THE DEVELOPMENT OF CORPORATE GIVING TO PRIVATE HIGHER EDUCATION

With Special Reference to the Rise and Growth of State
and Regional College Foundations, Including the
Ohio Foundation of Independent Colleges

DISSERTATION

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By

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CHAPTER I
INTRODUCTION

The various elements in our society manifest their interest in education in many ways. In some instances, the crusading spirit of an individual precipitates necessary changes in our educational patterns. Sometimes, an enlightened citizenry rises up to modify the educational environment so that social betterment results. And at other times, groups within our society express their social obligations through worthy acts on behalf of education.

In evidence of this contemporary interest in the needs and problems of education, American business and industrial corporations are currently demonstrating a concern for the economic plight of non-public colleges and universities. Corporations have recognized that private higher education is experiencing a trend in which the gap between income and expense has widened to a point where deficit spending has become a widespread practice. Mounting costs and insufficient income from endowments and from tuitions and fees have created a condition wherein it has been necessary for private colleges and universities to seek increasing amounts of external economic assistance in order to survive. For varying motives, the nation's corporations have seen fit to provide a portion of this assistance. Since corporate giving is of vital importance to the current and future welfare of private higher education, the history of such philanthropy, emphasizing those trends...
and movements which have brought corporate giving to its present state of unprecedented growth, is of decided interest to many people concerned with higher education.

The purposes of the study. The basic purposes of this study are sixfold:

1. To trace the development of corporate giving to private higher education from the Colonial era to the present, with particular reference to those events which have made a distinctive contribution to its development.

2. To relate aspects of contemporary programs of corporate giving.

3. To sketch the rise and development of state and regional foundations and associations which have been organized for the expressed purpose of cultivating the economic resources of corporations.

4. To trace the rise and development of the Ohio Foundation of Independent Colleges.

5. To examine the reported reasons for corporate giving to private higher education through an analysis of contemporary literature. To complement this phase of the study, the attempt is also made to present, briefly, the reasons why some corporations do not support private higher education through an analysis of correspondence with selected persons.

6. To arrive at certain conclusions regarding the present effectiveness and future possibilities of corporate giving.

The need for the study. To plan intelligently for the future of all phases of American education, it is necessary to examine the past. A more direct need for this study is based on the present absence of substantial historical accounts dealing with the development of corporate giving to private higher education. This study is an effort to fulfill a portion of that need.
An additional need, which the writer seeks to satisfy in this study, involves a composite presentation of the emerging trends in corporate giving. The literature contains only sparse and fragmentary references to the nature of current programs of corporate philanthropy. An attempt is made to present a cross-section of the current practices and procedures and to present an analysis of these practices and procedures so that the emerging trends in corporate giving may be discerned.

There is further need to trace the history of the college foundation movement which represents an important facet of the development of corporate giving. To date, no other available source has recorded the history of this movement.

Finally, the writer undertakes to satisfy a similar need in relating the history of the Ohio Foundation of Independent Colleges. The birth and growth of this organization have not been described fully in any other document.

**Definition of terms.** The word *corporation* is used in this study to identify industrial and commercial bodies created by law for the transaction of business.

In this study *corporate giving* is interpreted as direct monetary assistance by corporations to educational institutions. It is a fact that corporate philanthropy has subsidized, and still subsidizes, scholarships, fellowships, research, professorships, and the like; however, this study does not include the history of these latter aspects.
of corporate philanthropy. Reference is made to them only as they have a relationship to the primary problem.

Although the word foundation has wide general usage, it is used mainly in this study to identify the state and regional associations of non-tax-supported colleges which have been established to engage in cooperative fund-raising. Likewise, the movement of which they are a part is called the foundation movement. The writer has also used the word foundation to refer to the philanthropic trusts and funds which have been in existence since before the turn of the century and to the agencies which have been created by business and industrial corporations to formalize and stabilize their philanthropic procedures. When reference is made to any of the foundations, or foundations movements, an effort has been made to present qualifying descriptions so that confusion may be avoided.

The term private higher education is employed to designate non-tax-supported higher education.

The limitations of the study. In this report the writer attempts to relate the history of corporate giving to private higher education from the Colonial period to the present, with particular emphasis on contemporary developments. In effecting this historical survey, the study has been limited by the necessity of describing only representative events of paramount importance in each historical era. It is readily admitted that some of the events, which receive only passing reference, could be objects of extensive investigation.
As this study relates to the contemporary era, it gives consideration to the general history of corporate giving, but the focus is on two specific developments: 1) the rise and development of the state and regional foundations and associations; and 2) the rise and development of the Ohio Foundation of Independent Colleges.

Sources of data. The sources of data for this study have been multiple and varied. Since the bibliography presents a complete account of sources consulted, mention will be made only of those which are of paramount importance.

The writer placed particular reliance upon the histories of colleges and universities in tracing the beginnings of corporate giving. Original documents of these educational institutions were used when available. The official literature of religious education societies and church boards of education were contributory sources of data. Economic and social histories of the United States were also valuable sources for observing the social environment in which corporate giving has developed.

In determining the twentieth century trends in corporate philanthropy, the studies and reports of the Commission on Financing Higher Education, the Council for Financial Aid to Education, the General Education Board, the Russell Sage Foundation, the Carnegie Foundation, the National Industrial Conference Board, the National Planning Association, and the John Price Jones Corporation were most helpful. In addition, reference books such as *Appleton's Annual Cyclopaedia*. 
The International Year Book, The New International Year Book, and The World Almanac were employed to advantage. Periodical literature, newspaper articles, and public addresses were important sources in ascertaining the reported reasons for corporate philanthropy.

Use of the files of the Associated Colleges of Indiana, the Commission on Colleges and Industry, and the Ohio Foundation of Independent Colleges brought to light valuable information for this study. These sources produced data, in the form of minutes of meetings, progress reports, official documents, and correspondence, which formed the foundation for several chapters. The procurement of these data was possible because of the cooperation of many persons—particularly, H. E. Hastings, Jr., Executive Secretary of the Associated Colleges of Indiana; President J. Gordon Howard of Otterbein College; President Lloyd L. Ramseyer of Bluffton College; and Harold K. Schellenger, Executive Secretary of the Ohio Foundation of Independent Colleges.

The cooperation of other individuals yielded information of value for this study. The willingness of many businessmen and educational leaders in the state of Ohio to submit their attitudes and opinions, regarding corporate giving and the work of the Ohio Foundation of Independent Colleges, led to additional sources of data. The personal correspondence of the writer with many individuals and corporations produced relevant data which have been employed throughout the study.
The method of the study. In order to present an historical study of corporate giving to private higher education, it has been necessary to make a systematic examination of the sources of data listed above. As a result of this examination, a body of information was obtained. From this body of information, an effort has been made to organize the pertinent facts in chronological order.

Related studies. A survey of the literature relevant to this subject reveals no study of a similar nature. The studies and reports of the commissions, foundation, associations, and other educational agencies, enumerated in the sources of data, have a peripheral relationship to this study and represent the nearest approaches to a similar presentation. However, an emphasis on the presentation of historical studies does not appear to be the primary concern of persons preparing these documents. Furthermore, these studies and reports have not utilized the same limitations and content as outlined for this study.

An overview of the study. Chapter I constitutes the introduction to this study. Chapter II depicts the beginnings of corporate giving, commencing with the mercantile and corporate influences in the nine Colonial colleges, and its general development to the advent of the twentieth century. Chapter III is devoted to a consideration of the trends and developments in corporate giving during the twentieth century. Chapter IV gives a summary of aspects of twenty representative programs of corporate giving currently in force. It also provides an analysis of these programs for the purpose of observing the emerging
trends in corporate giving. Chapter V deals with the application of the cooperative principle to fund-raising, as it is manifested in the rise and development of state and regional foundations which have become important arteries of corporate support. Chapter VI is concerned with the birth and growth of the Ohio Foundation of Independent Colleges. Chapter VII presents reported reasons for corporate aid to education through an analysis of the literature dealing with corporate giving. Chapter VIII presents the concluding observations and comments of the writer on various facets of corporate giving which have been discussed in this study.
CHAPTER II

THE BEGINNINGS OF CORPORATE GIVING TO PRIVATE HIGHER EDUCATION

The seeds of corporate giving were planted early in the history of private higher education. In this chapter the writer attempts to trace, briefly, the nature of such giving from 1636 to the beginning of the twentieth century, emphasizing the basic influences which have conditioned the pattern of that giving.

Dominance of religion in Colonial higher education. "Education in Colonial America was the child of religion." Religion not only nurtured the early colleges but also exercised strict control over all aspects of their development, including the economic. In this connection, Sears observes: "We should say that organized religion dominated practically all the colleges and a large portion of the gifts, and often denominationalism tried hard to bend colleges in this or that direction, most often with little ill effect."  

Although one of the most consistent trends in the history of American higher education is the drift toward secularism, the roots of secularism did not take a firm hold in the early Colonial collegiate

The tenacity of the religious forces proved to be a formidable foe for secularism. When secularism did become more evident within the framework of the first colleges, the more evident became the mercantile and corporate influences.

As private higher education emerged in the colonies, philanthropy was clearly the mother of the Colonial colleges. For the most part, this philanthropy was private and was expressed through membership and identity with a religious body. A study of available donation lists reveals the names of individuals, and not of companies or other corporate bodies, as donors to these embryonic institutions. The first traces of mercantile philanthropy in private higher education can best be ascertained by an observance of the Colonial businessman as a donor to the private colleges of that era.

The Colonial businessman as donor to the early colleges. The first gifts to Harvard College were small and, many times, of an unusual character. The merchants of Boston and London played a very important role in keeping a steady flow of gifts coming to Harvard, despite their often bizarre character. In describing these first gifts, Thwing writes:

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5. Sears, op. cit., p. 16.
The early benefactions of the first college included such offerings as sheep, cotton cloth worth nine shillings, a pewter flagon worth ten, and such silver goods as fruit dishes, silver spoons and jugs. The gifts or legacies were measured by shillings as well as by pounds.  

Eliot mentions fourteen Boston and London merchants who gave sums ranging from ten shillings to four hundred pounds for the support of Harvard College. In addition to monetary grants, gifts of property or dwelling houses became a popular method of assisting the struggling college. Peirce traces the origin of some of these property gifts.

As might be expected, an important portion of the economic support of Harvard came from England. In the early days of Harvard's existence, Thomas Hollis, a London merchant, was its most important benefactor. Succeeding generations of the Hollis family continued their great interest in Harvard College to such an extent that one historian was led to make this statement about the benefactions of that family:

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The total amount of their munificence exceeded six thousand pounds currency of Massachusetts, which, considering the value of money at that period, and the disinterested spirit by which their charities were prompted, constitutes one of the most remarkable instances of continued benevolence upon record.10

The literature abounds with names of other London merchants who donated generously to the welfare of Harvard. These grants from commercial and businessmen continued to the outbreak of the Revolution; however, the beginning of hostilities marked the end of substantial grants from England. The general pattern of philanthropic support to Harvard, before the Revolution, was characterized by grants from England and from the Boston area. After the Revolution, the domestic support became more diverse in character and the aid from the former motherland became almost nil.

Just as Harvard had been established to meet the spiritual needs of the new world, so were the remaining eight11 Colonial colleges founded to serve and foster the interests of religious denominations.12 Tewksbury stresses the importance of the aegis of religion in the establishment of these later Colonial institutions. He writes:

The movement for the founding of colleges in America before the Civil War was identified with the rise and growth

10 Ibid., pp. 458-439.
11 William and Mary 1693, Yale 1701, Princeton 1746, University of Pennsylvania (College of Philadelphia) 1755, Columbia (King's College) 1754, Brown 1764, Rutgers (Queen's College) 1766, and Dartmouth 1769.
12 Columbia and Pennsylvania might be conceived as notable exceptions, although there were strong Episcopalian and Anglican elements operating, respectively, within these institutions.
of religious denominations in this country, and thus it came to partake of the dominant religious character of the formative period of our history and reflect the motives and interests of a religious era.15

Consistent with the evidence of mercantile support of Colonial education, as demonstrated by the example of Harvard, business interests, likewise, chose to aid the economic well-being of the eight other Colonial colleges.

Although most of the endowment of the College of William and Mary was supplied by Queen Mary and King William through taxes, the business efforts of the Virginia Company provided an important source of revenue for the young institution.14 Money gained through the sale of fur, skins, and other commodities made possible revenue that became the life blood of the college at Williamsburg.15

With the dawn of the eighteenth century came the establishment of the first college bearing the name of a merchant benefactor. Elihu Yale had sought his fortune with the East India Company and rose rapidly to the position of Governor President of the settlement of Madras and returned to England, enormously rich, but without a son to

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15Ibid., p. 15.
inherit his wealth. Through the intercession of Cotton Mather, Elihu Yale became interested in the college located in the colony of Connecticut and eventually contributed generously to the New Haven institution. As Harvard had found strong economic support from the New England merchants, so did Yale look to this particular segment of society for assistance.

The establishment of Princeton in 1746 marks the beginning of an extensive cultivation by educational institutions of the mercantile elements in the city of New York. Two members of Princeton's first board of trustees were New York merchants. Although Princeton grew out of the Presbyterian tradition, men of business play a very important part in the creation and in the continued growth of the college. Governor Jonathan Belcher, who was instrumental in obtaining Princeton's charter from the crown, had been a Boston merchant before his appointment as Governor of the Province of New Jersey. In addition, Thomas Leonard, Edward Shippen, Peter Van Brugh Livingston,

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17 Ibid., p. 18.
18 Ibid., p. 18.
21 Ibid., p. 99.
William Peartree Smith, and Samuel Hazard, all renowned businessmen of Colonial times, took an active interest in the affairs of Princeton and promoted its general welfare.

Benjamin Franklin was such a versatile individual it is difficult to identify him with a single profession or vocational endeavor. It can be said, however, that his early prosperity depended upon his success in the printing business. Franklin's life has been inextricably joined with the growth and development of the University of Pennsylvania (College of Philadelphia), founded in 1753. Franklin contributed, both materially and intellectually, to the advancement of Philadelphia's first college.

The influences of the business society on Pennsylvania can probably best be seen through a cursory examination of the composition and activities of its first board of trustees. Of the twenty-four member board, thirteen were either merchants, printers, manufacturers, tobacco entrepreneurs, or commercial shippers. The original board made a total contribution to the institution of £383. The businessmen of that first board contributed £213 of the above sum. Supplementing these initial contributions by board members were mercantile

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22 Ibid., pp. 105 ff. For additional data on donors to Princeton College, see James McCosh, Twenty Years of Princeton College (New York: Charles Scribner's Sons, 1888).
25 Keith, loc. cit.
gifts from England which William Smith did much to cultivate.

Franklin made this report of a gift by David Barclay of London:

We hear that an eminent merchant of London hath generously given a Hundred Pounds to the Academy now erecting in this city, for the Education of Youth, which has accordingly been paid into the Hands of the Trustees by his Correspondent here.

A survey of the literature readily shows that Pennsylvania depended considerably less upon religious sources for economic assistance than most of the other Colonial colleges to date. Pennsylvania's academic program was not designed, primarily, for the education of ministers or for the perpetuation of traditional aspects of religion. Its program was conceived in broader intellectual and cultural terms. As a result, the creation and continued existence of the institution became a problem of the community and not a problem of a particular religious denomination. In fact, Pennsylvania might be regarded as one of our first community colleges. Since Pennsylvania operated under more independent auspices, it can be easily seen how commercial and mercantile interests came to the fore in aiding this institution.

Columbia (King's College) was established from conditions which seemed to combine the pattern of establishment of both William and

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Mary and Pennsylvania. Similar to William and Mary, the major economic support for Columbia was to come from government taxes. Sections of the Excise Acts of 1751 and 1753 were designed specifically for this purpose.\(^\text{29}\) Considerable money for the support of this institution was also realized through lotteries sanctioned by royal favor.\(^\text{30}\) Similar to Pennsylvania's curriculum, Columbia's academic program was not planned to meet the specific needs of young men entering the clergy. The college was created to instruct youth in the liberal arts and sciences. It was truly a liberal arts college in the tradition which is familiar to the twentieth century.

Since Columbia had close ties with the crown and the provincial government, one might assume that additional economic support was not needed. Such was not the case. The college's early financial plight was of such a character that constant pleas were made for funds.\(^\text{31}\) Businessmen were among those who came to the aid of this newly born institution. Notably, two colonial businessmen, Joseph Murray and James Duane, gave freely of their wealth and of their energies to foster the existence of Columbia College.\(^\text{32}\) Their philanthropic efforts signaled the beginning of a mercantile interest in Columbia.

\(^{29}\) Herbert and Carol Schneider (eds.), Samuel Johnson, President of King's College, His Career and Writings (New York: Columbia University Press, 1929), pp. 163-164.

\(^{30}\) Ibid., p. 219.

\(^{31}\) Ibid., p. 231.

\(^{32}\) Horace Coon, Columbia, Colossus on the Hudson (New York: E. P. Dutton and Co., 1947), p. 27. See also Clement C. Moore, The
College which was cultivated through the centuries to such a marked degree that, in years far removed from the Colonial era, the names of international financiers such as J. P. Morgan and Cornelius Vanderbilt were enlisted in the support of this once struggling institution, now one of the richest universities in the world.

The founding of Brown, Rutgers, and Dartmouth brings to a close the Colonial period in private higher education. An examination of the financial history of these three institutions reveals three basic developments: (1) continued support from England; (2) a wider geographic distribution of domestic donors; and (3) the appearance of companies as donors to private higher education.

Both Brown and Dartmouth had engaged in extensive soliciting activities in England. Reverend Morgan Edwards solicited for Brown, and Reverend Nathaniel Whitaker and Reverend Samson Occom solicited for Dartmouth, at a time when Dartmouth was being planned as a school for the Indians under the direction of Eleazar Wheelock. Concerning the campaigns made in England by the Colonial colleges, Richardson writes:

During the period before the Revolution, appeals to England for money for the support of education in the

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Early History of Columbia College (New York: Columbia University Press, 1940), Introduction, vii-x; Edward P. Alexander, A Revolutionary Conservative, James Duane of New York (New York: Columbia University Press, 1936). Like so many prominent men in the Revolutionary era, Murray and Duane had diverse interests. In addition to their business interests, both were renowned jurists.


34Coom, op. cit., p. 29.

American colonies were by no means rare. Of the nine colleges which received charters in those years, but three refrained from direct campaigns in the mother land for the raising of funds.

Brown seemed to experience some difficulty in raising funds in England, but Dartmouth's efforts met with overwhelming success. The problems confronting Reverend Morgan Edwards are vividly described in this excerpt from one of his letters to President Manning:

Your newspapers, and letters from your government, published in other papers, have hurt me much. You boast of the many yards of cloth you manufacture, etc. This raises the indignation of the merchants and manufacturers. I have not only been denied by hundreds, but also abused on that score.

In writing of the solicitations by Whitaker and Oecom, Richardson states that the net proceeds of £11,000, procured by solicitation in England, represented the largest amount obtained by any American institution during the period before the Revolution.

As more colleges were created during the latter part of the Colonial period, the competition for mercantile support became keener. This competition was not only evident in the New England colonies but also in the Middle Atlantic provinces. Just as Harvard, Yale,

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36 Rutgers College was one of the institutions which did not participate in fund-raising campaigns in the British Isles.
37 Richardson, op. cit., p. 15.
39 Richardson, op. cit., p. 15.
Dartmouth, and Brown competed for donations in New England, so did Columbia, Princeton, and Rutgers vie for funds in the New York-New Jersey-Pennsylvania area. As a result of such competition, most of the institutions sought to widen their geographic range of solicitation.

Traces of such proliferation of solicitation can be found in the financial histories of Rutgers, Dartmouth, and Brown. Rutgers attempted to develop strong contacts both in New York and New Jersey. Dartmouth did likewise throughout New England. Probably the best example of this trend, however, can be found in the soliciting activities of Brown. In addition to contributions received from merchants in various sections of New England, one recorder reports that Brown engaged in a fund-raising campaign in South Carolina and Georgia in 1769. From all accounts, this southern venture was labeled a success. This general trend of widening the scope of solicitation became more marked as institutions of higher learning increased in number.

The Brown financial history indicates the nature of a third development that was making itself apparent in these later Colonial colleges—namely, companies had started to make contributions to the colleges. Some of the subscriptions received in South Carolina and

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40 William H. Demarest, A History of Rutgers College: (New Brunswick: Rutgers College, 1924), passim.
41 Reuben A. Guild, Early History of Brown University (Providence: Snow and Farnham, 1897), p. 150.
Corporations from business firms. Contributions by companies were common occurrences in the century following the Revolution, but corporate gifts prior to the war were a rarity. At this juncture, it is the intention of the writer to indicate only that the seeds of corporate giving started to sprout during Colonial times.

**Corporate giving in the eighteenth and nineteenth centuries.**

Following the Revolution, mercantile interests in American private higher education seemed to multiply considerably. From the latter part of the eighteenth century through the nineteenth century, individual gifts of businessmen became more numerous; the amounts of the mercantile donations became larger; businessmen vied with ministers and professional men for membership on boards of trustees; and corporate giving became a vital factor in the support of American private higher education.

These eighteenth and nineteenth century developments in higher education had multiple causes. It is not the purpose in this discussion to trace all the causes, but it does seem necessary, as this presentation progresses, to examine those causes which are pertinent and germane to the main thesis.

A growing secularism, kindled, in part, by enlightenment science, and accelerated by the break with the mother country, per-

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meated the new nation at the close of the Revolution. Secular interests continued to make inroads upon the absolutist theocracy of the Puritans as had been the case prior to the Revolution. Tewksbury describes the postwar philosophical temper in these words:

Under the impact of the new ideas and ideals that came in with the Revolutionary era, we enter into a period when the former religious patterns of colonial times began to break down, and secular interests came to occupy a larger part of men's thoughts.

It is logical that we should expect to find secularism manifested in various phases of the activities of the colleges. Secularism did have a profound influence on altering the composition of the student body, the nature of the curriculum, and the character of the teaching staff. In particular, we note that this new liberal spirit acted as a catalytic agent for corporate giving. Williams College, founded in 1795, is a good example of a post-Revolutionary institution in which mercantile and corporate elements were markedly present.

Named in honor of Ephraim Williams, Williams College has always received economic support from corporations. In fact, the first contributor to a building fund campaign, conducted in 1796 by President

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45 Tewksbury, op. cit., p. 60.

46 Butts, op. cit., pp. 66-73.
Fitch, was the firm of T. J. and B. Skinner. Four business firms are entered on a brief list of contributors which appeared in 1820. In 1841, a mercantile firm in Boston, Edwards and Stoddard, conducted a Boston campaign for the college which netted $1700. Corporate interest in Williams College has continued through the years. The cosmopolitan elements of society had pervaded the financial history of Williams to such an extent that it led Perry, writing in 1899 about the collections of 1841, to comment: "It is noticeable, in the last place, that the chief procurers and most of the contributors of this college money were what would be called nowadays 'extra' orthodox people."

Other private institutions such as Bowdoin, Hamilton, Colgate, Union, Washington and Lee, and Franklin and Marshall, founded during this period, reflect similar patterns.

With the advent of the nineteenth century, great waves of pioneers moved westward. These mass migrations were to have their effect on education. In 1800, the extensive expansion and growth of American higher education had its start. From 1800 to 1897, some 449 colleges and universities were established. The Middle West, South,

48 Ibid., pp. 439-442.
49 Ibid., p. 530.
50 Ibid., p. 531.
and Far West were the sections of the nation which showed the greatest gains in numbers of colleges. 52

As private higher education evolved west of the Alleghenies, the dominant religious forces of the day prevailed in the creation of these "western" colleges. "With the exception of a few state universities, practically all the colleges founded between the Revolution and the Civil War were organized, supported, and in most cases controlled by religious interests." 53 Although the strongest pillars of economic support for these newer institutions were provided by a militant Christianity, corporate philanthropy was destined to play an increasingly important role in their continued existence. The evolution of the philanthropic pattern was similar to that which we have seen with the Colonial colleges. Business interests were represented first by the donations of the individual merchants who, in some cases, were members of original boards of trustees, and then the companies and business firms, as such, began to make contributions.

The histories of Western Reserve and Oberlin, which are representative examples of these "western" institutions, demonstrate clearly that business and corporate elements aided and abetted the rise and growth of these colleges beyond the Alleghenies. Founded in 1826, Western Reserve benefitted greatly from the philanthropy of Amasa

53 Tewksbury, op. cit., p. 55.
Stone, a businessman engaged in diversified industry. Stone is reputed to have given $640,000 to the institution during the three-year period, 1880-1883. Arthur Tappan, a prominent dry goods merchant of New York city, gave $10,000 to Western Reserve in 1830.

During the years 1855-1871, Joseph Perkins, H. B. Hurlburt, and Truman P. Handy, all Cleveland businessmen and bankers, gave extensively to Western Reserve. Not only did they, personally, make contributions to the college but also their firms and banks demonstrated interest in the welfare of the institution. In addition, these men gave counsel in investing funds for endowment and provided introductions to other wealthy contacts.

