

FOUNDATIONS AND EDUCATION: INTRODUCTION

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IN THE LATE 1950S, C. P. SNOW wrote a little book based on a lecture he had given at Harvard. In *The Two Cultures and the Scientific Revolution*, Snow argues that the culture of scientists and the culture of humanists were orbiting away from each other to the detriment of each culture, particularly to the detriment of society. Perhaps because Snow was much involved in British science during World War II and also wrote a series of best-selling novels, his idea caught the public imagination. “Two cultures” became popular buzz words and were also used as shorthand for perceived disconnects among other segments of society.

Two Cultures Drifting Apart?

When we began to reflect on how The Carnegie Foundation for the Advancement of Teaching might celebrate its centennial in ways that would further both education and philanthropy—twin goals of Andrew Carnegie—we wondered whether the two cultures of education and foundations were, as they seemed in our experience to be, spinning away from each other, much as Snow had suggested in another time and context.

The culture of foundations in America began early in the twentieth century with the generosity of Andrew Carnegie and a small band of other philanthropists. They chose foundations as a means to organize their philanthropy. These philanthropists saw education—in both K–12 schools and in colleges and universities—as worthy of their support, in large measure

because education gave individuals opportunities to be successful if they were willing to work hard. They believed in the “teach-a-man-to-fish” strategy of charitable giving, and educational institutions were the prime vehicles.

In the early years of the twenty-first century, however, a number of foundations appeared to grow weary of support for education and more hesitant about the assumption that educational institutions can deliver on their promise of leveraging philanthropic funding into individual and societal progress. At the same time, we sensed that the two cultures had, indeed, grown apart. We have both spent some time working in each culture, and we recognize that indulging in nostalgia for an earlier era is almost always fruitless. But we were concerned that relations between foundations and educational institutions often appeared frayed—or worse. This volume grew out of these concerns.

We recognize, of course, that there is no single culture of education or of foundations, any more than there was a single culture of science or of the humanities in the time of C. P. Snow. But Snow was focusing on how leaders in those two realms were prepared and on the attitudes of mind that shaped their judgments. In that same sense, we found ourselves considering the culture of foundations and the culture of education, and perceiving that these cultures were not mutually interactive and supportive to the extent that they could be and should be.

Our concerns were brought to center stage by the shift away from support for education by a number of major foundations such as The Pew Charitable Trusts and The Atlantic Philanthropies. We were not at all sure about the reasons for this shift, but it served to focus our attention on foundations and educational institutions and how they view each other.

The partnerships between foundations and those institutions have been a distinctive strength of American society and culture, particularly during the last half-century. As we reviewed the history of education in the last century, we were struck by how important major foundations have been, particularly since the end of World War II. In recent decades, the major reform movements that have shaped K–12 have been fueled by foundations, as discussed by Nancy Hoffman and Robert Schwartz in Chapter Five of this volume. These include the emphasis on standards and testing, the move for school choice, and what Hoffman and Schwartz term “the network-based reform” movement, such as the Coalition of Essential Schools (CES). Similarly, in higher education, as Charles Clotfelter summarizes at the outset of Chapter Nine, foundations have provided the margin of difference that enabled new and innovative programs and projects in a wide array of arenas. The reform of medical education and the pro-

motion of new interdisciplinary fields such as urban studies and women's studies are examples of significant shifts in higher education that were substantially shaped and fostered by large foundations.

As we stress elsewhere in this volume, we have been regularly struck, as we examined the evidence, by how much constructive strengthening of education at every level has been promoted by foundations, even though the share of their support, compared to the totals spent on education in any given year, is modest. Foundations have been powerful engines in promoting and supporting excellence in education from kindergarten through graduate education and in research across many fields.

Over the course of our own careers, we have developed a strong commitment to enhancing the partnerships between foundations and education. Each of us has served in various roles in universities, in foundations, and in educational organizations that depend on foundations for financial support. In those roles, we have worked to promote collaborative relations between foundations and institutions of education. We were especially troubled, therefore, by our perception that the two cultures have drifted apart.

