

History of Philanthropy in the United States:

Selected Dates

17th Century

- **1630:** John Winthrop preaches “**A Model of Christian Charity**” to Puritans bound for New England. This speech emphasized the obligation of the rich to care for the poor, with the poor being obligated to do the best they could.

18th Century

- **1702:** Cotton Mather publishes **Magnalia Christi Americana**, one of the earliest celebrations of American philanthropy. He later publishes *Essays to do Good*, stating that charity should be voluntary actions of the community and not government.
- Emergence of more women’s charity and philanthropy circles – home-based giving
- **1780:** The **Free African Union Society** is created in Newport, Rhode Island. It is the first cultural organization established by blacks in North America.

19th Century

- King Leopold of Belgium defines his country’s **colonization of the Congo** as “philanthropy”
- Chinese immigrants in CA/Hawaii lead to emergence of **Asian mutual aid associations**
- **1887:** Religious leaders in Denver, Colorado found the Charity Organization Society – the first **United Way Organization**
- **1894:** Charitable institutions become exempt from the first federal act that imposed a tax on all corporations organized for profit.
- **1898:** **New York School of Philanthropy** inaugurates formal training courses for social work.

20th Century

- **1902:** **Goodwill** is founded in Boston by Rev. Edgar J. Helms, a Methodist minister and early social innovator. Helms collected used household goods and clothing in wealthier areas of the city, then trained and hired those who were poor to mend and repair the used goods. The goods were then resold or were given to the people who repaired them. The system worked and the Goodwill philosophy of "a hand up, not a hand out" was born.

- **1911:** Andrew Carnegie starts the **Carnegie Corporation of New York** – for “the advancement and diffusion of knowledge and understanding,” with an endowment of \$135 million (that amount represented almost a fifth of the federal government's annual budget).

For Andrew Carnegie, individuals “won” wealth as a result of “survival of the fittest” through the forces of competition. With that wealth, he believed, came the obligation of being an agent of civilization. And so philanthropy became a tool for improving that civilization. It was also a tool for blunting radical reforms, avoiding federal taxes, and public relations.

Carnegie, Rockefeller and other business leaders structure their philanthropy according to a corporate model. These foundations were not necessarily designed to help people directly. Instead they were to be the scientific instruments of reform and problem solving, and would address the root causes of poverty, hunger and disease

- **1911: Triangle Shirtwaist Factory Fire** - One of the largest industrial accidents in the history of New York City, and the worst workplace disaster prior to September 11, 2001. Over 140 young female garment workers, some as young as 13, lost their lives in a 9-story building off Washington Square Park (now part of New York University) because exit and stairwell doors were locked to keep workers from taking cigarette breaks and fire truck ladders could not reach high enough to rescue them. The tragedy brought the International Ladies' Garment Workers Union to prominence and resulted in early federal legislative victories to improve factory working conditions and safeguard workers.
- **1913:** After being denied a national charter for his foundation, John D. Rockefeller Sr creates the **Rockefeller Foundation** in New York State. At that time the richest man in the country (his annual income, mostly from Standard Oil, represented approximately 5% of the national GDP), he was looking for a "wholesale philanthropy" approach to keep up with how fast his wealth was growing.
- **1916:** The **Estate Tax** is established. Initial rates ranged from 1 percent on net estates of up to \$50,000 (\$990K in 2009 dollars), to 10 percent on net estates over \$5,000,000 (\$99M in 2009 dollars).
- **1916:** Margaret Sanger, her sister Ethel Byrne and an associate, Fania Mindell, open the first birth control clinic in America. They provide contraceptive advice to poor, immigrant women who line up hours before the clinic doors opened. Within a few days, they are jailed and the clinic is closed, but a powerful movement begins. This became the founding of **Planned Parenthood**.
- **1917:** Julius Rosenwald, the force behind Sears Roebuck, establishes the **Rosenwald Fund**, which helped build thousands of schools for black children in the south. It is generally heralded as the first prominent "spend-down" foundation (even though Peabody preceded it, that fund was not as well known) and ceased operations in 1948.
- **1925:** Leaders in the banking community pool resources create an endowment fund to create the **Denver Foundation**.