One year after its creation in 1833, Oberlin conducted a financial campaign in which the assistance of leading businessmen was enlisted. The campaign terminated in New York city where the Tappan brothers (merchants) contributed freely to the support of the struggling college. An additional business contact is seen in the person of W. M. Dawes, a businessman, who was one of Oberlin’s agents in its fund-raising efforts in England, which netted $30,000.

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54 Frederick C. Waite, Western Reserve University, The Hudson Era (Cleveland: Western Reserve University Press, 1943), p. 465.
55 Ibid., p. 120.
56 Ibid., pp. 342 ff. See also One Hundred Years of Western Reserve (Hudson, Ohio: The James W. Ellsworth Foundation, 1928).
58 Ibid., p. 209. For additional data on the origin and growth of Oberlin, see James H. Fairchild, Oberlin, Its Origin, Progress and Results (Oberlin, Ohio: R. Butler, 1871).
porate interests in Oberlin can best be illustrated by stating that the tract of land (500 acres) on which the college was constructed was given to the proposed manual labor school by the New Haven real estate firm of Street and Hughes. 59

Coincident with the creation of Western Reserve in 1826, of Oberlin in 1833, and with the rise and development of numerous institutions throughout the country was the appearance of an economic phenomenon of considerable proportions. This phenomenon had a great influence in shaping private higher education, as we know it today, and it vaulted corporate and mercantile philanthropy from a secondary force to a primary force in a few short years.

Although the year 1790 may be selected as the date of birth of the factory system in this country, the rapid transformation from household industry to a factory system did not take place until about 1820. 60 Industry had modest beginnings but grew with such rapidity that, at the end of the nineteenth century, corporations and men with assets of millions of dollars appeared on the American scene. Concerning these modest beginnings of the American manufacturing system, Cowdrick remarks:

Beginning soon after 1820 there was a steady, substantial growth of manufacturing industry. The industrial


needs of a growing population spread over constantly larger areas, and the expanding foreign commerce of the nation created broader markets and thus encouraged production. 61

The enormous growth of American industry had outstripped anything the world had ever known before, even the great advances accomplished during the European Industrial Revolution. The Beards have described the development of nineteenth century American industry in these terms:

In this development industry had moved swiftly through three stages. The little old-fashioned mill on the river's bank turned by a lumbering water wheel, marking the first step in machine manufacture, had given way to the immense plant driven by engines or turbines of gigantic power. Then in turn isolated establishment under the ownership of a single master or a few masters had surrendered to the corporation. At the end of the century three-fourths of the manufactured products came from factories owned by associations of stockholders; in each great industry was a network of federated plants under corporate direction; by 1890 combination was the supreme concept of the industrial magnate. Oil products, iron, steel, copper, lead, sugar, coal, and other staples were then in the hands of huge organizations that constituted, if not monopolies, efficient masters of their respective fields. 62

The "masters of industry," described above, amassed enormous wealth. The great fortunes that accrued as a result of wholesale


62 Beard and Beard, op. cit., II, pp. 176-177.
industrialization were frequently turned to the support of private higher education. Matthew Vassar, Ezra Cornell, Cornelius Vanderbilt, Johns Hopkins, and others endowed the institutions that bear their names. It is estimated that businessman, Matthew Vassar, gave to the Poughkeepsie institution gifts and cash equal to a million dollars.\(^63\) Ezra Cornell gave at least $500,000, plus his model farm, to Cornell.\(^64\) Cornell had made most of his money as one of the chief stockholders in the Western Union Telegraph Co. In October, 1875, master industrialist Cornelius Vanderbilt gave $100,000 to the Nashville institution, "thus rounding out his gift to the full sum of one million dollars, and providing endowment of $600,000, with an investment in grounds, buildings, etc. of $400,000."\(^65\) Johns Hopkins, merchant and dreamer, provided incalculable sums for the creation of a university for his beloved Baltimore.\(^66\)

As indicated above, many private institutions received substantial support from individual business entrepreneurs. This trend not only led to further interest on the part of other businessmen, such as

\(^{63}\) Vassar College Twenty-Fifth Anniversary (Poughkeepsie, N.Y.: Vassar College, 1890), pp. 16-20.


Rockefeller, Duke, and Stanford, but also brought about increased participation on the part of corporations. With this increased corporate participation, further secularization of all institutions is noted. The Beards appraise the further secularization of private education with this statement: "As the flood of gold rolled into the chests of the various colleges of religious origins, the power of the clergy in management correspondingly declined."67 Thorstein Veblen keenly observes this movement toward secularism, when he writes:

For a generation past, while the American universities have been coming into line as seminaries of the higher learning, there has gone on a wide-reaching substitution of laymen in the place of clergymen on the governing board.

This progressive secularization is sufficiently notorious, even though there are among the older establishments the terms of whose charters require a large proportion of clergymen on their boards. This secularization is entirely consonant with the prevailing drift of sentiment in the community at large, as is shown by the uniform and uncritical approval with which it is regarded.68

From the mid-point of the nineteenth century to the beginning of the twentieth century, merchants, manufacturers, and bankers continued to make inroads into positions of control and influence within the framework of private institutions. 69 As mercantilists became the

67 Beard and Beard, op. cit., II, p. 470.
69 For data showing composition of boards of trustees during this period, see Hubert P. Beck, Men Who Control Our Universities (New York: Kings Crown Press, 1947); Earl J. McGrath, "The Control of Higher Education in America," The Educational Record, XVII (April 1936); and Scott Hearing, "Who's Who among College Trustees," School and Society, VI (September 8, 1917).
predominant individuals on boards of trustees, their individual min-
fiquence increased and that of their corporations seemed to increase
correspondingly. The last two decades of the nineteenth century
marked the zenith of corporate giving to date.

Although Cornell University had been founded in 1868 through
the personal beneficence of Ezra Cornell, its financial reports
reflect considerable corporate support. One donation list shows that
corporate gifts to Cornell ranged from a $25 grant by one firm to a
$35,000 donation by the Cascadilla Company. Included in this list are
gifts by such corporations as the Westinghouse Manufacturing Co. and
the Philadelphia Pneumatic Tool Company. A summary of corporate grants
to Cornell to the year 1896 indicates that corporations gave $45,190 to
that institution.

Similar trends of corporate giving were distinguishable in the
financial histories of the colleges and universities growing up in the
West during the last decade of the nineteenth century. Illustrative
of these tendencies are Stanford University and the University of
Chicago.

Since Leland Stanford has been a businessman all his life, one
would naturally expect to find that business and corporate influences
had been primary factors in the early life of Stanford University. Of

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70 Thwing, op. cit., pp. 332-355.
71 Thomas W. Hewett, "Gifts to Cornell University," Cornell Univer-
sity, Appendix, (New York: The University Publishing Society, 1905),
pp. 401-405.
the original twenty-four member board of trustees, fourteen were businessmen who had affiliations with corporations.\(^{72}\) Despite the efforts of Mr. and Mrs. Stanford to exert tight control over all phases of the university's development, including the economic,\(^{73}\) corporate philanthropy aided the university through the years. In 1891, the Pacific Improvement Company made possible the erection of the Timothy Hopkins Marine Laboratory. Not only did the company make a cash grant, but it also donated the land on which the laboratory was constructed.\(^{74}\) Further corporate influence is seen in the grant made by the Carnegie Corporation for the creation of the Food Research Institute.\(^{75}\) Finally, the development of the Graduate School of Business was brought about largely through the cooperation and economic assistance of a great many business and commercial firms on the Pacific Coast.\(^{76}\)

Emanating from the ten acres of land donated by merchant Marshall Field and the cash grants of industrialist John D. Rockefeller, the University of Chicago has grown to a position of prominence in American higher education. When the institution published its first

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bulletin in 1891, its assets included the tract of land mentioned above and $800,000 from Rockefeller.77 Between 1894 and 1904, Rockefeller gave to Chicago a sum amounting to $11,500,000.78 His total donations to the institution are placed at $34,702,375.28.79 With such funds at its disposal, it would seem almost unnecessary for the university to seek other support, yet further support was sought and received. For the purposes of this study, it is pertinent to point out that twenty-two corporations are included in a list enumerating its largest contributors.80 Such was the essence of corporate support to Chicago in its early history.

From the seventeenth century to the twentieth century, corporate interests have been visibly supporting American private higher education. In some eras, these interests have been difficult to trace; in other eras, these same interests have been of such a magnitude that continued existence of some of the institutions seemed to depend on them. Of the many influences which have helped mold the character of private higher education through the centuries of its early history, corporate giving must be ranked as one of the most vital.

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78 Ibid., p. 17.
79 Ibid., p. 17.
80 Ibid., pp. 495-497, "Names of Some of the Larger Contributors."
In this chapter, efforts are made to trace the trends of corporate giving through the years of the twentieth century, emphasizing the socio-economic developments which shaped the course of that giving. The character of these developments was such that corporate giving of any magnitude has become virtually a phenomenon of modern times.

The great fortunes and the great educational foundations. In Chapter II, we noted the introduction of the factory system into the American economy. It was stated further that, through the rise and growth of industry, great fortunes were amassed by a privileged few. "American individualist economy may be said to have come into its own during the last quarter of the Nineteenth Century." In its early stages, the growth of the industrial economy, which produced this great individual wealth, was limited to the northeastern section of the United States but, at the beginning of the twentieth century, the processes of expansion had taken it into the Middle West, the Far West, and the South. By the end of the first decade of the new century, the whole country had felt the impact of industrialization, although in varying degrees. Brown summarizes the influences of industrialization
on the early decades of the twentieth century in the following quotations:

The increase in manufactured output was phenomenal. The value of manufactured products increased from about $2,000 million in 1850 to about $13,000 million in 1899 and then to $68,000 million in 1929; the latter figure is much inflated by the 20th century price rise and requires to be almost halved for the purposes of comparison, but the first two are comparable as they stand. This stupendous increase has many significances; most notably, from the international viewpoint, America by the 1890's had become the premier manufacturing nation of the world. Great internal changes had been involved. Between 1900 and 1910 her population at last ceased to be predominantly rural, or at least very small town, in character. Her industrial leadership changed from fine work to mass production, and with this change went a movement of industry westward and southward, apparently toward its raw material supplies—the coal and iron ores of the middle west and of California. Above all, industrial emphasis passed from wood and cotton to iron and steel.2

The great educational foundations evolved from the fortunes realized through this extensive industrialization. The distribution of wealth, at the turn of the century, had produced a condition never before experienced in the United States. From 1880-1913 statistics indicate that there was a marked concentration of wealth in the hands of the very rich. King's studies show that 1.6 per cent of the richest families in the United States received 10.8 per cent of the national income in 1890 and 19 per cent in 1910. Conversely, the 88 per cent of the population who had received 65 per cent of the income in 1890

received only 62 per cent in 1910. Writing in 1893, George K. Holmes has stated that "91 per cent of the 12,690,152 families of the country own no more than about 29 per cent of the wealth, and 9 per cent of the families own 71 per cent of the wealth." Couching this trend in different terms, Ratner writes:

The exemption from large federal taxes for this favored minority group enabled them to increase their capital at a higher rate than they have been able to do since 1913. The tax system in the United States after 1913 has not permitted as much transfer of wealth from, and concentration of the tax burden on, the poorer classes as the national system prior to 1913.

Out of this highly concentrated wealth came the fortunes of George Peabody, Andrew Carnegie, John D. Rockefeller, and others of equal prominence. The educational foundations, which became the primary sources of educational philanthropy during the early part of the twentieth century, developed as these individual fortunes became larger and larger. Although ordinarily founded in the names of persons, the foundations essentially represented the immense profits of corporations. In this particular era of American economic history, such earnings were readily transferrable to private use without the encumbrances of a severe tax structure. Prior to 1909 corporate

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profits were entirely free of federal taxes except during the Civil War. Consequently, there evolved a more common identity between corporate wealth and private wealth. The avenues of transfer were less obstructed and more easily accessible than they are today. Thus, as the philanthropic efforts of these educational foundations are observed, it is important to keep in mind that both the philanthropist and the corporation were operating under principles and conditions quite different from those with which we are familiar.

Germane to this discussion is the fact that these educational foundations forced into the background all other philanthropy, except individual philanthropy. As these dynamic foundations emerged to exert great influence in the educational world during the early decades of the twentieth century, corporate giving was relegated to a minor role. Corporate giving was destined to occupy this insignificant position for about thirty years. Arnett addresses himself to this point:

During the first three decades of this century, the privately supported colleges and universities of the country received a steady and increasing flow of gifts and bequests for buildings, equipment, and endowment.

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6 Ibid., p. 295.

7 Some of the foundations which were created at the beginning of the twentieth century, or which found their period of greatest growth at that time, are: Peabody Education Fund (1867); John F. Slater Fund (1882); Carnegie Institution (1902); General Education Board (1905); Carnegie Foundation (1905); Russell Sage Foundation (1907); Phelps-Stokes Fund (1911); and Rockefeller Foundation (1913).

and for current expenses. The funds came largely from individual donors of large wealth and from foundations established from accumulated wealth.\(^9\)

The foundations were created by individuals and corporations as funds, legally chartered, eleemosynary in law, operating under a separate and independent board of control, working for the direct promotion of education or of some other welfare agency.\(^10\) Within the field of higher education, the activities of the foundations were manifold. Sears aptly describes the range of operation of some of the more important foundations:

We can scarcely read the founding documents of these institutions without being struck first of all with the very wide scope of service which they have undertaken. The Peabody Fund promoted popular education in the South by cooperation with State and local officials. The Jeanes, the Slater, and the Phelps-Stokes Fund have been devoted to the problems of education of negroes. The Carnegie Foundation for the Advancement of Teaching has concerned itself with salaries, pensions, and insurance for college professors. The General Education Board has helped along several of these lines and paid much attention to educational investigations, and especially to a more substantial endowment of existing institutions. The Sage Foundation has contributed liberally by investigation, research, and publication.\(^11\)


As the century wore on, the numbers of these foundations and the amounts of their appropriations increased. This method of funding wealth became so popular that hundreds of foundations were created during the twentieth century. In essence, these foundations reduced educational philanthropy to a business. The corporate principle was fully applied. The method of administrative organization was similar to that of most large businesses of the era. With the increase in the number of foundations came an increase in appropriations. Millett states that between 1902 and 1925 the General Education Board gave nearly $60,000,000 to the endowment funds of 291 colleges and universities. Lester indicates that the Carnegie organizations contributed a total of $47,946,932 to schools, colleges, and universities between 1911 and 1941. And Lindeman reports that in the decade, 1921-31, higher education received $135,965,446.21 from 100 different foundations.

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15 Lindeman, op. cit., Table VII, p. 28.
Corporate giving and the changing economic scene. New taxation, World War I, the growth in number of corporations, and a national depression were a few of the factors which influenced the character of philanthropy from 1913 to 1935.

Beginning in 1913, income tax laws were introduced which did much to keep fortunes from further development. Stringent statutes taxing estates and inheritance were also instituted. These laws put part of the federal tax burden on those best able to bear it and to that extent retarded the growth of the great fortunes already established or in the process of being established.

Coupled with the breaking up of hereditary fortunes came the enormous growth in corporations. The advantages of incorporation became more and more attractive as the size of a business enterprise grew and as the scope of its activities widened. Limited liability and facility for raising large amounts of capital were probably the two chief advantages of corporate organization. Of the growth of corporations, Bernheim writes:

Corporations become full-fledged giants either by internal growth— "plowing back" earnings into business or selling securities; or as the result of external growth— combining with other enterprises; or, more often, by both methods. The 'combination movement' is responsible for a large proportion of America's industrial giants. It has assumed various more or less clearly distinguish-

able periods of time: 'trusts,' 'holding companies,' 'consolidations,' 'mergers' and still other forms. The five years from 1898 through 1902 and the decade from the close of the World War to the collapse of the 'New Era' boom, were the two periods in our history during which the combination movement was most prolific.19

The above developments did not immediately change the character of corporate giving to private higher education during the first twenty-five years of the twentieth century, but they did establish a firm foundation for the corporate philanthropy which was yet to make its appearance. In short, they represented harbingers of future events in corporate philanthropy.20

In the first years of the century, as already indicated, gifts from individuals and foundations dominated the scene. With the introduction of tax and inheritance laws, and the impact of the levies of World War I, foundation giving seemed to leap ahead as the most important source of educational philanthropy. As personal fortunes were


20 The writer was able to trace the development of corporate giving during five decades of this century through several sources. The financial reports contained in the histories of institutions were extremely helpful. Reports and statements by the Bureau of Internal Revenue were contributory. The yearbooks of philanthropy published by the John Price Jones Corporation and the reports of the United States Commissioners of Education proved valuable sources of information. Of particular importance, in observing the whole pattern of philanthropy and the relationship of corporate philanthropy to that pattern, were: Appleton's Annual Cyclopaedia, The International Yearbook, and The World Almanac. The subsequent paragraphs, reflecting the trends in corporate giving, are based almost exclusively on material found in the above sources.
gradually reduced, enormous monetary outlays to educational institutions by individuals became less frequent. More and more dependence upon the assets of the foundations resulted. Although corporate giving experienced a brief renaissance in the wake of the intensive World War I relief appeals, philanthropic efforts by firms and companies still lagged behind as very minor elements in the whole pattern of philanthropy.

This condition persisted through the aftermath of the war and through the depression years of the Thirties. One of the great deterrents to corporate giving was the trepidation about its legal aspects. Generally, these legal fears were two-fold: 1) whether such grants would constitute a legal taxable deduction; and 2) whether the board of directors of a corporation would be acting ultra vires by making monetary grants to eleemosynary institutions without stockholder permission.

Congress enacted legislation in 1918 permitting national banks to contribute to the war effort. States such as New York and New Jersey passed similar statutes allowing corporate contributions which would lend support to the winning of the war. From 1918 to 1955, the courts in the country followed in their decisions a pattern from

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23 Jones, loc. cit.
a relatively strict to an increasingly liberal point of view where corporate contributions to educational institutions and other charitable agencies were concerned.\textsuperscript{24} Despite liberal rulings by the courts, corporations, prior to 1936, continued to interpret the law to mean that corporate assistance to higher education was only possible when it demonstrated a direct benefit to the stockholders; hence, we see the rise of a narrow \textit{quid pro quo} or direct benefit policy, which has been one of the characteristics of corporate giving in the twentieth century. At the present time, indications show a trend away from a direct or indirect benefit policy of corporate giving; however, under the direct benefit policy, which existed in the Twenties and Thirties, corporate philanthropy was limited almost exclusively to subsidizing scholarships, fellowships, and research.\textsuperscript{25} Unrestricted monetary grants by corporations were a rarity. In some cases, this trend has persisted to the present time. In fact, in a May, 1947 survey of ninety-six cooperating companies for the National Industrial Conference Board, Winselman found:

Corporate contributions to colleges and universities are not generally accepted as a proper expenditure of corporate funds, according to this month's survey of business practices. . . . The majority of executives replying, however, prefer to confine their company's assistance to research projects, scholarships and fellowship programs, and discounts on purchases of machinery and equipment by these institutions. . . . Because of the difficulty in tracing

\textsuperscript{24}Ibid., p. 46.

\textsuperscript{25}For detailed information about scholarships and fellowships, see Norman S. Feingold, \textit{Scholarships, Fellowships and Loans} (Boston: Bellman Publishing Company, 1949), 2 vols.
any direct or indirect benefit to their company from contributions to colleges and universities, the largest number of executives indicated that all requests for funds from such institutions are rejected without further consideration.26

The accelerated growth of corporate giving. Although there are multiple causes for the accelerated growth of corporate giving to private higher education from 1936 to the present, the writer feels that three developments have been the most contributory: 1) the 5 per cent tax deduction privilege for corporations enacted under Section 23 (q) of the Internal Revenue Code in 1935; 2) the adoption by most states of permissive legislation, authorizing corporate contributions for philanthropic purposes; and 3) the court ruling on The A. P. Smith Manufacturing Company v. Barlow et al. law suit entered in the Chancery Division of the Superior Court of New Jersey in 1953.

By the enactment of the 1935 legislation, the federal government went on record as encouraging gifts to charitable institutions and causes on the part of corporations by exempting from the corporation tax "contributions or gifts payment of which is made within the taxable year . . . to an amount which does not exceed 5 per centum of the taxpayer's net income as computed without the benefits of this subsection."27 The importance of this legislation was that it removed


all doubt as to the legality of a corporation making a direct monetary grant to an educational institution or to some other charitable agency. It contributed to the breaking down of the narrow quid pro quo or direct benefit policy which had gripped corporations for so many years. No longer did corporations have to seek devious methods for listing monetary grants to colleges and other agencies as business expense. In short, it paved the way for more corporate giving of all forms, among which were direct monetary grants of an unrestricted nature.

To illustrate the rapid growth of corporate giving after 1956, we need only turn to the statistics contained in the most recent survey by the Council for Financial Aid to Education. This study shows that the total contribution in 1936 by corporations to all causes, including education, health, welfare, and religion was $50,000,000; in 1946 the total contribution had climbed to $214,000,000; in 1951 the figure was $341,000,000; and the total contribution for 1952, as of February, 1955, was $399,000,000.28 This rapid and steady growth of corporate giving has been due, in part, to the legislation enacted in 1955.

Another factor which has aided corporate giving in recent years has been the passing of permissive legislation by a number of states, allowing the directors of corporations to contribute funds to

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charitable causes. Many directors have always had misgivings in this regard. As a result, some corporations have refrained from giving in fear of stockholder suits. But the state statutes are quickly erasing the legal doubts of the directors' prerogative to use corporate funds in this manner. A Council for Financial Aid to Education publication makes this statement: "Earlier legal doubts about the power of a corporation to make a reasonable gift in support of a college or university, without imposing a personal obligation upon its assenting directors, are rapidly disappearing." Thirty-seven states have enacted some form of permissive legislation. These permissive statutes are not all the same. The laws vary, and some contain limitations. Laird Bell adequately summarizes the importance to corporate giving of these permissive statutes in states where they do exist, and the influence upon the common law in states where they do not exist, when he writes:

Technical legal obstacles to corporate giving are thus definitely removed in a substantial number of the larger states. Even in the other states, however, a case can be made that in view of the changing economic situation and the customs of the times, corporate giving can likewise be

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30 The state statutes reveal that the following states have adopted permissive legislation: Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wisconsin. Also, the territory of Hawaii.
justified. The almost complete absence of reported cases in
the last twenty-five years attacking charitable contributions
is certainly significant.31

The enactment of state statutes has done much to relieve
directorship doubts concerning the legality of a corporate board of
control to make charitable contributions, but the opinion handed down
in May, 1953, by the Superior Court of Essex County in the state of
New Jersey in the case of The A. P. Smith Manufacturing Company v.
Barlow, et al. provided the real impetus for the removal of the rem­
nants of such reservations. The Smith Case has become not only the
source for the test of these legal issues but also a source for note­
worthy statements which address themselves to the broad problem of
support of educational institutions. The following is a summary of
the facts in the Smith Case:

The plaintiff company is a New Jersey corporation organ­
ized in 1896 to engage in the business of manufacturing and
selling water works equipment and related products. It has
plants in East Orange and Bloomfield, New Jersey, and has
approximately three hundred employees. It manufactures
valves, fire hydrants, special machinery and equipment,
mainly for the water and gas industries of this country but
also to a limited extent for foreign customers. In 1951 its
board of directors, by appropriate resolution, authorized a
contribution of $1500 to Princeton University, a privately
supported educational institution located at Princeton, New
Jersey.

Defendant Barlow, a stockholder of the corporation, ob­
jected to the proposed contribution as ultra vires, i.e.,

31 Laird Bell, "Corporate Support of Education: The Legal Basis,"
American Bar Association Journal, XXXVIII (February 1952), 120. See
also Commission on Financing Higher Education, Higher Education and
American Business (New York: Commission on Financing Higher Education,
1952), pp. 15-20; Beardsley Ruml (ed.), The Manual of Corporate Giving
beyond the powers of the corporation, and therefore a misapplication of corporate funds. To resolve the question the company instituted suit for a declaratory judgment, naming as defendants the objecting party and three other stockholders, individually and as representatives of the stockholders of preferred and common stock of the company. The Attorney General of the State of New Jersey was also made a defendant on the ground that the public has an interest in the subject matter of the suit. 32

On May 19, 1953, the Superior Court rendered a decision which not only upheld the action of the board of control of the A. P. Smith Manufacturing Company but described such giving as "a solemn duty of corporations." In part, Judge Stein's opinion reads:

I cannot conceive of any greater benefit to corporations in this country than to build, and continue to build, respect for and adherence to a system of free enterprise and democratic government, the serious impairment of either of which may well spell the destruction of all corporate enterprise. Nothing that aids or promotes the growth and service of the American university or college in respect of the matters here discussed can possibly be anything short of direct benefit to every corporation in the land. 33

The stockholders appealed the decision. On June 25, 1953, the Supreme Court of New Jersey upheld the decision of the Superior Court and sustained the validity of the donation. A further appeal was made to the Supreme Court of the United States. On October 26, 1953, the highest court in the land refused to entertain the appeal "for want of a substantial federal question." 34 The unanimous dismissal

of the appeal by the United States Supreme Court meant that corporate giving had met and passed its first major legal test.