At the same time, the president of The Carnegie Foundation for the Advancement of Teaching, Lee Shulman, and the board of the foundation were beginning to think about how best to recognize the centennial of the foundation in ways that would be consistent with both the vision of Andrew Carnegie and the foundation's current work. We decided to design a project that would probe the relations between the larger and better-known foundations and two main collections of beneficiaries—K–12 education and higher education—with a volume on the key issues involved in those relations as its centerpiece.

Our aim, we concluded, would be not merely celebratory, though one hundred years of energetic work on education by the Carnegie Foundation is certainly worthy of celebration. Rather, we wanted to provide critical and constructive commentary on two questions: (1) How can relations between and among institutions of education and foundations be more powerful, focused, and consequential in the years ahead? and (2) What lessons can be learned from the past and applied to the future?

We wanted a set of recommendations to result, along with persuasive evidence on which those recommendations could be based, that would speak to qualities to be preserved, as well as to be modified, replaced, or introduced. Most important, we wanted to generate ideas, as well as provide information, thus provoking and promoting constructive dialogue in which the Carnegie Foundation, as well as others, would play continuing roles.

Initially, we wondered if the palette for our inquiry should be the full spectrum of philanthropy's relations with education, given that Andrew Carnegie's interests covered that spectrum. We soon decided, however, that we needed to focus on issues involving major foundations because of their influence. (We define *major* to include the largest one hundred foundations that provide grants to education.) Even those foundations have widely varying relations with educational institutions.

A number of friendly critics also urged that we narrow our attention to either higher education or K–12 education. They pointed out that the differences between the two realms are enormous. In addition, most of the support from large foundations for K–12 education has been directed around major policy issues such as school reform, whereas support for higher education has been predominantly provided to individual campuses. In the end, we decided that we should include both realms, for three reasons. The first is our belief that there should be lessons to be learned in one realm that can be applied usefully in the other, in spite of their disparities. Second, we have increasingly come to the judgment that a primary focus of attention from foundations and leaders in education should be on bridges between K–12 and higher education. Finally, we want to recognize that Andrew Carnegie was involved in both K–12 and higher education and that the Carnegie Foundation today sponsors programs designed to improve teaching and learning in both.

In our preliminary conception, therefore, the volume was influenced by our sense of two cultures drifting apart; their leaders were often irritated at each other, not listening to each other, and not collaborating with each other. The next section of this chapter describes the basis for that framing. We then solicited essays for this volume and talked and corresponded extensively with their authors and with others. Based on the insights we gained from these essays, our own experiences, and counsel from a wide range of knowledgeable advisers, we drafted a preliminary set of recommendations on how relations between foundations and institutions of education might be strengthened.

When the volume and our preliminary recommendations were in draft form, we circulated them to a group of fifty wise and thoughtful leaders in education and foundations whom we had invited to the Carnegie Foundation for a Carnegie Foundation Centennial Conference. Over the course of the conference, we hoped that our recommendations could be reshaped and strengthened and that the essays in the volume could be related to those recommendations in ways that would both give the book coherence and give its readers the clearest possible understanding of our considered judgments.

Fortunately from our perspective, just that process occurred. Chapter Two introduces the concept of *educational capital* and uses the challenge of bridging K–12 and higher education as an illustration. That chapter also outlines a series of related recommendations that we think will strengthen relations between foundations and educational institutions, as well as help build educational capital. Chapter Four develops the idea of educational capital in some detail, as applied to foundation support for K–12 education. We return to the approach in Chapter Ten in reference to higher education.

We report in the second section of this chapter—What We Heard from Foundation and Education Leaders—what we heard initially from leaders in foundations and education about their shared sense of disaffection and why we became increasingly concerned about the issues this volume is designed to address.

