could claim that we planned things that way, and that's how they came out; but, truthfully, you don't always anticipate that projects will cluster as logically as they sometimes do in retrospect.

Morris: With that caution in mind, I'd like to talk about what is presently called the counterculture—which seems to be represented by projects that Rosenberg funded in some number since about 1966. They seem to be quite different in leadership and intent from the usual grant in the mid-50s.

Chance: The first thing to be said about the so-called counterculture projects is that when you are a so-called innovative foundation, you are interested in new ideas that are related to youth. Perhaps I'm a bit of a mystic in thinking that youth has something running in its blood
Chance: that seems to sense some of the directions of the future. I just mean that there is something different about the way the generations look at things. So you get a quite exciting combination in a decade like the 1960s when you deal with both youth and innovation.

You may have only dimly grasped the potential of some project that comes out of what might be broadly termed the counterculture. In the early stages you certainly can't know what is going to be a flash in the pan and what may turn out to be more significant. We just have to make our best guess that something proposed to us seems to point towards the future in a way that ought to be explored, and isn't just a novelty.

I believe it was a combination of factors that brought us to look at aspects of the youth situation perhaps a little differently or sooner than some other foundations. It wasn't that we based what we did on research, because we didn't. There wasn't much research that helped you understand some of the things that burst on us in the 1960s. You had to try to sense what was important.

It's always much more comfortable to deal with projects for younger children than with those that involve adolescents or young adults, because you usually—maybe incorrectly—are making decisions that reflect research, or simply what you think ought to be done about children. But perhaps that's becoming an outmoded idea, too, since some social scientists now argue that children ought to have decision-making rights that are almost like those of adults, and that therefore the decisions adults make for them are presumptuous. But at least to me the projects for infants and young children are easier to justify.

Morris: You can make decisions for them.

Chance: You're making decisions for, until you get involved with young people of about junior high or high school age. (Although I suspect that age will go down, too.)

One of the things that happened in the Foundation was that, as far back as the late fifties we came to the realization that we didn't know how to define 'youth' any more. Consequently, we began uneasily edging our way up in the age groups that we were willing to consider. In supporting projects, we used to stop at the end of the high school period; we were through when they became about eighteen.

We had felt that students in college were pretty well taken care of because they had a place in society at that time; we didn't realize how unstable that situation was. But the other young people concerned us—the ones who weren't going on to universities or colleges. Some of them seemed a little adrift and without much of a role. And so we began to think we ought to do something about those, but we didn't
Chance: quite know what. Very little came our way related to their problems. That began to change in the late fifties and early sixties, at first more in terms of the minorities, reflecting national and world movements.

Three Kinds of Counterculture

Morris: Looking backward, how did you define the kinds of projects that have come to be thought of as counterculture?

Chance: Well, I think that the sixties revealed several kinds of counterculture. To put it more tidily than it really was, there were three kinds of 'revolutions' that were going on at about the same time.

There was the minority revolution, which started with the blacks, and then was imitated by other ethnic groups, or at least adapted by them to fit their own cultures. The minorities movements were counterculture mostly in the sense that the new militancy surprised us. Actually, their goals were usually quite conventional. The groups we dealt with mainly had the same kind of goals most Americans have. But we were not used to seeing blacks and other ethnic groups take the initiative in planning ways to do something about their own problems.

It was mainly young blacks who did this in the early projects that we were interested in, although there were also some remarkable older black women, too.

These developments were disturbing to many people, not so much because of their goals as because they brought injustices into the open, with all that meant for white Americans to face, and also because their successes would inevitably mean readjustments in power. They were saying that the American dream should include them, too.

The 1960s must have been an exhilarating period for young black people. That decade was full of excitement and promise for them and for those who dealt with them. I can't honestly say that it was a comfortable period, but it was one of great vitality and hope, as contrasted with the dispiriting times we now seem to be going through. Compared with the 1950s, the 1960s really seemed to crackle. And because we had not had much experience, the atmosphere was one of optimism.

Shaking as these new attitudes were to whites, I think older blacks had to make adjustments, too. I remember that in the late 1950s we supported an Urban League seminar in San Diego to help social workers understand their minority clients better. The black college professor who gave the major speech said that blacks—or 'Negroes', as
they were then called--had no culture of their own. He said that they had been in this country a very long time, and that their culture was the same as that of white Americans. No one challenged this position.

I think the Mexican Americans always saw themselves as being different, and as having a culture of their own. But I don't think they anticipated, when the government began to formulate programs under the pressure of the blacks, that they would constitute a kind of--

'Model World' was what they came to call it.

Yes, they came to call themselves 'Third World'. Not until they realized that these early programs were considered 'black'--because the blacks had been the first and the most vehement and persistent--did the Mexican Americans become 'chicanos' and begin to devise some strategies to claim a share of the federal money that underwrote the 'great society' programs of the Johnson era.

In the fifties before these were strong movements, we had searched for opportunities beyond our rural grants, knowing that Mexican Americans constituted the largest minority in California.

But a little later the same awareness showed itself among the Chinese, Japanese, Filipinos, and others. They have all learned a lot from the strategies of the blacks, but they have begun to devise some of their own.

Well, at the same time that you were having a kind of black 'revolution' you were also becoming aware of two other movements in the '60s. One of these was typified by the 'flower children' era in the Haight-Ashbury. That represented a quite surprising deviation from what was usually anticipated of middle class young people, and was very different in philosophy from the ethnic movements. It showed the disillusionment many young people felt with the affluent and materialistic life.

The third 'revolution', which swept some colleges, was again different. The young people we saw in projects were earnest and often idealistic activists, indignant about social and economic injustices, and usually deeply critical of the Vietnamese war.

I must say that all of this was happening with such rapidity and variety that only in retrospect could you begin to classify roughly, as I'm trying to do now. The one common thread that I was clinging to as the applications poured in was that in the projects we supported young people were doing something constructive for some group or purpose. One of my lasting impressions of the 1960s is the electric quality of the times--there was so much youthful energy. Young blacks were tutoring or counseling or being companions to younger ones. I
Chance: know tutorials sound commonplace now, but for poor children from minority families they were a new, exciting development in the very early sixties when education was seized on as the most vital step on the way up.

As soon as teenagers poured into the Haight-Ashbury, young dropouts from colleges started the shoestring services which have shaken up and refreshed more traditional services. The Haight-Ashbury Switchboard, the first of its kind in the country, kept the possibility of communication open between parents and children, and by-passed formalities in order to meet all kinds of emergency needs. Huckleberry's for Runaways made the mental health field stretch to relate to young people who didn't want to be 'treated' into conformity. College and university students created new community programs that helped neglected groups. Young medical and law students changed training and practice through their community service projects.

Although many people look back cynically on the sixties because of disenchantment with the results when so much government money was spent and misspent, it was a fertile time for a small foundation. What happened in that decade changed many things irreversibly, and the 1970s are still building on experiments that started then.

Now that a few years have passed, many of them don't seem very radical. Equal justice before the law shouldn't be a radical conception to Americans. Yet when we supported projects to give legal assistance to low income young chicanos and blacks, these were considered very 'advanced' grants.

The 'alternative lifestyle' group was much less political, much more bent upon turning inward and developing a gentler and simpler way of living.

Morris: Philosophical?

Chance: The best and most mature of these young people were. But many got themselves deeply involved with drugs, at least for a period of time.

Morris: Would that relate to the technological state of the industry, which made those synthetic drugs available?

Chance: Yes, I think there's a connection. As we know, practically everybody uses drugs for some purpose, and pharmacology is very big business in America.

The Foundation carefully selected a few drug programs to support. The most successful of these shifted their programs as they recognized that drug use was often a signal that there were deeper troubles. Some of these programs have been influenced by the Eastern religions, to which some young people turned when they gave up drugs.
Morris: There is a remarkably interesting report on transient youth published in 1948, that was done on a Rosenberg grant; it referred back to even earlier transient youth during the 1930s' depression, as well as to wartime dislocations. I've wondered if there are any connecting threads between those transients and the youth movements of the '60s?

Chance: I think there were several factors that brought us in touch with the young wanderers again.

Morris: Your phrase reminds me of the On the Road people that Kerouac wrote about in the mid-fifties.

Chance: Yes. The Foundation has always been concerned with transient youth. We funded that earlier study of young transients, as you know, but we had never seen it through to the point of establishing programs to demonstrate ways of beginning to cope with parts of the problem.

In a way, some of the transiency that took place in the late sixties was comparable to that after World War II, because many of the transients in both periods were young veterans. You had veterans who couldn't get a foothold when they came home, or else didn't want one in the kind of society they returned to. Or they needed a respite.

The first grant after the 1940s study made in this field was to Travelers Aid about 1965. Travelers Aid came to us with the idea that there was something different about the young transients they were seeing.

Morris: Is that Martha Scarlett?

Chance: We did not support Martha Scarlett's Travelers Aid project, although hers was the first proposal I saw which emphasized the difference. I talked with her at length and tried to get the National Institute of Mental Health (NIMH) to fund her. It was at a time when NIMH's regional office was asking us to send over to them any applications we received in the field of mental health because they had not yet begun to get as many applications as they wanted.

Morris: That seems incredible.

Chance: So she went through a really bad period trying to get funded, and if I had realized what difficulties she would have, I probably would have pushed a little harder for other support, but I thought she'd finally get a grant from the NIMH. But she didn't. The program we supported came from San Francisco Travelers Aid, and not from the East Bay.
Chance: They were, along with Martha Scarlett, seeing young people who didn't quite fit the old ideas. The conventional view was that the frontier moves all the time, and young people naturally move with it. Americans move to the place where they think there is more opportunity. We are a very mobile people and go where the possibilities seem better.

But instead, Travelers Aid staff felt that they were seeing something different in many of the young people who came to them—a drift that was perhaps psychological and maybe an uprooting that suggested changes in American society that were not yet understood. I guess we still don't understand them or their implications very well. There's a world-wide transient movement, too. In America it's partly attributable to technology and the transitions that flow from it, and partly to dissatisfaction with the way our civilization is turning out.

So we finally did support a study by San Francisco Travelers Aid of their young transient clients. They found some disturbed young people among those they studied, and so looked at it as a mental health problem. As the years went by, we came to see it for many of the transients less as a personal mental health problem and more as a reflection of swift changes and the dislocations and confusions caused by them.

We had a stroke of good fortune when Marjorie Montelius became the new executive director of Travelers Aid just as the study was completed. Marjorie is an extraordinary professional—I think she's among the ablest I've seen in social work. She recognized that they had some important findings, and she pulled the study together to see what it meant for Travelers Aid's programs.

Morris: San Francisco Travelers Aid, or was she thinking in terms of the national organization?

Chance: She was thinking of all the Travelers Aids, but she wanted to apply it first in San Francisco.

As a result of that study, she did what I think was a courageous and difficult thing. She convinced the Travelers Aid board to move the agency down into the Tenderloin district, where much of their clientele came from. The agency used to be quite a distance from there. They then concentrated a lot of effort on the population that the study showed they should be serving better, and that was the young transient.

Again, you have a division between the young people who are pretty well-educated but are kind of adrift because they're not satisfied, and then there are the young people who simply do not fit the country's needs because they don't have enough skills and education
Chance: and often are from unstable family backgrounds. Their families are impoverished, sometimes emotionally as well as almost always financially--the kind of young person you see at Aquarius in San Francisco, and in the Streetwork Project in Berkeley, which we can talk about later.

Morris: I was thinking it sounded very similar to the things that Jim Baumohl was saying in the 1973 Rosenberg annual report.

Chance: It is. As he's said, some young Americans leave home because there isn't enough money to take care of them, and they can't get a job. They leave, although they're often not qualified for work except as casual laborers.

Another group has been in institutions of various kinds, and there is not enough provision for good after care in most places.

So you get a mix of people who just don't fit the norms of society, because they intellectually or educationally or emotionally can't cope adequately. Others just don't have the backing of their family, or it isn't able, out of its resources, to help them, and so they move out and on. They're often really searching for work and can't find it, except sporadically, because they're not trained for the jobs that do exist.

We have the irony of unfilled jobs on the one hand, and unqualified people on the other. Job training programs don't touch this group, usually. It's hard to get them into the programs, which are small compared with the need, and sometimes don't prepare for the market that actually exists.

Morris: That's a startling contrast with the things Heman Stark says about the young transients in the thirties, when, again, there were troubled economic conditions. He felt that the transient youngsters he saw were often the most able child in a family--in those days, they were often from Dust Bowl farms. If the father were having trouble making a living with the farm, the bright and energetic youth would leave because he didn't want to be a burden and figured he could make it on his own.

Chance: I think that was typical of those years. The bright, able ones moved on.

Morris: Seeking the frontier, going back to that image.
Haight-Ashbury and Mt. Zion Hospital

Chance: Just before the beginning of the Haight-Ashbury period, we funded a study for the Youth Authority of its young wards who had used marijuana and other non-addictive drugs, and how this correlated with their later use of drugs or with their getting involved in other offenses. It was a retrospective study, and raised good questions about many of our assumptions; but the timing was not the best, because it was just before the drug deluge came in the mid-sixties.

Nevertheless, it was a starting point, and it interested the Foundation board in the drug problem. When the Haight-Ashbury era came, the board was already familiar with some of the facts and myths about drug use, since the study cast doubt on such assumptions as that drug use leads to heavier use, and to lives of crime, and that it is almost exclusively a lower class minority phenomenon. So they were prepared to some extent.

Morris: It wasn't such a shock to them.

Chance: No. It wasn't such a shock to them, but they recognized that the Haight-Ashbury was something new that needed to be looked at.

You have to think in rather short-term projections when you're talking about innovative projects in a new, almost spontaneous situation, because you don't know yet whether they will turn out to be significant, or whether they'll be transitory.

That's why the Foundation, at the beginning of the Haight-Ashbury, put money into the first phase only of a study of the young people, done under the auspices of the Mt. Zion Medical Center.

Morris: They were one of the few organizations that was equipped to do a study of what was going on?

Chance: Mt. Zion was certainly one of the good institutional settings close to the Haight-Ashbury, and through its reputation was more likely to get follow-up on grants than most other applicants from the area. And the application had come to us in an unusual way which already involved Mt. Zion.

The person who introduced the study to us was a scholar at the Center for Advanced Study in the Behavioral Sciences. He was the chairman of the department of psychiatry at the University of Oklahoma, and had just gotten to the Center at Stanford when a friend called him frantically, and asked him to look for his child, who had gone West and he thought had disappeared into the Haight-Ashbury.
Chance: So this psychiatrist searched the Haight-Ashbury and finally located his friend's child. In the process he saw that something extraordinary was beginning there.

Morris: What's his name?

Chance: It's Dr. Jolyn West, who's now the head of the UCLA Neuropsychiatric Institute.

When Dr. West first came to us he had had a 'pad' in the Haight-Ashbury for several months, observing the young people. He said that, clearly, something needed to be done both to help some of these young people and to try to understand the situation. Although he was leaving, there were some very competent people working with him, and they had a set-up where they were in touch with many young people and could continue on. He wanted it under the auspices of Mt. Zion Medical Center, to give it a good research setting, and he thought that within a few months the NIMH would fund the research.

I told him: well, we just don't fund pads in the Haight-Ashbury. That is not our idea of a project; but if, to hold this team together while you are looking for other money, your colleagues were to make a survey of what is happening that would be useful to agencies in the Bay Area in understanding this new clientele as it comes to them, we will consider supporting the short-term study.

So the board gave them the money with the idea of letting them observe and describe and interpret as best they could in the Haight-Ashbury. They turned out a wonderfully readable report written by Dr. Stephen Pittel.

I'm not competent to make a judgment about his research capabilities, but for our limited purpose of getting information about the Haight-Ashbury situation to agencies in the area, Dr. Pittell's report was very useful. Later he became a consultant to Huckleberry House and a number of other alternative youth agencies. Those to whom I've spoken found him especially helpful.

At the end of a few months the pamphlet was completed, and the NIMH had funded the Mt. Zion team to begin a longitudinal study.