**Present preferences and practices in corporate giving.** Chapter IV deals with specific programs of corporate giving operative in the contemporary era. Before presenting aspects of some of the programs of these corporations, the writer deems it necessary to sketch, briefly, the character of current corporate giving with special reference to present preferences and practices.

Once having resolved the philosophical, legal, fiscal, and other questions inherent in making a grant to higher education, contemporary corporate management has shown considerable concern for the problems suggested by these questions:

What form should corporate aid to higher education take?
What mechanism should be used in implementing aid to education?
To which institutions should corporations make grants?

Although the narrow *quid pro quo* or direct benefit policy has prevailed throughout most of this century, contemporary trends show a definite rejection of that policy. A most recent study, involving some 366 companies, indicates that these companies prefer to make unrestricted grants for the current operation of colleges and universities in preference to other forms of aid.\(^{55}\) The survey shows further that giving to current operating funds ranked first among the present grants.

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practices of companies already embarked on a philanthropic program; in addition, those companies which are not currently making contributions, but which are willing to consider instituting a program of corporate aid to education, felt that contributions to current operating expenses should be the primary object of support. Plant and unrestricted fund grants are the types of support most favored by corporations. Special services, capital funds, and student aid were other preferences cited for support by the cooperating companies.

The best methods of making contributions are currently under constant consideration by corporations. The problem is twofold. Within corporations, boards of directors must decide whether to create corporate foundations, trusts, and funds to handle contributions or to have the corporations, as such, make the grants. There are both advantages and disadvantages to corporate foundations, trusts, and funds. After corporations have set up the internal machinery for distributing contributions, they then must decide whether they will give directly to individual institutions or to joint fund appeals, such as the United Negro College Fund, the National Fund for Medical Education, and the various state and regional college funds.

In recent years, corporation foundations have multiplied considerably. In 1954 the National Industrial Conference Board surveyed

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36 Ibid.
141 large corporations which have established foundations. The corporations listed the following advantages of a general purpose foundation:

- It provides tax advantages which reduce the cost of company donations.
- It permits a company to stabilize its donations despite ups and downs in its earnings position.
- It helps the company engage in programmed giving, since it provides a means for making worthwhile future commitments.
- It results in a better administration of company donations.
- It serves as a source of good will in the communities which benefit from the more stable donations.\(^\text{39}\)

Some of the disadvantages of corporate foundations, as cited by the cooperating companies, are:

- Some loss of control over funds;
- Risk in securing and retaining tax-exempt status;
- Less participation by local management;
- Exclusion of company memberships;
- Increase in requests made upon the company;
- Stockholder objections.\(^\text{40}\)

As business executives strive to find the best method for handling the internal administrative aspects of charitable contributions, they have the additional problems of choosing the channel through which grants are to be made and of selecting the institutions to which contributions are to be awarded.

Direct donations to individual institutions have been the traditional channel of corporate support. Nevertheless, corporate aid has come to educational institutions through many different channels. One


\(^{40}\) Ibid., p. 6.
of the newer approaches is the joint fund appeal. Since this type of appeal is discussed at length in subsequent chapters, it seems only necessary to mention, at this juncture, that "pool" funds are receiving increasing support. Generally, corporations wishing to make institutional grants, without coping with problems of selection, often give through joint fund appeals. Such appeals are often based on the "community chest" approach—"all for one and one for all."

The problem of selecting institutions to receive corporate support has always been one of major importance. Some attempts have been made to develop formulas or principles for guiding corporations in selecting recipients but, in the last analysis, the choice of institutions remains with the donor. The recent Council for Financial Aid to Education survey investigated this problem of selecting institutions to receive corporate aid. This particular phase of the Council study sought to find out which educational institutions the 366 companies


are most inclined to support. The results indicated that the privately supported universities, technological schools, and colleges are almost equally favored. It was revealed that 73 per cent of the corporations support private universities; 73 per cent aid private technological schools; 70 per cent support private liberal arts colleges; and 52 per cent aid private professional schools. The tax-supported colleges and universities receive support from 37 per cent of the corporations, and junior colleges are aided by 15 per cent of the corporations. 43

Since the element of judgment is involved in selecting institutions to receive grants, it would appear that this problem will always accompany corporate giving, unless an agreeable universal formula for selection is worked out.

The present chapter has pointed out that the development of corporate giving to private higher education in the twentieth century has had a direct relation to the social, political, economic, and legal emergence of the century. In particular, corporate giving has become the handmaiden of legal evolution.

At the turn of the century, private education had found the individual fortunes of men like Vanderbilt, Rockefeller, and Stanford tremendous sources of support. When tax and inheritance laws appeared, which were designed to reduce fortunes, private education turned more

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and more to the philanthropic foundations for help. Foundations have been a reservoir of economic support throughout all the years of the century.

Corporations have grown to enormous size during this century and are seemingly destined to take the place of individuals as the great possessors of wealth in the American economy. Through corporate taxes, corporations have supported the many activities of government. In turn, government came to recognize corporations as an important source of charity in enacting tax legislation advantageous to corporate philanthropy. Furthermore, corporations have come to recognize the social obligations of the stewardship of wealth.

Favorable legal and tax developments have continued to aid and abet corporate giving in our time. There are no indications that these favorable developments are about to cease. To the contrary, current events point to a long and healthy career for corporate giving. It is hazardous to prognosticate the future of almost anything but, if corporations are permitted to operate in the climate that presently exists, it is likely that the great days of corporate giving lie ahead.
CHAPTER IV

ASPECTS OF CURRENT PROGRAMS OF CORPORATE GIVING

There is a paucity of published descriptions of the philanthropic programs of corporations. Since much of the subsequent discussion will be based largely on current practices of corporations, it is necessary, in order to maintain the historical continuity, to include a chapter in which aspects of contemporary patterns of corporate giving are described. To obtain the relevant information, seventy corporations, each with a capital classification of at least $1,000,000, were approached for data. Sixty-six responses were received from the original seventy requests.

An effort was made to solicit information from corporations which are diverse in character. Corporations located in various parts of the country were contacted; corporations manufacturing a variety of products were requested to submit information; and both newly established and older corporations were asked to send data concerning their programs of giving to higher education.

The material submitted was studied and analyzed. Rather than to attempt to describe all sixty-six programs, the present chapter

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1 For a list of the corporations contacted, see Appendix A.
2 As guides in selecting the corporations to be contacted, *Moody's Industrial Manual*, *Poor's Register of Directors and Executives*, and *Thomas' Register of American Manufacturers* were used.
3 For a copy of the letter sent to the corporations, see Appendix B.
presents a cross-section of the general trends and practices of current corporate giving to private higher education through individual outline summaries of the programs of twenty selected companies. The selected programs are deemed representative of those not included in the presentation. In this case, data presented through descriptive summaries are more inclusive than would be a purely statistical summary.

Outline summaries of current programs of corporate giving. These outline summaries are efforts to present material which is germane to this study. To this end, not all phases of a particular company's philanthropic program are presented. For example, this study is restricted to private higher education; hence, references to a corporation's program of aid to tax-supported institutions are made only when such references are pertinent to the point in question. Many corporations have embarked on programs of donations of equipment to colleges and some corporations have endowed professorships, fellowships, and scholarships of a restricted nature. Extensive descriptions of such programs are not considered within the province of this investigation. In short, as indicated in Chapter I, the basic concern in this study is with monetary grants made to private higher educational institutions. These grants usually either take the form of unrestricted gifts made directly to the colleges and universities or come to the institutions via organized group appeals.

The twenty outline summaries are presented in alphabetical order by corporations. The superscript numeral following the name of
the corporation refers the reader to the sources from which the data contained in the subsequent parts of the outline summary were taken.

Aluminum Company of America

1. Grants are distributed to educational institutions through the Alcoa Foundation.

2. In the spring of 1955, thirty-five colleges across the nation received approximately $20,000 in supplementary gifts from the Alcoa Foundation. These "dividends" consisted of $500 each for Alcoa scholars in attendance at the various colleges and were made "in the realization that tuition and other student fees do not alone pay the cost of educating college students today." The use made of this supporting fund is left to the discretion of the receiving colleges.

3. To date, no grants have been made to state or regional foundations or associations, but through a liberalization of Alcoa's program, such grants may soon be made.

Armstrong Cork Company

1. Armstrong makes cash grants for both operating and capital funds to colleges and universities, in communities where plants are located.

2. Gives to national appeals, such as the United Negro College Fund.

3. Makes grants to state and regional foundations in states where plants are located.

4. The Armstrong Scholarship-Fellowship program provides for a "plus" grant to the private institutions chosen for matriculation by the recipients. The participating privately endowed institution

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4 Personal correspondence of the author, letter from Mr. O. C. McCreery, Chairman, College Relations Committee, Aluminum Company of America, May 31, 1955.

is given a cost-of-education grant of $500 annually for each scholarship and fellowship awarded, the purpose of which is to underwrite, on an unrestricted cash gift basis, the administrative, research, and operating expenses for a scholar or fellow which are not covered by tuition payments.

**Bethlehem Steel Company**

1. In April 1955, the Bethlehem Steel Company instituted a new program of financial assistance to private colleges and universities. Under this program, Bethlehem pays $3,000 to any privately endowed college or university for each of its graduates who are selected by the company for its Loop Course, and who remain in the employ of Bethlehem for at least four months. The Loop course trains men who may be expected to advance to managerial positions throughout Bethlehem's range of activities. Under this financial arrangement, Bethlehem gives recognition to the fact that four years of education costs a college more than it receives from a student in tuition and other fees, and that his education makes the college graduate a valuable asset in the conduct of Bethlehem's business.

2. The company makes no effort to impose any restrictions or limitations as to the use which colleges and universities may make of company grants under the above program. Each institution is free to use the money for purposes which will best meet its needs.

**Burroughs Corporation**

1. Grants are distributed to educational institutions through the Burroughs Foundation.

2. Grants are made to private higher educational institutions for general operating expenses.

3. Grants are made to colleges and universities or to independent educational foundations for (1) specific research projects of direct interest to the Corporation, (2) fellowships and scholarships of direct interest, or (3) unrestricted institutional aid.

4. Contributions are made for capital improvements to educational institutions.

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7. A Statement of Policy on Contributions, Burroughs Corporation
Columbia Broadcasting System, Inc. 8

1. Grants are distributed to educational institutions through the Columbia Broadcasting System Foundation, Inc.

2. In 1954, the Columbia Broadcasting System instituted a plan for making financial contributions to privately supported colleges and universities from which key Columbia executive personnel have been graduated. A total of fourteen colleges and universities were included in the first-year grants. A sum of $32,000 was provided, representing a contribution of $2,000 on behalf of sixteen individuals to fourteen institutions. The grants were unrestricted as to use. The company felt that the sum of $2,000 approximated the extra "cost of education" which the college or university bore from endowment or other funds and which was "over and above the tuition and other fixed charges the individual was asked to pay at the time he was a student."

3. The above plan has been continued in 1955. This year sixteen colleges received aggregate grants of $40,000 donated on behalf of twenty graduates from private institutions. The grants have remained unrestricted as to use. Since the Columbia plan has been so well received, both in educational and in industrial circles, further expansion of this program is anticipated.

E. I. du Pont de Nemours and Company 9

1. This company's total aid-to-education program for 1955-56 has reached the figure of $800,000. This marks an increase of $100,000 over the 1954-55 figure of $700,000. The Du Pont Company first started making grants to education in 1918.

2. For 1955-56, Du Pont has authorized $279,000 for fundamental research, $210,000 for postgraduate fellowships in science and engineering, and the balance for miscellaneous contributions.

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3. Du Pont's practice is to award fellowships to institutions and not to individuals. The selection of recipients is left to the institutions which have been awarded the fellowships. Although the stipends of fellowships vary, in the case of private institutions, an additional grant is made to the institution.

4. This company provides grants of $2,500 each to a broad list of fifty privately supported liberal arts colleges and smaller technical schools for the purpose of advancing the teaching of chemistry in colleges. These grants are to be used by the colleges in ways which they feel will most effectively advance interest in science. The company authorized $125,000 for these grants for 1955-56, which will be the third year that this program has been sponsored by Du Pont.

5. The Postgraduate Fellowship plan dates from 1918. It is the oldest of Du Pont's many educational plans. For 1955-56, the company has awarded fifty-seven fellowships to thirty-eight institutions. Each fellowship provides $1,500 for the student, except for first year graduates, who will receive $1,200. Married students are allowed an additional sum of $600. In addition, tuition and fees are paid and a contribution of $1,200 is made to the university with each fellowship. The total fund for this program is $210,000.

Eastman Kodak Company

1. Most of the financial aid to education by the Eastman Kodak Company has been for the benefit of institutions of higher learning situated in areas where the company has major manufacturing operations.

2. This company has made sizeable contributions over a span of years to the University of Rochester, the Rochester Institute of Technology, and other institutions for operating expenses, equipment, and endowment.

3. In 1939, Eastman Kodak initiated a program of fellowships. Since the beginning of the program, 254 fellowships have been granted to fifty-nine institutions. A total of thirty-four fellowship grants have been made to a corresponding number of colleges and universities for the academic year 1955-56. The cost of the program will approximate $107,000. Each grant provides for the award of $1,400 to the recipient. This stipend is increased to $2,100 if the recipient is married and has dependent children. In addition, the grant provides for

the payment of any tuition and fees required by the institution. Furthermore, the fellowship allows for a sum of $1,000 to be given to the university to help defray expenses during the period of the fellowship.

_Ford Motor Company_{11}

1. Grants are distributed to educational institutions through the Ford Motor Company Fund.

2. Ford has made grants for capital facilities to a number of colleges and universities. These have tended to be to private colleges, although several major ones have been to tax-supported schools in cases involving unusual considerations. At present, the company is re-examining its policies on capital grants and probably will make none in the near future.

3. Contributions are not made to state and regional college associations but annual contributions are made to the United Negro College Fund. The Ford grant to the capital gifts campaign of the United Negro College Fund was $100,000.

4. The chief vehicle for support of private higher education at present is the scholarship program for sons and daughters of Ford Motor Company employees. All children of company employees, including adopted and step-children, are eligible. Employees must be making a base pay of less than $786 per month in order to have their children qualify for these scholarships. The scholarships are competitive in nature. In 1954, seventy-eight scholarships were awarded. The scholarships cover tuition, fees, and the cost of room and board for the normal academic year to the extent of $300 in the case of a student living at home, or up to $750 maximum for students not living at home. When a scholarship winner is attending a private college or university, that institution will receive from the Ford Motor Company Fund a supplementary contribution of $500 each year for its general budget. This grant is in addition to tuition and fees.

General Foods Corporation

1. Grants are distributed to educational institutions through the General Foods Fund, Inc.

2. In 1954, grants were made to eleven state and regional associations of colleges in areas broadly identified with the activities of the General Foods Corporation. These unrestricted grants gave aid to 150 colleges. Grants ranged from $5,000 to $25,000 each, with the total amount being $145,000.

3. Unrestricted grants of $25,000 each were made to the National Fund for Medical Education and the United Negro College Fund in 1954.

4. To lend flexibility and diversity to its program of aid to private higher education, General Foods awarded three unrestricted grants of $25,000 to three liberal arts colleges. The 1954 selections were Antioch College, Whitman College, and Williams College.

5. Another phase of the 1954 aid-to-education plan took the form of a fellowship program for the study of food technology. This program is administered by the Institute of Food Technologists. Under the provisions of the program, one fellowship was made available in 1954, two for 1955, and three for 1956 and each year thereafter so long as the program is continued. A contribution to finance this fellowship was made to the Institute in the amount of $4,000 for 1954-55. If the program is continued, $8,000 will be contributed for 1955-56, and $12,000 for each subsequent year.

General Motors Corporation

1. Under General Motors' newly created College Plan, 250 scholarships will be awarded by 107 private and thirty-nine public institutions in thirty-eight states. The private colleges and universities which make these awards will receive annual grants-in-aid equivalent to the tuition rate charged, with a minimum of $500 and a maximum of $800 per year for each scholarship. These funds will be unrestricted. The selection of private institutions will be based on a formula under which at least one scholarship will be made available to each accredited private institution which has twenty or more graduates employed by General Motors. Public institutions to be in-

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cluded are those from which General Motors draws a substantial number of graduates. A maximum of five scholarships a year will be available to any one institution.

2. Another part of General Motors' expanded program of support to higher education is its National Plan of scholarships, in which 100 scholarships are to be awarded to high school seniors. These scholarships are competitive in nature open to all students in the United States, Alaska, and Hawaii. Recipients will be permitted to select any accredited college, public or private, that they wish to attend. Private colleges will receive grants-in-aid on the same basis as under the College Plan.

3. The third phase of General Motors' new program is the Foundation Plan. This plan makes available unrestricted financial support to private colleges and universities over and above that provided for in the scholarship plans. The corporation is currently making annual contributions of $10,000 each to college foundations in Indiana, Michigan, New York, Ohio, Pennsylvania, and New England. These foundations include a membership of 153 private colleges and universities, of which 102 are in addition to those already participating in the General Motors' college scholarship plan.

4. General Motors makes an annual contribution of $35,000 to the United Negro College Fund.

5. When General Motors' expanded program of financial support to higher education is in full operation, a total of 306 colleges and universities will receive direct aid.

Inland Steel Company

1. Grants are distributed to educational institutions through the Inland Steel Foundation, Inc.

2. Total grants to education and related activities in 1954 were $147,050.

3. In 1954, grants of $61,000 were given to twelve state funds for support of private institutions. The largest gifts went to the Associated Colleges of Illinois and to the Associated Colleges of Indiana, which received $18,000 and $15,000, respectively.

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International Harvester Company

1. This company lends economic assistance to privately endowed colleges and universities located in towns and cities where it has substantial operations.

2. International Harvester makes contributions to the United Negro College Fund.

3. Contributions are made to state associations of colleges and universities. Presently, this company makes such gifts to the Associated Colleges of Illinois and the Associated Colleges of Indiana. The company plans to increase the number of state associations to which it will give financial support.

Lockheed Aircraft Corporation

1. Grants are distributed to educational institutions through the Lockheed Leadership Fund.

2. Part of the Lockheed program provides for fifteen scholarships to be awarded on a national basis. Each scholarship covers full tuition and fees, plus $500 a year for personal college expenses. A sum of $500 is awarded each year to the participating colleges and universities for their unrestricted use. The program also provides for five scholarships for children of Lockheed employees.

3. The Lockheed Leadership Fund makes most of its grants to private institutions. Unrestricted grants, ranging from $1500 to $10,000, are made to an unspecified number of privately endowed colleges and universities.

The Maytag Company

1. Grants are distributed to educational institutions through the Maytag Company Foundation, Inc.

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17 Council for Financial Aid to Education, Corporation Aid to American Higher Education (New York: Council for Financial Aid to
2. A substantial part of Maytag's aid-to-education budget is allocated to scholarships. The scholarship program has been in existence for three years and thirty-nine grants have been made during that time. In addition to the assistance given the recipients, Maytag scholarships provide for annual $500 unrestricted grants to colleges which the recipients choose to attend. In 1954, $25,589 was expended for the scholarship program.

3. Annual grants are made to the eighteen independent colleges of the state of Iowa which belong to the Iowa College Foundation. In 1954, a $5,000 grant was made to this organization.

4. In 1954, a $2,000 contribution was made to the National Fund for Medical Education and a $1,000 grant was given to the United Negro College Fund.

5. An allocation of $36,000 was made for unrestricted gifts which constituted about half the total appropriation of $61,589 made by Maytag in its aid-to-education program in 1954.

Radio Corporation of America

1. Over the past several years, RCA has made monetary contributions to colleges and universities, primarily as gifts for operating expenses.

2. The main feature of this corporation's aid-to-education program is the RCA Tuition Loan and Refund Plan. Under this plan, employees may borrow money to pay the tuition for college courses taken outside working hours. When the employee successfully completes his course, RCA reimburses him for the amount of the tuition. In 1954, 1,550 employees took courses and the Corporation spent $141,000 on the program. In appreciation for the cooperation of over sixty colleges and universities where RCA employees have furthered their education, RCA makes unrestricted grants of up to $2,500 to each institution.

3. RCA's scholarship and fellowship program is entering its eleventh year. Fellowships are valued at $3,500. Of the amount allocated for a fellowship, the student receives $2,100 for living expenses.


expenses, $650 is paid toward tuition, and $750 is an undesignated gift to the university attended by the RCA Fellow.

**Standard Oil Company of California**

1. For the 1954-55 academic year, twenty-one fellowships at thirteen universities throughout the country were awarded. These fellowships carried a stipend of $1,500 which is adjusted periodically as economic conditions fluctuate. In addition to the stipend, tuition costs were provided and each fellowship was accompanied by an award of $750 for unrestricted use by the college or university department in which the fellowship was placed.

2. Standard Oil of California awards a number of grants-in-aid to outstanding technical colleges and universities throughout the country. These grants are specified for certain academic and engineering fields. No other restrictions are placed upon them. These grants range from $10,000 to $50,000 each.

**Standard Oil Company of Indiana**

1. Grants are distributed to educational institutions through the Standard Oil Foundation, Inc.

2. A phase of this organization's comprehensive scholarship program involves selected middle western liberal arts colleges which have exceptional records in training students for graduate work in chemistry. During the 1954-55 academic year, there were sixteen colleges having students who received such scholarships in the amount of $1,000 each. Half of this amount goes to the student and half goes to college as an undesignated gift.

3. The fellowship program follows a similar pattern. The stipends of the twenty-two existing fellowships range from $2,000 to $2,500, depending on how near the student is to receiving his degree. Of this amount, $1,000 goes to the university to cover costs and expenses of expediting the fellowship.

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20 Personal correspondence of the author, letter from Mr. Conger Reynolds, Director of Public Relations, Standard Oil Company of Indiana, May 18, 1955.
4. The largest single contribution is made to 140 private liberal arts colleges in the Middle West through gifts to state associations of colleges. In 1954-55, a total contribution of $150,000 was made available to these private institutions for operating expenses.

Standard Oil Company of New Jersey

1. All direct monetary grants made by the Standard Oil Company of New Jersey in 1954 were to private institutions.

2. In 1954, contributions were made in the amount of $50,000 to the National Fund for Medical Education, $7,500 to the United Negro College Fund, and $51,250 to the latter fund's capital improvements program.

3. Some 138 individual institutions received $450,000 for operating funds in 1954. These contributions, the largest of which are in the amount of $5,000, have been designated for purposes of undergraduate education but are otherwise unrestricted. They are in addition to grants, fellowships, scholarships, and other forms of financial support given by Jersey Standard during the year. This financial support in 1954 amounted to $1,000,000 going directly or indirectly to institutions of higher learning in the United States.

TIME Incorporated

1. TIME Inc.'s program of giving to education is divided into four parts. The first part, accounting for about three quarters of the corporation's educational gifts, consists of direct assistance to the operating funds of educational institutions. The great majority of these are accredited private institutions. Included in this aid are two education plans, the first consisting of a rebate of one half the tuition paid by TIME Inc.'s employees taking courses at accredited in-

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stitutions, and the second of a free grant of 100 per cent of the amount of the tuition to the institution involved. Under this arrangement, TIME Inc. has given $18,171 in unrestricted grants to twenty-three colleges and universities.

2. The second part of this corporation's program of giving involves gifts to institutions which are a direct source of supply for the trained manpower employed by TIME Inc. A good example of an institution receiving such aid is the Harvard Business School.

3. The third part of the program reflects TIME Inc.'s assistance to national agencies. This corporation makes annual grants to the United Negro College Fund, the National Scholarship Commission, and the National Fund for Medical Education.

4. The fourth part of the program reflects TIME Inc.'s interest in the international aspects of education. To this end, grants are made to such organizations as the Foreign Policy Association and the Institute of International Education.

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Westinghouse Electric Corporation

1. Grants are distributed to educational institutions through the Westinghouse Educational Foundation.

2. One of the pioneers in aid-to-education programs, the Westinghouse organization has now embarked on a new $4,000,000 program which will cover the five-year period from 1956-59. This four-fold program includes: 1) contributions to the regular operating expenses of institutions; 2) contributions for building and building equipment; 3) contributions toward laboratory apparatus; and 4) contributions to encourage higher education through aid to students and teaching.

3. Some 100 institutions are benefitting from the five-year program of contributions to the operating expenses of these institutions. These contributions are unrestricted and can be applied in support of those areas where they are most needed. In the main, each school selected to receive this support is granted two equal contributions during the five-year interval, 1955 to 1959. Each school will receive during this five-year period support ranging from $3,000 to $15,000.