The third section—Foundation Support for Education: A Quantitative Overview—gives an overview of foundation support for education. Over and over in our conversations with leaders in both fields, we were surprised by the assumptions that were made concerning the amounts of that support—assumptions that proved incorrect when we examined the facts. The section is designed to summarize the basic facts. (Appendix B to this volume provides a much more detailed look at foundation support for education over the last fifteen years so that readers can gain a more in-depth sense of what, in financial terms, is at stake.)

Finally, the last section—What to Expect from This Volume—gives a brief capsule of what lies ahead for the reader. To strengthen the cohesion of the volume, we also include a short introduction before each chapter that relates it to our recommendations.

The participants in the Centennial Conference helped us understand that sea changes had occurred in the political, social, and economic environments that undergird foundations on the one hand and institutions of education on the other. Expectations for both sectors have changed radically just since the end of World War II; in the full century since Andrew Carnegie established The Carnegie Foundation for the Advancement of Teaching, the changes in expectations have been breathtaking. It is no wonder, then, the participants stressed, that relations between foundations and education have frayed. Each sector and its leaders want to behave as though the other has been stable, while the ground has been shifting under them.

We will not try to capture those sea changes in any detail. But it is worth remembering that when Andrew Carnegie set up the Carnegie Foundation, less than half of adult Americans had eight years or more of schooling.

That threshold was passed in 1910. In 1968, adult U.S. citizens averaged, for the first time, more than twelve years of schooling. Since then, the average has risen steadily. Increasing levels of education are required in a new economy dominated by information, technology, and professional services rather than manufacturing and agriculture. No less significant is the fact that the civic, social, and political environments in which the new economy operates are escalating in complexity. Educational institutions at every level have struggled—and sometimes failed—to keep pace with the multiple expectations for graduates. They must be agile and effective in the new economy, capable and principled in meeting their civic and social responsibility, literate in a wide range of realms, and able on a continuing basis to absorb new ideas and learn new skills. It should be no surprise that foundations interested in education have been scrambling—sometimes floundering—in an effort to support innovation in such rapidly changing educational environments.¹

We hope it is enough to emphasize that what K–12 schools and institutions of higher education are called on to do these days is more complex and difficult than was true in earlier eras—more difficult in ways that extend beyond differences in degree.

The same is true, though in quite different ways, for foundations, for those who provide support for foundations, and for those who serve on their boards. The scope of their interests and approaches has changed radically. Ellen Lagemann and Jennifer de Forest remind us in Chapter Three that there are some constants and that we had best try to learn from the past. But much has shifted in the underlying economic, social, and political settings in which foundations operate. The Centennial Conference participants emphasized to us that these shifts present opportunities for rethinking how best to work together—a key goal of this effort.

What We Heard from Foundation and Education Leaders

A key initial step in the project that led to this book was to listen more widely and systematically to what some influential leaders in K–12, higher education, and major foundations were saying, particularly about relations with each other. We wanted to test our sense of growing disconnects between foundations and education. To that end, we interviewed about three dozen individuals who had worked with or for foundations and educational institutions, or both. Some were involved primarily in K–12 education or in higher education, some in foundation administration, and some in both spheres. We also convened a group of our Carnegie Foundation colleagues to review what we had heard, and we listened as well

to the thoughts of the foundation's board of trustees. These steps have helped to guide us in organizing this book and the continuing conversations that we hope it will promote.

We did not hear any single answer to why foundation interest in education has diminished. Indeed, one of those we interviewed challenged that conclusion.² When we tried to examine the existing data to determine whether that challenge or our initial impression was correct, we found it difficult to look with confidence to any single source of data. Foundation grants to promote health care through university hospitals and medical schools, for example, were sometimes classified under "health care" and sometimes under "higher education." These experiences reinforced the views of several commentators who told us that it would be useful to have a common database to measure support for education (both K–12 and higher education) from large foundations over the past decade because this would provide a baseline for future analysis. Appendix B to this volume is designed to that end, and the next section of this chapter summarizes the relevant data.