U.C. Medical Center Innovations in Training and Teaching

Chance: About the same time, Dr. Harry Wilmer was at the U.C. Medical Center in the Langley Porter Institute. He was an unusually original man in his thinking, and had begun to use video tape with the young kids who
chance: came up to the day clinic from the haight-ashbury, which was quite close to the medical center--

morris: it's right down the hill from the medical center.

chance: right. so it was inevitable that some of these teenagers would go there when they got sick. he established as informal a drug clinic as you could create in that kind of building. the atmosphere was informal enough to appeal to the teenagers, who helped decorate the clinic unconventionally and colorfully.

but this unusual man was also testing the various uses of video tape in a therapeutic setting. he was probably the first person to do so. it may sound 'old hat' now, but video tape was quite new at that time. first, it gave him a record of the sessions. secondly, he used tapes as a method of training his staff to deal with an unusual problem in psychiatry, so that people could look at the group sessions and study the kinds of things that were said and done, the kinds of clients they were getting, and their reactions.

he could also train therapists to behave better when they saw how they actually appeared during a session. as conventionally trained therapists, some were used to the fifty-minute hour, and they were having a difficult time working with groups of these young people, who were rebellious about orthodox conceptions of mental health and therapy.

morris: and against any kind of authority?

chance: often.

he had another fascinating idea, and that was that there really weren't enough therapists to go around, and that the kids could, in effect, treat themselves. he had each one video tape discussions with himself. he could then play back and study what he had said, edit it and when he had an appointment with a therapist, present his tape and discuss his situation. this gave him an active part in his treatment.

what harry wilmer did at the medical center began rather quickly to be used in various parts of the country, either for training or for observation of various kinds, or as a kind of substitute therapist, or a self-help kind of program. he has since moved out of the state and i've lost track of him. but i remember him for the way he relished experimentation, and for his openness to the haight-ashbury teenagers.
Those two projects came out of the drug part of the 'flower children' period. Over in Berkeley at the University of California, there was a third program, conducted by William Soskin. Soskin had come from the National Institute of Mental Health to lecture in the school of psychology, during someone's sabbatical. He was attempting to influence the department to begin the use of group methods.

He was especially interested in the junior and senior high school students who were starting to use drugs. (You may remember how surprised we were to find that drug use moved down so swiftly to that age group.) He developed a program about the same time that his lectureship came to an end. The department's budget did not cover an additional salary, and the person was returning for whom he'd substituted.

Dr. Soskin had been an especially thoughtful analyst of what was happening among young people during this bewildering period, and so the Foundation gave the University a grant to enable him to develop his conceptions of what ought to be done to establish programs that would help these teenagers.

Actually, his turned out to be a seminal project. I think he's a brilliant conceptualizer. Do you know him?

He was the first person I ever heard describe the problem of no more frontier for the youth who need to go out and seek their fortune and have an adventure as part of growing up.

He had been studying various aspects of youthful behavior in relation to his perspective of what's happening in the wider society. He came out of mental health, but his ideas were broader than those of any one discipline. After living in the slums of several cities he predicted the black revolt that came a few years later. Among the things he saw early was the drug problem moving down to the high schools and then the junior highs. He had ideas about what might constitute an effective program.

At the same time, the Foundation was starting to get applications from groups that were beginning to spring up almost spontaneously to try to deal with high school drug users.

So the board decided it would take a chance on both kinds--on the well-designed program conceptualized by an expert such as Soskin, and on the informal, intuitive approaches which sprang up almost
Chance: overnight when frightened kids would confide in a teacher or counselor they trusted.

Morris: Different kinds of alternative programs, in a way.

Chance: They came out of different degrees of sophistication, and the board was more tempted by the less formally conceived programs which were quick responses to a pressing need.

The board doesn't always require a well-conceived theoretical base for the projects it supports. The directors will respond to something that sounds reasonable or, on occasion, even outrageous, because there are times when you just don't know what will work. The trustees are willing to look at a variety of approaches. So they did fund both kinds of drug programs.

In retrospect the greater pay-off came from the more formally designed program, for some reasons that are obvious and others that are more subtle. Dr. Soskin had more entree to established sources of funding. (Actually, before the first year was over he had grants from both the Ford Foundation and federal agencies.) If a grantee has a university base, particularly that of a university of great prestige, and the project director is admired for his ability to perceive new problems and methods of tackling them, he will be able to move much further and longer, probably, than others, because he will almost inevitably come into the stream of larger support somewhere—from big foundations or federal sources. I don't say that it's easy, but the chances are better, and in this case the experiment continued to evolve in very promising ways.

Many of the little, almost one-dimensional projects that are skimpily funded (because a small foundation just hasn't got the money to make a grant that would let them become full-blown) struggle along and often use so much of their energy attempting to get funding from other sources that the projects don't develop and evolve in ways that might make them appeal to other foundations. Often gifted people launch a program but don't develop their project conception further because they've got too many other things to do. So that, after a few years, they and their creative potential are pretty well exhausted, and the project loses its vitality.

Some abortive or short lived projects result from the fact that they are kind of spontaneous reactions to meet a need for a period of time, and maybe should then disappear as less improvised alternatives develop. Of course, that could just be rationalizing, and an excuse for not giving support long enough.
Morris: Does this relate to comments you've made earlier on the problems that many organizations have once the grant runs out?

Chance: Yes, or once it's even started. Almost immediately some start looking for other money, because they often don't know how long they're going to get support. They know you've told them they have a certain period of financing, after which you'll look at the results, and maybe the foundation will renew the grant. Or you've said to them: we'll only fund once.

This is one of the major problems for foundations and grantees, and it doesn't seem to have any clear resolution. How long is it reasonable to give support to a program? How long do you give them a secure financial base which makes it possible for them to put all of their energy into the program to test its promise, rather than having to pursue money frantically? When is the demonstration period over? What is your obligation beyond that?

These questions don't have definitive answers and, of course, they vary with different projects. But they are part of the wider issue of responsibility.

Morris: You mentioned the stream of support. How often does a spontaneous, grassroots program make it into the chain of support--get included in a school district budget, or state, or federal funding?

Chance: Well, some certainly do, including a few that don't deserve to. But overall the ones that make it nowadays are a minority, probably. You have to remember that these are perilous times to get demonstrations absorbed. Even when they are, the safety may not last. United Ways can't usually assume full support, and local, state and federal priorities change. Every year there may be a new struggle to keep a program in a school district budget as revenues go down.

Probably the day of the seed grant is mostly over, at least for the time being. During the lush sixties, if a small new project did well, often there was federal money from one of a hundred sources to keep it going. The most successful pilots from the point of view of continuing and expanding under federal or other tax money were probably projects that were carried on under the auspices of school districts or in established agencies. They had more resources and influence and the staying power that comes from a far wider base than the small, new organizations. I don't mean necessarily that the projects that were intrinsically 'best' got incorporated, although some were very good.

But as federal funds were cut back, foundations had to reconsider their granting strategies. They had to realize that the seed grant might not lead into a larger, continuing source of support.
Chance: Some new organizations with minimal funding have survived, with subventions from government or membership in the United Way. But it takes a great deal of ingenuity and know-how to keep going, and certainly to expand. Foundations have to think twice now before helping new organizations come into existence. Either they have to face far longer term funding, or they and the grantee have to recognize that they are probably time-limited.

To be short lived is not necessarily to fail. The first alternative school Rosenberg supported for high school students from disadvantaged areas lasted about three years, but in that length of time it became such an embarrassment to the school district that the district established a continuation school—it had not had one in years—to receive these students. Finally a second continuation school was needed. The small alternative school had served an important purpose. Many of the under-financed alternative schools didn't last, but they drew enough attention to cause changes in the public schools. I think that justified their existence.

We've also helped some new organizations which met an immediate or emergency need. Often these were staffers by young people who were paid marginal or even no salaries. These able young people moved on after a few years as they took on more personal responsibilities, and so some programs fade out that way after offering a useful service.

But in the 1970s a small foundation must do some soul searching before creating a new organization. And we realize we owe them different kinds of technical assistance we aren't yet providing, as well as longer term support.

New Approaches: Aquarius, Glide Foundation, and Some Spinoffs

Chance: In the Travelers Aid project you and I talked about earlier, the Foundation gave some of the most sustained support we've ever given. That is, we first went through a study period with them for a couple of years beginning around 1965. Then we agreed that they were right in saying to us that they needed to try a program based upon their findings. So we helped them establish Aquarius, which was a temporary housing and counselling program, not too unconventional in its approach, to help young transients fit into society in some acceptable way.

Well, we stayed with Travelers Aid through all the ups and downs of this program for about three years, because we knew that when young people who have little or no money or skills find their way to San
Chance: Francisco they can be victimized very quickly. Many young people come by bus, and the bus station is a good place for those who want to exploit the young to find them. Some don't get out of the bus station before they are picked up. An attractive girl or boy who could be used as a young prostitute might quickly be enlisted in a variety of criminal activities without ever having intended to lead such a life.

But often they have no money, and so they get involved very quickly unless somebody helps them promptly. It was out of that kind of concern--

Morris: Early intervention?

Chance: Yes, it was an attempt to stave off having disastrous things happen to them. So we stayed with Travelers Aid's program while the agency attempted to develop a housing plan to take care of some of these young people for a long enough period to help them work out a practical plan. Do you realize how hard it is just to find space for such a program in San Francisco? And sometimes the only 'work' the young people could get was selling their blood.

Travelers Aid finally concluded that it was not the agency best suited to conduct the program, but that with its experience it could be a resource to advise and assist a new organization. I thought Travelers Aid showed its thoroughbred qualities in recognizing that it did not have the methods best suited to demonstrate constructive short term services and that a new organization with fresh perspectives was needed.

And that is what Aquarius turned out to be—a completely new organization with a young, capable staff which was oriented to a short term kind of 'what is it you want to do' relationship with the young person, and 'we'll try to help you do it, while giving you a secure setting for a period of thirty days or so'.

Aquarius made contracts with its young clients, based on a mutually agreed upon plan that seemed to be achievable in a short period of time. The program is a small demonstration of a practical approach to salvaging some of the young transients who seem to have no place in our scheme of things. But there will have to be a time when public policy recognizes the vacuum that exists for thousands of young Americans for whom there doesn't seem to be a constructive role.

I especially want to say that the Aquarius project is one where several Bay Area foundations joined together to provide support. And the ingenious young staff has not only created a worthwhile
model, but has shown unusual competence in piecing together private and public financing. It leads a precarious financial existence, but has developed good management skills with the help of Travelers Aid.

Aquarius works with young adults, while Huckleberry House's clientele is younger and probably more privileged. But both programs have been part of the movement which has produced a new breed of clinicians who seem to work quite effectively with young people.

Around the same time, there was another surprising development. This was with young women who were unwed mothers. We've had traditional resources such as the Florence Crittenton homes and the Catholic agencies, that took care of some of them. Then, in the middle sixties, maybe a little bit later than that, we began to see a number of young, unmarried women, both white and minority, who didn't want to go home after their babies were born. So we made several grants to experiment with new kinds of residential settings. One of these was under the auspices of the Glide Foundation, which, by the way, was a powerful force in pressing some of the leaders in the foundation field in San Francisco to move in less conventional directions during the middle sixties.

Morris: Glide had only just started to involve itself in community action, hadn't it?

Chance: They started when Lewis Durham came to them as executive director. The Reverend Lewis Durham was a relatively young minister who saw that his constituency was in the Tenderloin, and that he would have to turn the Glide Church in new directions to meet the needs of that constituency, which was made up of Third World people, unconventional or down on their luck white people, prostitutes, gays, young and old people of the Tenderloin—a varied assortment like no other in the city.

The Glide Church, once the church of prosperous families of rectitude, became a fashion of a curious kind under the ministry of Cecil Williams. But I think a tribute is due to Lou Durham, because he got a number of foundations that knew little of that part of town to look at the Tenderloin and its problems, and at the Haight-Ashbury—that period was just starting—and to be more open to the kinds of things that society tends to avert its gaze from because they're not comfortable to see or think about. We don't know how to resolve some of these problems, and they're low on the totem pole of priorities in most cities.

Lou also had the courage to bring in a group of prima donnas, some of them very able, to start an array of programs.
Morris: As his assistants?

Chance: They were in charge of various unorthodox programs, and some were very competent people. But you can guess that that kind of setup can't last. You can't have a strong executive at the top of a group of people like that and keep control indefinitely. It's going to blow up eventually.

Morris: Is that related to the qualities which are effective in getting new ideas accepted?

Chance: Not necessarily. Some very creative people are quiet and undramatic, but it probably took a spectacular kind of crew to draw attention to the brutal realities of the Tenderloin. Most of them, by the way, were ministers.

But we're indebted to Lou Durham for permitting all these unconventional programs to develop, some of them done sloppily and some done very well, but all of them representing new kinds of efforts. It's astonishing that the Glide people worked under one roof. But this highlighting of problems got them some recognition in the eyes of funding agencies. Out of that came such things as Huckleberry's for Runaways, attempts at new kinds of community care for the young, unmarried girl with a baby who didn't want to go to the established agencies nor home, a different kind of living situation for emotionally disturbed young people, and services such as the Switchboard in the Haight-Ashbury.

That, by the way, was one of the most helpful services devised for parents whose teenagers had run away to the Haight-Ashbury. It was not, however, the first 'hotline' we'd supported.

We had begun to recognize by the very early sixties that some services needn't require an appointment and a visit. The telephone was becoming an instrument that could be used for new purposes. We had supported a hotline at the Los Angeles Children's Hospital in the Adolescent Clinic. Any teenager with a problem or emergency could call in anonymously and get help. College students in the social sciences, after a training course, manned the phones, and there was a panel of experts they could reach if a problem was too difficult for them to handle.

We had supported another telephone program before that, at Family Service, in Pasadena. Any mother who found it difficult or embarrassing to come to a family service agency, but who was worried about the development or behavior of the child, could call in to ask whether the things they were describing were normal at that age, or how to cope with a particular problem.
Morris: How did it work?

Chance: It worked very well, and after the demonstration period the project was absorbed into the agency's regular budget, with some additional help from the Community Chest. I think it probably could have worked better; almost all projects could, but these new departures deserve support. In this case, you had to have a skillful person on the receiving end of the line—a professional who knows about early child development.

Morris: Later, in the Haight-Ashbury, didn't volunteers man those hotlines?

Chance: That was different. These telephone programs served different functions, and so were staffed in different ways. At the Family Service agency in Pasadena, the hotline had to have a professional who knew about parent-child relations and early childhood development, and who was able to know when it seemed safe to counsel on the telephone, reassuring a mother that, "All two-year olds are apt to do that; call me back if you get worried," or whether the problem seemed of a deeper nature.

In the case of the Haight-Ashbury Switchboard, they used young volunteers and, unlike most established agencies, they gave 24-hour, seven days a week service. They didn't need professionals; they just needed some simple rules about what to do or not do, and they had lists of emergency places—where you could sleep overnight, or eat, for example. The things that distinguished these new kinds of agencies—I guess you could call them counterculture—were their lack of professionalism, their informal, even shabby settings, the atmosphere of caring, the unpaid or low-paid young staff, the minimal budgets, and the hours they were open.

The Diggers, a group of young college educated people reacting against technological developments not balanced by ethical considerations, set the tone for service at the beginning of the Haight period.

As I think I've said before, the Switchboard was a contact point through which a family could know that a child was safe, or receive some other message, even though they were not in direct touch with one another. It was a communications center that never made judgments, and a valuable one for quite a period of time.

But these programs tend to be fragile and time-limited. They take a great deal of energy and ingenuity. The emergencies for which society doesn't provide answers often exhaust the most idealistic young people. Then, too, the Haight-Ashbury changed. People who wanted to profit from what was happening in the Haight-
Chance: Ashbury moved in and the whole scene shifted from its often quite innocent stage at the beginning—that may be romanticizing it a little—to quite a frightening one.

Some of the young people, even then, wanted to live in the country. The stopover point was the Haight-Ashbury, but many among the educated but disillusioned young adults hoped to get out of the city. I think we still don't know whether this reversal adds up to anything significant or not—the movement from city to country. From the population studies, I gather it's still going on.

Creativity as a Lifeline: Street Artists and Federal Funding

Chance: We also gave support during these years to a project at Hospitality House in San Francisco. It was a gathering place in the Tenderloin for young people down on their luck, whatever their race or situation. It tended to get the most deprived kids. They were the ones who may already have had experience with crime and with drugs, and sometimes with prostitution. They didn't have much going for them.