4. As part of its extensive scholarship and fellowship program, Westinghouse awards thirty-one fellowships which carry stipends of

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A Five-Year Program of Support to Higher Education, The Westinghouse Educational Foundation /n.d./.
All fellowships carry with them an $800 "allowance" to the institution where the recipient is studying.

Emerging trends in corporate giving. The above corporate practices markedly demonstrate the movement away from the narrow quid pro quo or direct benefit policy of corporate giving that was much in evidence in the earlier decades of this century. By the very nature of the corporate structure, it is unreasonable to expect complete eradication of a direct or indirect benefit policy of philanthropy. Corporate management would not be properly representing a stockholder, if it chose to expend corporate funds, indiscriminately, without primary concern for the interests of the owners of the corporation. If future programs of corporate giving operate in frameworks similar to current procedures, it is very likely that corporations will continue to evolve formulas of philanthropy that will contain clauses of direct or indirect benefit, but which will be of incalculable assistance to private higher education. Nevertheless, the above programs indicate clearly that the indirect benefits from corporate philanthropy are gradually showing signs of strength, as corporations bring into focus the totality of their programs of giving. Certainly, the narrow quid pro quo has given way to a broader quid pro quo, if not now totally supplanted by the latter.

The philanthropic policies of the twenty corporations reveal that contributions of an unrestricted nature are on the rise. Generally, taking the form of grants to capital improvements and to operating expenses, unrestricted grants offer little opportunity for a
corporation to receive any direct benefits, but corporations have come to realize that the plea for unrestricted grants constitutes one of the urgent necessities for private higher education. There is the further recognition that tuition and fees do not completely pay for the process of educating contemporary students. Additional money is needed. Corporations have recognized that need and, in recent years, are offering tangible assistance, although the benefits to them are indirect.

The twenty summaries show further that corporations are attempting to assist private higher education through as many channels as possible. This tendency is well exemplified by the fact that most of the twenty corporations have attached a "dividend," an "allowance," or a "plus factor" to scholarships, fellowships, contingencies of employment, and to employee-education programs. This "plus factor" is ordinarily awarded in addition to the payment of tuition, fees, and other expenses. Usually, this "bonus" grant is an undesignated gift which the institution uses where it is most needed. As it relates to corporate giving, this method of making a contribution is a recent innovation.

Another trend that is pointed up in these summaries is the strong response by corporations to appeals made by national organizations. Although geographical nearness of educational institutions to company plants is still a conditioning factor in corporate support, national organizations such as the United Negro College Fund and the National Fund for Medical Education are attracting ever-widening support.
These two funds are relatively recent developments on the American educational scene. The United Negro College Fund was organized in 1944 as America's first "educational community chest." Its membership is comprised of thirty-one of the thirty-five private, accredited colleges for Negroes in the United States. Their single appeal is for assistance in meeting the yearly costs of operation of member colleges.24

Organized in 1949 under the sponsorship of leading university presidents, the American Medical Association, and the Association of American Medical Colleges, the National Fund for Medical Education was formed to solicit voluntary support for the nation's eighty medical schools. Grants made by this fund to medical schools are undesignated and unrestricted. Ordinarily, the grant is used to meet current operating costs.25 Both this fund and the United Negro College Fund have found corporations primary givers in their appeals.

Closely allied with the organized appeals at the national level is the appearance of state and regional associations and foundations of independent colleges. This movement started in 1948 with the creation of the Associated Colleges of Indiana. It has since spread

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24 However, in 1951, the United Negro College Fund launched a five-year capital funds campaign for $25,000,000 to be used for building purposes by the thirty-one united colleges and universities. For summary data on the United Negro College Fund, see Jessie P. Guzman, Lewis W. Jones, and Woodrow Hall, The Negro Yearbook, 1952 (New York: W. W. Wise and Co., 1952), pp. 249-250.

25 National Fund for Medical Education, Crisis in Medical Education (New York: National Fund for Medical Education).
to include thirty-four different state or regional organizations. The summaries reflect growing support to these newly formed state and regional groups. Of the twenty company programs summarized, seven contribute to these state and regional groups and several other companies are contemplating contributions to them. This trend in corporate giving is unique, since the history of American private higher education divulges no precedent for the state and regional associations and foundations. They are phenomena of modern times.

The summaries demonstrate three basic developments which have a relationship to the above specific trends but which might be said to over-arch all of them.

First, it is obvious that private colleges and universities are having placed at their disposal more corporate money than ever before in the history of private higher education. But what is more important is the rapidity with which this process is taking place. This fact can be more readily delineated when it is noted that some corporations, which, in the past, have made only modest contributions to education, have suddenly decided to inaugurate aid-to-education programs involving hundreds of thousands of dollars or when it is seen that one of the big corporate donors has made the decision to embark on an expanded program that will bring millions of dollars in tangible assistance to the treasuries of private colleges and universities all over the country. It is only when one thinks about the possibility of private education not having these voluntary contributions at its disposal that the importance and magnitude of corporate
aid to non-tax-supported education becomes most apparent.

A second general development has been that contemporary corporations are much more disposed to contribute their money without reservations and to leave the spending of it entirely up to the college and university authorities. The modern corporation has taken the attitude that those who are administering an educational institution know best where funds are needed. To a certain extent, this "hands off" policy has also applied to corporate grants to research. Much more latitude is currently permitted the educational institution in selecting and administering problems of corporate sponsored research. This laissez-faire approach by corporations is a marked departure from the practices and procedures at the turn of the century.

Finally, these summaries reveal a third general trend. Prior to recent decades, the greater bulk of corporate giving was accomplished by the larger corporations such as General Electric, General Motors, United States Steel, and the like. By the nature of their manufactured products, it was obvious that the interests of the aforementioned corporations in higher education would follow technical lines; hence, most of the corporate grants of any consequence would fall to schools of engineering and technology. But the middle decades of the twentieth century reflect a different trend. Although engineering and technical schools still receive strong support from corporations, the summaries indicate that the emphasis has shifted from schools of engineering and technology to support for liberal arts colleges. This shift has taken place despite the lack of any direct tie between the liberal arts cur-
riculum and the technical needs of the corporations. If the summaries can be regarded as indicative of suggested tendencies, it would appear that liberal arts colleges will receive more and more corporate support as private higher education moves into the second half of the twentieth century.
CHAPTER V
THE RISE AND DEVELOPMENT OF STATE AND
REGIONAL FOUNDATIONS AND ASSOCIATIONS

Cooperative fund-raising in American higher education is not a phenomenon of modern times. Evidences of joint appeals have been found in the Colonial colleges. The work of religious education societies in the nineteenth and twentieth centuries represents definite attempts in organizational fund-raising on an extensive scale. More recently, the efforts of the United College Fund and the National Fund for Medical Education exemplify further endeavors to attract economic support through united approaches. This chapter will explore some of the earlier developments of cooperative fund-raising.

Private colleges and universities have attempted to cultivate and to accelerate corporate giving in recent years through cooperative fund-raising. One of the major efforts in this connection has been the creation of state and regional foundations and associations. The whole approach of the foundation movement is geared to increasing corporate support to private higher education. This chapter will also demonstrate the birth and growth of this movement.

Early efforts in cooperative fund-raising. The Colonial colleges used every device available to bring all kinds of material assistance to their institutions. As noted in an earlier chapter, gifts to these institutions ranged from pewter flagons to pieces of
cotton cloth; from books to silver spoons; and from insignificant sums, computed in shillings, to grants amounting to hundreds of pounds.¹

Lotteries were a favorite method of raising funds by all welfare agencies in the Colonial period. "It was an age of lotteries, when all needy institutions, churches included, sought this fictitious and abused system as a means of drawing money from their fellow citizens for needed wants under the deceit of offering them chances for gain."² Princeton used the lottery system six times to raise money during its early history.³ Although there was considerable opposition to the employment of lotteries by the newly established institution in Philadelphia, Wood reports that the University of Pennsylvania employed lotteries six or seven times to stimulate contributions to that institution.⁴ An extract from Columbia’s original charter indicates that public lotteries played a very important part in the establishment of King’s College. In part, the extract reads:

Whereas, by several acts of the governor, council and general assembly of our province of New York, divers sums of money have been raised by public lotteries, and appropriated for the founding, erecting, and establishing a

¹See Chap. II, p. 11.
college in our said government, for the education and instruction of youth in liberal arts and sciences.  

In the first decade of the nineteenth century, one of the largest lotteries ever launched on behalf of an educational institution was the $45,000 lottery proposed for Union College by the state of New York. 

In addition to the lottery system, cooperative fund-raising made its appearance during the Colonial era as a method of accumulating revenue for these struggling institutions.

Prior to 1776, six of the Colonial institutions had engaged in solicitation in England. The motherland proved to be a fertile field for such activities. Most of the institutions conducted independent solicitations. About 1762, the competition for British, Scottish, and Irish contributions became very keen. In that year, Columbia and Pennsylvania decided to combine efforts in their soliciting campaigns in the British Isles. This merger represented the first large scale cooperative fund-raising endeavor in the history of American higher education. In this joint campaign, James Jay was Columbia's agent and William Smith was Pennsylvania's solicitor. These men travelled extensively through England, Scotland, and Ireland. In 1765, the amount of money realized by this joint effort was £13,000. 

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5Quoted in Herbert and Carol Schneider (eds.), Samuel Johnson, President of King's College, His Career and Writings (New York: Columbia University Press, 1929), p. 219.

6Charles E. West, Fifty Years of Progress (Brooklyn: Tremlett and Co., 1882), p. 27.

7Coon, op. cit., p. 45.

8Montgomery, op. cit., p. 421.
The years from 1776 to 1865 represented a great period of expansion in American higher education. Immeasurable colleges and universities appeared west of the Alleghenies and south of the nation's capital. During this period of expansion, religious organizations remained important economic influences in the continued growth of American colleges and universities. Out of this religious relationship emerged the religious education societies which came to occupy positions of prominence in the support of private higher education. The support which these societies offered evolved from group efforts on behalf of individual students and colleges united for mutual purposes. Although the religious education societies were supposedly independent organs, their method of operation revealed their kinship to private colleges and universities. For all practical purposes, these societies acted as foster parents to the educational institutions; thus, the organized joint appeals by these religious groups are relevant parts of the story of cooperative fund-raising in private higher education. The important events in the history of their activities are sketched briefly below.

These societies came into being, early in the nineteenth century, in response to the demand for trained missionaries and minis-

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The first parent or general society created was the American Education Society. This society was organized in Boston in December, 1815. The American Education Society, like the branch societies which were created after 1815, conducted its work along two main lines. It contributed scholarships for the education of prospective clergymen and made grants to colleges to meet either a general need or some special need. The scholarships were granted to young men of suitable character who were entering the ministry and did not have means of subsidizing their own education. Appeals were made by the society to the membership of religious sects in all parts of the nation and, conversely, the theological students of many denominations received support from the society. In evidence of this unbiased and national approach to the education of ministers and missionaries, the American Education Society reported a summary of its activities in 1826. In part, the report reads:

Proceeding upon these principles, the Directors have afforded aid to 'Five hundred and fifty seven' young men, who have resided in 'nineteen' states or territories, and have included some from 'four' or 'five' different denominations.

As part of its program of cooperative appeals, the American Education Society sought direct monetary assistance for the colleges

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13 Sears, op. cit., p. 80.
of its day, particularly for those institutions which had denominational affiliations. Since most of the colleges of the day had such affiliations, a great many institutions came to benefit from the fund-raising activities of the society. The literature of the society reflects the nature of the appeals for general funds. One such appeal reads:

The experience of the best Christians has long decided that there are some objects of great interest to the cause of the Redeemer in the world, which require the aid of permanent funds in order to be most successfully promoted. Without attempting to enumerate them all, it may be mentioned, with safety, that Colleges and Theological seminaries, and generally, those institutions which are designed to educate the young and prepare them for public life, are of this nature. It is necessary to the success of such institutions that they be 'permanent'; and this every wise man knows they cannot be, without a permanent foundation to stand upon. Not only is it found important to have funds which may be invested in buildings and libraries, and other similar objects, but foundations are often essential for the support of instructors, and for aiding indigent youth in obtaining an education.15

The appearance of branch education societies represented further examples of cooperative fund-raising. These branch societies were ordinarily sanctioned and fostered by the American Education Society.16 In addition, these branch societies had auxiliary groups. For instance, the Protestant Episcopal Church was organized in 1818 and within a decade had twenty-eight auxiliary societies operating

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15 Ibid., p. 15.
under its supervision. Other outstanding branch societies formed during this period were: the Massachusetts Baptist Education Society (1814); the Presbyterian Education Society (1819); the Board of Education of the Reformed Dutch Church (1828); and the Board of Education of the Methodist Episcopal Church (1864). This description has been presented of the growth of branch societies:

The development of branch or auxiliary societies in connection with the American Education Society is a fair sample of their methods. Between 1815 and 1838 there were organized 63 branch societies east of the Mississippi River and north of the boundary of Tennessee; 41 of these were founded between 1829 and 1834.

The creation of the Society for the Promotion of Collegiate and Theological Education in the West in 1844 is another important development in the history of joint fund-raising. This society solicited money in the East to be used for the maintenance of the struggling colleges in the West. In 1874, the Society for the Promotion of Collegiate and Theological Education in the West merged with the American Education Society and became known as American

\[17\]"Operations of Other Societies," American Quarterly Register, No. 7 (January, 1829), 158.
\[18\]Sears, op. cit., pp. 48-49.
\[19\]Ibid.
\[20\]The western colleges which received funds from the Society for the Promotion of Collegiate and Theological Education in the West from 1844 to 1882 were: Western Reserve College, Ohio; Lane Theological Seminary, Ohio; Knox College, Ill.; Wittenberg College, Ohio; Beloit College, Wis.; Iowa College, Iowa; German Evangelical College, Mo.; Pacific University, Oregon; Heidelberg College, Ohio; College of St. Paul, Minn.; College of California, Cal.; Yellow Springs College, Iowa; Webster College, Mo.; Oberlin College, Ohio; Olivet College, Mich.; Washburn College, Kans.; Wilberforce University, Ohio; Ripon College, Wis.; Carleton College, Minn.; Berea College, Ky.; Pacific
College and Education Society. From 1844 to 1882, the western institutions realized $1,352,011.73 from the joint appeals conducted by this source.

The close of the nineteenth century brought with it the rise of the great individual benefactors and the emergence of the philanthropic foundations. Although these two great sources of philanthropy were to be of primary importance, the boards of education of the various denominations demonstrated constant growth at the beginning of the twentieth century. These boards, organized along denominational lines in their cooperative fund-raising activities, tended to displace the old religious education societies in the support of denominational higher education. To observe the growth of these boards of education, one need only to study their increases in monetary receipts. For example, the receipts of the Presbyterian Church Board of Education in 1866 were $46,751 and, in 1917, they were $203,592; the receipts of the Methodist Episcopal Church Board of Education in 1868 were $84,000 and, in 1915, they were $200,168; and the Evangelical Lutheran Church Board of Education showed receipts in the amount of $6,409 in 1887 and, in 1917, this board’s receipts totaled $95,738.


21 Sears, op. cit., p. 50.
22 American College and Education Society, op. cit., p. 33.
23 Sears, op. cit., pp. 74-76. See also Robert L. Kelly, Theological Education in America (New York: George H. Doran Company, 1924), pp. 187-209.
In 1911, the Council of Church Boards of Education was organized. This body was formed for the purpose of promoting more intelligent planning among denominations and their boards of education in the building and maintaining of church colleges. The Council "is the agent by which these boards carry on their cooperative work."24 This organization did much to stimulate beneficial results in inter-denominational activities, including cooperative fund-raising.

Two principal facts emerge from the early history of the religious education societies and the church boards of education. First, they brought to indigent students and institutions needed economic assistance. This aid permitted worthy students to continue their education and struggling colleges to remain in existence. Sears states that these societies and boards of education "have saved colleges which were virtually bankrupt."25 Second, and more pertinent to the current phase of our discussion is the fact that the methods of solicitation that the societies and boards used were the prototypes of contemporary efforts at cooperative fund-raising. Appeals were made by these organizations for whole groups of colleges and universities. In essence, appeals by individual institutions were replaced by a united appeal. The united appeal has become the trademark of most of the modern endeavors in organized fund-raising.

25 Sears, op. cit., p. 77.
The United Negro College Fund and the National Fund for Medical Education. The modern approach to the united appeal in higher education is well illustrated by the activities of the United Negro College Fund and the National Fund for Medical Education.

In 1943, the familiar pattern of mounting costs and declining returns on small endowments seriously imperiled the continued operation of the private Negro colleges in America. To relieve the crisis, the Negro colleges banded together in a cooperative enterprise to seek funds for operating expenses. The resultant organization, the United Negro College Fund, was composed of thirty-one of the thirty-five private, accredited colleges for Negroes in the United States.

Although the fund was organized in 1943, its first campaign, based on the "community chest" approach, did not take place until 1944.

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26 Brief mention has been made of these organizations in Chap. IV.

27 United Negro College Fund, The United Negro College Fund (New York: United Negro College Fund, 1954), p. 8. The member colleges and universities include: Atlanta University, Atlanta, Ga.; Benedict College, Columbia, S.C.; Bennett College, Greensboro, N.C.; Bethune-Cookman College, Daytona Beach, Fla.; Bishop College, Marshall, Tex.; Clark College, Atlanta, Ga.; Dillard University, New Orleans, La.; Fisk University, Nashville, Tenn.; Gammon Theological Seminary, Atlanta, Ga.; Hampton Institute, Hampton, Va.; Huston-Tillotson College, Austin, Tex.; Johnson C. Smith University, Charlotte, N.C.; Knoxville College, Knoxville, Tenn.; Lane College, Jackson, Tenn.; LeMoyne College, Memphis, Tenn.; Lincoln University, Lincoln University, Pa.; Livingstone College, Salisbury, N.C.; Morehouse College, Atlanta, Ga.; Morris Brown College, Atlanta, Ga.; Paine College, Augusta, Ga.; Philander Smith College, Little Rock, Ark.; St. Augustine's College, Raleigh, N.C.; Shaw University, Raleigh, N.C.; Spelman College, Atlanta, Ga.; Talladega College, Talladega, Ala.; Texas College, Tyler, Tex.; Tougaloo Southern Christian College, Tougaloo, Miss.; Tuskegee Institute, Tuskegee Institute, Ala.; Virginia Union University, Richmond, Va.; Wiley College, Marshall, Tex.; and Xavier University, New Orleans, La.
The 1944 campaign realized $765,000 for the thirty-one institutions. Nine years later, in 1953, contributions to the annual campaign totaled $1,441,000.\textsuperscript{28}

The fund reports that contributions received are used to satisfy five basic needs:

1. More scholarship aid for promising students,
2. More equipment for classrooms and science laboratories,
3. Enlarged teaching staffs,
4. More books and trained personnel for libraries,
5. Better student health services.\textsuperscript{29}

The United Negro College Fund seeks contributions from many sources. "In 1953, over 46,000 gifts were received from individuals, foundations, corporations, schools and colleges and groups, as compared to 11,000 gifts received in the 1944 campaign."\textsuperscript{30} It should be pointed out, however, that philanthropic foundations have been the main arteries of support for this fund since its inception. In 1954, the United Negro College Fund sought $300,000 from this source. Corporations have not received the extensive cultivation by this fund that philanthropic foundations have.

This united fund-raising effort has become an integral part of

\textsuperscript{28} Ibid., p. 9.
\textsuperscript{29} United Negro College Fund, \textit{It Took a Hundred Years} (New York: United Negro College Fund, 1954).
\textsuperscript{30} United Negro College Fund, \textit{The United Negro College Fund}, p. 11.
\textsuperscript{31} Ibid., p. 12.
the economic framework of the member colleges. Low tuition and fees and meager earnings on small endowments bring insufficient revenue to the treasuries of these institutions. They depend on this group appeal to supply at least 10 per cent of their combined educational budgets. These facts readily accentuate the importance of this cooperative enterprise to Negro education in America. It has evolved as an indispensable part of the economic life of member institutions.

The same problem of insufficient income to meet mounting costs brought forth the creation of the National Fund for Medical Education. It, too, is illustrative of the concept of the united appeal. In this case, the eighty tax-supported and non-tax-supported medical schools in the United States collaborate in making a yearly appeal to the American public.

The National Fund for Medical Education was established in 1949 upon the recommendation of the American Medical Association, the Association of American Medical Colleges, and the National Association of Manufacturers. The above organizations felt that a cooperative fund-raising effort was the only practical means of raising the additional $10,000,000 annual income needed by the medical schools to meet their operating budgets.
President Dwight D. Eisenhower, at that time President of Columbia University, assumed the leadership in organizing the Board of Trustees of the fund. Former President Herbert Hoover was appointed Honorary Chairman. Other officers include: S. Sloan Colt, President of the Bankers Trust Company of New York, President; Samuel D. Leidesdorf, President of the accounting firm of S. D. Leidesdorf, Inc., Treasurer; and William E. Cotter, counsel of the Union Carbide and Carbon Corporation, Secretary. The Board of Trustees is composed of many nationally known leaders from a wide variety of professions and vocations, including business, agriculture, labor, and government.

The National Fund for Medical Education has interpreted its four main objectives as:

1. To finance the training of enough competent physicians to meet the nation's needs,
2. To encourage the advancement of medical training standards in the United States,
3. To preserve academic freedom and equality of educational opportunity in the medical schools,
4. To make known the needs of medical education to the American public.

The National Fund for Medical Education solicits gifts from individuals but its main area of solicitation is among corporations. This is logical since corporate directors and industrialists were

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35 Ibid.
36 Ibid.
largely responsible for the creation of the fund.\textsuperscript{37} In 1964, individual gifts to this united appeal amounted to $21,910 while, in the same year, corporate gifts totaled $1,505,651.\textsuperscript{38} This pattern of strong corporate support has persisted throughout the brief history of the organization.

The influence of corporations is seen further in the establishment of the Committee of American Industry, which was organized in 1952 as a special committee of the National Fund for Medical Education. The purposes of this committee are (1) to educate business leaders as to the vital importance of the eighty medical colleges to national welfare, and (2) to organize fund-raising campaigns so as to secure the maximum number and amount of company contributions to the Fund on an annual basis. The Committee of American Industry began its work in January, 1953 and has done much to bring cohesion to the fund's united appeal on a national scale.\textsuperscript{39}

The importance of the birth and growth of the National Fund for Medical Education to this discussion is twofold. First, the organized appeal demonstrates another facet of corporate giving to private higher education. Forty-one of the institutions which receive aid from

\textsuperscript{37} Educators have encouraged and fostered the efforts of industrialists through their membership on the Advisory Council of the fund.
this organization are privately owned. In addition, the fund's program of solicitation is based on the cultivation of the resources of the nation's corporations.

Second, and more germane to the immediate concern of this study, is the fact that the National Fund for Medical Education is a prime example of cooperative fund-raising. It characterizes the modern usage of the united technique in solicitation. Through this group effort, in which the annual goal has become $10,000,000, the medical schools in the United States are now able to operate with a greater sense of security than at any other time during the last decade.

**The Indiana Plan.** In private higher education, cooperative fund-raising has found its most universal application in the creation of state and regional associations and foundations. These associations and foundations are composed of private institutions which have united for purposes of joint solicitation of funds. The growth of the foundation movement has been tremendous. In 1948, there was only one state or regional group, yet by 1955 thirty-four such organizations had been created. In addition, some non-participating states are considering the formation of foundations.

Most of the state and regional groups base their joint appeals on pleas for funds to be used for current operating expenses. To this end, corporations have been the main targets for solicitation, although

40 **National Fund for Medical Education, Medical Education in the United States** (New York: National Fund for Medical Education, 1950), Table III of Statistical Supplement.
individuals and philanthropic foundations have contributed to these state and regional organizations.

The foundation movement has precipitated much optimism in recent years. The economic gains made to date seem to justify that optimism. All persons interested in the welfare of private higher education, including private educators, public educators, and industrialists, express great hope that corporate giving, as it manifests itself in the foundation movement, will do much to relieve the economic ills of the private colleges and universities in America. Only the future can validate this prognostication.

The birthplace of the foundation movement was the state of Indiana, on December 15, 1943. On that date, a group of men interested in the economic plight of the small Indiana colleges met in the home of Kurt F. Pantzer, an Indianapolis attorney, to discuss the problem. Among the college and university presidents present were: H. B. Wells of Indiana University; E. C. Elliott of Purdue University; C. E. Wildman of DePauw University; W. C. Dennis of Earlham College; Frank H. Sparks of Wabash College; and Lincoln B. Hale of Evansville College. Prominent industrialists in attendance were: Charles J. Lynn, Vice-President of Eli Lilly and Company, Ralph R. Teeter, President of Perfect Circle Corporation, and Joseph E. Cain, President of

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42 Ibid.
In part, his report reads:

These men were very much concerned with the plight of the independent, non-tax supported and church-related colleges within the State who were having a most difficult time in meeting their annual budgets and keeping their faculty members, who were being offered much greater salaries in industry and other educational institutions. They also boldly faced the fact that in many cases, both from within the educational hierarchy and other well meaning groups of citizens, the only alternative was to turn to the Federal government for subsidies and face the threat that if money were forthcoming from that source it in turn would dictate what would be taught and how it would be taught.