When we questioned our initial advisers, many gave credit to foundations as a "first cause" in some important educational advances and as significant boosters for many more. Examples frequently cited in higher education include

- The Ford Foundation's instrumental role in establishing the social sciences as a quantitative set of disciplines and in starting many area studies programs
- The James Irvine Foundation's help of private colleges and universities in developing their fundraising capacities
- The Alfred P. Sloan Foundation in boosting microbiology and cognitive sciences

Among the illustrations cited in K–12 education were the Carnegie Corporation's and Edna McConnell Clark Foundation's work in middle schools and the work on equity in school finance of The Pew Charitable Trusts and The Ford Foundation.

At the same time, we were struck by the level of discontent from leaders in foundations about educational institutions, both K–12 and higher education. We were no less struck by the unhappiness expressed about foundations by those in the institutions with whom we talked. Leaders in each realm were more than grumpy about the ways those in the other realm operated and about their perceptions that the needs and interests of their own sphere were not adequately considered by those in the other

sphere. These criticisms—sometimes harsh, sometimes muted—from both sides seemed widely shared.

In talking about higher education, for example, a number of foundation leaders said they found colleges and universities to be self-contained institutions with little concern about the social issues around them. Higher education, they thought, was chasing funds and seeing foundations as just another source of support and has abdicated the role it played in an earlier time—as a shaper of society.

Several also said they find that higher education looks and acts unaccountable. Foundations cannot tell who is in charge in higher education, and institutions do not seem able to tell them. As one commentator put it, “It’s hard to get traction in higher education.” Those in colleges and universities, several foundation officials told us, see their campuses as ends in themselves, not means to social ends. It would come as news to most in higher education, one adviser said, that foundations have agendas and look for colleges and universities to help carry out those agendas. To the contrary, he suggested that most campuses want to set their own agendas and then expect foundations to support them.

Some foundation leaders complained that helping individual campuses rarely led to change across broad clusters of campuses. They see the elite schools as feeling little need to change and the other campuses modeling themselves as pale shadows of those schools. One leader commented that as he looked at grants to higher education from large foundations, only a few stood out as promoting real change beyond the boundaries of a single campus. There are some 3,550 colleges and universities in the country,³ and the leverage from a grant to one of them simply was too small.

Several advisers asked a question we have certainly heard before: Why is there so little real shift in the primary mode of educating undergraduates—lecturing—in spite of advances in learning about learning? Several also mentioned how little schools of education are honored on many campuses; some added that they thought this was with good reason.

The comments about higher education from foundation leaders were by no means uniform. Most of them, at least at some level, celebrated the great diversity of colleges and universities and saw the freedom of action they have as sources of great energy and creativity. The system may waste money, but they realize this is a price of that diversity. They know that even with the waste, the U.S. system of higher education is a source of envy throughout the world, though worldwide competition for the best faculty and students has intensified. But they also saw troubling trends in higher education, such as a growing commercialization, and asked whether they should join the struggle against these trends or simply fold their financial

tents and turn to other, more pressing, matters until those in higher education got their institutional acts together.

The picture of K–12 education that we heard from foundation leaders was not any more encouraging. As in higher education, it was not clear exactly why a number of large foundations such as the Edna McConnell Clark Foundation and The Annenberg Foundation had turned away from policy issues involving K–12 schools. We heard a repeated sense that foundations have invested a lot in K–12 schools without much return, and they are souring on continuing that investment. The policy issues such as school reform and testing, several said, have become both more difficult and messier. Even when there were successes, the challenges of “scaling up”—moving from success in a single school or district to impact on many—seemed intractable.

Some foundations have turned away, we were told, because they became discouraged with the system of K–12 education as a whole and the difficulties of systemic change. The issues are so large that no one foundation, even the Bill & Melinda Gates Foundation, can do much alone. Foundations need to partner with other foundations to have real impact, but they rarely do that well, as a number of foundation leaders admitted. Several said that K–12 schools have become so insular that they are not interested in foundation support for systemic change. A number of commentators suggested that some large foundations no longer feel they have to pay much attention to K–12 schools because school change is on everyone’s agenda.