In earlier years, before state policy favored community treatment, a good many of these young people would have been in state institutions of various kinds. But others lacked education or skills or motivation. Some had been pushed out of their homes because the family didn't have enough to keep them.

Hospitality House was a place where they could come. Cities are not very hospitable to young derelicts—there's almost no housing for them. They often sleep in the streets, unless through acquaintances or even prostitution they spend the night in a cheap hotel.

Hospitality House had no rooms for overnight, but unlike many of the more established agencies it opened early and closed late to keep the young people off the streets and give them a place to rest or visit or engage in healthier activities, or at least to stay out of trouble.

The particular project that we supported there was an arts and crafts program. The board debated that one at length. There were such heavy demands on the Foundation's money, and we knew this was a group of young people who were at the narrow end of opportunity and might not make it at all. On any scale of 'pay off' such a proposal might not weigh much.
Chance: But, aside from the feeling of indignation that the city should have a situation that could have been lifted out of Dickens, the Foundation was, in this and several other grants, trying to call attention to the growing problem of young people who seem to have no place. They don't fit into the schools or the labor market, and often there's no place for them at home. A small foundation can't solve these problems, but it can highlight them and try some pilot programs to test their usefulness.

So we supported this arts and crafts project, with several ideas in mind. One was that they needed recreation and hobbies as much as anybody else. Another was that it kept them off the streets. A third was that some of them might become skillful enough to earn a little money in a period when handcrafts were on the verge of being valued again. Also, the program might provide a transition into therapy, as mental health services were developed in that catchment area, and their experiences with creative things might be satisfying enough to motivate them to look for help with their problems.

Actually, the project worked quite well in all these ways, and surprisingly well in the fascination the arts and crafts had for many of them. Compared with the apathy of the young people who sat around upstairs all day, the 'studio' was a beehive of activity. A few became commercial successes and moved on. Before long, the city community health program placed a psychiatric team at Hospitality House.

These young craftspeople were in the vanguard of the street artists movement. They made the leather belts, the pouches, the jewelry and pottery, and sold them. At first they had a tiny store at the front of Hospitality House, but it was not in a part of town where many people would go to buy, and so they took their wares to other locations and sold them on the streets.

This gave some of them the opportunity to get out of a life of minor crime. The usual choices had been prostitution or petty thievery for both sexes. But in that rundown district customers don't pay much for prostitutes. The more attractive young people move to other parts of the city, where people will pay more for such services.

What happened to many of them was that their earnings from things they made were often larger than they could collect from illicit activities. To that extent, and to the extent that some of them got help with their problems, or thought better of themselves, the project was a small success. But the general outlook for these young people is depressing.
Morris: Yes, it really is.

Chance: Later, as our grants expired, Hospitality House moved almost completely to United Way and mental health support—and the irony of it is that, after some years of government funding, they could not tolerate the inflexibilities of the government situation and withdrew from the mental health arrangement.

Morris: I wonder if other grassroots type programs may go through a similar process.

Chance: Well, they have varied fates. Some become members of the United Way or receive some support from it. Others fail, as happened so often with private alternative schools, although many times they caused the public schools to change a little. Some had better experiences with federal funding, and some use a large part of their energy trying to raise money. I think we discussed this earlier.

Rosenberg Board Deals with the Issues

Morris: I wanted to ask you about the board in relation to the counterculture proposals.

Chance: The board is the key always.

Morris: Yes. Early in this discussion, you commented that, to the extent that counterculture proposals represent a shift in power, they challenge the status quo. How did the board deal with that?

Chance: First, I've always felt that the Rosenberg Foundation board, as it was when I first came to the Foundation, and as it changed over the years, is truly an extraordinary board. And I believe most people who know the foundation field agree. Obviously, you don't select people to go on the board of a youth-oriented, innovative foundation unless they have relatively open minds. They may also have very secure places in the community, but they've got to be open-minded about anything that comes to them. They're intellectually alert to current issues and they move at ease intellectually, and usually emotionally, with new ideas. (Although women's lib was a hurdle for men raised to be gallant.)

They know society is changing, and that some shifts in power accompany all these changes. In talking with the board or in writing to the board about projects, I have tried to share with them, as fully
Chance: as I possibly could, the implications of what they were doing, as far as I could foresee them, so that they would go into a project knowing what they were doing and would be firm in sticking it out later if there were problems.

You can't always anticipate developments, and sometimes you turn out to be wrong, but you try to figure out the major consequences if the project is successful.

The board expects to move in new directions. That's the Foundation's stated policy. For example, in their minority grants the directors have always known that these ultimately imply shifts in power. Financing the development of leadership among those who don't have much power obviously recognizes that as they learn to exercise it they'll get some measure of power, just as they will from learning how to organize.

Morris: Yes.

Chance: The board has supported neighborhood groups or community organizations that wanted to develop their own programs rather than dealing only with traditional agencies. They didn't feel those institutions represented or understood them, and sometimes the older agencies have agreed with their assessment.

Morris: Have the directors gotten complaints from more traditional segments of the community--business, et cetera?

Chance: Yes, they've had complaints that we do support new and 'offbeat' and maverick things that may shake up the status quo. But I think most people who know the Foundation and its board know that we don't just support for the sake of novelty.

I think many people feel, in a period when it's very hard for valued traditional organizations to get as much money as they need, that to put your money into new programs is questionable. The board respects their position but believes there must be some foundations that try responsibly to recognize new situations and old or new tensions and injustices, too.

As you know, whenever we find traditional agencies that really want to make their programs more current, we have been just as open to their applications as to others. We all know that organizations--foundations included--can become sluggish and hard to move. They may give lip service to an idea because they want money, but this is usually pretty easy to discover.

If a particular project seems important enough, and the applicant best suited to do it is a new organization, the Foundation will
Chance: support the new organization, although it recognizes that you're always taking a special risk when you launch a new agency. And, too, we don't have the money to give many of them a strong, long term base. That's one reason why we're increasingly interested in joining with other foundations to give support.

Morris: Does the board suggest that this looks like an interesting enough agency that they'd like you to see if you could help them find some more money somewhere else?

Chance: Sometimes; and, of course, we're always doing it informally. But the board, for a long time, had to act alone in the early days, because there was no one else, and later because there wasn't any other California foundation doing exactly what Rosenberg was doing—we were interested in the entire state, and many foundations restrict themselves geographically as a practical matter, if for no other reason. So the board was used to working alone.
13. SUMMING UP: STAGES OF THE ROSENBERG FOUNDATION'S DEVELOPMENT AND SOME PHILANTHROPIC ISSUES

Foundation Interrelationships Grow

Chance: I guess what we're really on now is a kind of summary. The first stage of the Rosenberg Foundation, which went, I should say, up to about the time I came--from 1935 until late 1958--was a period in which the Foundation usually worked alone, both in investigating applications and in making grants. Rosenberg had made some early connections with the Columbia Foundation, but these did not develop, and, of course, with the San Francisco Foundation, after it was established in 1948, although at the beginning it had very little money. In fact, until the last decade or so John May would ordinarily ask us to join them in supporting children's projects, or simply refer his applicants for youth projects to us.

If applicants were outside the San Francisco Bay Area, Rosenberg worked alone, and still usually does. The board was used to that, and always explored whether there would be community support afterwards for what was done. In many cases it did develop. You could lay a more solid groundwork for continued support with a local organization or government than you were able to later with new aspects of federally funded projects.

It's very hard for a busy foundation with just two in staff, an administrative assistant and an executive, to take on extra assignments, such as, "Can you see whether you can hunt up other money for them?" But obviously the Foundation became an informal resource for many who needed foundation money, and we gave them whatever help we could. But that alone could have filled the whole day.

So in its first period the Foundation tended to be a loner and an initiator, because it helped educate people to apply to this unfamiliar kind of resource. Although many applications came to it, the Foundation also encouraged people to apply: "Why don't you come
Chance: in with that idea?" And since Rosenberg did not know where to find them, it wasn't looking for other foundations that might cooperate.

Sometimes when I'm talking with relatively new people in foundation work in San Francisco, I realize how different the situation was even in the early 1960s. It's difficult for them to grasp the isolation in which a California foundation of the 1940s, '50s, and early 1960s worked. Nowadays part of the accepted task of a foundation executive is being in touch with other funding sources, public and private. While our local situation is still embryonic, it's fabulous when compared with those early years. There are so many more foundations with at least one in staff, and informal communication--much of which grew out of the monthly lunch meetings after we got the local foundations group going--is commonplace. There is the local foundation directory, which will be out in a much improved third edition in a few months. Nationally, there was no Council on Foundations until the 1950s, nor Foundation Center, which began towards the end of that decade.

I can still remember when Noble Hancock of the Luke B. Hancock Foundation--a fine one--came in in the early 1960s to discuss investments and program interests. They had recently moved from Nevada. Since then we've had a number of cooperative ventures.

Later, the van Loben Sels Foundation had a surprising beginning. For one exhilarating day the American Friends Service Committee thought that it had inherited seven million dollars. But the next morning a codicil to Mr. van Loben Sels' will was found, in which he authorized creation of a foundation instead.

The Friends suggested to the new trustees that they talk with me, and so I attended their first few meetings. The three current trustees do remarkable granting. Without paid staff, Claude Hogan, Toni Rembe, and Ed Nathan conduct the Foundation's business with enviable flexibility and astuteness.

A second Rosenberg period began about 1959, although, of course, there are overlaps. A number of factors were at work; as Betty Bettell, the Foundation's administrative assistant, would put it in her English way, "Let's tick them off." (You've met Betty, and I think you could see how much we rely on her. She's so competent and so calm.)

First, there was the electric quality that sparked so many new things, and from a wider constituency. Again, foundations saw that the model they had developed was increasingly being emulated by government, which was creating hundreds of grantmaking agencies, each with its special areas of interest. Because so much government funding was coming in, you had to learn as much as you could about
Chance: what these government units were doing in order to spend foundation money well. Keeping track of that was not an easy task—in fact, it never has been a manageable one.

Welcome as this additional money was, in view of the tremendous social and educational needs, the government's new role posed policy problems for foundations. Should foundations supplement federal grants? If so, under what circumstances or limitations? Foundations took a variety of stands on this issue. The Rosenberg position has been that we will not 'percent' government grants. That is, if the government requires that a certain proportion of a project budget must be raised locally, we are not a source for the local 'match'.

We have believed that one justification for foundations is the pioneering role they play in giving support before others are willing to do so. If the government was prepared to supply from fifty to ninety percent of the needed money, obviously it was willing to do the pioneering itself, and foundation money merely supplemented its funds. The foundation that matched was then a follower of government initiatives rather than a forerunner.

Other foundations differed with us. Their rationale is the leverage argument—that their money will go much further if it draws or supplements federal funds.

But the Rosenberg position doesn't preclude our putting money into a program which also has federal support. We will do so where the government will not fund a particular aspect of the program—one which is an identifiable component in itself. For example, in Self Help Enterprises, the rural housing project mainly supported by two federal sources, a Rosenberg grant enabled SHE to develop a cabinet shop where farm laborers could learn cabinetmaking skills, at the same time producing better and less expensive cabinets to be used in the houses built by farm labor families.

Government granting agencies frequently change their guidelines and priorities, so foundations have to try to be flexible and alert. Right now [1974] when government money is in short supply, I suspect that foundations will reenter some areas from which they had pretty well withdrawn.

San Francisco is fortunate in being the headquarters for the federal government's Region IX. That means that most of the government agencies working in program fields of interest to us have regional offices and staff here. If you can get to know someone in a bureau or division that has similar interests, it's helpful to keep in touch.

Although the various federal departments are supposed to be decentralizing into the regions, you don't get a decisive impression yet that the power has moved down, too. Washington still retains
Chance: much of it. And revenue-sharing by the federal government with the states, counties, and cities comes in blocs of money over which the regional offices don't have much control. So foundations had to begin to understand a new and different process. They can't count any longer on categories of federal grant money with guidelines attached to each category delineating how the money is to be spent.

A few years ago you could call special program people in the regional offices and ask whether they would fund a particular kind of program that you had an application for, and they might say, "It's at too early a stage for us," or "It's not within our current guidelines," or "I'd like to take a look at it"—that kind of thing, which told you whether it was worthwhile to suggest that the applicant first try to get federal support.

Another important development of that period was the growing awareness that there were many foundations and that we needed to know more about one another, as I said earlier today. Of course, we all knew something about the larger pace-setting national foundations, but had few contacts with them. The local ones were mostly strangers, and perhaps the larger number of them still are. There are many in the Bay Area that we aren't in touch with, although, as I've said, a good-sized group meets together monthly. The new directory will list a substantial number of Northern as well as other California foundations.

Morris: Yes, that directory is really startling—that there are that many foundations in the Bay Area.

Chance: There are probably many more than that, since the directory will list only foundations that made grants totaling some specific amount in the most recent year for which information is available.

Relationships among a few of the Bay Area foundations began very informally. John May and I had always exchanged information. Although the Rosenberg Foundation was older than the San Francisco Foundation, of course John had been at the San Francisco Foundation a number of years before I came to Rosenberg. He was a generous and helpful colleague—but you had to be wary of that wit!

As we became acquainted with other foundation people, we included them, so that before long there began to be—in the sixties—this local foundation executives' group that still meets together. It started with Lawrence Kramer, John May, and me. Then Charles Stine of Crown-Zellerbach joined us, and we just added people gradually, inviting them to meet us for lunch and an informal discussion. We're still adding foundations as we discover them or they express interest.
Morris: Has there been an effort to make contact with the dozens and dozens of foundation that don't have any staffs—the company ones and the smaller family funds?

Chance: The company foundations and corporate donors have their own regular meetings, but there are just a few that attend both groups. As private foundations get staff, or hear of us and ask to come, we're delighted. But unlike other groups across the country (and almost all are relatively new), ours has no staff. So we haven't a formal organization as yet, but possibly this may develop.

Just meeting has made quite a difference. People get to know one another and call about foundation problems. This year we have a kind of 'in house' newsletter which is mostly a record of our programs. Our most ambitious enterprise is the third edition of our directory of California foundations. Eventually, more cooperation seems inevitable. The pattern created by Joint Foundation Support in New York, where several foundations or donors together employ a staff person, will be used out here by groups of like-minded foundations when none of them requires a full time staff for itself.

However, there are examples of Bay Area foundations where family members do excellent work, such as the Luke B. Hancock Foundation, or where trustees perform admirably, as they do at van Loben Sels.

Professionalization and Regulation

Chance: Another relatively new development is the intermediary, an organization whose purpose is to help applicants get a hearing with foundations. There is a whole range of technical assistance and other kinds of help that some applicants need—writing proposals, getting tax exempt status, learning good bookkeeping practices, raising money are examples.

At Rosenberg we're aware of this need, and have had beginning policy discussions about it, but there are difficult problems, and we haven't worked through what we'll do.
Chance: We do offer outside experts to a few of our grantees, but it's not on a systematic basis.

The intermediary and the technical assistance developments are mainly products of two things: the new applicant groups of the 1960s that had intriguing programs but little organizational experience, and the Tax Reform Act's requirements for reporting on grantees for whom a private foundation has expenditure responsibility.

One other matter related to some of the things I've been talking about is worth a comment. It's clear that foundations, in attempting to be responsible and accountable, are spending more money on a category that isn't strictly either grants or administration in the traditional sense. Examples are efforts to help applicants (producing a directory of California foundations is an example of attempting to give better access), or to cooperate to try to make the field more cohesive and to improve practices (membership in the Council on Foundations is an illustration of that, as is giving support to the Foundation Center, which gathers and disseminates data about foundations).

The Foundation Center has regional depositories in various parts of the country. There is one at UCLA, and the Bay Area depository used to be at UC Berkeley. However, the San Francisco Public Library's Financial District Branch now houses most of this information. Since hundreds of applicants ask for information and assistance there, it's a heavy burden, and eventually we're going to have to find a solution.

Morris: It sounds like an ombudsman function, both for foundations and grantees.

Chance: Partly that, but also on both the local and national levels there's considerable discussion of raising standards and even of something similar to accreditation for foundations.

Morris: That's an interesting idea.