This first meeting did not terminate with a quiet submission to federal support. The membership of the meeting felt that these institutions should not go to the federal government for aid. They concluded that the solution to the problem was in the field of cooperative fund-raising, with the college presidents making the appeals. The consensus of the group was that the college administrators were the persons who knew how desperate the situation was and how close their institutions were to making overtures for governmental aid; hence, the presidents would be the logical persons to do the soliciting. It was also stated that corporations should be approached in the initial

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43 Ibid.
solicitation. Concerning the decision by the participants of the meeting to engage in a cooperative fund-raising effort, Hastings remarks:

The solution that came out of this afternoon and evening meeting was that a means of cooperative fund-raising must be found and that education must continue to be free and independent if American ideals were to be upheld. The meeting adjourned that evening with these men pledged to give of their energies and substance to carry forward this new plan. 45

The pressures of the war years and the postwar years forced the proponents of the Indiana idea to withhold their cooperative fund-raising experiment. However, in December 1948, Frank E. Sparks, President of Wabash College and Thomas E. Jones, President of Earlham College revived the idea. In the above year, Sparks and Jones made six calls on corporations and received two donations totaling $15,000. 46 The first subscription of $5,000 was received from the Hamilton Manufacturing Corporation of Columbus, Indiana. 47 The second contribution of $10,000 was made by the Arvin Industries of the same city. 48

The cooperative aspects of these initial efforts are brought into focus when it is pointed out that both the Hamilton Manufacturing Corporation and Irvin Industries agreed to divide their contributions

45 Ibid.
46 Associated Colleges of Indiana, op. cit.
47 Associated Colleges of Indiana, A Report of Progress, 1948-1953
(Indianapolis: Associated Colleges of Indiana, 1953).
between five Indiana colleges. The three other institutions which shared in these original donations were those which ordinarily received annual grants from the two contributing corporations and which were located in the immediate geographical area. Thus, these informal efforts by Sparks and Jones marked the beginning of cooperative fund-raising on the state and regional level by private colleges and universities in the United States.

Encouraged by their 1948 endeavors, Sparks and Jones decided to continue their solicitation on an informal basis. They were joined in their fund-raising efforts by the presidents of DePauw University and Hanover College. In 1949, these four men brought their message to 100 corporate directors in the state of Indiana. Twenty-seven corporations responded to their appeals with a total contribution of $65,000.

Although still informally organized, the group continued to add members. In 1950, Evansville College, Franklin College, Manchester College, and Rose Polytechnic Institute increased the membership of this effort to eight institutions. Despite increased membership and greater soliciting power, the year 1950 proved to be a critical year for the

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49 Ibid.
50 Ibid., p. 108.
embryonic organization. Morris states that "it was a crucial year because even with added members the group raised no more money than in 1949, and for a while it seemed that the whole movement would collapse." 53

The factors which contributed to the trepidation of this struggling organization were examined at some length in an earlier chapter. 54 It was at about this time that corporate directors demonstrated a hesitancy about using stockholder funds for contributions to private higher education. The abundance of permissive legislation, which was to appear from 1950 onward, did much to erase the fears of corporate leadership in Indiana and elsewhere.

The second contributing factor concerned the rather prevalent confusion regarding the prerogatives of the 5 per cent tax privilege to corporations. Despite its existence since 1935, the corporate tax legislation was not fully understood by industrialists until Beardsley Ruml and Theodore Geiger, with the encouragement of the National Planning Association, started speaking and writing extensively about the advantages of the legislation. 55

In 1951, the Indiana group invited Ruml to speak to several hundred educators and industrialists at two meetings held in Fort Wayne and Indianapolis. These meetings proved to be the antidote to the

53 Morris, loc. cit.
54 See Chap. III.
55 It should be noted that The Five Percent by Theodore Geiger and Beardsley Ruml was published in 1951.
inertia in corporate interest which the solicitors had to combat in 1950.
The meetings were acclaimed overwhelming successes by all in attendance.56

With the advent of 1961, the first major struggle for existence
by the Indiana organization had been overcome. The increased confidence
of educators and industrialists in this statewide fund-raising program
was reflected in two ways. First, three more educational institutions
chose to join the group which brought the total membership to eleven
colleges and universities. 57 Second, the receipts from solicitation
more than doubled the 1950 corporate contributions. In 1951, the par­
ticipating colleges and universities divided $141,000.58

Three major events highlighted the history of the Indiana asso­
ciation in 1952. The first was to have a direct bearing on the two
remaining events. The Lilly Endowment, Inc., which has always taken an
active interest in the educational problems of Indiana, recognized
the importance of the group effort to the private institutions of the
state. To manifest this recognition in a concrete manner, the admin­
istrators of The Lilly Endowment Inc. agreed to underwrite the admin­
istrative expense of the fund-raising program. The amount granted for

56 Hastings, op. cit., p. 52.
57 To date, the 1965 membership of the association is thirteen mem­
bers. The last five institutions to join were Anderson College,
Indiana Central College, St. Joseph's College, Valparaiso University,
and Goshen College.
59 Hastings, loc. cit.
this purpose was $75,000. This benevolent act led immediately to the formal incorporation of the organization on March 28, 1952. Since that date, the official designation of the organization has been the Associated Colleges of Indiana.

Following the act of incorporation, the third important development was the establishment of the administrative offices of the Associated Colleges of Indiana in Indianapolis. These offices were opened July 1, 1952. Henceforth, these offices were to foster and encourage the purposes of the association which were outlined in the Articles of Incorporation. In part, these articles read:

To encourage and promote scientific, literary and educational purposes within the state of Indiana, and more particularly to further the cause of higher education and culture within the State; to support the Members of the Corporation in a cooperative movement to secure eminent teachers, worthy students, and adequate plants and equipment; to broaden the financial foundation of higher education and culture in the State of Indiana; and to stimulate interest of the citizens of the State of Indiana in educational and cultural pursuits.

The years between 1952 and 1955 demonstrate the continued growth of the Associated Colleges of Indiana. Membership in the organization increased to thirteen institutions; in addition, the numbers of corporate contributors and the amounts of their contributions

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60 Ibid. The Lilly Endowment, Inc. has continued to underwrite the administrative expenses of the organization, since their first grant in 1952.

61 Ibid., pp. 52-53.

have risen markedly. During the fiscal year 1952, 149 contributions were received in the amount of $296,429. In 1953, 197 donations were made, amounting to an aggregate sum of $43,000. Finally, in 1954, a total grant of $547,772 was received which constituted 215 gifts.

The meteoric success of the Indiana experiment marked the auspicious beginning of the foundation movement. From a paltry two subscriptions in 1948, totaling $15,000, to 215 donations in 1954, amounting to $547,772, the Indiana association demonstrated to the other private colleges and universities in the nation what a tremendous source of support for private education the corporations of the United States could be. Significantly, most of the private institutions in other states immediately followed Indiana's lead. The encouraging attitude of corporations and the practical aspects of cooperative fund-raising quickly won adherents throughout the nation. Today, corporate support to state and regional foundations and associations signifies a very important channel of economic assistance to American private higher education.

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64 Ibid.
The growth of state and regional foundations and associations. The development of the foundation movement on a national basis can be readily seen by tracing (1) the numerical growth of state and regional foundations and associations and (2) the economic growth of these foundations and associations, as revealed in the sums contributed by corporations to these organized groups.

The spread of the foundation movement is markedly delineated in Table I, p. 98. The data show that Indiana continued to be the sole operating foundation in 1949. The Michigan Colleges Foundation became incorporated in 1949 and began soliciting in 1950, as did the Oregon Colleges Foundation. In 1951, the Ohio Foundation of Independent Colleges, the Minnesota College Fund Association, and the West Virginia Foundation of Independent Colleges began yearly solicitations. By 1952, fifteen of the current thirty-four foundations were actively engaged in fund-raising campaigns. The number of soliciting foundations was increased to twenty-five in 1953. And in 1954, all foundations, except the two newly organized groups, the Associated Florida Private Colleges and the California Independent Colleges Foundation, were in the field seeking corporate donations.

One of the more recent developments in the foundation movement is also revealed in the data of Table I. This development concerns the appearance of regional foundations. The first of these regional organizations was the New England College Fund, composed of twenty-two
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<td>March, 1952</td>
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<td>Louisiana</td>
<td>December, 1952</td>
<td>1955</td>
<td>6</td>
</tr>
<tr>
<td>Maryland</td>
<td>March, 1953</td>
<td>November, 1953</td>
<td>4</td>
</tr>
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<td>August, 1949</td>
<td>February, 1950</td>
<td>14</td>
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<td>April, 1951</td>
<td>October, 1951</td>
<td>14</td>
</tr>
<tr>
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<td>December, 1962</td>
<td>1962</td>
<td>14</td>
</tr>
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<td>February, 1964</td>
<td>1954</td>
<td>5</td>
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<td>July, 1953</td>
<td>October, 1953</td>
<td>6</td>
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<tr>
<td>New Jersey</td>
<td>September, 1953</td>
<td>October, 1964</td>
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<tr>
<td>New York</td>
<td>March, 1952</td>
<td>October, 1952</td>
<td>22</td>
</tr>
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<td>North Carolina</td>
<td>April, 1953</td>
<td>November, 1953</td>
<td>24</td>
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<tr>
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<td>August, 1953</td>
<td>1954</td>
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<td>November, 1951</td>
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<tr>
<td>Oklahoma</td>
<td>December, 1953</td>
<td>December, 1954</td>
<td>4</td>
</tr>
<tr>
<td>Oregon</td>
<td>December, 1952</td>
<td>1950</td>
<td>10</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>June, 1952</td>
<td>November, 1952</td>
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<td>January, 1955</td>
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<td>November, 1952</td>
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<tr>
<td>Texas</td>
<td>December, 1962</td>
<td>August, 1963</td>
<td>21</td>
</tr>
<tr>
<td>Vermont</td>
<td>November, 1961</td>
<td>March, 1962</td>
<td>4</td>
</tr>
<tr>
<td>Virginia</td>
<td>September, 1954</td>
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<td>Washington</td>
<td>February, 1964</td>
<td>December, 1964</td>
<td>10</td>
</tr>
<tr>
<td>West Virginia</td>
<td>In process</td>
<td>1961</td>
<td>6</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>February, 1964</td>
<td>September, 1964</td>
<td>16</td>
</tr>
<tr>
<td>Northern California</td>
<td>February, 1955</td>
<td>1965</td>
<td>8</td>
</tr>
<tr>
<td>Southern California</td>
<td>August, 1953</td>
<td>November, 1953</td>
<td>11</td>
</tr>
<tr>
<td>Upper Tennessee Valley</td>
<td>October, 1954</td>
<td>October, 1954</td>
<td>6</td>
</tr>
</tbody>
</table>

private institutions from six New England states. Subsequent regional
groups have been organized in Southern California, the Upper Tennes­
see Valley, and Northern California. These regional groups have
similar purposes for existence as the state groups, but, as might be
expected, their administrative organization varies from that of the
state foundations.

The economic development of the foundation movement has been as
phenomenal as the numerical growth of foundations. In the brief span
of seven years, the monetary gains of the foundation movement have
increased from $15,000 in 1948 to $5,836,587 in January, 1955. Table
II attempts to illustrate the tremendous economic strides that the
foundation movement has taken since its inception.

In addition to the cash sums acquired by foundations, it is
significant to note the corresponding increase in the number of contri­
butions listed in Table II. In its first year, the Indiana organization
received two contributions. The same organization had received 710
donations by the first month of 1955. The national picture reflects
comparable gains. The accrued contributions to private higher education
through foundations totaled 3,890 at the beginning of 1955.

For background discussion of the New England Colleges Fund,
see "First Regional Foundation," What the Colleges Are Doing (January,

Study of Table II should be made in conjunction with Table I.
The dates of the start of solicitation by individual foundations, as
stated in Table I, are determinants in evaluating the total growth of
a particular foundation as presented in Table II.
**TABLE II**

**DATA SHOWING THE NUMBER AND THE AMOUNTS OF CONTRIBUTIONS TO THE FOUNDATION MOVEMENT, 1948-1955**

<table>
<thead>
<tr>
<th>Foundation</th>
<th>First Year of Solicitation</th>
<th>Total to January, 1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>20) $ 9,466</td>
<td>20) $ 9,466</td>
</tr>
<tr>
<td>Florida</td>
<td>Not reported—recently organized</td>
<td></td>
</tr>
<tr>
<td>Illinois</td>
<td>11) 10,280</td>
<td>196) 344,995</td>
</tr>
<tr>
<td>Indiana</td>
<td>2) 15,000</td>
<td>716) 1,425,940</td>
</tr>
<tr>
<td>Iowa</td>
<td>28) 17,360</td>
<td>172) 142,796</td>
</tr>
<tr>
<td>Kansas</td>
<td>13) 22,860</td>
<td>35) 50,520</td>
</tr>
<tr>
<td>Kentucky</td>
<td>31) 61,375</td>
<td>206) 233,587</td>
</tr>
<tr>
<td>Louisiana</td>
<td>3) 5,500</td>
<td>18) 43,500</td>
</tr>
<tr>
<td>Maryland</td>
<td>19) 19,610</td>
<td>50) 52,595</td>
</tr>
<tr>
<td>Michigan</td>
<td>11) 5,676</td>
<td>363) 448,887</td>
</tr>
<tr>
<td>Minnesota</td>
<td>7) 12,550</td>
<td>183) 507,750</td>
</tr>
<tr>
<td>Missouri</td>
<td>6) 3,950</td>
<td>37) 47,000</td>
</tr>
<tr>
<td>Montana</td>
<td>2) 1,525</td>
<td>2) 1,525</td>
</tr>
<tr>
<td>Nebraska</td>
<td>5) 17,850</td>
<td>28) 35,095</td>
</tr>
<tr>
<td>New Jersey</td>
<td>8) 17,450</td>
<td>8) 17,450</td>
</tr>
<tr>
<td>New York</td>
<td>1) 500</td>
<td>65) 218,100</td>
</tr>
<tr>
<td>North Carolina</td>
<td>17) 6,715</td>
<td>81) 45,970</td>
</tr>
<tr>
<td>North Dakota</td>
<td>6) 1,850</td>
<td>14) 4,108**</td>
</tr>
<tr>
<td>Ohio</td>
<td>35) 107,250</td>
<td>1,026) 1,249,019</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>4) 2,000</td>
<td>4) 2,000**</td>
</tr>
<tr>
<td>Oregon</td>
<td>3) 21,000</td>
<td>57) 149,175</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>29) 26,500</td>
<td>225) 233,315</td>
</tr>
<tr>
<td>South Carolina</td>
<td>4) 7,500</td>
<td>4) 7,500</td>
</tr>
<tr>
<td>South Dakota</td>
<td>1) 500</td>
<td>25) 25,600**</td>
</tr>
<tr>
<td>Texas</td>
<td>14) 68,960</td>
<td>45) 182,525</td>
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<td>Vermont</td>
<td>4) 550</td>
<td>9) 1,450</td>
</tr>
<tr>
<td>Virginia</td>
<td>3) 22,000</td>
<td>74) 225,603</td>
</tr>
<tr>
<td>Washington</td>
<td>6) 9,000</td>
<td>11) 19,300**</td>
</tr>
<tr>
<td>West Virginia</td>
<td>3) 800</td>
<td>15) 17,309**</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>34) 80,500</td>
<td>34) 80,500</td>
</tr>
<tr>
<td>New England</td>
<td>47) 55,506</td>
<td>128) 189,640</td>
</tr>
<tr>
<td>Northern California</td>
<td>Not reported—recently organized</td>
<td></td>
</tr>
<tr>
<td>Southern California</td>
<td>4) 4,225</td>
<td>34) 47,050</td>
</tr>
<tr>
<td>Upper Tennessee Valley</td>
<td>12) 7,350</td>
<td>12) 7,350</td>
</tr>
</tbody>
</table>

**TOTALS**

(3,890) $5,836,587

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( ) Indicates Number of Contributions

** As of December 20, 1954
Since Tables I and II present the necessary information to illustrate the composite growth of the foundation movement, it is suggested that further interpretation would be repetitious. It is deemed pertinent to remark, however, that the facts contained in these tables seem to reflect an overwhelming acceptance by corporations and by private higher education of the principle of cooperative fund-raising. As a result of this overwhelming acceptance, it seems reasonable to affirm that 1955, and the years ahead, will show even more remarkable gains in the united appeals of the various foundations. There are no trends in the data to indicate opposite developments.

Diverse administrative mechanics of foundations. There is little doubt that private education has expressed its confidence in cooperative fund-raising as a fundamental source of obtaining needed revenue. Despite this unanimity on a united approach, educators are not in complete agreement as to the mechanics for accomplishing these joint approaches to corporations. The methods of soliciting contributions, the days committed by soliciting personnel, and the methods of distributing donations reflect varied and fluctuating practices. In short, the how of cooperative fund-raising is still a matter of considerable debate among foundations.

Any effort to present an exact pattern of the current methods of solicitation would be extremely difficult and almost foolhardy. These methods are in a constant state of flux. This very fact suggests
that most foundations are still searching for the ideal method of solicitation. The local situation has much to do in determining how corporate gifts will be solicited.

From the early years of the foundation movement, the methods of solicitation have ranged from hiring professional fund-raising organizations to the use of teams composed of college presidents and businessmen. Members of boards of trustees of the foundations and trustees of participating institutions have been used by some groups to solicit contributions. More recently, the employment of alumni has become a prevalent practice. The Oregon Colleges Foundation has developed the "team approach" in which the presidents of member institutions secure teams made up of five businessmen each. Each businessman assumes the responsibility for two accounts and proceeds to solicit with the presidents. The Nebraska Independent College Foundation reports that it uses trustees and alumni, as well as college and university presidents in its soliciting activities. The trend in solicitation which shows the most consistency is the widespread use of institutional presidents as agents of solicitation. In some foundations, the complete

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68 In their early histories, the Michigan Colleges Foundation and the Ohio Foundation of Independent Colleges employed professional fund-raising organizations to do portions of their soliciting.
69 Associated Colleges of Indiana, Methods of Solicitation As Reported by Executives or Presidents of State Associations or Foundations (Indianapolis: Associated Colleges of Indiana, 1954).
70 Ibid.
71 Ibid.
72 Ibid.
Soliciting program is carried on by the presidents. A 1954 survey shows that twenty-six of thirty-two reporting foundations enlisted the services of presidents in their fund-raising programs. 73

Combinations of the different methods of solicitation have made their appearances. For instance, the Associated Colleges of Illinois have followed the practice of employing, in their financial campaigns, the presidents of participating institutions, the members of their board of trustees, the members of institutional boards of trustees, and the alumni of the represented colleges and universities. Similar practices have been followed by the Michigan Colleges Foundation, the South Carolina Foundation of Independent Colleges, and the New England Colleges Fund. 74 In addition, twenty-three foundations currently retain executive directors or executive secretaries to organize the details of solicitation and to act as coordinators of a foundation's total program. 75

From the brief outline presented above, it is readily observable that there has been little concerted agreement among foundations as to a universal formula for solicitation. Experimentation and diversity best characterize the current trends in this aspect of the growth of foundations.

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73 Ibid.
74 Ibid.
75 This information is taken from the descriptive summaries of the state and regional foundations found in Commission on Colleges and Industry, Directory: State Associations of Colleges and Universities.
The same lack of unanimity has been present when the various foundations have attempted to determine the proper number of days which solicitors should devote to the task of solicitation. For obvious reasons, the assignment of a stipulated number of days has referred only to college and university personnel who participate in the fund-raising operation. In particular, most foundations have stipulated the minimum number of days which presidents must commit to the cause of the foundation.

The varied backgrounds and sizes of participating institutions have contributed to the difficulty of arriving at an equitable time commitment for solicitors. The economic condition of member colleges and universities has also been a major determining factor in the willingness of participants to devote great segments of time to the cooperative campaigns of the foundations. Some of the member institutions enjoy national reputations; others are obscure institutions which are hardly known beyond the confines of their local existence. As a result, the demands upon the time of some of the presidents have been so pressing that it creates a situation in which some individuals have been able to offer only limited service to the soliciting programs of the foundations to which their institutions belong. Conversely, other

76 The smallest member institution of any foundation is the Putney Graduate School of Teacher Education of the Vermont Foundation of Independent Colleges which has a total enrollment of ten students. The largest member institution of any foundation is Marquette University of the Wisconsin Foundation of Independent Colleges with an enrollment of 8,400 students. See ibid., pp. 36 and 40.
presidents have been able to devote substantial service to the undertakings of their particular foundations. Hence, the dilemma is brought into sharp focus. Consequently, great speculation has reigned as to the amount of time which solicitors should devote to their fund-raising tasks. In this connection, an examination of the policies which have been practiced by the foundations will delineate the proportions of this speculation.

These policies have ranged from nebulous statements such as "reasonable time" to an exact figure in days which presidents must devote to solicitation. The New Jersey College Fund Association has stipulated that solicitors must make a certain number of calls. The Nebraska group has required that a two-week period be devoted to solicitation, whereas the Pennsylvania organization has stated that each president must visit between fifteen and twenty corporations to fulfill his annual soliciting obligations.

Where foundations have followed the practice of stipulating an exact number of days which presidents, or other solicitors, must devote to solicitation, the general tendency has been toward increasing the number of such days. In 1954, the foundations exhibited a wide range of days which solicitors were required to commit to their founda-

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77 Associated Colleges of Indiana, Methods of Solicitation as Reported by Executives or Presidents of State Association or Foundations.
78 Ibid.
79 Ibid.
80 Ibid.
tions. The requirement of four days by the Vermont group was the minimum commitment and requisites of twenty days by the Indiana, Kentucky, and Virginia organizations represented maximum obligations. In addition, there was an extensive variation between these two extremes.

From these data, it is obvious that national agreement on the ideal number of days which should be devoted to solicitation has not yet been reached. Perhaps the attainment of a universal approach in this connection is not desirable. It remains for the future to determine the character of this phase of the how of cooperative fund-raising, as it allies itself to the foundation movement.

A final aspect of the mechanics of the united appeal on which there is still some disagreement is the method of distributing corporate contributions to the membership of foundations. Generally, foundations will distribute their accrued funds in one of two ways, although there are notable exceptions to these two general patterns.

The most common method of distributing donations is through equal division of 60 per cent of the undesignated gifts and by division of the remaining 40 per cent on the basis of enrollment. Currently, twenty of the thirty-four foundations follow this formula of distribution. The same percentages apply to the expenses incurred by

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81 Ibid.
82 Thirty-three of the thirty-four foundations permit donors to designate specific institutional recipients, should they desire to do so. The only foundation which does not permit designation is the Kentucky Independent College Foundation.
the foundation. Thus, the larger institutions stand to receive more revenue from donations than the smaller institutions, as well as to bear the greater part of the expense of maintaining the foundation. The second most frequent practice is equal division of all contributions. Ten foundations employ this method of distribution.

The Pennsylvania, South Carolina, and Texas foundations follow different patterns of distribution from the two mentioned above. The same is true of the New England Colleges Fund.

The Pennsylvania pattern stipulates a division of contributions in which one-third of the money received from donations is divided equally, one-third on the basis of enrollment, and one-third according to a special factor. This special factor is "based upon the preceding five years, the average amount contributed to the institution in individual and corporation gifts and bequests, divided by the regular full-time undergraduate enrollment." The method of distribution of the South Carolina Foundation of Independent Colleges is described in the following manner: "Of the undesignated gifts, 50% divided equally, 50% on the basis of full-time undergraduate enrollment." The Texas Foundation of Voluntarily Supported Colleges and Universities divides 60 per cent of its gifts equally and 40 per cent on the basis of enroll-

83 Commission on Colleges and Industry, Directory: State Associations of Colleges and Universities, passim.
84 Ibid.
85 Quoted in ibid., p. 29.
86 Ibid., p. 32.
ment. However, designated gifts are deducted from the 40 per cent of undesignated gifts. 87

The final plan which shows some variation from the two conventional methods of distribution is that of a regional group, the New England Colleges Fund. This group divides 50 per cent of its contributions equally and the remaining 50 per cent is divided "according to the number of liberal arts graduates in the preceding year." 88

Although there are undoubtedly other points of disagreement among foundation members as to the best methods of accomplishing the how of cooperative fund-raising, the three points discussed above have caused the whole foundation movement considerable concern in recent years. It seems fair to say that the great diversity exemplified in the practices by the foundations is adequate testimony that there exists a measure of uncertainty, as foundations seek to effect more efficient procedures in cooperative fund-raising.

Efforts at national unity in the foundation movement. With the tremendous growth of state and regional foundations, it was inevitable that these foundations would seek methods of communicating and exchanging information. Such a move seemed necessary and desirable for the continued maturation of the foundation movement.