As was true about higher education, those in foundations with whom we talked underscored the importance of K–12 schools, along with their discouragement about the current state of public funding. They recognized that investments in education can sometimes lead to transformative results and that experimentation is needed for a system as diverse as America’s. But a number were pessimistic about the extent to which foundations could make a significant difference in the quality of K–12 education.

When we turned to advisers in both higher education and K–12 education, we heard some unhappy commentaries about foundations and their leaders. Foundations “make lousy lovers,” one said, because they abandon things. He was pointing to a common view among foundations that their role is to provide seed capital, and once an effort is under way, sustainability should be someone else’s responsibility. Foundations often chase fads, some commentators complained. Campuses and schools, however, generally want a revenue stream that will continue to support programs and projects into the future.

Most foundations, several said, talk a lot about collaborations but rarely do much of it, or even have sustained conversations with each other.

Campuses and schools have to bring the foundations together around educational programs and projects, if the foundations are going to get together at all.

A frequent concern voiced about foundations was that they are overly focused on measurable outcomes in particular and on business models in general. They also say they want to support new ideas and innovations. But they often do not have the expertise to identify those ideas; when they do, they are not prepared to undertake the risk that they might fail. Further, they think things can happen in education faster than is usually possible. They are so action-oriented that they frequently lurch after solutions without comprehending the problem, let alone its causes.

Another complaint raised by educational leaders is that many in foundations have little or no experience with organizational strategy in educational institutions and have few training programs available to them. The foundations' front-line people—the program officers—are rarely chosen because they are strategically adept in the use of grantmaking to influence new ways of thinking and acting in education. In addition, foundations seldom have much internal expertise in education, so they are heavily dependent on proposals to learn what is going on in K–12 schools or higher education. They often do not understand the culture and organizational characteristics of the educational institutions they seek to influence. One consequence is that they reinvent the wheel nearly every time. If education travels on reinvented wheels, we should not be surprised if it rarely goes in new directions.

The lack of accountability of foundations was frequently mentioned by educational leaders as a serious weakness. Their decision-making processes are often opaque. Foundation program officers have no obligations except to their boards and so have no checks and balances on their decisions to make or reject grants or to continue in or shift away from an area of interest. The flexibility that results can be a strength, of course, but it can also present difficulties for educational institutions that may wait for months for a decision, and when it comes they may have little sense of how the decision was made. If it is negative, the institutions do not know why. If it is positive, they do not know what the foundation's long-term commitment will be to the initiative.

Leaders on both sides observed that it is difficult to be honest in foundation-education relations. There exists an unspoken collusion—"a mating dance"—when colleges and universities seek foundation support and when foundations turn to campuses to carry out the ambitious agendas they develop. Both sides want to look good. Institutions of higher educa-

tion and their leaders promise far more than they can deliver. Foundations recognize the hyperbole, but they go along, even though they know that promises are being made that cannot be fulfilled. As one former foundation president sardonically put it, "All our geese are swans." Both sides, at some level, understand this charade, but they play along because it seems in their parochial interests, though not necessarily the public interest, to do so. In the business of doing good, the chief occupational hazard involves foundations overexpecting, grantseekers overpromising, and, in the end, both sides overclaiming.

Many of the concerns, complaints, and observations registered by colleagues about foundations suggest that the source lay deeper than issues of who is in charge and what a foundation's individual style might be. Working relationships that should work better were often artificial and uneven. The awkwardness wasn't about intention or purpose or aspiration. At least one promising place to look seemed to us to be in design, in form. When the architect Louis Sullivan declared at the end of the nineteenth century that form follows function, he influenced thinking beyond his field. And, indeed, the early form of foundations did follow their function. But what has proved more difficult to change is an established organizational form lagging behind a changing function.