Chance: No one has yet figured out whether the accreditation model can be adapted to foundations, but a group of foundations has considered it, and applicants have raised the question. We're certainly moving into a period of analyzing what would constitute acceptable standards of accessibility and accountability.

As you probably know, a private national commission was recently appointed to study the issues around philanthropy. It's referred to as the Filer commission, and I hope will probe more deeply than most studies have done, but its report isn't due for a number of months.
Chance: Foundations are only one part of its assignment, but they should receive a good deal of attention. There are about thirty thousand entities that now qualify as foundations under the law. But even the reporting required by the TRA hasn't resulted in our knowing much about a great many of them. It may be that eventually criteria will have to be set up to determine the status of a particular foundation within the total field, and status may be linked with certain advantages. I think I've already said some time ago that at one time Alan Pifer of the Carnegie Corporation proposed that only foundations meeting certain criteria be permitted to be perpetuities. How much donor control of program and of assets should bear on status raises interesting questions, too.

Morris: Were there other characteristics to what you're describing as the second stage of the Rosenberg Foundation's development?

Chance: There are other trends that began in that second period that haven't yet culminated. The work of a foundation executive used to be quite linear. It had to do with applications: program work.

Getting the income to finance the Foundation's grants was delegated to investment counsellors, who worked under policies established by the board. Since the directors are fiduciaries, the policies were prudent ones—to invest carefully for a reasonable return. Now we're involved in a series of investment issues. The first has to do with management of the portfolio to secure a return large enough to meet the payout requirements of the TRA. I'll talk about that later, because it really is part of the Foundation's third period.

In the late 1960s the social implications of foundations' investments came to the surface strongly as an important concern. The fact that programs supported might be socially beneficial had to be viewed in relation to the fact that some of the investments that made the grants possible might have detrimental social effects. Foundations now have to think about what it is reasonable to expect of them with regard to the social issues raised by their investments. It's a very difficult problem that Rosenberg is just beginning to work through. It's been on our policy agenda for several years, but we're at the beginning of coming to grips with it. We haven't had the information to deal with it well, and are just beginning to get it in a manageable form. Then, too, the issues aren't always that clear.

Morris: You can hypothesize that that is a remarkably complex problem, for instance in the case of a corporation executive who sits on a foundation board: what affect does it have if he looks at the corporation in relation to what the foundation sees as priorities?
Chance: That can be a problem. Currently, it's treated as one of the issues in the Nelson Rockefeller vice-presidential nomination. A whole segment of the Congressional hearings has to do with his philanthropic activities and their relationship to his business interests. While I think there is some misunderstanding of his influence over funds given by various members of his family for philanthropic purposes, nevertheless it has aroused a lot of controversy.

The board of the Rosenberg Foundation recognizes that no small foundation, even though it's now subscribing to and studying the best reporting service in this field, can possibly keep track of all of the national and international issues raised by possible investments. I suspect that foundations the size of Rosenberg will have to limit themselves to particular issues that seem important to the integrity of their programs.

Investments also have renewed importance in another way, because a few foundations have begun to recognize, as the Russell Sage Foundation did in its early years, that investments can sometimes be a substitute for grants, and an improvement over them, in achieving a social goal. So alert foundations are now weighing whether investing money would be as beneficial as granting it in specific situations.

The traditional investment function of foundations--to secure income to be used for philanthropic purposes--has been complicated by the payout requirements of the TRA. That is, if your portfolio is earning less than the law requires private foundations to pay out that year--the Treasury sets the payout rate annually--of course you must deplete your capital to meet the requirement. The TRA was passed before the recession and before inflation became so severe.

Inflation has added to the problem foundations have because the value of most foundations' assets is down in the current market. For some, that means supporting fewer projects, especially since we also pay a four percent tax.

Morris: It's a double squeeze.

Chance: You have a double squeeze. And so, what was once considered a significant amount of capital for a foundation to have--ten million dollars--now becomes far less impressive. (As late as 1970 there were less than three hundred foundations out of the more than thirty thousand that had ten millions or more in capital.) It will be part of the Rosenberg's third period, which in my thinking began with the TRA, to find ways which will strengthen the Foundation's ability to hold to high standards of usefulness.
Chance: I think that foundations are becoming more 'professionalized' in this new period. I put quotes around that because nobody knows exactly what it means to professionalize a foundation. There certainly are many more people who have had experience in making or administering grants. There are also more disciplined thinkers about social issues than there used to be, and many of them had a great deal of practical experience during the 1960s. There are many more especially competent and quite young people who are only interested in working in the nonprofit field. I think that is a more professionalized stage than when I came to the Foundation.

This new third period has a number of characteristics, some hopeful, some less so, beyond the growing professionalization of foundations. Downgrading of private foundations by the TRA so that their money does not have equal treatment with government or public foundation money; the addition of responsibilities which could bureaucratize an institution that once was characterized by informality and flexibility are examples. It's a period in which the balance between the private foundation field and the rest of philanthropy needs to be worked out better, because I think their destinies are pretty well linked.

What is encompassed in foundation work has expanded, because now you not only are working on program applications, but also on relationships and cooperation among foundations, either of a formal or informal nature, and on new as well as old aspects of investing. The affirmative action issue will influence staff, boards, and projects.

Foundations and, in fact, philanthropy generally are in a vulnerable period. Although philanthropy has historically been a robust feature of American life, its close relationship with the tax system puts it under careful scrutiny. And foundations don't fit neatly into economic theory or classification. Their output doesn't yield easily to economic analysis. It's hard to apply business concepts like cost-effectiveness to them, although that ubiquitous word, accountability, has useful implications for foundation work.

Congress has already discussed the possibility that foundations should be time-limited rather than perpetuities, and the TRA has made it harder to create private foundations. It has even been proposed to give the government power to direct how foundation funds can be invested and spent.

There isn't anything sacred about foundations as individual entities. Each should have to justify its existence by some rational standard. But I think many of them have conscientiously played a role which should not be lost. They have been experimenters as well as
Chance: sustainers. They spread decision making, and the trend is to do so more broadly. The diversity argument, although old, is a strong one, so long as foundations treat their assets as a public trust.

**Independence and Individuality**

Morris: That would sound like an argument for a number of foundations in any one part of the country. If you've got a dozen or so, they can cover the waterfront between them.

Chance: They can try, but they may not agree about how to cover the waterfront. Kirke Wilson and I have often talked about this—-that foundations do get into controversial fields, and take different approaches to solving problems. Foundations can, for example, have in common an interest in health care, and they may do something about that care from a number of points of view. Since we don't have definitive answers, different approaches can have value, whether you classify them as conservative or as aimed at change.

Morris: In a sense, is the government's presence in the granting picture a rivalry?

Chance: It can be perceived as a rivalry or as a helpful and necessary thing. Recently, on William Buckley's program, *Firing Line*, the man who heads the National Endowment for the Humanities spoke on granting, insisting that his agency was far superior to anything that foundations could do, and he seemed to regard them as superfluous. Obviously, that raises hackles. Who started the granting in the areas of the humanities? So far, I think there is work enough and more for all of us to do, and we have different styles. Some people think that the federal government grants in quite different ways from foundations, and that its decisions do to some extent have to be geographically and politically oriented. Of course, foundations are accused of playing favorites, too. I think there is great potential in the federal government's having money for the kinds of programs that foundations have often at least piloted. There's no conceivable way in which limited private foundation funds can handle the problems of society. They can point new directions, or help to sustain old ones, but they can't possibly handle the scope of problems that government must deal with.

Morris: In terms of meeting the quantity of needs?

Chance: And meeting needs of all kinds.
Morris: I was thinking in terms of the innovative, leading-edge role of foundations.

Chance: That is the role I prefer for foundations, too, but I don't detract from the federal government's capability to innovate. The lesson as I've learned it from limited observation is that a new federal program may start out idealistically and innovatively. But as what it does becomes known, either results aren't achieved swiftly enough, or else what it is doing begins to be challenged by those who don't approve. Then it begins to be hemmed in by restrictions.

Morris: By the governmental system itself?

Chance: Yes, by the governmental system or by pressures on it from people outside. On the other hand, there's this rather free floating thing called the foundation, that as an institution doesn't have to respond to political pressures. If it's got enough courage it doesn't have to. Foundations made the start, for example, in population control at a time when it wasn't politically feasible for the government to do so. But they don't have enough money to do the whole job. Later, after a long demonstration period, the atmosphere had changed adequately to allow transfer of many of these programs to public auspices.

Morris: What about another charge that has been made: that the majority of foundations stick to supporting traditional organizations and programs?

Chance: I think it's granted that most foundation money goes to relatively conventional programs or institutions. And an excellent case can be made by those who use their money to help ongoing institutions or organizations provided they have continued to be valuable.

I do wish that instead of routine giving, foundations would look to see whether they're supporting some things that are getting to be obsolete. Many foundations, Rosenberg included, grant to traditional organizations in a way which will give them a little shove in some direction that would be more valuable. Often a project will do that, although it can be a nuisance if an organization is doing well, and needs money that isn't earmarked, rather than having to take on a new program.

But you are right, so far as I know, in believing that most foundation money is spent quite conventionally. In times like these, we need more foundations willing to be innovators.

Morris: We've covered a tremendous amount of territory. Are there some major points that we haven't talked about?
Chance: I don't think so. If you're talking about the Rosenberg Foundation, I like to think that this foundation had a great initial period in California because it was nearly the sole resource of its kind, and that it lived up to its obligations as a public trust. Then it had a much more mixed period, in which the Foundation gained a reputation for doing innovative things. The period was one that cried out for new efforts. Those who participated will not forget the gusto and vitality and optimism of the 1960s. Our heritage from it still isn't clear, but perhaps the more quiescent '70s are really a time of consolidating the gains, and analyzing what worked and what didn't.

We began to discover other foundations with similar interests, and started on the way to cooperative action. We found new dimensions in foundation work that tested our own willingness to change.

The times were so full of opportunity that we had to cut back to new guidelines to cope with the work. But the board kept some flexibility by its injunction that if there is a new idea that's awfully interesting, don't hesitate to bring it to us, even if it's not within the guidelines.

The third period started with the Tax Reform Act. That would have been the most appropriate time to bring in a new executive. But we were four years into this new, more structured phase, and into the beginning of an economic down turn and more cautious attitudes when Kirke Wilson took over.

I think he agrees with me that what you need most in a foundation is a very wise board. And you need directors who work well together. The board should be as diverse as it reasonably can be and still develop this common bond of trust. The members have to have confidence in one another to undertake new things.

The Rosenberg board likes the challenge of discussion. It's a very strong group of people, and because they trust one another they will take risks they might otherwise not be willing to take.

[End of tape and interview]

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APPENDIX A — Selected Grant Reports to the Rosenberg Foundation and Related Materials, 1946-1974

1. American Indians

State Senate Interim Committee on California Indian Affairs, Fred Weybret, chairman, report submitted January, 1955.

American Indians in California; in The Indian Historian, American Indian Historical Society publication, for school conference with teachers of Indian history and current affairs, 1965-6. (Grant #467)


2. The Arts

Annual report and three-year summary to the Rosenberg Foundation, Children's Education Department, San Francisco Museum of Art, 1965.

The City of San Francisco: a plan for arts resources development, sponsored by the Zellerbach Family Fund; MacFadyen and Knowles, consultants to the San Francisco Arts Resources Development Committee, 1966.


Neighborhood Arts Program, a project of the San Francisco Art Commission, 1971-2 annual report. (Funded by Zellerbach Family Fund and San Francisco Foundation; 1968-9 funded by Rosenberg.)

Creative Dramatics: a guide for educators, Mary Paul Francis Pierini, College of the Holy Names, 1971. (Grants #428, #547, #702, #825)

A Pilot Study of Visual Art Curriculum and Instruction and Related Methods of Evaluation, Los Angeles County Superintendent of Schools, 1971 and 1972. (Grants #646 and #740)

3. Community Structure

Transient Youth in California, California Committee for the Study of Transient Youth, 1948

Coordinating Bureau for Family Services, County of San Mateo, organization and program summary report, June, 1958-July, 1961. (Grant #298)

The Sacramento Story: how one Girl Scout Council extended membership in special area. Part of a Sacramento Area Community Welfare Council study on expanding and financing leisure-time activities. (3-year grant #367, made in 1961)

Neighborhood House: a proposal for research and evaluation of a work experience and training opportunities program for out-of-school unemployed youth, ca. 1962. (Federal follow-up on Grant #336)

AML (behavior rating scale) early identification of behavior problem children and multi-problem families, Paul T. Beisser and Phillis P. Van Fleet, San Mateo County Schools, January, 1962. (Grant #339)

California Center for Community Development, report of conference, 1963. (related to grant #442)

Report of the Merit Promotion Institute, National Conference of Christians and Jews and Bay Area Urban League and University of San Francisco School of Business Administration, January, 1965. (Grant #436)

Evaluation of the self-help community development project of the North Avenue Community Center, Fresno Community Council, May, 1967. (Grants #394 and #416)

The Lonely One: the skills of a good streetworker, Percy Pinkney, Community Streetwork Center of the San Francisco Bay Area, 1972. (Staff handbook, prior research funded by Rosenberg)

Assessing day care needs and services: interview procedures, Elizabeth H. Brady, assisted by Doris G. McClain, California State University, Northridge, 1972. (Grant #712)

Family communication training manual, Johanna Schwab and Helen Colton, national board YMCA, 1972. (Grant #730)
4. Education

The counselor and the school guidance program: some considerations for a framework, Lawrence H. Steward, University of California, Berkeley, ca. 1961. (Report evolved from a vocational education conference supported by Grant #359)


Supermarket discovery center demonstration project (for 3 and 4 year olds), Institute for Educational Development, El Segundo, California, 1969. (Grant #570)

Pre-school children's photographs and stories from Scripps College project to strengthen parent participation in an integrated nursery school, ca. 1969. (Grant #694)

Air Pollution: manual for elementary teachers, M. J. Ausloos, Sunnyvale School District, 1971. (Grant #733)

5. Health

Child health study and recommendations, San Mateo and Santa Clara counties, Bruce Jessup, M.D., Stanford Medical School, 1956-61. (Grant #296)


A Follow-up Study of the Juvenile Drug Offender, sponsored by the Institute for the Study of Crime and Delinquency and Rosenberg Foundation in cooperation with the California Youth Authority, October, 1967. (Grant #460)

Drugs, Hippies and Doctors, Harry A. Wilmer, M.D., Ph.D., 1968. (Grants #528 and #572)
The current status of the Haight-Ashbury Community, September, 1968, Stephen M. Pittel, Ph.D., Department of Psychiatry, Mt. Zion Hospital and Medical Center. (Grant #539)


6. Juvenile Delinquency and Corrections

Juvenile Detention in California, current practices and recommended principles, Ruth Stalman and Ralph G. Wales, 1946. (Rosenberg grant)

The Effectiveness of Reduced Case Loads for Juvenile Probation Officers, 1957-9, Edith Miller Tufts, Los Angeles County Probation Department. (Grant #289, reduced caseloads financed by Los Angeles County)

The Prisoner's Family, a study of family counseling in an adult correctional system, Norman Fenton, Pacific Books, Palo Alto, California, 1959. (Prior research funded by Rosenberg)

YWCA-NYA Project, Santa Monica, joint demonstration project for delinquency-prone girls, 1962-64.

The Silverlake Experiment: A community Study in Delinquency Rehabilitation.

Staff-Inmate Collaboration: Crisis and Consequence, Empey and Newland (n.d.)

Progress report: exploratory research project at Boys Republic, E. K. Nelson and H. Poorkaj, November 28, 1962 (Grant #413)

Lamar T. Empey, George E. Newland, Steven G. Lubeck, University of Southern California Youth Studies Center, Progress report 2 (1965) and 3 (1966)

Findings of the Silverlake Experiment: a brief report submitted to Boys Republic and the Rosenberg Foundation, 1968 (Grant #399)

The Fricot Ranch Study: outcomes with small versus large living groups in the rehabilitation of delinquents, Carl F. Jesness, Ph.D., October 1, 1965. (Grant #329)

Job Finding for Court Wards: a report to the Rosenberg Foundation from the Alameda County Probation Department, Paul McCormick, June, 1965. (Grant #384)

A Study of the Environmental Factors: their effect on male adolescent offenders in the residential setting, M. J. Schumacher, M. D.; Neville Kyle; John Newell, Junipero Serra Boys Club (Los Angeles), 1967. (Grant #488)

The San Francisco Juvenile Court, report of 1969 study committee, Bay Area Social Planning Council, Frank Sloss, chairman.