It seemed equally inevitable that the source of this unity would be the Association of American Colleges, since the great propor-

87 Ibid., p. 34.
88 Ibid., p. 42.
tion of private colleges and universities are members of this organi-

tion. The creation of a separate committee by the Association of
American Colleges to study the problems of industry-education relation-
ships came partly as the result of the rapid growth of the foundation
movement. This committee, which is known as the Commission on Colleges
and Industry, was established in 1951 as an exploratory committee.89
The current membership on the Commission of Colleges and Industry is
composed of the presidents of the various state foundations.90 Thus,
the initial steps toward national unity were taken.

At the 1953 meeting of the Commission on Colleges and Industry
in Los Angeles, it was decided to hold a workshop to which all members
of the Association of American Colleges interested in the foundation
movement would be invited. The Associated Colleges of Indiana offered
to be hosts to this three-day workshop to be held April 12-14, 1953 at
Indianapolis.91 The workshop was financed by a $5,000 grant shared
equally by the Alfred P. Sloan Foundation and the Lilly Endowment,
Inc.92 One hundred and sixty-eight representatives of colleges and

89 From a synopsis of minutes of the 1951 meeting of the Association
of American Colleges from the files of H. E. Hastings, Jr., Executive
Secretary of the Associated Colleges of Indiana.
90 Commission on Colleges and Industry, Report of Commission on
Colleges and Industry, 1955 (Indianapolis: Commission on Colleges and
91 Ibid.
92 Ibid.
universities attended the three-day meeting. These representatives came mainly as spokesmen for the twenty-six state organizations and the three regional associations which were in existence at that time.

The proceedings of this workshop reveal two major accomplishments. Primarily, it provided the first occasion on which "foundation people" had assembled as a group to engage in a beneficial exchange of ideas and experiences. Secondly, this meeting produced a channel for communication among foundations in the form of a special committee. This committee was called the Action Committee. Presently, the Action Committee is composed of five members of the Commission on Colleges and Industry. In essence, the Action Committee is the Executive Committee of the Commission on Colleges and Industry. The current membership of this committee is President James P. Baxter, III (Williams College), President W. Patrick Donnelly (Loyola University of New Orleans, La.), President Laurence M. Gould (Carleton College), President W. Terry Wickham (Heidelberg College), and President Frank H. Sparks (Wabash College). This committee interprets its function as a coordinating arm of the Commission on Colleges and Industry. The first meeting of the Action Committee was held in Cincinnati in January, 1954 in conjunction with the annual meeting of the Association of American Colleges.

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93 Ibid.

In addition to the two major accomplishments of the 1953 workshop, two great needs were made evident as an outgrowth of the proceedings. First, it was apparent that the individual state and regional foundations would have to strengthen themselves if they were going to be of substantial assistance to private higher education. And second, the foundation movement had assumed such large proportions that there was now a definite need for the establishment of a national office as a sponsoring agency and clearing house. 95

At the 1954 annual meeting of the Association of American Colleges, "the members of the Commission on Colleges and Industry voted, and the Board of Directors of the Association of American Colleges approved the establishment of a clearing house." 96 To inaugurate the clearing house, the Associated Colleges of Indiana volunteered the facilities of its offices and the services of H. E. Hastings, Jr., Executive Secretary of the Associated Colleges of Indiana for this purpose. The Associated Colleges of Indiana still houses the clearing house which was financed, on a trial basis, from a $10,000 grant by the Alfred P. Sloan, Jr. Foundation. 97 Through the clearing

96 Ibid.
97 Ibid., p. 2. Recent developments reveal that the Alfred P. Sloan, Jr. Foundation has made a grant of $15,000 for the next three years to support the work of the Action Committee. In addition, the Standard Oil Company (Indiana) Foundation and the United States Steel Foundation have each made grants of $5,000 for the same purpose. See Action Committee Action, Issue 4 (June 15, 1955), 1.
house, the Action Committee was deputized to work out some pattern of national coordination for state and regional foundations.

To set up the purposes and mechanics of the clearing house, the Action Committee held a conference on July 8-9, 1954 to which the presidents and executive directors of the state and regional foundations were invited. Thirty-three presidents and executives from twenty-two foundations were present at this conference. From this conference, a three-point program was developed:

1. That a quarterly bulletin be published containing information of interest to state and regional foundations;
2. That consultative services be offered to state and regional organizations desiring them;
3. That interstate solicitation of at least twenty-five national corporations be made before the end of 1954.

The resolutions of this conference have been implemented with success. In its first year of publication, four issues of the Action Committee Action were circulated. The first issue of this publication appeared on September 15, 1954. Subsequent issues have been published on December 15, 1954, March 15, 1955, June 15, 1955, and September 15, 1955. As stated in the three-point program cited above, the Action Committee Action brings pertinent information to the attention of those

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99 The title of this publication is the Action Committee Action.
interested in the foundation movement.

The consultative services have been used extensively since their inception. The general pattern has developed in which individuals or teams have visited newly formed foundations, or groups about to organize, to assist them with the problems of launching the foundations. President Frank H. Sparks (Wabash), President Thomas E. Jones (Earlham), Executive Director H. E. Hastings, Jr. (Associated Colleges of Indiana), and Simon D. Den Uyl (President of the Michigan Colleges Foundation) have been particularly active in providing consultative services for embryonic foundations. This volunteer work has taken these men to all parts of the nation.\footnote{For lists of visitations by the consultants, see the five issues of the Action Committee Action.}

The third resolution of the conference attacked one of the problems which has perplexed foundation executives since the beginning of the movement. This problem concerns the solicitation of corporations which are not indigenous to any particular state but which have bases of operations in most of the states. These national corporations sometimes prefer to allocate their contributions from a home office in a state where they may not have extensive operations at all. The resolution of the Action Committee Conference was designed to permit teams of presidents from the various state and regional foundations to approach these corporations.

The first efforts in this direction took place in New York on
November 18-19, 1954. In two days, eight presidents called on the top officials of nineteen corporations. The experiment was continued in Chicago on December 15, 1954. Working in teams of three, the college presidents visited seventeen national corporations with Chicago headquarters. Fourteen presidents participated in the Chicago campaign.

The annual meeting of the Commission on Colleges and Industry, held in Washington, D.C. on January 11, 1956, brought forth proposals for the continuation and expansion of the clearing house with its various projects. The membership proposed that the quarterly bulletin be continued and that additional material should be printed as needed. The decision to maintain the visiting consulting service was made. It was also decided that the interstate solicitation teams should undertake to contact a minimum of 250 national corporations during the calendar year.

102 The eight presidents were: Davidson of Union College; Ensor of Western Maryland College; Groves of Centre College; Stephens of Aurora College; Stevens, former President of Grinnell College; and Stevenson of Oberlin College.


104 The fourteen presidents were: Anderson of Pennsylvania College for Women; Burke of St. Ambrose College; Case of Colgate University; Coons of Occidental College; Donnelly of Loyola University; Gould of Carleton College; Hutchins of Berea College; Johnson of Lake Forest College; Nelson of North Park College; Sparks of Wabash College; Stevenson of Oberlin College; Stratton of Middlebury College; Whitehouse of Albion College; and Wickham of Heidelberg College. See ibid.

105 Ibid.
A most recent development to foster unity within the foundation movement was the workshop of the Commission on Colleges and Industry held on August 24, 25, 26, and 27, 1955, at Indianapolis. The program of this workshop was similar to that of the April, 1953 meeting in which leading industrialists and educators discussed the problems inherent to the mutual relationship between corporations and private higher education.

Thus, at the mid-point of the twentieth century, cooperative fund-raising in private higher education has reached its zenith. In most cases, these cooperative efforts are designed to put great emphasis on cultivating the economic resources of the nation's corporations. The Negro colleges have utilized the joint effort to a marked degree in the support of their institutions. Medical education, in its annual appeals to American business and industry, has found the united approach a great boon to its economic problems. The most rapid and extensive development of the cooperative idea, however, is seen in the widespread appearance of state and regional foundations and associations. Emerging from its infancy in 1948, the foundation movement has now become a very powerful force in American higher education. Corporate giving has been the fundamental factor in the phenomenal growth of the foundation movement in our time. The writer must hasten to point out that the continued growth of this movement

will depend largely upon the future beneficence of American corporations.
CHAPTER VI

THE RISE AND DEVELOPMENT OF THE OHIO FOUNDATION OF INDEPENDENT COLLEGES

The history of the Ohio Foundation of Independent Colleges, Inc.
represents one of the more successful efforts to obtain corporate sup­
port through cooperative fund-raising. Throughout its brief history,
the Ohio organization has been one of the bulwarks of the foundation
movement. Corporate giving has experienced an important part of its
most extensive development through the activities of this organization.
Since this particular united appeal is representative and characteris­
tic of the emerging developments within the foundation movement, it
seems appropriate to relate the birth and growth of the Ohio Foundation
of Independent Colleges.

The birth of the Ohio Foundation of Independent Colleges. In
the history of the foundation movement, the creation of the Associated
Colleges of Indiana and the Michigan Colleges Foundation preceded the
organization of the Ohio Foundation of Independent Colleges.¹ We shall
note that the founders of the Ohio group were directly influenced by
the patterns which were developed in Indiana and Michigan.

¹ The Associated Colleges of Indiana was organized in 1948; the
Michigan Colleges Foundation in 1949; and the Ohio Foundation of
Independent Colleges in 1950.
The Ohio organization evolved from a meeting of a handful of Ohio college presidents at Cincinnati in January, 1950 with three presidents from Indiana institutions. Presidents Jones of Earlham College, Meredith of Taylor University, and Sparks of Wabash College conferred with the Ohio representatives about the common problems of establishing a cooperative fund-raising agency. The report of the proceedings of the Cincinnati conference was made at an informal meeting of presidents and representatives of the non-tax-supported Ohio colleges held at the Columbus Athletic Club on February 18, 1950.

The meeting was held for the specific purpose of discussing the possibilities of establishing a joint appeal by the non-tax-supported institutions to corporations in Ohio.

President Howard of Otterbein College opened the February 18 meeting and stated its purpose. President Henderson of Western College for Women was elected Chairman of the informal gathering. President Montgomery of Muskingum College was named Secretary but, at his request, was replaced by President Yochum of Capital University. Sixteen

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2 The following presidents from Ohio colleges were present at the Cincinnati meeting, January, 1950: P. E. Henderson, Western College for Women; J. G. Howard, Otterbein College; P. H. Fall, Hiram College; and R. N. Montgomery, Muskingum College. Reported in Ohio Foundation of Independent Colleges, "Minutes of an Informal Meeting of Presidents and Representatives of Non-Tax-Supported Colleges of Ohio," February 18, 1950.


5 Ibid.
private colleges and universities sent representatives to this meeting.

Five principal points of action were taken at this exploratory meeting:

1. There was extensive discussion of the Indiana and Michigan plans. Presidents Howard, Fall, Montgomery, and Yochum gave a review of the informal discussion held in Cincinnati. R. G. Weber of Mt. Union described the Michigan plan. It was suggested that available information regarding these two cooperative ventures be included in the minutes of the meeting for further study.

2. There was agreement by vote that those Ohio colleges which were non-tax-supported and were fully accredited by the North Central Association would be eligible for representation at future meetings and for participation in any organization or action authorized by this group.

3. Chairman Henderson was authorized to appoint a Continuation Committee of six members to continue a study of matters discussed at this meeting and to prepare a report for consideration at a future meeting. This committee was empowered to make investigations regarding legal questions, the receptivity of corporations, etc., but it was not to publicize its activities or to make any commitments. The members of the Continuation Committee were: Presidents Henderson, Yochum, Howard, Remmecker, Stevenson, and Montgomery. The date of the first meeting of the committee was scheduled for March 1, 1930 at Capital University, Columbus, Ohio.

4. It was declared the sentiment of the entire group that this proposed united approach was not intended to antagonize or to constitute opposition to tax-supported institutions.

6 Ibid. The representatives of the institutions were: M. Rauh of Antioch College; H. L. Yochum and W. Edmund of Capital University; C. F. Richards of Denison University; A. Walker of Heidelberg College; P. H. Fall and Frank Buell of Hiram College; A. T. Hill of Lake Erie College; W. B. Irvine of Marietta College; Sister Vincent de Paul, Sister John Berchmann and Sister Agnes Linn of Mary Manse College; R. G. Weber of Mt. Union; R. N. Montgomery of Muskingum; Sister Mary Denis and Sister Mary Patrice of Notre Dame College; J. G. Howard and W. S. Miller of Otterbein College; Reverend J. Bauer of St. Mary of the Springs, H. N. Brown of University of Dayton; P. E. Henderson of Western College for Women; and C. D. Russell of Western Reserve University.
5. It was agreed further that this meeting and future meetings will be unofficial until a definite proposal can be submitted to the governing boards of participating institutions. 

After this exploratory meeting, events developed rapidly which led to more tangible action on the part of this infant organization.

As scheduled, the Continuation Committee met on March 1, 1950. At this meeting, President Howard was delegated to investigate the legal questions involved in corporate giving. The Indiana and Michigan plans were discussed in great detail and served as guides for the tentative proposals composed by the committee at this meeting. Briefly, these proposals concerned the name of the foundation; the purposes of the foundation; membership in the foundation; the administrative framework of the organization; the duties of the Board of Trustees; the composition of the Executive Committee and of the Board of Trustees; proposals relative to the annual budget; and the responsibilities of membership.

In addition, it was agreed that, in order to make the operation of the proposed foundation effective, each college president should accept the obligation of submitting a list of at least twenty-five corporations or foundations as potential prospects. Also, it was resolved that the presidents should agree to give a minimum of two

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7 Ibid.
8 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Continuation Committee," March 1, 1950.
9 Ibid. For a list of the original proposals adopted by the Continuation Committee at its meeting on March 1, 1950, see Appendix C.
10 Ibid.
weeks of their time during the year to solicit on behalf of the foundation.\textsuperscript{11}

It was the opinion of the Continuation Committee that the presidents of interested colleges should discuss the above proposals at the next meeting of presidents and representatives scheduled for April 21, 1950. The committee felt that, after consideration, the proposals should be adopted in a form acceptable to the membership. Upon adoption, the committee expressed the hope that provisions would be made for legal incorporation of the organization by June 1, 1950. Such incorporation depended upon the rapidity with which the boards of control of interested institutions negotiated formal acceptance of the principle of cooperative fund-raising.\textsuperscript{12}

The April 21, 1950 meeting of presidents and representatives demonstrated increased interest in the united appeal on the part of the private institutions in Ohio. Representatives of twenty-three private colleges and universities appeared for this meeting held at Capital University.\textsuperscript{13} A quotation from the minutes of this meeting indicates the general tenor of the proceedings:

A general discussion of the entire proposal before the group covered such items as: what really are our purposes, what would be the probable results, are we willing and able to cooperate fully, what is required of each institution for the common approach, what would be the effect on academic

\textsuperscript{11}Ibid.
\textsuperscript{12}Ibid.
\textsuperscript{13}Ohio Foundation of Independent Colleges, "Minutes of the Meeting of College Presidents and Representatives," April 21, 1950.
freedom and institutional integrity, what would be the probable reactions of foundations and corporations, etc. 14

Careful consideration was given to the proposals formulated by the Continuation Committee on the part of the participants of this meeting. It was agreed that the purposes of the proposed foundation "be broadened to include reference to other common interests than fund-raising, such as general public relations, interpretation, morale, etc." 15 A further change in the original proposals of the Continuation Committee was exacted by the representatives of the institutions in that it was voted that the qualifications for membership in the proposed foundation, and for participation in preliminary meetings, be modified to read, "accredited by and holding membership in the Ohio College Association" rather than "fully accredited by the North Central Association of Colleges and Secondary Schools." 16

The participants of this meeting also assigned four important tasks to the Continuation Committee:

1. The Continuation Committee was to make provisions for testing the reactions of representative executives of larger corporations. This test was to be accomplished without making commitments and without publicity.

2. The same committee was to gather confidential information from participating colleges and universities regarding grants currently received from corporations. The committee was charged to consider the effect upon such grants, if the proposed common approach were instituted.

3. The committee was also delegated to compose a preamble

14 Ibid.
15 Ibid. For a statement of the original purposes of the proposed foundation, see Appendix C.
16 Ibid.
to the constitution, stating the basic philosophy of the united appeal.

4. Finally, the Continuation Committee was assigned the duty of completing the constitution of the proposed foundation and to make every arrangement for the organization of the foundation, subject to the formal approval of interested colleges.\(^\text{17}\)

In compliance with the instructions given at the general meeting of April 21, 1950, the Continuation Committee, at its meeting on May 10, 1950, created the machinery to accomplish the four assigned tasks. After thorough discussion of the most feasible way to obtain the reactions of representative executives of larger corporations, the committee decided that the comments and reactions of trustees of participating institutions should be sought. The men quoted should be individuals of standing in business and industry. It was felt that the sentiment of such men would be representative of the prevailing opinion in the business world.\(^\text{18}\)

To measure the extent of corporate giving to Ohio institutions at this particular time, the committee selected President Yochum to assume the responsibility of preparing a questionnaire designed to procure the needed data. This was prepared and sent to the presidents of interested institutions.\(^\text{19}\)

The two other assignments, delegated to the Continuation Committee by the general meeting, were considered by the committee at its

\(^{17}\text{Ibid.}\)
\(^{18}\text{Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Continuation Committee," May 10, 1950.}\)
\(^{19}\text{Ibid.}\)
May meeting. These assignments concerned the composition of a preamble to the constitution and the completion of the constitution itself. Both tasks were duly completed. The committee agreed that copies of the preamble and the constitution should be sent to the college presidents for submission to their boards of control. It was requested that the presidents transmit to the Continuation Committee their reactions to both documents, as well as suggestions and criticisms of their board members.  

A final recommendation of the Continuation Committee constituted the first move to crystallize efforts at formal organization. This recommendation marked the initial attempt by the informal group to have the participants signify their intentions. To illustrate this development, an allusion to the minutes of the meeting is made:

It was agreed that each Board be invited to approve the constitution in principle, declare its intention to participate in this project, and vote an appropriation to initiate promotion, this appropriation to be in line with point 7 a) and b) of the constitution, the amount from each institution to be not more than $1,000 and not less than $500 for the period of July 1, 1950 to July 1, 1951.

There was little doubt that the Continuation Committee had hoped for more rapid action on the part of the institutions to declare their wishes on the various items which the committee had submitted to them; however, immediate action was not forthcoming. The minutes of the June 14, 1950 meeting of the Continuation Committee reflect the delib-

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20 Ibid. For statements of the original preamble and proposed constitution of the Ohio Foundation of Independent Colleges, see Appendix D.
21 Ibid.
ate and cautious procedures which the institutions were following.

These minutes show that only three institutions had reported a definite and favorable reaction by their boards of trustees to join the proposed organization. In short, considerable caution was being exercised by the private institutions of Ohio before committing themselves to this novel approach in fund-raising.

The replies to the questionnaires distributed by the Continuation Committee, concerning programs of corporate giving already active among interested institutions, showed that corporate donations, as of June 14, 1950, were inconsequential parts of the total framework of economic support to these institutions. Only token fiscal assistance was being offered by corporations. The following description is given of the nature and extent of corporate support at this juncture in the history of private higher education in Ohio:

From the replies to a questionnaire sent out recently it is apparent that not too much financial encouragement is now being given to non-tax-supported institutions of higher education by corporations. Several replies indicated no approach at all for budgetary purposes; several showed no receipts for capital investment; three reported gifts for research and service projects; four reported gifts for scholarships and awards. The largest amount reported for capital investment was $62,250. The largest amount reported for current operating budget was $10,000. The largest amount reported for scholarships and

22 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Continuation Committee," June 14, 1950.
23 Ibid.
awards was $13,025. The largest number of corporations, companies, or foundations providing any such gifts to any one school was 40 (one reported 35, another reported 29, others were 12 or less). All but one expressed the opinion that a joint approach would not interfere with the prospects of continued giving to the institution by present benefactors; one was uncertain. Three indicated an opinion that the institution would receive more assistance for current expenses from these sources by separate approaches than from a joint approach, others were more hopeful of results by joint approach.24

It became evident that the original methods which the Continuation Committee had devised for obtaining the sentiment of industrialists with regard to the plan for a joint approach were not adequate. At this June 14 meeting, there was prolonged discussion of the many ways of testing the reactions of leaders of industry. It was decided to arrange for a luncheon meeting on June 30, 1950, at which time members of this committee might discuss the whole proposition with a dozen or more representatives of corporations. The Secretary was instructed to explore immediately the possibilities of such a meeting.25

A letter from Secretary Yochum to the members of the Continuation Committee, dated June 25, 1950, indicates that, after consultation with the authorities of the Ohio Chamber of Commerce, it was deemed impossible to get adequate representation for the tentative June 30 luncheon. However, Secretary Yochum reported that Herschel C. Atkinson, Executive Vice-President of the Ohio Chamber of Commerce, had volunteered to explore the reactions of leaders of industry, thus securing the informa-

24 Ibid.
25 Ibid.
tion desired by the Continuation Committee. It was stated further that Mr. Atkinson would make available to the committee the results of his investigations and consultations.

As a direct result of the efforts of the Ohio Chamber of Commerce, a meeting of college presidents, members of college boards of trustees, and selected leaders of business was held on September 22, 1950 at the Columbus Athletic Club. Twenty-nine people were present at this meeting in which the many aspects of corporate aid to education, as well as the proposed cooperative fund-raising foundation, were discussed in great detail. Leaders from business and education dispassionately deliberated the wisdom of adopting the federated approach in fund-raising. Perhaps the importance of this meeting to the establishment of a foundation can best be demonstrated by quoting from the minutes of the meetings:

It was moved and seconded that it be declared the sense of this gathering that the committee should proceed with the incorporation of a foundation along the lines proposed, and that the efforts be made to secure as full a representation of the eligible colleges as possible. In the discussion it was pointed out that no one present could commit his college formally, but that the legal counsel engaged to draw up the articles of incorporation would know what belongs in such articles and what can be left to the board of directors to decide; the articles should be prepared and processed, and each college given the opportunity to consider the action at its next board meeting; meanwhile, the incorporated group should apply for the certificate of tax exemption. If any member college desires to with-

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26 Letter from H. L. Yochum, Secretary of the Continuation Committee, to members of the Continuation Committee, June 23, 1950.

draw after it has voted to participate, there is nothing to prevent that. If the Foundation sees fit to amend its articles or constitution from time to time, there is nothing to prevent that, indeed, the Foundation itself could disband if that were desired.  

After so many delays, the informal organization was not taking measures for incorporation. The Continuation Committee was instructed to complete the necessary formalities to incorporate the organization.

At its meeting of December 12, 1950, the Continuation Committee drew up the Articles of Incorporation in the presence of James Hale of the law firm of Hale and Kincaid. The Continuation Committee authorized the legal counsel to file papers and procure copies of the Articles of Incorporation for distribution to all colleges eligible for membership. It was agreed that Presidents Henderson, Howard, and Yochum be designated as the Incorporators, and that these three men, in addition to President Montgomery, should be listed as "trustees until the first annual meeting or other meeting called to elect trustees." The organization was duly incorporated as The Ohio Foundation of Independent Colleges, Inc. on December 14, 1950.

The first meeting of the Ohio Foundation of Independent Colleges was held on January 26, 1951 at the Columbus Athletic Club.

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28 Ibid., p. 6.
29 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Continuation Committee," December 12, 1950.
30 Ibid.
31 Ibid.
32 Ibid.
33 The record of incorporation is filed in Vol. DLXXXVII, p. 614 of the Records of Incorporations in the state of Ohio.
34 Letter from H. L. Yochum, Secretary of the Continuation Committee, to the presidents of all colleges eligible for membership in the Ohio Foundation of Independent Colleges, December 29, 1950.
Prior to this meeting, the Articles of Incorporation were distributed to eligible colleges. Eligible institutions, which had voted to participate, were also notified to send to the Secretary the participation fee.\textsuperscript{34} The January 26 meeting was designed as an organizational meeting in which charter members would be admitted; details concerning the constitution and bylaws would be discussed; the methods of soliciting and distributing contributions would be debated; and other questions pertinent to the welfare of the newly born organization were to be given careful consideration.\textsuperscript{35} With the passing of these events, the birth of the Ohio Foundation of Independent Colleges had taken place and the infant organization was now ready to flourish or to deteriorate on its own merits.