When foundations began, their form and function were established by the creators of the early fortunes of the industrial revolution in the United States. Briefly put, the function was to disburse funds for public benefit to targeted objectives and entities. The customary form of the philanthropic foundations set up to accomplish this function was that of hierarchical organizations that implemented donor-set priorities, then later, board-set priorities. The organizations thus established tended to function in secret and in a highly individual and independent manner. That form essentially continues today. Its persistence makes it difficult for foundations to respond effectively to other functions required to achieve philanthropic purposes in the immensely more complicated world one hundred years after the original form was set.

Of course, the present form is suitable for accomplishing many things. It enables the disbursement of funds substantially unrestrained by regulations or, indeed, by any constraint, except minimal legal ones, not of the foundation's own choosing. It leaves foundations largely unaccountable to anyone beyond their own boards. It is not, however, a form that comfortably facilitates other approaches that might be more suitable to solving complex problems. Many of the issues confronting education require, as we have noted, more expertise than is likely to be found within a single

foundation, a level of investment that exceeds what one foundation may be able or willing to commit, and follow-through that would strain the program-management capacity of a solitary grantmaker.

If, for example, a foundation wanted to become adept at interfoundation collaboration, it would need to resolve a variety of tensions inherent in its form. It would need to take steps that would be highly unusual in the field as it exists today. Examples would be to

- Build collaborations with prospective partners
- Establish the protocols for membership, for mutual learning, and for decision making within the collaborative, along with means for renegotiation as a project proceeds
- Set collaborative goals, objectives, and work plans
- Specify and commit to the human and financial resources that will be needed overall to carry through
- Estimate a time frame adequate to reach a satisfactory level of accomplishment
- Develop a governance and project-management agreement suitable to the partners and to that time frame
- Capture what is learned in a form useable by others⁴

These are not undertakings that can be successfully taken on by most foundations. Staff expertise and time are seldom in adequate supply, and these would be minimal conditions of success. However, the sufficient conditions—the mind-set of most foundations, either as initiating or responding partner—would likely be resisted. As one of our conference participants put it, foundations are better at one-night stands than longer-term relationships. Their form predisposes such behavior.

These and other ideas flowed from the multiple aspects of this project. Following through on the several themes from the conference and acting on the recommendations in Chapter Two presents a set of intellectual and organizational challenges that, we believe, deserve a kind of critical dialogue to achieve a better balance between the improvement of education and the independence of foundations. The superior status of the latter comes at the expense of the former. More to the point, independence limits accountability, leaving education with little leverage to complain or influence the organizational habits and operating styles that foundations put forward. The important but limited sums available for educational change, then, are discounted to the extent that well-designed, multifoundation responses to complex issues don't happen.

At the same time, along with the frustration that we heard, we found a real longing for efforts that would bridge the gaps between foundations and institutions of education without losing the qualities that are prized in either sector. We found eagerness to consider avenues that would build on successes and learn from them, with both recognizing the differing resources and conditions in which different educational institutions operate and without requiring lock-step approaches.

We developed our proposal that foundations, with their partners in education, focus on producing what we term “educational capital,” in part as a response to these reactions from leaders in both realms. It is crafted for those who want foundation support to be structured in ways that promote learning from the results of the support: learning that is widely disseminated, discussed, and debated publicly so that the learning can be built upon by others. Too often, as we discuss in Chapter Two, the results of foundation grants in education are secrets from those in the foundations involved—sometimes even from senior administrators in the schools and colleges receiving the grants. We advocate an approach of building educational capital because it features the accumulation of both learning and interdependence, while providing flexibility to meet unique circumstances.

The design of educational capital that we offer recognizes that there is a serious gap between foundations and institutions of education and that their cultures are drifting apart. But we also realize that this divergence is a symptom of fundamental changes in the functions that educational institutions, on the one hand, and foundations, on the other, are expected to realize in our society. Both realms must operate in environments that are radically different from those in earlier times. Building educational capital is an approach that not only can help bridge the two cultures but can also help in the decades ahead to strengthen both education and the foundations that support education.

Before we turn to that approach, here is a quantitative look at the landscape for the last decade and a half.