California Youth Authority and Department of Corrections, annual research reviews, 1973. (Program descriptions credit Rosenberg Foundation)

7. Mexican-Americans

A preliminary report on a study of farm laborers in Fresno, California, January 1-July 1, 1959, William C. Beatty, Jr., Patricia Pickford, Thomas M. Brigham, for Fresno County Rural Health and Education Committee. (Grant #231)

Health in the Mexican-American Culture, a community study, Margaret Clark, University of California Press, 1959. (Prior research and publication funded by Rosenberg)


La Raza: Forgotten Americans, Julian Samora, ed., University of Notre Dame Press, 1966. (Prior conferences and publication funded by Rosenberg)

Tribute to
Mrs. Leslie W. Ganyard

The following address, "Public Health and Foundations, Partners for Progress," in part, was delivered by Dr. Malcolm H. Merrill, Director of the State Department of Public Health, upon the occasion of a luncheon given by the Health Council of the United Community Fund on December 16, 1958, at the St. Francis Hotel, honoring Mrs. Leslie W. Ganyard in recognition of her retirement after 22 years as Executive Director of the Rosenberg Foundation. Dr. Merrill's high appraisal of the value of foundations in public health progress, and, in this instance, of the contribution the Rosenberg Foundation has made to public health in California, makes inclusion of parts of his address in this annual report appropriate.

It is also most fitting that his generous tribute to Mrs. Ganyard and her long service should be here recorded.

"I am very pleased to have the chance to talk a few minutes about the partnership between foundations and public health agencies, especially on an occasion honoring the Rosenberg Foundation and Mrs. Leslie Ganyard. It is with regret that I contemplate the retirement of Mrs. Ganyard as Executive Director of the Foundation and Secretary to its Board. Mrs. Ganyard began her career with the Foundation the same year I joined the State Health Department. We have in a sense grown up together in the California scene. One of the rewards, and perhaps penalties, of retirement, is listening to the eulogies of friends. It must cause mixed feelings. But pleasure should predominate at this proof of appreciation and esteem.

"Mrs. Ganyard has been Executive Director of the Rosenberg Foundation since its founding in 1937. She started the office, chose the furniture, and had the sign
painted on the door. That sign was not too illuminating for she often had to refuse to show the Rosenberg line of foundation garments!

"No organization can be better than its Board of Directors and its Executive, and the Rosenberg Foundation has been particularly fortunate in the quality of each..."

"Like foundations, voluntary health agencies also supply support in the form of private funds. Foundations and voluntary agencies have similar advantages over the official agencies in freedom of action to accelerate progress. But charitable foundations have greater freedom—they do not have to carry on fund-raising campaigns nor maintain extensive organizations. Foundations are free, too, to apply stimulation in all sorts of divergent areas of interest.

"Foundations have a unique opportunity to spearhead progress in new and promising directions. Of course not all of the attempts will be fruitful, but it often is as important to find out what won’t work as it is to discover and demonstrate new, effective methods.

"Foundations have the great advantage over official agencies in that they have no burden of continuing responsibility for definite activities and services. Because they have this freedom they can invest in any research or application of research that seems to their board members to be feasible or needed.

"Public health is greatly indebted to those foundations that look upon the money they have to invest as ‘venture capital.’ They use the income they have for appropriations to encourage pioneering, to permit experimentation, to initiate projects, to demonstrate the validity of some new idea or method. They make it possible for a health department, for example, to make a direct, frontal attack on a newly-emerging problem in the hope that if the method proves sound it will be continued as part of the department’s regular program. The Rosenberg Foundation is such an organization.

"As I look back over my own years of experience in public health I can see many examples of foundation support at crucial stages in the development of public health careers and important public health measures. I, personally, was supported for four years of my own career by a private foundation — The Rockefeller Institute. In the history of public health in California there are many examples of astute help given at strategic times by various foundations...."

"Since most of the foundations are located east of the Mississippi River, with a good share of them headquartered in New York City, the Rosenberg Foundation located in California is of particular importance to the West and to California.

"The Rosenberg Foundation, with assets of more than 7½ million dollars, has made health grants of almost half a million dollars in its 20 years of service. This does not include, of course, the many appropriations made in other areas which are either directly or indirectly of public health significance; such as rehabilitation of the handicapped, mental health activities, family social welfare and education, among others...."

"The will of Max L. Rosenberg provides legal basis for the Foundation. Six of the nine purposes he outlined in his will pertain to health. They are: To assist in control and elimination of disease; to promote physical and mental well-being of mankind; to improve living and working conditions; to aid programs which serve the handicapped; to aid programs which benefit the underprivileged and to disseminate information which furthers these objectives.

"What is the proof of the success of a foundation’s work? It is the continuance or the expansion of the activities sponsored by its grants. I was interested just last night in reading the Ellsworth report on the Evaluation of the Grants of the Rosenberg Foundation 1947-1955. I can
mention today only something of the contributions.

"We are surrounded here in California by the proof of the Rosenberg Foundation's success. Two of the earliest grants of the Foundation were in the field of medical research — Valley Fever and plague.

"Mrs. Ganyard had just begun her work as Executive Director. Mindful of the fact that the Rockefeller Foundation had started with research in hookworm, she was casting about for similar work for the Rosenberg Foundation. She went to Dr. Ernest Dickson, dean of the Stanford Medical School, and asked if he had a hookworm. He said that he had something just as good. Funds were needed, he explained, for research in Valley Fever.

"Dr. Charles E. Smith, dean of the University of California School of Public Health, and Dr. Myrnie Gifford, who was then assistant health officer of Kern County, carried on the research following the death of Dr. Dickson. Their studies proved that the mild, so-called Valley Fever and the severe coccidioidal granuloma are forms of the same disease, coccidioidomycosis.

"The second grant was to Dr. Karl F. Meyer and the University of California Medical School for a plague laboratory and personnel needed to continue studies already in progress on sylvatic plague.

"Another grant in the field of medical research in this early period was to the University of California Medical School for the development of the first use in State hospitals of insulin shock therapy.

"That same year the Foundation gave a grant to Mt. Zion Hospital for partial support of a heart research clinic, the Institute for Cardiovascular Research.

"The Foundation gave funds to the San Francisco City and County Hospital to support the initiation of a blood bank — the first in California. Soon thereafter, the Foundation lends its support to the San Francisco County Medi-
“This is a striking example of how a foundation can catalyze a community program. The first year the project was supported entirely by Foundation funds. The second year it was supported 50-50 by funds from the Foundation and from the Fresno area growers. The third year, and since then, it has been maintained by funds from the county and from the growers.

“The Foundation decided a few years ago that it would discontinue support in medical research and place its emphasis on community health, education and recreation, with special emphasis on children. This decision was made because of the size of grants and the length of time required to complete medical research.

“However, the Foundation is currently supporting research in dental caries because of the importance to children of such research. A grant has been made to the San Francisco College of Physicians and Surgeons for a project in charge of Dr. Charles Scrivener for the purpose of inducing in the mouth the growth of harmless organisms which combat dental caries. Dr. Scrivener believes he has found such an organism in Bacillus brevis. This piece of research is attracting wide attention and is still being carried on with other funds.

“In line with this emphasis on services to children, the Foundation has granted three years of support to the Children’s Health Council of the Mid-Peninsula in Palo Alto. Services are provided for the emotionally and physically handicapped child. A new building is being erected to house this program.

“Also, in the Palo Alto area the Rosenberg Foundation has allocated a substantial fund for a four-year grant to the new Stanford University Medical School for a study of child health needs and resources in the areas of Santa Clara and San Mateo Counties, which will be served by the new medical school.

“Next spring the University of California Press will publish a book which reports the findings from a much-needed study of culturally induced beliefs and practices which affect the health of Mexican-Americans and their acceptance of community services. The research conducted in Santa Clara County by an anthropologist, Dr. Margaret Clark, and the publication of the book were made possible by grants from the Rosenberg Foundation to a sponsoring committee.

“I have left for last the biggest project so far underwritten by the Rosenberg Foundation — the ‘San Mateo Project.’

“This study into the families of a community whose problems require the use of most of the funds and staff time of the community welfare, educational, health and correctional agencies will point the way to future preventive programs.

“It has not been possible because of time to bring out the full implications of the influence of foundations in improving health services to the people.

“Nevertheless, it should be evident that a close and valuable partnership exists between health agencies and foundations. I am sure that I speak for all California health agencies in saying that we look forward to a continued happy relationship with the Rosenberg Foundation under its new Executive Director, Mrs. Jackson Chance.

“The Rosenberg Foundation can take great pride in its contribution to improving the health of the people of California. This contribution has been made no: only in funds but also, and equally important, in the sympathetic and wise counseling of Leslie Ganyard. Mrs. Ganyard, I have special instructions from the staff of the State Health Department to express our appreciation to you for your outstanding contributions and our congratulations for the job you have done.”
THE ROSENBERG FOUNDATION'S NEW POLICIES -- A PRELIMINARY ANALYSIS,
by Ruth Chance

BACKGROUND
The Congressional debate of 1969 on the role of private foundations, and the subsequent enactment of the Tax Reform Act, which became effective on January 1, 1970, signalled the end of an era for The Rosenberg Foundation. Concurrently, other problems reinforced the board and staff's realization that a thorough reexamination of policies was required. During a ten year period the volume of applications had risen dramatically (see attached statistics). For example, in 1960 57 applications submitted for funding were denied in the office because they were not within the Foundation's guidelines for support. By 1970 this number had risen to 305, and this did not include the large number of telephoned requests. Overall in 1970 545 written applications were handled by the Foundation, which had also been for more than a decade an informal state-wide resource for information about alternative funding agencies to which proposals might be submitted.

One of the ironies of the Tax Reform Act was that it climaxed a ten year period of great social urgency and awakening. During that time a whole new constituency, usually without the expertise of Universities or established agencies, became aware of foundations and sought their help. This often took a great deal of time, and, after the Tax Reform Act became effective, extensive monitoring was required if a grant were made and if the organization had not achieved "publicly supported" status.

A third factor brought mounting policy and clearance problems for the Foundation. The massive entry of the federal government into areas once dominated by private funds made it essential to attempt to identify the hundreds of government granting programs and to know their priorities. (This search was far from successful.) The "seed" grant as well as the "planning" grant became promising ways in the 1960's of investing foundation money. The reversal now taking place leaves in its wake a burden beyond the capability of foundations to handle.

Here The Rosenberg Foundation has, I believe, in view of its modest assets, followed a sensible course since the early 1960's. We have with almost no exceptions refused to "percent" government grants, defining our role as that of precursor and not of passive follower of government initiatives. When federal programs began to be curtailed, foundations which had been able with the leverage of one dollar to draw from two to four or more through matching federal funds had to face the issue of what their responsibility was to projects they had partially funded to draw government money.

A part The Rosenberg Foundation has been willing to play with respect to government-funded projects is to finance discrete, identifiable components which are not yet covered by government granting policies. In such grants the Foundation has, with comparatively small amounts of money, helped...
programs test new opportunities to see whether they were valuable enough to gain later government recognition and support.

A fourth reason for the Foundation's review was the emerging, especially in the Bay Area, of a cluster of responsible foundations which were willing to finance programs similar to those which once had been mainly the province of Rosenberg. (Now in its 38th year, The Rosenberg Foundation was, so far as we know, the first private foundation in California to have an open office and a staff.)

A final and significant reason for review was the pending retirement of the executive director. The board hoped to resolve some of its policy problems before a new executive took over.

THE REVIEW

In 1972 (aside from renewal of grants; 42 of these were made) the entire year was devoted to a review of policies in an effort to work towards two objectives:

1. To control better the volume and flow of the Foundation's work.

2. To state new experimental guidelines aimed at achieving these controls while enabling the Foundation to work in important program areas.

Among the issues on which decisions were made were the following:

A. Should the Foundation broaden or narrow its geographical coverage, which had traditionally been the entire state of California? Historically, although the larger number of grants had been made in the Bay Area, applications from all parts of the state, as well as for state-wide programs, had been welcomed. The decision was to continue to restrict grants to California, and to accept requests from all parts of the state.

B. Should the Foundation confine itself, as previously, to innovative programs which, if successful, would benefit children and youth? Again the decision was in the affirmative, but with the understanding that fields of interest would have to be limited.

C. Should the Foundation make larger, longer term grants in order to assure a more manageable office workload? The decision was that the number of grants must be reduced, and some larger grants should be made. But the Foundation's experience with many of its sizeable grants had not been reassuring, while often smaller ones had had an exhilarating pay-off. The board was therefore reluctant to confine itself to a small number of large grants, but chose rather to add to these some limited categories in which requests for modest funding would be considered.
Analysis

D. Should the Foundation initiate all programs supported in order to give itself complete control over volume? (This would mean that all proposals received could be returned.) The decision was a compromise. The board decided on three approaches to be tried simultaneously and experimentally:

(1) To initiate a small number of programs which would receive larger grants, and frequently for longer periods of time. In the transitional period while a new executive was chosen and then had time to study the Foundation's situation, these grants would arise out of experience in earlier projects where it was believed that a significant problem and good auspices for dealing with it had been identified.

(2) To continue support of projects already funded which were counting on further help for a period of time.

(3) To give access to the Foundation by applicants in at most two limited areas in order to (i) receive the grass roots "soundings" which have in the past given the Foundation clues to emerging problems. (This "messenger" system, for example, called our attention to the disadvantaged child a number of years before that term was used, and while attention was centered on gifted, middle class children.); (ii) offset the frustrations of applicants who may perceive foundations as elitist institutions which decide what the problems are, and who should deal with them, and how; (iii) attempt to limit these access areas to manageable proportions.

II Among the unresolved issues or those held over for later decision were the following:

A. Whether the Foundation should alone, or in cooperation with others, establish some intermediary organization to assist applicants who need help with incorporation, or proposal writing, or information about funding sources. (In 1970, on the initiative of The Rosenberg and San Francisco Foundations and financed by them (although with the cooperation of the informal foundations group started by these two foundations about six or seven years ago) a first guide to Bay Area Foundations was issued. Last year this was updated and enlarged, and was financed by nearly a dozen foundations. The Guide has become a valuable resource for applicants, as well as for the Foundation, where it serves to mollify applicants who do not come within our policies and don't know where else to go. But much more is needed beyond this to help applicants solve the technical and other problems they face. Intermediary organizations are cropping up. They tend, however, to be costly for the applicant, and sometimes do not have the range of expertise needed. Nor are they usually set up to give continuing counsel.)
B. Should The Rosenberg Foundation be the sole grantor to the major projects it supports, or should it encourage joint participation in funding by several foundations? (Four of the five larger programs supported last year had only Rosenberg funding. A fifth, although initiated with Rosenberg money several years ago, now is shared with at least three other grantors -- a coalition urged by your secretary when the success of the state-wide organization of Friends Outside resulted in a constantly expanding budget which would within a few years become impractical for us to handle.)

C. Should the Foundation have different or broader support policies in rural areas?

(Another set of issues not as directly related to program is also in abeyance for future decision. This concerns investment policies. Aside from attempting to achieve returns adequate to cover the payout provisions of the Tax Reform Act when the legislated maximum is reached in later years (6% of market value averaged over the year, or adjusted income, whichever is greater):

1. What are the Foundation's responsibilities in relation to the social and moral implications of its investments?

2. Should the Foundation consider investing in "program-related activities" which usually are more hazardous and have a smaller total return than is aimed for in our portfolio? (The Foundation took a first step in this direction in its 1973 loans to Self-Help Enterprises.)

ARE THE NEW PROGRAM POLICIES ACHIEVING THEIR OBJECTIVES OF CONTROL OF VOLUME, FOCUS ON A SMALL NUMBER OF MAJOR PROJECTS INITIATED BY THE FOUNDATION, AND ACCESS TO THE FOUNDATION AT LEAST IN LIMITED AREAS?

Only tentative conclusions can be drawn.