The formative years of the Ohio Foundation of Independent Colleges. Nineteen independent colleges were represented at this first formal meeting of the Ohio Foundation of Independent Colleges on January 26, 1951.\textsuperscript{36} The membership of this meeting agreed that the appropriate date for the termination of eligibility for charter mem-

\begin{itemize}
  \item \textsuperscript{34} Ibid.
  \item \textsuperscript{35} Ibid.
  \item \textsuperscript{36} Ibid.
\end{itemize}

Ohio Foundation of Independent Colleges, "Minutes of the Meeting of College Presidents or Their Representatives to Effect the Organization of the Ohio Foundation of Independent Colleges," January 26, 1951. The nineteen colleges represented were: Antioch, Ashland, Bluffton, Capital, Defiance, Denison, Findlay, Heidelberg, Hiram, Kenyon, Muskingum, Notre Dame, Oberlin, Ohio Northern, Otterbein, St. Mary, Western College for Women, Wilmington, and Wooster.
bership in the foundation should be April 15, 1961. All eligible colleges were invited and urged to qualify for charter membership for submitting to the Secretary a notice of favorable action by the boards of trustees of their respective colleges and by paying the basic assessment of $510.37

Further business of this first meeting dealt with a review of the constitution, article by article, with appropriate revisions made where they were deemed necessary.38 The constitution was then adopted by unanimous vote and became operative immediately.39 In addition to the approval of the constitution, this meeting also saw the adoption of ten bylaws. These bylaws concerned themselves with mechanics of administration not specifically covered by the articles of the constitution.40

One of the important developments of the January 26 meeting was the first election of officers of this newly incorporated organization. The following were elected officers and members of the Executive Committee:

Chairman: President J. Gordon Howard
Vice-Chairman: President W. Terry Wickham
Secretary: President H. L. Yochum
Treasurer: President Paul H. Fall

37 Ibid.
38 Ibid. For revisions made in the constitution of the Ohio Foundation of Independent Colleges at the January 26, 1951 meeting, see Appendix E.
39 Ibid.
40 Ibid. For a list of the bylaws adopted at the January 26, 1951 meeting, see Appendix F.
One committee was dissolved and another was created at this initial meeting. The Continuation Committee passed out of existence and the Executive Committee was established. Duties were immediately assigned to the Executive Committee. This committee was instructed to prepare a tentative budget and to work out a proposed schedule of assessments to member institutions which were to be submitted to the Board of Trustees for approval at its next general meeting. Also, the Executive Committee was charged to give consideration to the selection of an Executive Director and to report its recommendations to the membership at the general meeting scheduled for April 20, 1951.

The first meeting of the Executive Committee was held on January 26, 1951, immediately following the initial meeting of the prospective members of the foundation. The committee gave considerable attention to the two matters referred to it by the general meeting. With reference to the recommendations for the position of Executive Director, the Executive Committee recommended that President Henderson be invited to devote part-time service to the task of formulating a list of prospective donors and of accomplishing other executive duties, until a permanent Executive Director be appointed. President Henderson, at that time recently retired from the Presidency of Western College for Women, volunteered his services without remuneration. The Executive

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41 Ibid.
42 Ibid.
Committee welcomed the willingness of President Henderson to serve in this capacity.

At this same meeting, the Executive Committee devoted considerable time to the preparation of a proposed budget and to the composition of assessments for participating institutions. The committee decided to complete these assignments at its next meeting on April 6, 1951.

The next few months produced events which crystallized the formation of the foundation. The exploratory work which the Executive Committee had done since its January 26 meeting was reflected in the events which developed at the April 20, 1951 meeting of the Board of Trustees. Nineteen institutions, which had taken official action to become members of the Ohio Foundation of Independent Colleges, were admitted as charter members of the organization on April 20, 1951.

It was voted that all institutions eligible for membership be invited once more to apply for membership, if they have not already done so. It was agreed that these institutions would be received as members, provided application was made before June 20, 1951.

Two other important items of business were considered at the April 20 meeting. The Executive Committee presented its proposed budget

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43 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," January 26, 1951. The minutes reveal that President Henderson devoted more than part-time service to the foundation. His unstinting devotion to the organization is recorded in various documents of the foundation.

44 Ibid.

45 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 20, 1951.

46 Ibid.
of $7,000 for the period ending December 31, 1951. After prolonged discussion, it soon became apparent that the membership "favored a more ambitious procedure, with a much larger budget, an adequate office, the best personnel available." As a result, a budget of $20,000 was approved for the operating year ending April 15, 1952. It was voted that the office of the foundation be located in the city of Columbus.

Concerning the position of Executive Director, the membership came to a number of conclusions. It was deemed proper that the selection of an Executive Director be limited to men who had had experience in the field of public relations or fund-raising. Candidates had to demonstrate some association with educational institutions, business firms, promotional agencies, or the like. Chairman Howard was authorized to name a special committee which was to select and recommend to the Board of Trustees at its next meeting nominations for the position of Executive Director.

At the August 7, 1951 meeting of the Board of Trustees, the special committee for the procurement of an Executive Director gave its report. President Wickham, who was Chairman of the special committee,

47 Ibid.
48 Ibid. This budgetary figure was raised to $30,000 by the Executive Committee at its meeting on May 25, 1951.
49 Ibid.
50 Ibid.
51 Ibid. President Wickham of Heidelberg College was named Chairman of this special committee. Other members of the committee included Fall of Hiram College, Lowry of Wooster College, Stevenson of Oberlin College, and Wheaton of Kenyon College.
made the motion that the foundation enter into an agreement with the Weimer Organization in which the latter organization would serve as public relations counsel for the foundation, as well as supply the services of Harold K. Schellenger, who was to serve as Executive Director for the foundation. In addition, the motion stipulated that the offices of the Weimer Organization at 51 North High Street, Columbus, would serve as the central office for the Ohio Foundation of Independent Colleges. 52

With the enlistment of the services of the Weimer Organization and Mr. Schellenger, the machinery of the foundation started to move more rapidly and positively. To illustrate this development, it should be noted that the agenda of the August 10 meeting of the Executive Committee included such points as criteria for the selection of members of the Board of Trustees; the working schedule for solicitation; the cultivation of corporate prospects prior to solicitation; the projected policies in the use of publicity; and the prerogatives of tax deductibility for gifts to the foundation. 53 All of the above considerations relate to the concrete problem of raising revenue from corporations which was, and still is, the primary reason for the existence of the Ohio Foundation of Independent Colleges. The problem of building the foundation of the organization was now over. No longer

52 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," August 7, 1951.
53 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," August 10, 1951.
would the membership have to engage in such activities as formulating a constitution, composing articles of incorporation, or soliciting charter members. These tasks belonged to the past. The organization was now ready to concentrate on the problems inherent to the cultivation of corporate support for member colleges and universities.

The remainder of August and September of 1951 was devoted to the preparation of prospect lists, to the circulation of promotional literature, and to the formulation of detailed plans of operation. The date of October 1, 1951 was set as the "target date" for the beginning of solicitation. Prior to the October solicitation, Executive Director Schellenger contacted the trustees of member colleges in the principal cities of Ohio and was guided by the judgment and recommendations of these trustees in planning the program of solicitation for those particular geographical areas.

Although preliminary solicitation started in October, the first major soliciting program was launched on November 8 and 9 in Cleveland. To effect a greater response to the foundation's appeal, Mr. Schellenger continued to meet with selected trustees in other major cities and initiated plans for contacting the most promising prospects in those cities before the close of the income tax year. Plans were

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54 Ibid.
55 Ibid.
56 Ibid.
57 Ibid.

Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," October 2, 1951.
also made for developing solicitation programs in districts other than
the major cities. The remainder of this first fiscal period, which
ended on April 15, 1952, was spent in concentrated effort to perfect
proficient methods of solicitation and in accruing as many contributions
as possible. Despite an abbreviated period of time in which to accom­
plish its solicitation, the foundation, nevertheless, amassed eighty­
six corporate contributions in the amount of $197,165.

There were other notable developments in the history of the
foundation, which occurred at this general period of time, that are
worthy of mention. A. A. Stambaugh, Chairman of the Board of Standard
Oil of Ohio, who had been very helpful in arranging and holding meet­
ings in the Cleveland area for the purpose of promoting the aims of
the foundation during the November campaign, presented to the Executive
Committee on March 25, 1952, Standard Oil of Ohio's proposal for a
scholarship plan for the sons and daughters of Standard employees.
This plan provided for payment of the fixed charges assessed to recip­
ients with a bonus grant of one thousand dollars awarded to member
colleges. Originally, the number of scholarships was to correspond
with the number of institutions in the foundation; however, this
proviso has been altered so that five rotational scholarships become
active each year. Standard's proposal stipulated that selection of

58 Ibid.
59 Ohio Foundation of Independent Colleges, Honor Roll of Contribu­
tors (Columbus: Ohio Foundation of Independent Colleges, 1955).
recipients and procedures to be followed were the responsibilities of the Ohio Foundation of Independent Colleges. The scholarship program was adopted by the foundation and is still operative. Twenty scholarships are currently in force.

A second development of importance was the recommendation by the Executive Committee that the contract with the Weimer Organization be renewed for a year on the same terms. It was recommended further that Mr. Schellenger be retained as Executive Director. The Board of Trustees approved the action of the Executive Committee on both recommendations.

At the April 18, 1952 meeting of the Board of Trustees, a third important development took place which was directed at extending the time committed by presidents to solicitation. After considerable discussion and several changes in wording, the following resolution was adopted:

In the 1962-63 year of operation, each college president will be expected to give ten days for solicitation plus the deficiency carried over from the year ending April 15, 1962. It is understood that time spent in committee work or the duties of the various offices is not to be counted toward this requirement. A monthly report of the solicitation record of each president is to be distributed by the Executive Director.

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60 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," March 25, 1952.
61 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," April 15, 1952.
62 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 18, 1952.
A fourth major development was the favorable action at the April 18 meeting on the applications of Marietta College, Ohio Northern University, and Wittenberg College. The Ohio Foundation of Independent Colleges thus increased its membership from nineteen to twenty-two institutions.63

The year 1952-53 was one of experimentation for the Ohio Foundation of Independent Colleges. A review of the year's operation demonstrates that the organization was still searching for the best methods or approaches for obtaining corporate support for the twenty-two member colleges.

A primary aspect of this experimentation was the employment of a professional fund-raising organization to solicit funds in the Cleveland and Akron areas.64 The American City Bureau was engaged to promote solicitation in Cleveland and Akron for a ten-week period. Options for extended service by the fund-raising organization were also authorized by the Board of Trustees.65 Although the services of the American City Bureau were extended an additional four weeks,66 it became apparent that permanent use of such an agency would not fulfill the needs of the foundation. The Executive Committee went on record as

63 Ibid.
64 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," September 29, 1952.
65 Ibid.
66 Ibid.
Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," February 27, 1953.
expressing the sentiment that "a professional fund-raising firm does not seem indicated as the regular, permanent set-up." After this initial trial, the employment of a professional fund-raising firm was abandoned by the foundation.

The second phase of this experimentation concerned the use of personnel affiliated with member colleges and universities. From the outset, the practice of the foundation had been to use as many institutional personnel as possible. Such personnel, whether staff members, trustees, or presidents, were assigned in some capacity to the campaigns of solicitation. In 1952-53 there was the continued but expanded use of staff officers from member institutions in directing local solicitation. These staff officers of member colleges were assigned on a "loan" basis to the foundation wherein the foundation paid their respective salaries for the period they were on loan. The above workers were appointed to selected centers of promotion and prepared and directed the solicitation in those centers. In addition, presidents used their own initiative in arranging their schedules of solicitation with the representatives of other institutions and in making joint solicitation of prospects. And, wherever possible, there

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67 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," April 16, 1953.
68 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 17, 1953.
69 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," August 28, 1952.
was the continued employment of local group leadership and the assignment of responsibility for geographical areas to designated members of the group. In short, it was the aim of the foundation to activate a vigorous promotional and solicitation program by employing the resources immediately at hand.

Further experimentation was seen in the foundation's approach to publicity. The Executive Committee proposed that the foundation issue a graphic newsletter which would recount the progress of the organization to date and would contain news of interest to all prospective donors. It was intended that this newsletter appear five times a year and be sent to corporations and to other interested contacts. As a direct result of this early agitation for such a newsletter, the first issue of the Independent College News Letter was published in September, 1952, and this organ has since become a regular channel of communication for the mutual interests of both corporate director and educator.

To supplement the proposed newsletter, the Executive Committee took steps to prepare a number of news releases which reviewed the success and progress of the Ohio Foundation of Independent Colleges. These news releases were given wide circulation in the newspapers of the state.

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70 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 17, 1953.
71 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," August 28, 1952.
72 Ibid.
To effect even more extensive publication of its activities, the foundation produced a brochure entitled *Colleges and Business, Partners in Free Enterprise*. This brochure attempted to spell out the interdependence of private business and private higher education, emphasizing the responsibilities that private industry and private education have to each other. This brochure was the second in a series of four; the first brochure was published in 1951-52.

In addition to the many experiments effected under the Chairmanship of President W. Terry Wickham, the Ohio Foundation of Independent Colleges demonstrated considerable growth over the preceding year. This growth was apparent not only in the total amount of corporate contributions but also in the increase in the number of corporate contributions. In the fiscal year 1952-53, 242 corporate contributions were made in the amount of $355,847.

Renewing its contract with the Weimer Organization for 1953-54,

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73 Ibid.

74 The following brochures have been published by the Ohio Foundation of Independent Colleges: *People Are Important, Too* (1951-52); *Colleges and Business, Partners in Free Enterprise* (1952-53); *Frontiers of Free Enterprise* (1953-54); and *Good Business Depends on the Independent One Third* (1954-55).

75 The officers of the Ohio Foundation of Independent Colleges for 1952-53 were: W. Terry Wickham, Chairman; A. Blair Knapp, Vice-Chairman; Harold L. Yochem, Secretary; Paul H. Fall, Treasurer; J. Gordon Howard, Executive Committee; Charles B. Ketchem, Executive Committee; A. A. Stambaugh, Executive Committee; and Harold K. Schellenger, Executive Director.

76 Ohio Foundation of Independent Colleges, *Honor Roll of Contributors*.

77 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 17, 1953.
the Ohio Foundation of Independent Colleges moved into an era of more
marked expansion than it had experienced in 1952-53. Great enthusiasm
and optimism accompanied the proposed activities of the organization
under the Chairmanship of President A. Blair Knapp of Denison Univer-
sity. Evidence of this enthusiasm and optimism is found in an excerpt
from the minutes of a Board of Trustees meeting held during 1953-54. In
part, this excerpt states that "after considerable discussion it was
agreed that the goal of the Foundation for the 1953-54 fiscal year
should be a gift total of $1,000,000." Further evidence of optimism, enthusiasm, and expansion was
signified by the appointment of Robert J. Izant as Field Director. The
employment of Mr. Izant meant that Mr. Schellenger was then able to con­
centrate his efforts on developing the public relations program of the
foundation. As indicated in his title, Mr. Izant was in charge of all
field solicitation work. With the appointment of Mr. Izant, the
foundation realized its most uniform and balanced pattern of staff or­
ganization since its inception.

78 The officers of the Ohio Foundation of Independent Colleges for
1953-54 were: A. Blair Knapp, Chairman; Harold L. Yochum, Vice-Chair-
man; Lloyd L. Ramseyer, Secretary; Paul H. Fall, Treasurer; W. Terry
Wickham, Executive Committee; Howard F. Lowry, Executive Committee;
A. A. Stambaugh, Executive Committee; Robert J. Izant, Field Director;
and Harold K. Schellenger, Executive Secretary.

79 Ohio Foundation of Independent Colleges," Minutes of the Meeting
of the Board of Trustees," September 28, 1953.

80 Ibid.

81 Ibid.
But the event which caused great enthusiasm and optimism during 1953-54 was the approval of a proposed amendment to the Ohio statutes by the General Assembly. The so-called "Mosher-Latta-Sheppard Bill" restated the prerogatives of corporations in making contributions to eleemosynary agencies so that the amended section read to include specific reference to educational institutions and foundations. In part, the amended section 1702.26 (6623-119) of the Revised Code reads:

... Every domestic corporation, unless otherwise provided in its articles of incorporation, may co-operate with other corporations, and with natural persons... in making contributions to a corporation, trust or community chest, fund or foundation, organized and operated exclusively for charitable, scientific, hospital, or educational purposes conducive to the public welfare, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and... the board of directors, trustees, or other governing body may contribute or appropriate such reasonable sums as they may determine for such purposes. ...

The implications of the passage of this legislation are obvious. The legal limits to corporate grants were completely defined and clarified by this amendment. No longer would corporate directors in the state of Ohio have to fear shareholder reprisals for using corporate funds for grants to private higher education and to other charitable institutions. This permissive legislation constituted both prerogative and protection for governing boards of corporations in their philanthropic activities.

The natural reaction of the membership of the foundation was that this legislation would generate more active giving on the part of corpor-

82 Amended Substitute Senate Bill No. 65, passed June 8, 1953.
The membership felt that resistance to giving would be diminished considerably, since much of the resistance at this time focused on potential legal entanglements for corporate directors. There is no way to measure the influence of this amendment on corporate giving in 1953-54, but the records show that there were 134 more contributions in the above year than in 1952-53. Under such circumstances, it seems fair to state that the permissive legislation of 1953 was contributory to this increase.

Another important development in the history of the foundation during 1953 was the revision of the constitution and bylaws of the organization and the preparation of same for publication. Although the membership has proposed amendments to the constitution, throughout the history of the foundation, the September 28, 1953 meeting of the Board of Trustees represents the greatest single effort in this connection. It was the desire of the Board of Trustees to bring the constitution completely up to date in order to make it a functional document. The revised version of the constitution was published and made available for general distribution.

Although the economic returns to the foundation did not fulfill the already stated aspirations of the Board of Trustees, nevertheless, the fiscal year of 1953-54 revealed that the foundation was continuing

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Ohio Foundation of Independent Colleges, Honor Roll of Contributors.

For a copy of the revised constitution and bylaws adopted at the September 28, 1953 meeting of the Board of Trustees, see Appendix C.
to grow. As previously noted, there was an increase of 134 corporate contributions over the fiscal year of 1952-53 which brought the total number of corporate contributions for 1953-54 to 376. Of prime importance was the fact that these 376 corporate gifts totaled $421,694. These figures bear witness to the vital role that the Ohio Foundation of Independent Colleges was playing in the cultivation of economic support from corporations on behalf of member institutions. This role can no longer be minimized; it becomes increasingly more important with every passing year.

The history of the Ohio Foundation of Independent Colleges, during the fiscal year recently completed on April 15, 1955, reflected five major developments. First, the organization intensified its field activities; second, the membership became greatly concerned with the solicitation of corporations at the national level; third, the foundation was aided in its cause to interest private business in private higher education through a significant meeting held under the sponsorship of the Ohio Chamber of Commerce; fourth, there was evidence of major administrative changes; and fifth, the events of the year indicated the continued growth of the foundation. Other events of lesser importance completed the historical pattern of the Ohio Foundation of Independent Colleges in 1954-55.

Ohio Foundation of Independent Colleges, Honor Roll of Contributors.  
Ibid.
The minutes of both the Board of Trustees and the Executive Committee held in 1954-55 reflect the extensive field activities which were promoted by the foundation. Chairman Yochum reported to the Executive Committee on May 13, 1954 of the thorough program launched by the field staff in evolving principles of solicitation and in acquiring personnel to solicit. This program involved the division of geographical areas into regional and local subdivisions. Field Director Izant directed the staff which included field representatives, regional chairmen, local chairmen, and local committees. The proposed plans were designed to take solicitors not only into the eight major cities of Ohio but also into regional areas outside the principal cities.

As another part of this intensified solicitation program, the Executive Committee complied with the request of the Board of Trustees and appointed a committee to propose strategy for getting much larger contributions from selected firms. It was felt that the foundation should be able to receive larger grants from certain firms if more

87 The officers of the Ohio Foundation of Independent Colleges for 1954-55 were: Harold L. Yochum, Chairman; Paul H. Fall, Vice-Chairman; Lloyd L. Ramseyer, Secretary; William E. Stevenson, Treasurer; A. Blair Knapp, Executive Committee; Howard P. Lowry, Executive Committee; A. A. Stambaugh, Executive Committee; Robert J. Izant, Field Director; and Harold K. Schellenger, Executive Secretary.

88 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," May 13, 1954.

89 Ibid.

90 Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown.

91 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," May 13, 1954.
strategic tactics were used in approaching these firms.

A very important part of the experimental program in solicitation was the employment of a soliciting technique used by the Associated Colleges of Indiana with some success. This technique involves sending presidents in pairs, without specific appointments, to contact firms. It should be pointed out that these firms are informed in advance to expect a visit from two presidents. They are also informed of the reason for the visit by the presidential team. Columbus was designated as the experimental city for this approach in solicitation. On April 22, 1955, the Executive Committee reported that the "pair" pattern had worked very well in Columbus and recommended that this technique be tried in other areas in 1955-56.

In addition to the above measures to extend the foundation's solicitation program, the Executive Committee authorized continued solicitation by mail and provided for additions to the mailing lists by including the names of corporations which had not been adequately covered by personal solicitation. 92

As we have noted in Chapter VI, one of the problems facing the Action Committee of the Commission on Colleges and Industry in 1954 was its effort to devise the best methods for approaching national corporations. Many observers have suggested, and still suggest, that

92 Ibid.
national corporations hold the key to the success of the foundation movement. Hence, it is understandable why solicitation of national corporations was a primary concern for the foundation throughout 1954-55. The foundation regards solicitation of national corporations as a very important part of its long-range program. To this end, the Board of Trustees adopted the resolution recommended by the Executive Committee that the Ohio Foundation of Independent Colleges engage in solicitation of corporations which have headquarters in New York and in other major cities. An excerpt from the minutes of a meeting of the Executive Committee well illustrates the prevailing sentiment regarding the importance of national corporations to the foundation movement. In part, these minutes read:

It was moved by Lowry, seconded by Knapp, that it is the feeling of this group that in view of our conviction that the ultimate value of the state foundation effort depends upon the successful approach to national corporations, we feel it to be urgent that action be taken looking to the formation of a national agency representing the existing foundation of independent colleges, with authority to solicit funds from national corporations, and to receive and distribute such funds, this effort to be coordinated with the work of the existing Council for Financial Aid to Education. The motion was passed.

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93 There was discussion of the solicitation of national corporations at the April 2, 1954 meeting of the Board of Trustees and at the April 2, 1954, May 13, 1954, and September 23, 1954 meetings of the Executive Committee.

94 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 2, 1954.

95 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," May 13, 1954.
It should be added that the Ohio Foundation of Independent Colleges has supported the Commission on Colleges and Industry in its move to bring about national cooperation and coordination among state foundations through the creation of a clearing house and through solicitation on a nation-wide basis. In brief, the attitude of the foundation has always been one in which strong support has been offered to the fostering of national cohesion among state and regional foundations.

Since its inception, the Ohio Foundation of Independent Colleges had been attempting to interest Ohio businessmen in its program with a minimum of external assistance. In its early history, the Ohio Chamber of Commerce had aided the struggling foundation with various problems. This assistance was helpful and most gratefully received. However, in 1954, the Ohio Chamber of Commerce made its greatest contribution to the cause of the foundation.

On the occasion of its Sixty-First Annual Meeting in Columbus, the Ohio Chamber of Commerce saw fit to assemble leading Ohio educators and businessmen to consider the fiscal problems of the non-tax-supported colleges and universities in the state. The general consensus has been that this meeting did much to generate interest from all segments of society in the welfare of the non-tax-supported institutions of Ohio.

A very important part of this meeting was the education forum

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96 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," April 2, 1954.
97 See above, pp. 126-127.
conducted in conjunction with the general deliberations. At this forum, both educators and businessmen voiced their opinions regarding the interdependence of education and business. Among the speakers at this forum were: Clarence E. Stoughton, President of Wittenberg College; John C. Baker, President of Ohio University; W. Terry Wickham, President of Heidelberg College; William E. Stevenson, President of Oberlin College; A. A. Stambaugh, Chairman of the Board of Standard Oil of Ohio; Ralph M. Besse, Executive Vice-President of the Cleveland Electric Illuminating Company; and Novice G. Fawcett, Superintendent of Schools of Columbus. The major address of the meeting was delivered by Robert E. Wilson, Chairman of the Board of the Standard Oil Company of Indiana, who spoke on the topic, "A Businessman Looks at Our Colleges."

In addition to the tremendous amount of interest and good will created at this meeting, it is significant to point out that a brochure of the activities of the meeting has been published. Allusions have already been made to this publication which is entitled How Can Ohio's Educational Heritage Be Preserved? This document has been given wide distribution by the Ohio Chamber of Commerce with the hope that the observations made by the representatives of education and business at this meeting "will be helpful to all who give serious consideration to the interdependence of education and business as they observe the plight of the colleges, particularly private institutions, facing unprecedented

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99 Ibid., p. 3.
demands upon them. There is little doubt that, to date, this document has done much to aid the Ohio Foundation of Independent Colleges in its program of corporate solicitation.

The past year brought with it several administrative revisions. The foundation terminated its contract with the Weimer Organization and Mr. Schellenger became associated with the foundation on a permanent basis, after severing his relations with the Weimer Organization. Coupled with this development came the resignation of Mr. Izant on January 22, 1955. Mr. Izant's resignation precipitated obvious administrative readjustments. Forthwith, Mr. Schellenger assumed the work of the offices of both Field Director and Executive Secretary for the remainder of the fiscal year. A further administrative change was effected with the removal of the offices of the foundation to Mr. Schellenger's residence at 4554 Starret Road, Columbus. The foundation still maintains its offices at this address.