- **1934:** Congress limits tax exemption to organizations “no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation.” This permits nonprofits to “lobby” to some extent, but prohibits them from engaging in “political activity.” Congress limits tax exemption to organizations “no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation.” This permits nonprofits to “lobby” to some extent, but prohibits them from engaging in “political activity.”
- **1935: Social Security Act** is passed. Its primary objects were: to provide, in cooperation with each of the states, systems in the states for the payment of support to the needy aged; to pay sums to persons during limited periods after their loss of employment. Provision was also made for federal aid toward states' aid for needy, dependent children, for crippled children, for neglected children, for the vocational rehabilitation of the disabled, for health-service agencies and for the blind. The Social Security Act passes.
- **1935: Revenue Act of 1935** raises taxes on higher income levels, corporations, and gifts and estates. Through this act corporate foundations are codified in U.S. tax law by permitting corporations to deduct charitable contributions up to 5 percent of taxable income.
- **1936:** Henry Ford and his son Edsel create the **Ford Foundation**, initially with a focus exclusively on Michigan. Upon their deaths in the 1940s it shifted to a national and international focus. When founded, it was the largest foundation in the US and retained that distinction until the founding of the Gates Foundation.
- **1936:** Created by heirs of Julius Rosenwald, the **Stern Family Fund** was one of the most important social justice funders of the mid-20th century. David Hunter, its final Executive Director, was called by many the “godfather of social change philanthropy” and over its 50-year existence it provided funding to a cross section of the nonprofits on the left.
- **1940: Industrial Areas Foundation** launched - Established by Saul Alinsky, the father of modern community organizing, this national community organizing network offered training and coaching services for community organizing and supports the work (as of 2010) of 59 IAF affiliates in 21 states, Canada, the United Kingdom, Germany, and Australia.
- **1944: G.I. Bill** becomes law, linking service and education and offering Americans educational opportunity in return for service to their country. The G.I. Bill threw open the doors of higher education to more than 2.2 million veterans. Student enrollment in higher education exploded from 1.5 million in 1939 to 13.5 million in 1989, and the number of colleges doubled.
- **1950’s:** Many businessmen establish their own foundations to divert funds and avoid taxes
- **1952: Cox Committee** investigates foundations - The Select Committee to Investigate Tax-Exempt Foundations and Comparable Organizations (called the Cox Committee after its chairman, Edward Cox) was an investigative committee of the US House of Representatives between 1952-1954. It investigated the use of funds by tax-exempt organizations to see if they were being used to support communism. It ultimately yielded a positive report on foundation activities.

- **1954:** First corporate foundation - **GE Foundation** – launched. The philanthropic organization of the General Electric Company starts the first matching gifts program to encourage GE employees to support the needs and objectives of higher education
- **1954: New World Foundation** established - New World operated for the first 50 years of its life as a family foundation focused on progressive issues including worker safety, union organizing, public education, and the peace movement. Through the struggle against Apartheid in South Africa in the 1980s, New World's family-led board became more familiar with democratic movements, and transitioned from a board of social elites to one of community organizers, movement thinkers and leaders. In 1994 New World evolved from a private national foundation to a public charity in order to add new financial resources to its own.
- **1960's & 70's:** Ford Foundation invests heavily in **Civil Rights Movement**
- **1967:** The oldest progressive public foundation, **RESIST** was founded with a "Call to Resist Illegitimate Authority," issued to support draft resistance and in opposition to the war in Vietnam. During the Vietnam War, RESIST evolved into a national funder supporting anti-war activism, the civil rights movement, and beyond, and work against the unequal distribution of power and money domestically and US domination abroad
- **1968:** The Navajo Nation created a first-of-its-kind educational institution - a college controlled by the tribe, located on the reservation and established specifically to provide higher education to tribal members. With that monumental event, the **tribal college movement** was born. Since then, the number of tribal colleges and universities has grown to 32, located in 11 states and serving more than 250 American Indian Nations from every geographic region in the United States.
- **1969:** The **Tax Reform Act** mandates all private foundations to make “reasonable annual cash disbursements even if it meant invading the foundation’s capital” (amounting to 6% of market value of assets).
- **1970:** Co-founded by activists Dick Boone & Lenny Conway and a network of progressive organizations led by the Center for Community Change, the **Youth Project** provided a "venue through which young people with inherited wealth could channel their donations collectively and effectively." Its staff and grantees moved on to assume many key leaderships in progressive philanthropy in the coming decades.
- **1971: 21st Century Foundation**, one of the first black-led public foundations is created. Founded by Robert Browne, its goal was to create an endowed, national philanthropic institution that supports the civil rights, economic empowerment, and grassroots leadership of the black community in the United States through its grantmaking and donor services.
- **1972:** Founded by Gloria Steinem, Patricia Carbine, Letty Cottin Pogrebin and Marlo Thoma at the height of the feminist movement, the **Ms. Foundation** was created to deliver funding and other strategic resources to organizations that were elevating women's voices and solutions across race and class in communities nationwide. It helped spur the launch of the women's fund movement across the country and around the world.