1. The total number of written applications submitted to us is down, but not substantially. (The number peaked in 1971 and 1972 at about 650, in 1973 it was 592.) An optimistic guess is that people are beginning to read the new guidelines. But applicants' desperate search for money continues, and we receive many requests for appointments to discuss other resources. Such meetings are rarely arranged, but copies of the new California Foundation Directory are offered, or through telephone calls we attempt to give whatever help we can.

2. Since applications are accepted in two limited areas, incoming requests usually have to be read to determine whether some aspect might fall within one of the two "open" categories. This can usually
be done quickly, but a sizeable number of proposals require longer study, while borderline requests take some preliminary exploration.

3. There is a tendency to misread the open categories, and to assume that any project concerned with early childhood or with adolescence is within the guidelines. (It is true that the two areas were purposely left somewhat ambiguous in order to give leeway to especially interesting or original proposals.)

4. Because of the large number of grants made in 1971 and 1972, getting a true picture of the Foundation's functioning in 1974 is difficult, as the overload of those years, together with new grants made in 1972 and 1973 still carry very substantial administrative burdens. The exacting provisions of the Tax Reform Act have added to the problem. But our hunch is that once this peak load has been consigned to the past, with all reporting requirements met, the office load will be manageable. Kirke Wilson will come in with a new perspective; the final regulations on the Tax Reform Act are now out and although troublesome are becoming part of the accepted administrative pattern; 1973 may be showing us a trend towards fewer applications.

5. Although the number of grants made last year is down (41), both the new, larger grants and those in other categories which involve "expenditure responsibility" under the Tax Reform Act are more time consuming.

6. Grants under the new guidelines:

**Larger Grants**

(1) $243,237 was committed to the five "New Era" grants in 1973. Two of these will, if developments are promising, receive at least three years of support, each at a larger figure in 1974 (the U.C.S.F. Child Abuse project and SPEAK's Service Center for Public Education). The third project (Pacific Oaks) should be completed with a 1974 grant. The fourth (San Francisco State University) accepted a one year grant, gallantly taking the risk of proving its success to a degree warranting further funding. It is hazardous to predict the length of support which will be required by the fifth, Friends Outside, now supported by four foundations, and with a rising budget, since there are few statewide funding sources. If all five of these major grants are refunded at appropriate levels $300,000 will be required in 1974.

(2) These five projects are in the Rosenberg tradition. They are scattered over several fields. While it is possible to work out some relationships between them (as has been done) as well as with some of the smaller "access" category grants, they do not generally
lend themselves to clustering for purposes of impact. Whether as a matter of policy the board and the new executive will later want to explore selecting one or more overall goals, and giving priority to applications which may help to reach these in some more coordinated way is a question for later study.

"Finishing up" Grants
Eleven grants totalling $237,384 were made to meet final commitments in relation to programs given earlier support. There is always the possibility of a reapplication. If this occurs, the new executive director will have to decide whether we have gotten "the final mile" out of the project, or whether there are some loose ends that need to be tied up.

Grants in the two new categories open to applicants
(1) One can generalize about these by saying that there was not an oversupply of good applications in either category.

(a) In the early childhood field we received a deluge of requests for child care centers, but these have been placed (I believe wisely) outside the limited guideline. Six grants totalling $56,800 were made. At least four of these are one-time only allocations. None of the projects has progressed far enough to gauge its merit. There seems to be little question about the significance of selected efforts in the field of early childhood development. It may be that the new executive will have to search out and encourage potentially good applications, and I hope he will have the time to perform what was once an expected and rewarding function of the Foundation.

(b) In the second open area, where adolescents and older youth plan and execute programs to benefit the community, again the number of requests qualifying within the new guideline was limited. Nine grants were made, with a total allocation of $118,970. (Several of these will return for additional support for periods of up to three years.)

In this category the ambiguity of the policy statement is probably helpful. We did not state an age range, and applications came from sources where the young people were between 14 and possibly 24 to 26. A not yet published study of the President's Science Advisory Committee on "Youth: Transition to Adulthood", agrees with our conviction in formulating the 3(B) guideline that this transition is difficult in America because of the lack of opportunities many young people have to take responsibility. One of the Report's several
conclusions is that more demonstrations and experiments in the area of our interest should be undertaken. In my judgment, it is also fortunate that the Foundation's policy is not so narrowly stated that the projects proposed by adolescent or older youth must be for the benefit of younger children. (This was the initial idea.) Rather, emphasis is on community benefit, and this opens up the opportunity for intergenerational relationships.

Atypical Grants
The Foundation also funded two programs not strictly within its guidelines. These seem to me laudable lapses, and they can if necessary be justified as "invited". The first was the grant to the Santa Clara County Juvenile Probation Department for its project with children who are the victims of incest, and their families. Although this could be classified under Child Abuse, typically the reasons for physical abuse of young children are different from those which underlie incest. The second was the grant to the Center for Environmental Change to study the physical environments of juvenile delinquency programs. This scarcely touched field may add new insights helpful to those concerned with delinquency.

COMMENT
The guidelines adopted in 1973 are experimental and subject to change as the board and its new executive director appraise the projects supported and the significance of the areas chosen. For the first year they seem to have served reasonably well as screening mechanisms which can turn up new kinds of opportunities. Since the Foundation is locked into several of its larger funded projects, the board and executive may want to consider how these could be reinforced through its "access" guidelines. What is uncertain at the moment is how much the current workload is attributable in a substantial way to the past several years before the new policies were adopted so that clearing this up will free more of the executive's time for exploration of new ideas, and whether the paperwork which now takes so many hours does so because it is unfamiliar, or whether private foundations (the least favored of all philanthropic categories) must resign themselves to the technicalities and record keeping as a bureaucratic normality from now on.

The 1960's brought us a cascade of new ideas. Now we appear to be in the trough of a wave. Whether a new urgency is in the making is not clear, but judging from history one can guess that it is. In this less sparkling period of fall-back or consolidation or repetition, during the past year we have found a few harbingers that suggest new stirrings.

Looking to 1974, the interplay between a wise and experienced board and a new director with a refreshing point of view and a keenly analytical mind should begin to move the Foundation's work to a new level of usefulness and distinction.

Ruth Chance
Beginning 1973 support for programs benefiting children and youth in California will be divided into three groups:

1. Longer term, increased financing of a small number of programs initiated by the Foundation in areas identified through recent grants as of particular significance. No applications will be accepted in this group.

2. Continued support for some smaller programs now under way to which the Foundation has an obligation for a specific period of time.

3. Modest support for projects submitted for funding which fall within the following categories. (Because a substantial portion of the Foundation's grants budget will be used to support Group 1 programs, the number of grants made in either of the Group 3 categories will necessarily be small.)

   (A) Early Childhood Development: New programs which appear to have unusual promise of encouraging the normal, healthy development of young children both as individuals and as members of a diverse society. (Excluded are basic support for child care centers or nursery schools, and providing matching funds for federal grants.)

   (B) Adolescent and Older Youth: New programs in which young people have joint responsibility for planning and implementation, and which will strengthen their relationship with the community.

No grants to individuals, or for endowment, scholarships, operating expenses of established programs, capital campaigns or to continue programs started under other funding auspices.

By RUTH CHANCE

Who would come to see you if you didn’t have money? was the intriguing question
Paulovitch asked at a Council on Foundations meeting in a memorable speech. Does the applicant — the visitor see himself as a supplicant, and us as the formidable, across-the-desk keepers of the checkbooks? Or are we partners in the construction, replication of a problem, each growing in interest to know whether or not a grant is finally made?

We never reach Paul’s goal, but it is an idea which is to aspire. In the charmed period of the 1950’s when the Rosenberg Foundation was established, it took only one modestly furnished room, a near-in
eligible woman — Leslie Ganyard — and an intelligent board of trustees, operated but with a touch of skepticism, to make this new foundation a state-wide resource for those with ideas and plans that might benefit children in California. Leslie Ganyard became to many a familiar figure in the rural towns of the Central Valley as well as in the growing cities. She brought back to the board the ideas that were fermenting around the state. In those simpler days when California had less than a third of its present population and agriculture was the main occupation, philanthropic foundations were known only to a relatively few. The Rosenberg Foundation was among the early ones to publish a report, to help people understand what this new creature was, its activities, and how to gain access to it. Grants were made which shrewdly provided just the elbow room needed to give a new plan under good auspices a real try. Grantees kept in touch with the foundation as with a friend, frankly sharing their troubles as well as their victories. The foundation understood that few things are as easy to do as they look on paper, and that usually the path will have to be altered here and there.

In the late 1950’s I was the inheritor of these idyllic traditions. But foundations had by then entered a stormier period — that of the Cox and Reece hearings and the Patman investigations. Too, California was changing. Its growing population would soon be the largest of any state, and perhaps the most heterogeneous. The War had left a technological complex as advanced as that on the east coast, and government funds were pouring into almost every field once dominated by private support. The San Francisco Foundation, under the distinguished leadership of John May, was making its mark, and other foundations of quality were beginning to get acquainted with one another and to lay a basis for working together.

How to adapt the Rosenberg Foundation’s earlier informal and leisurely style to the complex, new situation, has never been fully resolved, for soon we were caught up in the dizzying pace of the 1960’s when a torrent of new ideas proposed by a far wider range of applicants swept the foundation world.

At the end of this exhilarating decade three little words — and they were not the oxymoronic words "tax Reform Act" — took us along with other foundations, into yet another era in which we’re still trying to get a secure footing. Having been among those who favored changes in the law, to assure that philanthropic and not business concerns are the overriding reason for the creation and work of charitable organizations, we, along with all other private foundations, found ourselves after TRA downgraded to the least favored of all charitable categories, taxed and government regulated, penalized with respect to gifts, and enamored in a confusing mass of technical rules which require extensive help from attorneys and accountants. But the board of the Rosenberg Foundation responded by deciding that their intent was to stay strictly within both the letter and the spirit of the law, and to continue to support the kinds of innovative programs which historically had been its benchmark.

Looking back, I haven’t any profound pronouncements to make. But from these three eras I can share a superficial look at a few of the hypotheses, impressions, myths, and heresies that are linked to foundations:

1. Hypothesis: A foundation with no family members on the board and with a charter which gives great leeway in selecting areas for support, has important, advantageous. Agreed — especially when an able board periodically reviews the usefulness of the foundation’s current work.

2. Myth: There aren’t enough gifted people or good ideas around to spend the money well. We haven’t found it, so perhaps not enough people with supremely original minds, but plenty with fresh ideas capable of attempting to make the small advances for people which are our modest goal.

3. Myth: Foundations are the most flexible of institutions. Questionable, the possibility of flexibility is there, both in acting quickly and in adapting to new circumstances.

4. Myth: Government won’t support original and innovative projects. It certainly will, although the base is narrowing. But some of the most exhilarating programs of the 1960’s were launched with government money. The problem is staying power when society is in an era of search and there is no clear consensus about solutions.

5. Myth: Final solution of a problem, may come out of a grant. Rarely. Even the most successful project is (Continued on Page 4)

John May
Ruth Chance

(Continued from page 2)

probably just a stepping-stone to a new phase. And some “solutions” are quickly outmoded.

6. Hypothesis: One maxim of the foundation world is that “scatteration” is a sin; we should concentrate for “impact.” Here I’m a partial heretic. There are child welfare areas where we make a pretty justified attempt to help groups build step by step. But we’re also interested in the “sport” — the offbeat idea that strikes us almost intuitively, as something that ought to be explored even though it’s outside our granting policies.

7. Impression: Evaluation has us all anxious. What is it, how do you do it, can you trust it? We’re still floundering.

8. Impression: As public money comes in, the value of private money can increase — to critique, to give quality, to provide alternatives.

9. Impression: Should we initiate or respond? Probably both, although that makes operating more difficult. We have no elitist belief that the foundation knows best what should be done and by whom. And we thrive on the early signaling that comes to us through applications which show emerging problems.

10. Impression: Joint funding among foundations is good; in that risks are shared, the more cautious can come in, and things, one foundation can’t afford alone, are made possible. But we need to work out better arrangements.

Summing up, although foundation work has its daily strains, frustrations, and failures, it is an experience as bracing as a San Francisco morning with its brisk winds off the Bay. Like Dr. Samuel Johnson’s innocent friend, I, too, would like to be the objective philosopher and perhaps the pessimist, but find with him that “cheerfulness is always breaking in” as one remembers the gifted people, the gallant trials, the wise advisors, and the support of an extraordinary board and staff.
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Chief of radio, TV, public relations, major New England department store; copy chief, network radio and TV station in Hartford, Connecticut; freelance theatrical publicity and historical articles, 1953-55.

Research, interviewing, editing, community planning in child guidance, mental health, school planning, civic unrest, for University of California, Berkeley Unified School District, Bay Area Social Planning Council, League of Women Voters, 1956-70.

Research, interviewing, editing on state administration, civic affairs, and industry, Regional Oral History Office, The Bancroft Library, University of California at Berkeley, 1970-present.
Chance: Yes, that's usually right. I think it may, since the CYA will attempt to develop a grievance procedure in community-based programs, too, and so, at least informally, other teenagers will hear about it.

I believe Allen Breed is very much in earnest in wanting this program, or he would not have asked for a grant to hire outside consultants to help with it. There is said to be only one agency in the country that is expert in this field, the Center for Correctional Justice, and it is based in Washington, D. C. A fascinating young woman lawyer named Linda Singer is the head of it. She is going to be teaching at Stanford next semester, and some of her clinical material will be drawn from this project.

Her organization consults with prisons and other correctional facilities in various parts of the country. As a consultant to the Youth Authority she and her colleagues don't simply confer with top management; she and her team go directly into the institutions and work with the superintendent, staff, and wards in setting up the grievance system. A community committee or other outside relationship is part of each plan, so that the wards know they have recourse beyond the institution.

Bringing in outside people assures the young offenders that they really are going to have freedom to express what they believe to be injustices, and not be punished for doing so. The program started in an institution in the Stockton area that used behavior modification as the treatment method. In behavior modification you are rewarded for doing the right thing, for observing the rules, and something is taken away from you for not doing so. Now, when that is combined with a grievance system which encourages you to assert your rights, you've got a pretty complicated thing going. It's confusing to the staff and it's confusing to the kids. It's hard to work out, but I hope they're going to make it.

Courts have increasingly ruled that people in institutions have rights. Although there seems to be a leveling off of this kind of decision in the Supreme Court and some lower courts, we have been through an active period of legislation and particularly of judicial decisions which have given a lot of impetus to recognizing the rights of people in various situations, including within institutions. So, there is now developing a whole new field of law applicable within correctional institutions, but it's probably far better for the institutions to take the lead and develop realistic programs before the courts intervene.

If the Youth Authority had simply promulgated a grievance procedure, it's very likely the kids would not believe it to be real. But when the director brought consultants in from outside and picked the most promising institution to pilot it in, and asked wards
Chance: We do offer outside experts to a few of our grantees, but it's not on a systematic basis.

The intermediary and the technical assistance developments are mainly products of two things: the new applicant groups of the 1960s that had intriguing programs but little organizational experience, and the Tax Reform Act's requirements for reporting on grantees for whom a private foundation has expenditure responsibility.

One other matter related to some of the things I've been talking about is worth a comment. It's clear that foundations, in attempting to be responsible and accountable, are spending more money on a category that isn't strictly either grants or administration in the traditional sense. Examples are efforts to help applicants (producing a directory of California foundations is an example of attempting to give better access), or to cooperate to try to make the field more cohesive and to improve practices (membership in the Council on Foundations is an illustration of that, as is giving support to the Foundation Center, which gathers and disseminates data about foundations).

The Foundation Center has regional depositories in various parts of the country. There is one at UCLA, and the Bay Area depository used to be at UC Berkeley. However, the San Francisco Public Library's Financial District Branch now houses most of this information. Since hundreds of applicants ask for information and assistance there, it's a heavy burden, and eventually we're going to have to find a solution.

Morris: It sounds like an ombudsman function, both for foundations and grantees.

Chance: Partly that, but also on both the local and national levels there's considerable discussion of raising standards and even of something similar to accreditation for foundations.

Morris: That's an interesting idea.

Chance: No one has yet figured out whether the accreditation model can be adapted to foundations, but a group of foundations has considered it, and applicants have raised the question. We're certainly moving into a period of analyzing what would constitute acceptable standards of accessibility and accountability.

