

FOUNDATIONS IN THE SEVENTIES

*Bertha Wilson**

On May 1st, 1973 the Brora Centre sponsored an all day conference at the Guild Inn in Scarborough, Ontario to discuss the subject "Foundations in the Seventies". Attendance was limited by invitation and approximately forty people were present including representatives of the Foundations, representatives of Government both Federal and Provincial, members of the Charities Committee of the Canadian Bar Association and a representative group of those who experience the frustration of trying to find financial backing for their proposed piece of research or their literary or artistic endeavours.

It is difficult to measure the achievement of the Conference in qualitative terms. Many present felt that the fact of the Conference was an achievement in itself. This may have been the first occasion in Canada on which a colloquium took place among those having a common but divergent interest in charity. If other conferences of this kind have taken place elsewhere in Canada the editor would appreciate being advised so that this magazine may more adequately fulfil one of its major objectives, namely to be a vehicle for the exchange of information on the philanthropic scene in Canada.

The program at the Guild Inn comprised four panel discussions, two in the forenoon and two following lunch. The first panel, under the chairmanship of Mr. John Hodgson, Q.C., had as its topic "Foundations: What Are They Doing?" In his introductory remarks Mr. Hodgson explained that we were first of all going to look at foundations and their function from a very broad point of view and thereafter zero in on them more specifically, their fields of usefulness, their successes and failures and finally hear some critical comment on them from those who need and seek their financial support.

Mr. Hodgson introduced to us as our first speaker Mr. Allan Arlett, a person well equipped to provide a general overview of charitable foundations, the editor of the about-to-be-published third edition of *The Canadian Directory of Foundations and Granting Agencies*. Mr. Arlett had, as might be anticipated, a wealth of information on the subject of charitable foundations, not only in Canada, but elsewhere around the world. Indeed, he took us back to Plato's Academy, perhaps the first charitable foundation, and brought us forward to F. Emerson Andrews' modern definition of a charitable foundation:

"A non-governmental, non-profit organization with funds and program managed by its own trustees or directors and established to maintain or aid social, educational, charitable, religious or other activities serving commonwealth affairs."

Mr. Arlett advised us that there were twelve to fourteen hundred Canadian

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foundations within this definition and that the fifteen largest of them had approximately seven hundred million dollars in assets. Needless to say, the interest of all present in the subject at hand was greatly stimulated by some of the little known facts at Mr. Arlett's disposal. Not only this: he presented to the representatives of the foundations present at the conference a challenge by telling them that few foundations had innovative granting programs, that little foundation money was being used for "venture capital" or "the leading edge of knowledge". that foundations by and large were as, if not more, conservative than government. This theme was reiterated by several speakers throughout the day.

Another theme which ran through the Conference and was initiated by Mr. Frank Zaid, a practising solicitor in Toronto and also a member of the first panel, was the degree of public disclosure which should be required of charitable foundations. Mr. Zaid premised the need for more disclosure on the fact that charitable foundations enjoy a privileged tax position not available to others and in this connection provoked heated discussion from some of the audience by the use of the provocative word "subsidized". However, he made his point by reference to the abuses to which non-disclosure gave rise in the United States with legislative consequences to the private foundations in that country which were not much to their liking and which fell on guilty and innocent alike. "Why", he asked "do foundations in Canada not head this sort of thing off at the pass by coming up with their own solution to the problem?"

After a morning coffee break Dr. J. Harry Ebbs, Senior Staff Pediatrician at the Hospital for Sick Children in Toronto, chaired a panel on "Foundations in Relation to Hospital and Health Care" which pointed up the very major role played by the private sector of philanthropy in this particular area of social concern. Dr. Ebbs opened by referring to the current cuts in government spending in his area and particularly the impact it was having on medical research and the more innovative programs in health care. He said that he was fascinated by the "disclosure" question, particularly since he had already learned earlier today about the substantial amount of assets stockpiled across the country in large foundations and the enormous dividends they produced. He said he was also fascinated to hear that so much money was being spent on the problem of aging. Quoting from his preliminary remarks:

"My sphere of interest has been at the other end of the scale, namely children and the only dividends that I can see today and accept as being reasonable are those that have to do with people and the people I am most interested in are children. So I'm always itching when I come in contact with people who have those amounts of money to be sure that we're not neglecting the capital which might be spent today to produce dividends in human beings. The dividends I see we should be

looking at are investments in people and what we spend today on children will bring a much higher dividend.”