Foundation Support for Education: A Quantitative Overview

In sketching some statistical background as context for what is to follow, we relied on data collected annually since 1990 by the Foundation Center. (In Appendix B are most of the data we used for this summary and a good deal more.) The center has developed definitions and data-collection techniques that go a long way toward organizing inherently messy information

from foundations that have no particular stake in keeping their books in a common format to facilitate comparative analyses. For data about educational expenditures, we rely on the National Center for Education Statistics (NCES). Within individual chapters, data sources different from these are identified.

K–12 Education

There are roughly 68,000 grantmaking foundations in the United States, and the Foundation Center estimates that around 80 percent of them contribute to K–12 education. The one hundred largest K–12 grantmaking foundations accounted for approximately 31 percent of the total foundation giving to K–12 in 2004—a number that has declined from 36 percent in 1990 and 33 percent in 1997.

At the broadest level, when total expenditures are related to total foundation grants, the numbers look like those in Table 1.1.

Although K–12 expenditures stood in 2004 at 207 percent of their 1990 total, foundation support for K–12 was at 671 percent of 1990 numbers—a degree of growth roughly 3.2 times as great.

Though foundation support has grown over the fifteen years surveyed here, it nevertheless stands today at barely more than 0.50 percent of the total spending level of K–12 nationally. It is, however, the growth of foundation support from 0.16 percent to 0.53 percent of total K–12 expenditures rather than the absolute level that strikes us as the more important figure.

In higher education, 50 percent of the colleges and universities are private (though they account for less than 20 percent of the students), and virtually all the public institutions have fundraising programs, some of them (mainly universities) highly significant in dollar terms. By contrast, K–12 has only recently come to seek private philanthropy, especially from

Table 1.1. K–12 Education.

Year	A: Total Foundation Grants	B: Total K–12 Expenditures	A ÷ B
1990	\$ 407	\$249,000	0.16%
1997	1,151	361,000	0.32
2004	2,729	514,000	0.53

Note: Numbers in millions.

foundations. As a largely public and tax-supported undertaking, K–12 education used to be able to count on that support to meet its needs. Faced with public resistance to new taxes, growing demands, and increased competition for the public resources that are available, schools—sometimes with great reluctance—have moved into the fundraising business.

Many foundation grants, however, go not to schools and districts but to intermediary organizations. In the 1990s and on into the new century, for example, considerable foundation resources went to the following: New American Schools; the several Annenberg-established citywide or regional agencies created by the Annenberg Challenge; the National Board of Professional Teaching Standards; many reform movements related to teaching, leadership, and school improvement; and a great many other local and regional intermediaries. A look at the top one hundred recipients of foundation support reveals that only about nine of those recipients are public school districts or foundations of such districts. Of the remainder, private and parochial schools, universities, and special-purpose agencies largely populate the other ninety-one positions on the list.

Higher Education

Of the 68,000 grantmaking foundations in the United States, the one hundred largest that give to higher education accounted for approximately 29 percent of the total foundation giving to higher education in 2004—a number that has declined from 41 percent in the 1990s and 37 percent in 1997.

The figures comparable to Table 1.1 look like those in Table 1.2.

While higher education expenditures in 2004 had grown roughly in parallel to K–12 (standing at 213 percent of the 1990 total, compared to 207 percent for K–12), foundation support grew only half as much (standing at 328 percent, compared to K–12's 671 percent). The higher education foundation grant total, however, was more than 2.6 times higher than

Table 1.2. Higher Education.

Year	A: Total Foundation Grants	B: Total Higher Education Expenditures	A ÷ B
1990	\$2,173	\$164,000	1.33%
1997	4,293	233,000	1.84
2004	7,138	351,000	2.03

Note: *Numbers in millions.*

the K–12 number and represented a much larger proportion of total expenditures (2.03 percent, compared to 0.53 percent in K–12).

