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Foundations Held 'Sick Institutions'

By Phillip Greer

Washington Post Staff Writer

NEW YORK, Oct. 15—Large private philanthropic foundations are a "sick and malfunctioning institution" which represent little more than an extension of "what might be called the country's ruling class," the author of a study of the 33 largest foundations in the country has charged.

Waldemar S. Nielsen, author of "The Big Foundations," said at a press conference that the foundations he studied, which have a total of more than \$10 billion in assets, have given up their pioneering role in favor of supporting older, established projects.

"The foundations symbolize the charitable, ethical and responsible impulse in the Judeo-Christian society," Nielsen said. To look at their foundation is to hold up a mirror to the social, ethical and moral values of what some might call the ruling class in America. It confirms much of the criticism of young people today of what is wrong with the United States."

The study, which has just been released, was sponsored by the Twentieth Century Fund—a foundation which was not included in the study because its \$29 million in assets falls below the \$100 million standard set by Nielsen as the definition of a large foundation—and published by Columbia University Press.

As an example of foundations that ignore their true responsibility, Nielsen cited the Pew Memorial Foundation of Philadelphia. "Pew gives most of its grants to support existing institutions, very often hospitals," he said. "That's not a wicked thing to do. What Pew has not done is to try to study the needs of the Philadelphia community for better

health services and then try to fill the gaps."

His basic feeling about funds, after completing the study, Nielsen said, "is not that they do wicked things, but they do passive things. Foundations paint themselves in more heroic, groundbreaking, innovative terms than they are."

A former executive of the Ford Foundation—he said he left Ford on good terms, although he had a running battle with Henry Heald (then head of Ford) on what he considered a retreat from important questions like civil rights—Nielsen also headed the African-American Institute and is now a consultant on questions of corporate social responsibility.

Nielsen laid part of the blame on the academic community, the press and the government which, he said, have taken a "benign" attitude toward the foundations. He called for stricter government control, more disclosure of the foundations' finances and activities and both a minimum and maximum limit on the size of foundations.

"Foundations have been rather mild, sheltered creatures, not accustomed to anybody criticizing them in public," he said. "Their first reaction usually is to be very indignant and their second is to become over concerned with criticism and to over-respond. But I really do feel that if concerned people in the academic community, the press and young people take an interest it will have a good effect."

Nielsen said limits on the size of foundations—no smaller than \$10 million in assets and no larger than \$500 million—are "the main thing I would like to see."

He explained that "any fund with less than \$10 million should be given a limited life and then turn its assets over to a cooperative fund. If a fund can't afford at least one full-time person to attend to its affairs, then it can't fulfill its purpose."

"Big foundations," he said, "have indicated that they have a greater degree of concentration of financial reserves than economics of scale dictate. With a maximum of \$500 million, there would be nothing at the upper end of grants that couldn't be done and you would get a greater diversity of grants."