- **1979:** Originally called the National Community Funds and later renamed the **Funding Exchange**, this network of progressive public foundations was a defining force in progressive philanthropy in the late 70s and 80s, raising questions of power and privilege in grantmaking and focusing on social justice organizing as a philanthropic strategy. In 2009, FEX includes 16 member funds across the country that make approximately \$15 million in grants annually.
- Activist led funds, public foundations, ethnic, queer and gender based giving programs build momentum
- **1982: Funders for LGBTQ Issues** created in order to mobilize philanthropic resources that enhance the well-being of lesbian, gay, bisexual, transgender and queer communities, promote equity and advance racial, economic and gender justice. Since its founding, Funders has studied, shaped and strengthened LGBTQ grantmaking by convening and educating funders, providing reliable research on institutional funding patterns, and disseminating information on issues relevant to our communities.
- **1987:** The **Chinook Fund** is founded to support small, grassroots organizations working for peace, human rights and economic justice in Colorado.
- Organized philanthropy develops into an institution with political lobbying power
- **1991: Fidelity Investment's Charitable Gift Fund** is created, enabling its customers to take advantage of the benefits of donor-advised funds. Sixteen years later it had \$4.7 billion in assets, which would make it the 12th largest foundation in the US if counted on that list. These funds, which had long been available through community foundations and Jewish federations, represented a new and controversial commercialization of philanthropy.
- **1993:** Financier George Soros establishes the **Open Society Institute**, a foundation supporting civil-society programs in the newly-emerging democracies in Eastern Europe and the former Soviet Union. It is now part of a network of Soros-funded national foundations (30 of them as of 1999, spending a total of \$428.4 million in 1997).
- **1994:** Tim Gill founds the **Gill Foundation** as a response to the passage of Amendment 2 (which denied LGBTQ community equal protection under the law) and the fight to declare it unconstitutional.
- **1996:** The **Latino Fund Collaborative** forms as a joint effort among six national Latino Funds with the objective of working together to raise funds and strengthen Latino involvement in philanthropy. The collaborative is made up of: El Fondo de Nuestra Comunidad (Saint Paul, MN), Greater Kansas City Hispanic Development Fund, Latino Community Foundation (San Francisco), Hispanic Federation (NYC), Hispanic Fund of the Community Foundation of Greater Lorain County in Ohio, and Nuestro Futuro (Chicago).
- **1998:** On his 43rd birthday in October, Bill Gates quietly contributes \$1 billion to the William H. **Gates Foundation**. In December, he and his wife Melinda Gates announce a \$100 million gift for making vaccines for children more widely available.

- **1999: Resource Generation** is created by a small group of young inheritors looking for peer-based support as they explored issues of wealth and social change. Today, RG works with hundreds of young people across the country with financial wealth who are supporting and challenging each other to effect progressive social change through the creative, responsible and strategic use of financial and other resources.
- **1999:** There are now more than 46,000 foundations; 1.14 million tax-exempt organizations; 76 academic centers focus on philanthropy in the U.S.

21st Century

- Religious giving still the majority of all individual gifts in the U.S., including growth in government funding of faith-based work
- Top 1% of population owns 40% of nation's wealth
- Growing opposition and reductions in the Estate Tax, led by wealthy individuals
- Growth of ethnic, gender, place based giving circles
- **2007:** First ever **United States Social Forum** in Atlanta, GA
- Remittances from U.S. based Latinos exceeds \$10 billion annually