As you probably know, a private national commission was recently appointed to study the issues around philanthropy. It's referred to as the Filer commission, and I hope will probe more deeply than most studies have done, but its report isn't due for a number of months.
Chance: Foundations are only one part of its assignment, but they should receive a good deal of attention. There are about thirty thousand entities that now qualify as foundations under the law. But even the reporting required by the TRA hasn't resulted in our knowing much about a great many of them. It may be that eventually criteria will have to be set up to determine the status of a particular foundation within the total field, and status may be linked with certain advantages. I think I've already said some time ago that at one time Alan Pifer of the Carnegie Corporation proposed that only foundations meeting certain criteria be permitted to be perpetuities. How much donor control of program and of assets should bear on status raises interesting questions, too.

Morris: Were there other characteristics to what you're describing as the second stage of the Rosenberg Foundation's development?

Chance: There are other trends that began in that second period that haven't yet culminated. The work of a foundation executive used to be quite linear. It had to do with applications: program work.

Getting the income to finance the Foundation's grants was delegated to investment counsellors, who worked under policies established by the board. Since the directors are fiduciaries, the policies were prudent ones— to invest carefully for a reasonable return. Now we're involved in a series of investment issues. The first has to do with management of the portfolio to secure a return large enough to meet the payout requirements of the TRA. I'll talk about that later, because it really is part of the Foundation's third period.

In the late 1960s the social implications of foundations' investments came to the surface strongly as an important concern. The fact that programs supported might be socially beneficial had to be viewed in relation to the fact that some of the investments that made the grants possible might have detrimental social effects. Foundations now have to think about what it is reasonable to expect of them with regard to the social issues raised by their investments. It's a very difficult problem that Rosenberg is just beginning to work through. It's been on our policy agenda for several years, but we're at the beginning of coming to grips with it. We haven't had the information to deal with it well, and are just beginning to get it in a manageable form. Then, too, the issues aren't always that clear.

Morris: You can hypothesize that that is a remarkably complex problem, for instance in the case of a corporation executive who sits on a foundation board: what affect does it have if he looks at the corporation in relation to what the foundation sees as priorities?
That can be a problem. Currently, it's treated as one of the issues in the Nelson Rockefeller vice-presidential nomination. A whole segment of the Congressional hearings has to do with his philanthropic activities and their relationship to his business interests. While I think there is some misunderstanding of his influence over funds given by various members of his family for philanthropic purposes, nevertheless it has aroused a lot of controversy.

The board of the Rosenberg Foundation recognizes that no small foundation, even though it's now subscribing to and studying the best reporting service in this field, can possibly keep track of all of the national and international issues raised by possible investments. I suspect that foundations the size of Rosenberg will have to limit themselves to particular issues that seem important to the integrity of their programs.

Investments also have renewed importance in another way, because a few foundations have begun to recognize, as the Russell Sage Foundation did in its early years, that investments can sometimes be a substitute for grants, and an improvement over them, in achieving a social goal. So alert foundations are now weighing whether investing money would be as beneficial as granting it in specific situations.

The traditional investment function of foundations—-to secure income to be used for philanthropic purposes—has been complicated by the payout requirements of the TRA. That is, if your portfolio is earning less than the law requires private foundations to pay out that year—the Treasury sets the payout rate annually—of course you must deplete your capital to meet the requirement. The TRA was passed before the recession and before inflation became so severe.

Inflation has added to the problem foundations have because the value of most foundations' assets is down in the current market. For some, that means supporting fewer projects, especially since we also pay a four percent tax.

It's a double squeeze.

You have a double squeeze. And so, what was once considered a significant amount of capital for a foundation to have—ten million dollars—now becomes far less impressive. (As late as 1970 there were less than three hundred foundations out of the more than thirty thousand that had ten millions or more in capital.) It will be part of the Rosenberg's third period, which in my thinking began with the TRA, to find ways which will strengthen the Foundation's ability to hold to high standards of usefulness.
Chance: I think that foundations are becoming more 'professionalized' in this new period. I put quotes around that because nobody knows exactly what it means to professionalize a foundation. There certainly are many more people who have had experience in making or administering grants. There are also more disciplined thinkers about social issues than there used to be, and many of them had a great deal of practical experience during the 1960s. There are many more especially competent and quite young people who are only interested in working in the nonprofit field. I think that is a more professionalized stage than when I came to the Foundation.

This new third period has a number of characteristics, some hopeful, some less so, beyond the growing professionalization of foundations. Downgrading of private foundations by the TRA so that their money does not have equal treatment with government or public foundation money; the addition of responsibilities which could bureaucratize an institution that once was characterized by informality and flexibility are examples. It's a period in which the balance between the private foundation field and the rest of philanthropy needs to be worked out better, because I think their destinies are pretty well linked.

What is encompassed in foundation work has expanded, because now you not only are working on program applications, but also on relationships and cooperation among foundations, either of a formal or informal nature, and on new as well as old aspects of investing. The affirmative action issue will influence staff, boards, and projects.

Foundations and, in fact, philanthropy generally are in a vulnerable period. Although philanthropy has historically been a robust feature of American life, its close relationship with the tax system puts it under careful scrutiny. And foundations don't fit neatly into economic theory or classification. Their output doesn't yield easily to economic analysis. It's hard to apply business concepts like cost-effectiveness to them, although that ubiquitous word, accountability, has useful implications for foundation work.

Congress has already discussed the possibility that foundations should be time-limited rather than perpetuities, and the TRA has made it harder to create private foundations. It has even been proposed to give the government power to direct how foundation funds can be invested and spent.

There isn't anything sacred about foundations as individual entities. Each should have to justify its existence by some rational standard. But I think many of them have conscientiously played a role which should not be lost. They have been experimenters as well as
Chance: sustainers. They spread decision making, and the trend is to do so more broadly. The diversity argument, although old, is a strong one, so long as foundations treat their assets as a public trust.

Independence and Individuality

Morris: That would sound like an argument for a number of foundations in any one part of the country. If you've got a dozen or so, they can cover the waterfront between them.

Chance: They can try, but they may not agree about how to cover the waterfront. Kirke Wilson and I have often talked about this—that foundations do get into controversial fields, and take different approaches to solving problems. Foundations can, for example, have in common an interest in health care, and they may do something about that care from a number of points of view. Since we don't have definitive answers, different approaches can have value, whether you classify them as conservative or as aimed at change.

Morris: In a sense, is the government's presence in the granting picture a rivalry?

Chance: It can be perceived as a rivalry or as a helpful and necessary thing. Recently, on William Buckley's program, Firing Line, the man who heads the National Endowment for the Humanities spoke on granting, insisting that his agency was far superior to anything that foundations could do, and he seemed to regard them as superfluous. Obviously, that raises hackles. Who started the granting in the areas of the humanities? So far, I think there is work enough and more for all of us to do, and we have different styles. Some people think that the federal government grants in quite different ways from foundations, and that its decisions do to some extent have to be geographically and politically oriented. Of course, foundations are accused of playing favorites, too. I think there is great potential in the federal government's having money for the kinds of programs that foundations have often at least piloted. There's no conceivable way in which limited private foundation funds can handle the problems of society. They can point new directions, or help to sustain old ones, but they can't possibly handle the scope of problems that government must deal with.

Morris: In terms of meeting the quantity of needs?

Chance: And meeting needs of all kinds.
Morris: I was thinking in terms of the innovative, leading-edge role of foundations.

Chance: That is the role I prefer for foundations, too, but I don't detract from the federal government's capability to innovate. The lesson as I've learned it from limited observation is that a new federal program may start out idealistically and innovatively. But as what it does becomes known, either results aren't achieved swiftly enough, or else what it is doing begins to be challenged by those who don't approve. Then it begins to be hemmed in by restrictions.

Morris: By the governmental system itself?

Chance: Yes, by the governmental system or by pressures on it from people outside. On the other hand, there's this rather free floating thing called the foundation, that as an institution doesn't have to respond to political pressures. If it's got enough courage it doesn't have to. Foundations made the start, for example, in population control at a time when it wasn't politically feasible for the government to do so. But they don't have enough money to do the whole job. Later, after a long demonstration period, the atmosphere had changed adequately to allow transfer of many of these programs to public auspices.

Morris: What about another charge that has been made: that the majority of foundations stick to supporting traditional organizations and programs?

Chance: I think it's granted that most foundation money goes to relatively conventional programs or institutions. And an excellent case can be made by those who use their money to help ongoing institutions or organizations provided they have continued to be valuable.

I do wish that instead of routine giving, foundations would look to see whether they're supporting some things that are getting to be obsolete. Many foundations, Rosenberg included, grant to traditional organizations in a way which will give them a little shove in some direction that would be more valuable. Often a project will do that, although it can be a nuisance if an organization is doing well, and needs money that isn't earmarked, rather than having to take on a new program.

But you are right, so far as I know, in believing that most foundation money is spent quite conventionally. In times like these, we need more foundations willing to be innovators.

Morris: We've covered a tremendous amount of territory. Are there some major points that we haven't talked about?
Chance: I don't think so. If you're talking about the Rosenberg Foundation, I like to think that this foundation had a great initial period in California because it was nearly the sole resource of its kind, and that it lived up to its obligations as a public trust. Then it had a much more mixed period, in which the Foundation gained a reputation for doing innovative things. The period was one that cried out for new efforts. Those who participated will not forget the gusto and vitality and optimism of the 1960s. Our heritage from it still isn’t clear, but perhaps the more quiescent '70s are really a time of consolidating the gains, and analyzing what worked and what didn't.

We began to discover other foundations with similar interests, and started on the way to cooperative action. We found new dimensions in foundation work that tested our own willingness to change.

The times were so full of opportunity that we had to cut back to new guidelines to cope with the work. But the board kept some flexibility by its injunction that if there is a new idea that's awfully interesting, don't hesitate to bring it to us, even if it's not within the guidelines.

The third period started with the Tax Reform Act. That would have been the most appropriate time to bring in a new executive. But we were four years into this new, more structured phase, and into the beginning of an economic down turn and more cautious attitudes when Kirke Wilson took over.

I think he agrees with me that what you need most in a foundation is a very wise board. And you need directors who work well together. The board should be as diverse as it reasonably can be and still develop this common bond of trust. The members have to have confidence in one another to undertake new things.

The Rosenberg board likes the challenge of discussion. It's a very strong group of people, and because they trust one another they will take risks they might otherwise not be willing to take.

[End of tape and interview]

Transcribers: Sarah Salvante and Lee Steinback
Final Typist: Judy Johnson
APPENDIX A - Selected Grant Reports to the Rosenberg Foundation and Related Materials, 1946-1974

1. American Indians

State Senate Interim Committee on California Indian Affairs, Fred Weybret, chairman, report submitted January, 1955.

American Indians in California; in The Indian Historian, American Indian Historical Society publication, for school conference with teachers of Indian history and current affairs, 1965-6. (Grant #467)


2. The Arts

Annual report and three-year summary to the Rosenberg Foundation, Children's Education Department, San Francisco Museum of Art, 1965.

The City of San Francisco: a plan for arts resources development, sponsored by the Zellerbach Family Fund; MacFadyen and Knowles, consultants to the San Francisco Arts Resources Development Committee, 1966.


Neighborhood Arts Program, a project of the San Francisco Art Commission, 1971-2 annual report. (Funded by Zellerbach Family Fund and San Francisco Foundation; 1968-9 funded by Rosenberg.)

Creative Dramatics: a guide for educators, Mary Paul Francis Pierini, College of the Holy Names, 1971. (Grants #428, #547, #702, #825)

A Pilot Study of Visual Art Curriculum and Instruction and Related Methods of Evaluation, Los Angeles County Superintendent of Schools, 1971 and 1972. (Grants #646 and #740)

3. Community Structure

Transient Youth in California, California Committee for the Study of Transient Youth, 1948

Coordinating Bureau for Family Services, County of San Mateo, organization and program summary report, June, 1958–July, 1961. (Grant #298)

The Sacramento Story: how one Girl Scout Council extended membership in special area. Part of a Sacramento Area Community Welfare Council study on expanding and financing leisure-time activities. (3-year grant #367, made in 1961)

Neighborhood House: a proposal for research and evaluation of a work experience and training opportunities program for out-of-school unemployed youth, ca. 1962. (Federal follow-up on Grant #336)

AML (behavior rating scale) early identification of behavior problem children and multi-problem families, Paul T. Beisser and Phillis P. Van Fleet, San Mateo County Schools, January, 1962. (Grant #339)

California Center for Community Development, report of conference, 1963. (related to grant #442)

Report of the Merit Promotion Institute, National Conference of Christians and Jews and Bay Area Urban League and University of San Francisco School of Business Administration, January, 1965. (Grant #436)

Evaluation of the self-help community development project of the North Avenue Community Center, Fresno Community Council, May, 1967. (Grants #394 and #416)

The Lonely One: the skills of a good streetworker, Percy Pinkney, Community Streetwork Center of the San Francisco Bay Area, 1972. (Staff handbook, prior research funded by Rosenberg)

Assessing day care needs and services: interview procedures, Elizabeth H. Brady, assisted by Doris G. McClain, California State University, Northridge, 1972. (Grant #712)

Family communication training manual, Johanna Schwab and Helen Colton, national board YMCA, 1972. (Grant #730)
4. Education

The counselor and the school guidance program: some considerations for a framework, Lawrence H. Steward, University of California, Berkeley, ca. 1961. (Report evolved from a vocational education conference supported by Grant #359)


Supermarket discovery center demonstration project (for 3 and 4 year olds), Institute for Educational Development, El Segundo, California, 1969. (Grant #570)

Pre-school children's photographs and stories from Scripps College project to strengthen parent participation in an integrated nursery school, ca. 1969. (Grant #694)

Air Pollution: manual for elementary teachers, M. J. Ausloos, Sunnyvale School District, 1971. (Grant #733)

5. Health

Child health study and recommendations, San Mateo and Santa Clara counties, Bruce Jessup, M.D., Stanford Medical School, 1956-61. (Grant #296)


A Follow-up Study of the Juvenile Drug Offender, sponsored by the Institute for the Study of Crime and Delinquency and Rosenberg Foundation in cooperation with the California Youth Authority, October, 1967. (Grant #460)

Drugs, Hippies and Doctors, Harry A. Wilmer, M.D., Ph.D., 1968. (Grants #528 and #572)
The current status of the Haight-Ashbury Community, September, 1968, Stephen M. Pittel, Ph.D., Department of Psychiatry, Mt. Zion Hospital and Medical Center. (Grant #539)


6. Juvenile Delinquency and Corrections

Juvenile Detention in California, current practices and recommended principles, Ruth Stalman and Ralph G. Wales, 1946. (Rosenberg grant)

The Effectiveness of Reduced Case Loads for Juvenile Probation Officers, 1957-9, Edith Miller Tufts, Los Angeles County Probation Department. (Grant #289, reduced caseloads financed by Los Angeles County)

The Prisoner's Family, a study of family counseling in an adult correctional system, Norman Fenton, Pacific Books, Palo Alto, California, 1959. (Prior research funded by Rosenberg)

YWCA-NYA Project, Santa Monica, joint demonstration project for delinquency-prone girls, 1962-64.

The Silverlake Experiment: A community Study in Delinquency Rehabilitation.

Staff-Inmate Collaboration: Crisis and Consequence, Empey and Newland (n.d.)

Progress report: exploratory research project at Boys Republic, E. K. Nelson and H. Poorkaj, November 28, 1962 (Grant #413)

Lamar T. Empey, George E. Newland, Steven G. Lubeck, University of Southern California Youth Studies Center, Progress report 2 (1965) and 3 (1966)

Findings of the Silverlake Experiment: a brief report submitted to Boys Republic and the Rosenberg Foundation, 1968 (Grant #399)

The Fricot Ranch Study: outcomes with small versus large living groups in the rehabilitation of delinquents, Carl F. Jesness, Ph.D., October 1, 1965. (Grant #329)

Job Finding for Court Wards: a report to the Rosenberg Foundation from the Alameda County Probation Department, Paul McCormick, June, 1965. (Grant #384)

A Study of the Environmental Factors: their effect on male adolescent offenders in the residential setting, M. J. Schumacher, M. D.; Neville Kyle; John Newell, Junipero Serra Boys Club (Los Angeles), 1967. (Grant #488)

The San Francisco Juvenile Court, report of 1969 study committee, Bay Area Social Planning Council, Frank Sloss, chairman.