Colleges and universities (though mostly the latter) are sometimes recipients of particularly large gifts. From 1973 to 2004, there were eighty-two grants by foundations of \$35 million or more. Thirty-eight of these went to higher education, with the Gates, Woodruff, Annenberg, Danforth, and Lilly foundations granting twenty-seven of them. Another difference between higher education and K–12 is that the preponderance of the gifts and grants go to the institutions directly rather than to intermediaries, as is true in K–12 education. Gifts and grants are also concentrated in a limited number of recipients. The one hundred colleges and universities with the best record of fundraising received 70 percent of the funds from the one hundred foundations most generous to higher education. The other 3,450 institutions received 30 percent of those one hundred foundations' grants to higher education. Those one hundred campuses took in 27 percent of the total of *all* foundation grants to higher education in 2004.

Raw or semi-raw numbers do not tell us very much beyond these few cornerstone numbers and ratios. More telling is the leverage that particular grants or sets of grants can have on change, or if they do not, why not. That issue occupies much of this book.

What to Expect from This Volume

Here is a brief review of what is ahead. Chapter Two, as already mentioned, proposes the concept of educational capital and our other recommendations for enhancing relations between foundations and educational institutions. Chapter Three is a historical overview that provides a set of chronological frames for thinking about philanthropy and education over the last century since the time of Andrew Carnegie. In the two main sections of the volume that follow, the first focuses on K–12 schools and foundations, the second on higher education and foundations. Each of these two sections includes five chapters: the initial chapter concerns the impact of foundation giving on educational institutions; the second chapter examines the cultures of those institutions and the extent to which those cultures clash or conform with those of foundations, and three case-study chapters explore foundation support in action. In the context of concrete circumstances, the case studies reveal important lessons about how to do grantmaking wisely in education. Following these two sections are two final chapters, one on the growth and impact on education of foundations with a conservative ideology and one on operating founda-

tions and the contributions they make in the overall picture of foundations and education.

Our aim in this book is to raise useful questions. Even the recommendations in the second chapter are proffered more as provocations than as firm conclusions. Part of the reason to favor well-stated issues and challenges over tactical suggestions and strategic principles is the nature of philanthropy and education and of the people drawn to those fields. Independent institutions and independent thinkers nourish a genuine and vigorous democracy—one that values curiosity as well as confidence, experiments as much as customs. We offer our recommendations in that spirit.

We also realize that foundations, schools, colleges, and universities are—and ought to be—moving targets. (We wish more people would recognize that fact by dropping the term “best practices” and its implication of finality in favor of “better practices.”) Their leaders, of course, are not indifferent about direction. They are moving their institutions in order to improve in a world that daily announces that its resources are limited. Foundation support for education is less than 1.2 percent of the combined expenditures of K–12 and higher education. That is not much, especially when we consider that much of it goes for capital needs, equipment, and specialized research. As a result, foundations currently exert little force—too little, we think—on core issues of teaching and learning, the organization of knowledge, character development, and civic responsibility. We hope that the size of foundation resources devoted to education will grow as newly created fortunes are transferred to philanthropy. Even if they were to double, however, we realize that the levers they represent would still be short and the proper fulcrums still difficult to identify—all the more reason, then, to focus on improving the effectiveness of relations between foundations and education. That is our purpose.

NOTES

1. We are indebted to Daniel Fallon of the Carnegie Corporation for forcefully making many of the points in this paragraph during the Centennial Conference on Foundations and Education. They are detailed in “Who Pays for Higher Education in a Globalized World? Lessons from an American Perspective” (Fallon, 2003).
2. For example, see “Is Philanthropy Abandoning Higher Education?” (Bernstein, 2003).
3. National Center for Educational Statistics. *Postsecondary Institutions in the United States: Fall 2004*, Table 1 (Knapp and others, 2005, p. 4). This

number is the total of U.S., public and private not-for-profit, 2-year and 4-year, degree-granting institutions eligible to participate in federal Title IV financial aid programs.

4. Based on Heather Creech's "Form Follows Function: Management and Governance of a Formal Knowledge Network" (Creech, 2001, p. 1).

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