Dr. Ebbs introduced Dr. Jack Griffin, recently retired from the Canadian Mental Health Association, who described the mental health field as “the field that comes in at the end of the procession when everyone else has got theirs and what’s left over, if any, may sometimes come to mental health”. Dr. Griffin emphasized prevention as the key to mental health and focussed attention on the beginning and end of the life cycle. These are, he said, the sensitive areas where preventive programs are extraordinarily important and where funding is desperately required. Dr. Griffin, who described himself as knowing little of foundations “except as a relatively unsuccessful suppliant”, had very firm views about the particular role which might be allocated to foundation moneys as opposed to governmental moneys. He thought that the role of the foundation might be to support what he called “the innovative, maverick ideas that hardly ever get translated into action because there’s never any money for them.” Government, probably rightly, hesitates to finance them because no one knows whether or not they will work. But how do you know until you try? And to try costs money. This is the story of research, he pointed out, not only in mental health but in every field of human endeavour. This is “the leading edge of knowledge” Mr. Arlett was speaking about.

The first panel in the afternoon, chaired by Mr. Richard Howard, Headmaster of Upper Canada College in Toronto, was devoted to “The Role of Foundations in Relation to Education” particularly in the private schools and universities. Mr. Howard in his opening remarks acknowledged that there were two views on whether private schools had a place in our society but he was certainly persuaded that they had. He indicated that he received continuing assurance on this from the parents of applicants for admission to Upper Canada who expressed some disillusionment with the public school system. He thought that perhaps the private schools had not been zealous enough in communicating to the public at large or to those who have funds available for educational purposes the aims and objectives of the private schools. And so many of them are encountering financial problems of a dimension that can’t be handled by the parents of current students and donations from “old boys”. Mr. Howard thought there was a task to be done to disabuse the public of the view that private schools were heavily endowed, wealthy institutions.

Miss Sidney Dymond, Vice-Provost of Research Administration at the University of Toronto, opened her remarks with a capsule review of the various sources of the University’s funds and in particular funds for research. She explained in detail the problem of “overhead” which most of us would never think of, how for every research dollar the University receives it has to find University money to meet the overhead costs of the particular research

project. These costs may be especially large where the research involves human experimentation, with all the protective guards that this requires, or animal experimentation with the costs of housing and feeding the animals. Even research in the humanities will require a typewriter and desk and space to be made available to the researcher. Sometimes, Miss Dymond pointed out, these costs present such a problem that the University has to seriously consider whether it can afford to take the grant!

The last panel, chaired by Dr. Bruce Quarrington, Research Chairman of the Brora Centre, was perhaps in its own way one of the most stimulating and provocative. Its subject was entitled "What the Grantee has to say". In the discussion following this panel it became very clear that no general mechanism or overall clearing house existed through which applications for grants could be funnelled or screened. As a result there is an inordinate duplication of time and effort both on the part of the applicants and the foundations.

Professor Harvey Mandel and Professor Betty Flynt, two of the panelists speaking on behalf of the recipients of charitable funds, both told of their frustrations in trying to get money for their projects and of the techniques of "grantsmanship" they employed. They emphasized the difficulties of knowing to whom to direct their applications because of the mystery and secrecy that surrounds charitable foundations. How do you find out what the field of interest of any particular foundation is? And how do you persuade them that your project has the merit that you feel that it has? Professor Flynt had an additional problem because her field of research is the behaviour of young children and many of her studies are longitudinal, requiring the employment of staff over periods of several years to help her in the conduct of the research. How can you get your staff lined up ahead of time when you don't know if you are going to get the money to pay them? And how can you be sure that your sponsor, once you have located one, will stick with you until your project is complete so that you can guarantee the salaries of your staff?

Both Professors Mandel and Flynt acknowledged that they made applications to a variety of charitable foundations at the same time in the hope of interesting at least one of them in their projects. What a duplication of their effort and of the efforts of the foundations having to process their applications and get their projects evaluated! Besides which, both felt a certain degree of embarrassment and humiliation in the role of "beggar", relieved only in part by a strong sense of humour and a supervening conviction that what they were engaged on had some value for society.

We all came away from the Conference with a tremendous sense of the vastness of the subject and that only the fringes had been touched upon. One participant expressed the general feeling. "Thank God, we've got a dialogue going! The next task is to consider how it can be profitably continued."