California Youth Authority and Department of Corrections, annual research reviews, 1973. (Program descriptions credit Rosenberg Foundation)

7. Mexican-Americans

A preliminary report on a study of farm laborers in Fresno, California, January 1-July 1, 1959, William C. Beatty, Jr., Patricia Pickford, Thomas M. Brigham, for Fresno County Rural Health and Education Committee. (Grant #231)

Health in the Mexican-American Culture, a community study, Margaret Clark, University of California Press, 1959. (Prior research and publication funded by Rosenberg)


La Raza: Forgotten Americans, Julian Samora, ed., University of Notre Dame Press, 1966. (Prior conferences and publication funded by Rosenberg)

Tribute to Mrs. Leslie W. Ganyard

The following address, "Public Health and Foundations, Partners for Progress," in part, was delivered by Dr. Malcolm H. Merrill, Director of the State Department of Public Health, upon the occasion of a luncheon given by the Health Council of the United Community Fund on December 16, 1958, at the St. Francis Hotel, honoring Mrs. Leslie W. Ganyard in recognition of her retirement after 22 years as Executive Director of the Rosenberg Foundation. Dr. Merrill's high appraisal of the value of foundations in public health progress, and, in this instance, of the contribution the Rosenberg Foundation has made to public health in California, makes inclusion of parts of his address in this annual report appropriate.

It is also most fitting that his generous tribute to Mrs. Ganyard and her long service should be here recorded.

"I am very pleased to have the chance to talk a few minutes about the partnership between foundations and public health agencies, especially on an occasion honoring the Rosenberg Foundation and Mrs. Leslie Ganyard. It is with regret that I contemplate the retirement of Mrs. Ganyard as Executive Director of the Foundation and Secretary to its Board. Mrs. Ganyard began her career with the Foundation the same year I joined the State Health Department. We have in a sense grown up together in the California scene. One of the rewards, and perhaps penalties, of retirement, is listening to the eulogies of friends. It must cause mixed feelings. But pleasure should predominate at this proof of appreciation and esteem.

"Mrs. Ganyard has been Executive Director of the Rosenberg Foundation since its founding in 1937. She started the office, chose the furniture, and had the sign
painted on the door. That sign was not too illuminating for she often had to refuse to show the Rosenberg line of foundation garments!

"No organization can be better than its Board of Directors and its Executive, and the Rosenberg Foundation has been particularly fortunate in the quality of each. . . .

"Like foundations, voluntary health agencies also supply support in the form of private funds. Foundations and voluntary agencies have similar advantages over the official agencies in freedom of action to accelerate progress. But charitable foundations have greater freedom—they do not have to carry on fund-raising campaigns nor maintain extensive organizations. Foundations are free, too, to apply stimulation in all sorts of divergent areas of interest.

"Foundations have a unique opportunity to spearhead progress in new and promising directions. Of course not all of the attempts will be fruitful, but it often is as important to find out what won't work as it is to discover and demonstrate new, effective methods.

"Foundations have the great advantage over official agencies in that they have no burden of continuing responsibility for definite activities and services. Because they have this freedom they can invest in any research or application of research that seems to their board members to be feasible or needed.

"Public health is greatly indebted to those foundations that look upon the money they have to invest as 'venture capital.' They use the income they have for appropriations to encourage pioneering, to permit experimentation, to initiate projects, to demonstrate the validity of some new idea or method. They make it possible for a health department, for example, to make a direct, frontal attack on a newly-emerging problem in the hope that if the method proves sound it will be continued as part of the department's regular program. The Rosenberg Foundation is such an organization.

"As I look back over my own years of experience in public health I can see many examples of foundation support at crucial stages in the development of public health careers and important public health measures. I, personally, was supported for four years of my own career by a private foundation — The Rockefeller Institute. In the history of public health in California there are many examples of astute help given at strategic times by various foundations. . . .

"Since most of the foundations are located east of the Mississippi River, with a good share of them headquartered in New York City, the Rosenberg Foundation located in California is of particular importance to the West and to California.

"The Rosenberg Foundation, with assets of more than 7½ million dollars, has made health grants of almost half a million dollars in its 20 years of service. This does not include, of course, the many appropriations made in other areas which are either directly or indirectly of public health significance; such as rehabilitation of the handicapped, mental health activities, family social welfare and education, among others. . . .

"The will of Max L. Rosenberg provides legal basis for the Foundation. Six of the nine purposes he outlined in his will pertain to health. They are: To assist in control and elimination of disease; to promote physical and mental well-being of mankind; to improve living and working conditions; to aid programs which serve the handicapped; to aid programs which benefit the underprivileged and to disseminate information which furthers these objectives.

"What is the proof of the success of a foundation's work? It is the continuance or the expansion of the activities sponsored by its grants. I was interested just last night in reading the Ellsworth report on the Evaluation of the Grants of the Rosenberg Foundation 1947-1955. I can
mention today only something of the contributions.

"We are surrounded here in California by the proof of
the Rosenberg Foundation's success. Two of the earliest
grants of the Foundation were in the field of medical re-
search — Valley Fever and plague.

"Mrs. Ganyard had just begun her work as Executive
Director. Mindful of the fact that the Rockefeller Founda-
tion had started with research in hookworm, she was cast-
ing about for similar work for the Rosenberg Foundation.
She went to Dr. Ernest Dickson, dean of the Stanford
Medical School, and asked if he had a hookworm. He said
that he had something just as good. Funds were needed,
he explained, for research in Valley Fever.

"Dr. Charles E. Smith, dean of the University of Cali-
nifornia School of Public Health, and Dr. Myrnie Gifford,
who was then assistant health officer of Kern County, car-
ried on the research following the death of Dr. Dickson.
Their studies proved that the mild, so-called Valley Fever
and the severe coccidioidal granuloma are forms of the
same disease, coccidioidomycosis.

"The second grant was to Dr. Karl F. Meyer and the
University of California Medical School for a plague lab-
oratory and personnel needed to continue studies already
in progress on sylvatic plague.

"Another grant in the field of medical research in this
eyear period was to the University of California Medical
School for the development of the first use in State hospi-
tals of insulin shock therapy.

"That same year the Foundation gave a grant to Mt.
Zion Hospital for partial support of a heart research clinic,
the Institute for Cardiovascular Research.

"The Foundation gave funds to the San Francisco City
and County Hospital to support the initiation of a blood
bank — the first in California. Soon thereafter, the Founda-
dation lents its support to the San Francisco County Medi-
cal Society for the establishment of the Irwin Memorial
Blood Bank.

"One of their largest grants was to the San Francisco
Rehabilitation Center, which has now developed into the
famous May T. Morrison Rehabilitation Center. This was
the first rehabilitation center west of the Mississippi River
and is considered one of the best in the field.

"At this time, too, there was an extreme shortage of
occupational and physical therapists. So the Foundation
set up fellowships for recruitment and training in these
fields. As a direct result instruction in both fields was incor-
porated into university curricula.

"In 1945 the Rosenberg Foundation made a grant to
the State Health Department to support demonstrations of
public health education services in two local health de-
partments. Prior to the grant, there were no professionally
trained public health educators employed on the local
level in California. Now, thirteen years later, there are 57
positions for health educators in local health departments.

"Many of the local departments which employ health
educators serve as field training centers for graduate stu-
dents at the University of California and other schools of
public health. When local health departments were fearful
that field training activities might be costly to them, the
Foundation made another grant for a study which proved
that the cost was very small and that health departments
benefited in many ways by serving as training centers.

"One of the projects begun with Rosenberg funds which
has attracted national and international attention is Fres-
nos' West Side Project, a broad program to improve com-
munity services to agricultural workers and their families.
A portion of the grant to the Fresno Citizens' Committee
on Health and Education enabled the County Health
Department to set up medical clinics held at night on the
West side of the Valley.
“This is a striking example of how a foundation can catalyze a community program. The first year the project was supported entirely by Foundation funds. The second year it was supported 50-50 by funds from the Foundation and from the Fresno area growers. The third year, and since then, it has been maintained by funds from the county and from the growers.

“The Foundation decided a few years ago that it would discontinue support in medical research and place its emphasis on community health, education and recreation, with special emphasis on children. This decision was made because of the size of grants and the length of time required to complete medical research.

“However, the Foundation is currently supporting research in dental caries because of the importance to children of such research. A grant has been made to the San Francisco College of Physicians and Surgeons for a project in charge of Dr. Charles Scrivener for the purpose of inducing in the mouth the growth of harmless organisms which combat dental caries. Dr. Scrivener believes he has found such an organism in Bacillus brevis. This piece of research is attracting wide attention and is still being carried on with other funds.

“In line with this emphasis on services to children, the Foundation has granted three years of support to the Children’s Health Council of the Mid-Peninsula in Palo Alto. Services are provided for the emotionally and physically handicapped child. A new building is being erected to house this program.

“Also, in the Palo Alto area the Rosenberg Foundation has allocated a substantial fund for a four-year grant to the new Stanford University Medical School for a study of child health needs and resources in the areas of Santa Clara and San Mateo Counties, which will be served by the new medical school.

“Next spring the University of California Press will publish a book which reports the findings from a much-needed study of culturally induced beliefs and practices which affect the health of Mexican-Americans and their acceptance of community services. The research conducted in Santa Clara County by an anthropologist, Dr. Margaret Clark, and the publication of the book were made possible by grants from the Rosenberg Foundation to a sponsoring committee.

“I have left for last the biggest project so far underwritten by the Rosenberg Foundation — the ‘San Mateo Project.’

“This study into the families of a community whose problems require the use of most of the funds and staff time of the community welfare, educational, health and correctional agencies will point the way to future preventive programs.

“It has not been possible because of time to bring out the full implications of the influence of foundations in improving health services to the people.

“Nevertheless, it should be evident that a close and valuable partnership exists between health agencies and foundations. I am sure that I speak for all California health agencies in saying that we look forward to a continued happy relationship with the Rosenberg Foundation under its new Executive Director, Mrs. Jackson Chance.

“The Rosenberg Foundation can take great pride in its contribution to improving the health of the people of California. This contribution has been made not only in funds but also, and equally important, in the sympathetic and wise counseling of Leslie Ganyard. Mrs. Ganyard, I have special instructions from the staff of the State Health Department to express our appreciation to you for your outstanding contributions and our congratulations for the job you have done.”
APPENDIX C

THE ROSENBERG FOUNDATION'S NEW POLICIES -- A PRELIMINARY ANALYSIS,

by Ruth Chance

BACKGROUND

The Congressional debate of 1969 on the role of private foundations, and the subsequent enactment of the Tax Reform Act, which became effective on January 1, 1970, signalled the end of an era for The Rosenberg Foundation. Concurrently, other problems reinforced the board and staff's realization that a thorough reexamination of policies was required. During a ten year period the volume of applications had risen dramatically (see attached statistics). For example, in 1960 57 applications submitted for funding were denied in the office because they were not within the Foundation's guidelines for support. By 1970 this number had risen to 305, and this did not include the large number of telephoned requests. Overall in 1970 545 written applications were handled by the Foundation, which had also been for more than a decade an informal state-wide resource for information about alternative funding agencies to which proposals might be submitted.

One of the ironies of the Tax Reform Act was that it climaxed a ten year period of great social urgency and awakening. During that time a whole new constituency, usually without the expertise of Universities or established agencies, became aware of foundations and sought their help. This often took a great deal of time, and, after the Tax Reform Act became effective, extensive monitoring was required if a grant were made and if the organization had not achieved "publicly supported" status.

A third factor brought mounting policy and clearance problems for the Foundation. The massive entry of the federal government into areas once dominated by private funds made it essential to attempt to identify the hundreds of government granting programs and to know their priorities. (This search was far from successful.) The "seed" grant as well as the "planning" grant became promising ways in the 1960's of investing foundation money. The reversal now taking place leaves in its wake a burden beyond the capability of foundations to handle.

Here The Rosenberg Foundation has, I believe, in view of its modest assets, followed a sensible course since the early 1960's. We have with almost no exceptions refused to "percent" government grants, defining our role as that of precursor and not of passive follower of government initiatives. When federal programs began to be curtailed, foundations which had been able with the leverage of one dollar to draw from two to four or more through matching federal funds had to face the issue of what their responsibility was to projects they had partially funded to draw government money.

A part The Rosenberg Foundation has been willing to play with respect to government-funded projects is to finance discrete, identifiable components which are not yet covered by government granting policies. In such grants the Foundation has, with comparatively small amounts of money, helped
programs test new opportunities to see whether they were valuable enough to gain later government recognition and support.

A fourth reason for the Foundation's review was the emerging, especially in the Bay Area, of a cluster of responsible foundations which were willing to finance programs similar to those which once had been mainly the province of Rosenberg. (Now in its 38th year, The Rosenberg Foundation was, so far as we know, the first private foundation in California to have an open office and a staff.)

A final and significant reason for review was the pending retirement of the executive director. The board hoped to resolve some of its policy problems before a new executive took over.

THE REVIEW

In 1972 (aside from renewal of grants; 42 of these were made) the entire year was devoted to a review of policies in an effort to work towards two objectives:

1. To control better the volume and flow of the Foundation's work.

2. To state new experimental guidelines aimed at achieving these controls while enabling the Foundation to work in important program areas.

Among the issues on which decisions were made were the following:

A. Should the Foundation broaden or narrow its geographical coverage, which had traditionally been the entire state of California? Historically, although the larger number of grants had been made in the Bay Area, applications from all parts of the state, as well as for state-wide programs, had been welcomed. The decision was to continue to restrict grants to California, and to accept requests from all parts of the state.

B. Should the Foundation confine itself, as previously, to innovative programs which, if successful, would benefit children and youth? Again the decision was in the affirmative, but with the understanding that fields of interest would have to be limited.

C. Should the Foundation make larger, longer term grants in order to assure a more manageable office workload? The decision was that the number of grants must be reduced, and some larger grants should be made. But the Foundation's experience with many of its sizeable grants had not been reassuring, while often smaller ones had had an exhilarating pay-off. The board was therefore reluctant to confine itself to a small number of large grants, but chose rather to add to these some limited categories in which requests for modest funding would be considered.
D. Should the Foundation initiate all programs supported in order to give itself complete control over volume? (This would mean that all proposals received could be returned.) The decision was a compromise. The board decided on three approaches to be tried simultaneously and experimentally:

(1) To initiate a small number of programs which would receive larger grants, and frequently for longer periods of time. In the transitional period while a new executive was chosen and then had time to study the Foundation’s situation, these grants would arise out of experience in earlier projects where it was believed that a significant problem and good auspices for dealing with it had been identified.

(2) To continue support of projects already funded which were counting on further help for a period of time.

(3) To give access to the Foundation by applicants in at most two limited areas in order to (i) receive the grass roots "soundings" which have in the past given the Foundation clues to emerging problems. (This "messenger" system, for example, called our attention to the disadvantaged child a number of years before that term was used, and while attention was centered on gifted, middle class children.); (ii) offset the frustrations of applicants who may perceive foundations as elitist institutions which decide what the problems are, and who should deal with them, and how; (iii) attempt to limit these access areas to manageable proportions.

II Among the unresolved issues or those held over for later decision were the following:

A. Whether the Foundation should alone, or in cooperation with others, establish some intermediary organization to assist applicants who need help with incorporation, or proposal writing, or information about funding sources. (In 1970, on the initiative of The Rosenberg and San Francisco Foundations and financed by them (although with the cooperation of the informal foundations group started by these two foundations about six or seven years ago) a first guide to Bay Area Foundations was issued. Last year this was updated and enlarged, and was financed by nearly a dozen foundations. The Guide has become a valuable resource for applicants, as well as for the Foundation, where it serves to mollify applicants who do not come within our policies and don’t know where else to go. But much more is needed beyond this to help applicants solve the technical and other problems they face. Intermediary organizations are cropping up. They tend, however, to be costly for the applicant, and sometimes do not have the range of expertise needed. Nor are they usually set up to give continuing counsel.)