A fifth and final major development in the history of the foundation, during the 1954-55 fiscal year, was the encouraging revelation that the Ohio Foundation of Independent Colleges was continuing to grow. This growth has been revealed in two ways. During the past

100 Ibid., p. 1.
102 Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Executive Committee," January 22, 1955.
103 Ibid.
year, more corporations contributed more money than in any other year in the history of the organization. Final figures for the year, ending April 15, 1955, listed 481 corporate gifts amounting to $465,792. These figures indicate that 105 more corporate donations were received than during the previous most productive year in 1953-54. In addition, the total monetary increase over 1953-54 was more than $40,000.

The second indication of growth was the acceptance of two more institutions as members of the organization. On April 22, 1955, the Board of Trustees approved the applications for membership of St. Mary of the Springs College of Columbus and Mary Manse College of Toledo. These two institutions have increased the total membership in the Ohio Foundation of Independent Colleges to twenty-four institutions.

The minutes of the most recent meeting of the Board of Trustees on April 22, 1955 continue to mirror the enthusiasm and optimism which have characterized the efforts of this joint appeal since its establishment. Under the direction of its new officers, the Ohio Foundation of Independent Colleges hopes to experience its most successful year in 1955-56.

Ohio Foundation of Independent Colleges, "Minutes of the Meeting of the Board of Trustees," April 22, 1955.

Ibid. The officers of the Ohio Foundation of Independent Colleges for 1955-56 are: Paul H. Fall, Chairman; Howard F. Lowry, Vice-Chairman; Lloyd L. Ramseyer, Secretary; William E. Stevenson, Treasurer; C. C. Stoughton, Executive Committee; A. A. Stambaugh, Executive Committee; and Harold K. Schellenger, Executive Secretary.
The history of the Ohio Foundation of Independent Colleges has not been traced because of its distinctive character; rather, this has been done because of its representative character. The events in the evolution of this organization vividly demonstrate the growing success of the foundation movement in its effort to cultivate corporate support for private higher education. Undoubtedly, parallel events, exemplifying constant growth and steady progress, could be found in the history of other state or regional foundations. The contemporary nature of the foundation movement would presuppose such a possibility. The Ohio Foundation of Independent Colleges is not only representative of a successful, national trend in the solicitation of corporate support; it is also representative of a growing hope that private colleges and universities will find their way out of the depths of economic despair in which they have found themselves in recent years.
CHAPTER VII

REPORTED REASONS FOR CORPORATE GIVING TO PRIVATE HIGHER EDUCATION

The preceding chapters have included historical events related to corporate giving from 1636 to the present. In this chapter, it is the intent of the writer to discern the reported reasons for corporate aid to education through an analysis of the literature. To complement this phase of the study, the attempt is also made to present, briefly, the reasons why some corporations do not support private higher education through an analysis of correspondence with selected persons. In essence, the chapter attempts to discover the why and the why not of contemporary corporate giving.

The reasons for corporate aid to education have not been expressed and described by a limited segment of society. The literature abounds with expressions of opinion on this subject by educators and businessmen, as might be expected; however, renowned jurists, economic analysts, government officials, and even groups such as the National Association of Manufacturers and the Council for Financial Aid to Education have ventured to relate the reasons for corporate support to private higher education.

Effort has been made to glean these various opinions and to evolve a synthesis. It must be observed that the educational and business judgments numerically dominate all others. In this connection, particular attention is focused on the evangelistic role played by three
prominent industrialists—Alfred P. Sloan, Jr., Chairman of the Board of the General Motors Corporation; Frank W. Abrams, former Chairman of the Board of the Standard Oil Company of New Jersey; and Irving S. Olds, former Chairman of the Board of the United States Steel Corporation. This triumvirate has been prolific in describing the reasons for corporate giving to higher education.

Although the reported reasons for corporate aid to education have been listed separately in the next section of this chapter, it should be recognized that the composite reasons for such aid are complex in character. The listed reasons should not be regarded as isolated entities in discerning the over-all reasons for corporate support. To the contrary, the interrelationship of reasons should be emphasized. Current corporate practice indicates that most corporations support private higher education for a variety of reasons.

Reported reasons for corporate giving to private higher education. The principal reported reasons for corporate giving may be summarized as follows:

1. Most private colleges and universities are in desperate need of substantial economic assistance from external sources if they are to survive. Many corporations have recognized this dire economic plight and have offered their support.

2. Corporate interests depend on private higher education as a source of supply for personnel. Corporations desire that this source of supply be continued; thus, they have been willing to aid private education.

3. Education helps create markets for corporations and industries. Since private higher education is a vital
facet in the total educational framework in the United States, business interests are motivated to support private colleges and universities.

4. Corporations and industries are interested in strengthening and in increasing research facilities and activities. Private higher educational institutions constitute primary outlets for basic and applied research.

5. Companies regard private colleges and universities as their counterparts in the educational world for the maintenance of a socio-economic environment in which free enterprise may operate effectively. In this connection, many industrialists have stressed the interdependence of corporations and private higher education.

6. America needs a dual system of education to meet the demands of a free society. Corporate interests suggest that higher education, like business, finds positive values in competition.

7. Unlike corporations of yesteryear, most modern corporations have realized the social obligations which accompany wealth. In fulfilling their duties as "corporate citizens," companies see the practical value of lending support to private higher education.

8. The advantages of favorable tax legislation has been an added incentive for corporations to give to charitable trusts. The contemporary tax structure has motivated corporations to support many eleemosynary institutions, including private colleges and universities.

1. Private colleges and universities are in desperate need of substantial economic assistance from external sources if they are to survive. In the past few years, there has been much said and written about the financial condition of private colleges and universities. Recent surveys confirm the fact that more than half of the private institutions are operating at a deficit. This deficit spending has continued

1 A recent study of this problem was conducted by the Council for Financial Aid to Education. See Council for Financial Aid to Education,
despite corporate gifts that amounted to $70,000,000 in 1953. The basic facts of these deficits are becoming common knowledge.

Primarily, the private institutions have felt the pressures of inflation. These pressures are manifold. The problem of these institutions is, of course, a part of the national economic dilemma of rising costs. Their operating costs have soared, while their endowment earnings have been shrinking. To increase income, these institutions have raised their average tuition fees more than 60 per cent in the past decade, and in most cases to a point where they exceed the ability to pay of many worthy prospective students. Most institutions are trying every means and device to secure fresh revenue and new capital. Efforts to accelerate alumni giving have met with some success, although the days of substantial individual philanthropy have long since passed.

In a recent editorial, the current economic status of these institutions was described in this manner:

By this time, almost everybody is aware that the independent privately endowed liberal-arts college is in a bad way for money. The value of its endowments has shrunk through inflation, its costs have risen sharply, and the number of students desiring college educations has multiplied over the past few years. In the meantime, most colleges have run out


of rich alumni, whose contributions in the past have been relied on to build up educational endowment funds. Unless some means is found to meet the emergency, the trend towards state-supported-and-subsidized education will move at an accelerated pace. 5

Private education has made internal economies in efforts to reduce its total annual deficit which is now somewhere between $30,000,000 and $40,000,000. 6 In some cases, many of these economies have been forced and unwanted in the form of neglect of capital plant and of faculty salaries. Most private institutions have been unable to make any appreciable capital improvements since before World War II.

Even more important is the critical state of faculty salaries. The following account of the status of faculty salaries during the decade, 1940-1950, markedly demonstrates the immediate action that private education must take to rectify an appalling condition:

The evidence shows that during the years 1940-1950 academic salaries rose an estimated 55 percent against a rise in the cost of living of 73 percent. During the same period, increases for physicians approximated 150 percent, for dentists 100 percent, and for lawyers nearly 100 percent. The result has been that many colleges and universities, where the salaries are perforce extremely low, have suffered a gradual deterioration of educational standards. The best teachers simply will not remain without adequate compensation. They either drift to the larger private schools, the tax supported schools, or leave teaching all together to enter private industry or Government service. And it should be needless to point out that a college is no better than the quality of its teachers. The college may save its

5 "Our Corporations Become Patrons of the Liberal Arts," The Saturday Evening Post, CCXXVII (March 5, 1955), 10.

6 Wilson M. Compton, Your Future in Financing Higher Education, an address to the American City Bureau, Chicago, Illinois, July 29, 1964, reprinted by the American City Bureau.
physical existence by cutting salaries, but it may lose all
that makes its existence worthwhile to the nation—its abil-
ity to teach well.7

The economic background of the drift away from teaching has led
the Council for Financial Aid to Education to make this observation:

Few if any people are attracted to college teaching by the
prospect of financial rewards. But many are leaving the pro-
fession because of financial stringency. Worse still, it has
become increasingly difficult in the last 15 years to attract
able young people into graduate study and then into the ranks
of college teachers, which need to be greatly expanded in
order to take care of the surge of enrollment which is ex-
pected to sweep over the nation's colleges and universities
in the next 15 years.8

Jacques Barzun adeptly summarizes the economics of the problem
in these words:

Without money, intellect is crippled, art starves, and
science stagnates. If the Field Marshal is not ashamed to
admit that money is the sinews of war, the teacher should
feel no qualms in proclaiming that 'alma mater' means first
of all the nourishing mother.9

The critical economic plight of private education has not been
limited to the smallest and poorest institutions; even some of the
largest and wealthiest institutions have felt the pressures of infla-
tion. Harvard is a prime example.

In his annual report of 1961, President Conant estimated that
the inflation which followed World War II had canceled out almost half

7 "The Corporation's Stake in Independent Education," The Corpor-
ate Director, III (November, 1953), 2.
8 Council for Financial Aid to Education, College Faculty Salaries,
Leaflet No. 4 (New York: Council for Financial Aid to Education, 1964),
pp. 5-6.
9 Jacques Barzun, Teacher in America (Boston: Little, Brown and
of Harvard's endowment. Despite a "book value" of $204,000,000, twice its "book value" in 1930, about one-half of the dollar gain was lost in spiraling costs. Illustrating Harvard's financial woes, Pollard presents an interesting comparison:

Comparison of the years 1940 and 1951 from the annual reports of Harvard's Treasurers to the Board of Overseers offers additional stark evidence. In June 1940, the university's endowment was $138,701,335, while its total operating expenses for the fiscal year were $10,907,794; in June 1951, the endowment was $203,574,875, and the operating expenses for the fiscal year were $32,134,189. Its endowment showed an increase of 46%, while its operating expenses went up 195%. In a 12-year period, in other words, Harvard's operating expenses increased at the rate of four and a quarter times the rate of increase in the university's endowment.

Thus, there can be little doubt that private colleges and universities, large and small, are waging a stiff battle against deficit spending. Further internal economies cannot be exacted without endangering the educational fabric of these institutions. External assistance is needed. Corporations have volunteered to be one source of external assistance. To date, corporate aid has precipitated much optimism and enthusiasm, as private education fights for its life.

2. Corporate interests depend on private higher education as a source of supply for personnel. Although it will always be possible in a truly democratic society to achieve positions of leadership without extensive formal education, it is becoming increasingly evident that

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11 Ibid.
college-trained people, at an increased rate, are falling heir to positions of responsibility. Corporations are not exceptions to this tendency. Corporate management visualizes American educational institutions as the great channel from which most of its personnel comes. In observing the importance of educated employees to modern corporations, one industrialist remarks:

If business and industry could not draw upon a large reservoir of educated manpower, they would be handicapped in every phase of their operations. American Education does a job for business and industry. If our hope of advancing American economy involves reducing costs, increasing individual productivity, and devising better ways of doing things, we must consider that we have a major interest in helping American Education and educators in their work.\(^\text{12}\)

Just as industry looks to the total framework of education for the bulk of its employees, it also seeks its leadership from American colleges and universities. It can be pointed out with validity that some of the leaders of modern business possess little or no college or university training. Again, a democratic state can always make this possible; however, most of those individuals who would be cited grew up with the firm with which they are presently affiliated. It seems fair to say that the future will regard such developments as rarities. Ben Moreell has described the changing character of corporate leadership in these terms:

Thirty years ago American business was presided over in large part by men who did not have college training. Today

the situation has changed markedly; business managers who are not college trained are in the minority. And business depends upon higher education for its scientific and technical personnel even more than for those who are in the higher echelons of executive management.13

During the first fifty years of this century, corporate industries have proliferated to such a marked degree that a shortage of college-trained personnel, available for leadership in industry, has been created. This shortage has caused the appearance of competitive practices in subsidizing personnel. These practices are well illustrated by the systematic and thorough manner in which industry sends its "talent scouts" to college campuses each year to canvass the new graduates. The great need existent in corporations and industry for personnel with college backgrounds is described in the following excerpt. In part, it reads:

As every schoolboy knows, the important raw materials of industry are coal, oil and iron. But, as every businessman knows, the most important raw material, of all is the schoolboy who, as a trained college graduate, will run the U.S. industry of the future. Today, U.S. industry is faced with a tight shrinkage of such manpower; it needs not only more but better trained college graduates.14

As corporations continue their search for college personnel, private higher education aids immeasurably in that search. One source

13 Ben Moreell, The Purposes of the Conference As Seen by the Industrialist, an address to the Industry-College Conference, White Sulphur Springs, West Virginia, November 12, 1953, reprinted by the Kansas Foundation of Private Colleges and Universities.

cites the part played by private colleges and universities to be of considerable importance. It asserts:

Corporations are directly dependent on higher education to staff their growing, increasingly complex, and exacting operations. And the private liberal arts colleges, hardest hit financially, are playing a key part in supplying trained men and women for business.¹⁵

Some leaders in education and business have ventured to make more specific estimates of the role of private higher education in supplying personnel for corporations. For example, Everett N. Case, President of Colgate University, has stated that "nearly 80% of the top leaders of industry are graduates of liberal arts colleges."¹⁶ Robert E. Wilson, Chairman of the Board of the Standard Oil Company of Indiana, makes a similar observation. He states:

Any review of business management in this country shows that over the years it has become a profession. The person with little education may climb to the top; it will be a sad day for our democracy when it is not possible for him to do so. Yet we must recognize that such a person succeeds in spite of heavy handicaps. For the most part, the business leader of today is professionally trained. A recent study of 33,500 business executives shows that 88 per cent had college backgrounds, and, significantly, that 71 per cent of them came from independent, privately supported colleges and universities.¹⁷

¹⁶ "The Plight of U. S. Small Colleges," Pathfinder, LVIII (July 11, 1951), 44.
¹⁷ Robert E. Wilson, A Businessman Looks at Higher Education, an address to the Associated Colleges of Indiana, Indianapolis, Indiana, November 3, 1953, reprinted by the Associated Colleges of Indiana. The study to which Mr. Wilson refers is from an unpublished Staff Report of the Commission on Financing Higher Education. The commission study was based on a survey of data contained in Who's Who in Commerce and Industry. The above information was obtained through personnel correspondence of the author, a letter from Mr. Robert E. Wilson, June 15, 1955.
It is conceivable that the above percentages, quoted by President Case and Mr. Wilson, may not be absolutely accurate. This seems unimportant here. The important fact that is gained from a study of these percentages is that private higher education occupies a focal position as a source of personnel for corporations. As a result, corporations have come to recognize what a vital factor private colleges and universities are in their employment programs. This recognition has been an important motivating element in corporate aid to private institutions. It is one of the basic reasons why industrial management has seen fit to offer, in recent years, substantial material assistance to private higher education. This emerging reason, which is gaining momentum all the time, has led Mr. Abrams to make this summary observation. He writes:

The task of management is becoming increasingly complicated, requiring a wide diversity of talents and training. We must look more and more to institutions of higher learning for the men and women we need. Corporations pay the colleges and universities little or nothing for training the personnel which they now eagerly recruit each June. I am convinced that American business neither needs nor wants a free ride, least of all from our private educational institutions, which we know to be hard pressed financially. In my opinion, it is not good business to withhold from these institutions needed support.18

3. **Education helps create markets for corporations.** The relationship between education and an expanding economy, with its effect on earning power, buying power, and the development of new markets, is not

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the exclusive province of private higher education. All areas of education have influenced, and will continue to influence, the creation of new markets in the industrial world. Public and private, elementary, secondary, and higher education are all conditioning factors in shaping the nature of this economic pattern. All play significant roles in this process.

Although many writers have considered the reasons in corporate aid to education, they deal sparingly with education as a stimulant to new economic markets. Conversely, Frank W. Abrams has emphasized the importance of this motive.

There are those who would say that the manifestations of this particular reason could best be labeled as indirect benefits to corporations, but Abrams regards education as the primary force in the creation of new markets for industry. In one article he makes this unequivocal observation:

There is a definite correlation between education and the consumption of commodities. Statistics show that the more education our young people get, the greater will be their earning power. Education sharpens the desire of the individual for commodities such as books, newspapers, automobiles, radios, television sets, home freezers, better houses, a wider variety of processed foods, and countless other items; and thus it has done more to create markets than any other force in America. 19

Emphasizing the basic assumption of the above idea, Abrams writes:

Business and industry have been direct beneficiaries of American education in another way. It has given us pros-

perous and more valuable markets. The more effective our higher educational system and the larger number it can serve, the greater will be the nation's earning power and the greater the consumption of commodities. \(^{20}\)

Corporate opinion seeks to foster altruistic elements of education in a society. Most corporations are not solely interested in expanding markets for the sake of expansion. They fully realize that a healthy and progressive economy depends upon a high standard of living which is made possible largely by an enlightened and educated citizenry. These corporations have tempered their vested interests with a devoted concern for the context in which these interests operate. This evolving approach is suggested in the following quotation:

A high standard of living—essential to the existence of a free society and the enterprise system—cannot be obtained or restrained unless our educational system is processing its most important resource in an effective manner. \(^{21}\)

Corporate statesmen have long been sensitive to the role played by higher education in the creation of new markets for them. They have also comprehended the necessity of extending educational opportunity to all, not only for the promotion of good business but also for the advancement of an educated, productive, and tolerant society. To this end, corporations have supported public higher education through taxes and private higher education through corporate grants.

The prevailing philosophical position of corporations on this point


has been well stated by Abrams. He writes:

By the very nature of things, the corporation and perhaps particularly the larger corporation cannot afford a policy of shallow expediency, and must steer a straight course by the clear light of principle. While it is true that no business enterprise can long exist without earning its keep by a profit, it is also true that it cannot achieve maximum long-term usefulness, which is another way of saying long-term benefits for its owners, without statesmanship and without a policy of supporting the useful and constructive forces of its time. Education is one of these forces.22

4. Private colleges and universities provide research personnel, research findings, and research facilities for corporations. Grants to basic and applied research have always been favorite methods of corporate support to private higher education.23 Corporate reliance upon liberal arts colleges and private universities to engage in research has persisted to our own era. One chronicler relates that industrial interest in research performed by such institutions is vital and important to the development of products and processes.24 Commenting on industry's dependence upon the liberal arts and sciences in research activities, an observer writes:

From the liberal arts and sciences must come both the basic research upon which progress in applied science


depends and the patient study of human nature which will one
day make possible man's conquest of his own explosive be-
vavior.25

Further reliance by corporations upon private education to
negotiate research is revealed in the statistics and data from surveys
in which research in higher education was considered.

A 1949 survey by The New York Times showed that, during the
academic year 1949-50, industry planned to give to both tax-supported
and non-tax-supported institutions a total of $25,000,000 for research.
Thirty-five institutions were to have been the recipients of this
money. Pertinent to this study is the fact that more than half of the
thirty-five institutions scheduled to receive grants were private insti-
tutions.26

The Russell Sage Foundation survey, which reflected 1950 trends
in giving, indicated that the base figure for corporate philanthropy to
all institutions of higher education in 1950 was $300,000,000.27 It
was estimated that the smaller, independent colleges received
$50,000,000 of the above base figure. The colleges' share was distrib-
uted in this fashion: $8,000,000 for scholarships and fellowships;
$19,000,000 for research; and $25,000,000 for outright institutional
aid.28

25 "Industry Lends a Hand," Collier's, CXXXV (March 4, 1955), 94.
27 Reported in Frank E. Andrews, "Will Corporate Giving Solve Col-
lege Deficits," College and University Business, XIII (October, 1952), 17.
28 Ibid.
A recent three-day conference on "Corporate Contributions to Higher Education" held at Arden House, Harriman, New York, beginning March 31, 1955 brought together business leaders from fifty-six corporations. These representatives of a widely diversified group of corporations convened to exchange experiences and ideas regarding support of higher education. The summary report of the conference demonstrates that one of the objectives agreed upon for companies to make contributions to colleges and universities was that such contributions would be used, in part, to strengthen research facilities and activities.  

Relevant content of the three surveys cited above is adequate testimony that one of the major motivating factors in corporate support of private colleges and universities is the important part that these institutions play in carrying out research responsibilities.

5. Private colleges and universities are important factors in the maintenance of the free enterprise system. Corporations are coming to look upon private colleges and universities as bastions of the free enterprise system. They see a great parallel between economic free enterprise and educational free enterprise. They feel that free enterprise is so fundamental to the existence of business and education that both are dependent upon each other for their survival. The National

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Association of Manufacturers has interpreted this imperative relationship between industry and education in this manner:

Industry must look to Education to assure the economic and political literacy of the people which alone will preserve the American free-enterprise system and social order. Upon that 'way of life' both Industry and Education are grounded. Industry, as one member of the American social organism, is concerned that Education, an entirely separate member, continue its significant role in keeping the whole organism healthy and functioning forcefully. 30

On this same point, Irving S. Olds observes:

... that capitalism and free enterprise owe their survival in no small degree to the existence of our private, independent universities. Both are not only important to each other—they are dependent upon each other; and it seems to me that they have certain mutual responsibilities, and mutual ends. 31

President Griswold of Yale, in his annual report for 1950-51, makes reference to the private enterprise system and offers his interpretation of its relationship to Yale University. He writes:

I do not argue the case of private enterprise in Yale's interest, but in the national interest. If we believe that a society in which authority is diffused and individual enterprise flourishes is preferable to one that is centralized and regimented on the totalitarian pattern; if we believe that within the society of our choice there are certain dominions of the human soul and the human mind in which the state trespasses at everyone's, including its own, ultimate peril; if we believe these fundamental articles of American democracy, then I think the welfare of Yale as a private institution of

31 Irving S. Olds, Our Mutual Ends, an address at the Alumni Dinner celebrating the 250th Anniversary of Yale University, New Haven, Connecticut, October 19, 1951, reprinted by the United States Steel Corporation.
higher learning requires no special pleading; and I venture the opinion that our friends and colleagues in the public institutions are as solicitous of this welfare as our own alumni. That is why I put the question as I have: not how can we merely survive on private terms, but how can we continue as a private institution to render the service the nation deserves and expects of us.  

In discussing the interdependence of business and education with reference to the preservation of free enterprise, Robert R. Young presents a fervent plea for a closer association between these two societal elements. Young asserts:

No less paradoxical is it, in the face of our astounding productivity, that American Business itself trembles as never before for its very existence as private enterprise. The margin of safety now left us by the untaught professions has become so slim that no one can guarantee that the independence of either of us will survive another war or another depression, which some say are just around the corner.

We, Business and Education, joined, the greatest temporal power on earth, you threadbare, we neurotic, cringing in a mad World!

Is it not time for us to get together to see that the rewards and the decorations are more deservedly distributed?

As might be expected, the literature reveals extremes of opinion relative to the interdependence of private business and private higher education, and their combined interest in free enterprise. Neverthe-

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32 Quoted in Pollard, op. cit., p. 124. For a comparable statement, see Dwight D. Eisenhower, an address on the occasion of the dedication ceremonies of the Anthony Wayne Library of American Studies, Defiance College, Defiance, Ohio, October 15, 1953, reprinted by the Associated Colleges of Indiana.

33 Robert R. Young, Business and Education, the Greatest Temporal Power on Earth, an address to the Industry-College Conference, White Sulphur Springs, West Virginia, November 12, 1953, reprinted by the Kansas Foundation of Private Colleges and Universities.
less, the writer has found that the preponderance of opinion is moderate in character. Most writers seem to recognize the mutual interest of both education and industry in free enterprise, but they do not engage in emotional crusades for the formation of an eternal alliance. A middle ground is struck by most observers who have chosen to write about this subject. Mr. Abrams’ view is typical:

This fact is evidence to me that education today is looking to American business for help, and welcomes the growing recognition on the part of many enlightened business and industrial managements that an independent and progressive American educational system has been, and will continue to be, vital to American business and industry.34

The following statement by Mr. Olds might also be considered representative of the prevailing judgment held by a great proportion of industrialists:

I am hopeful that our private universities do and will continue to understand clearly that it is in their own interests to preserve those fundamental principles of freedom upon which Academic Freedom itself depends. They should know, as well as you and I, that to sacrifice these principles of individual liberty and opportunity, or to weaken them, must some day result in the collapse of the very system of Private Education that we seek to preserve. Now let me make one point ‘very clear.’ I am ‘not’ suggesting that we tailor our scholastic pattern to the self-serving specifications of any individual or any group, industrial or political. We might as well accept Government subsidy and control and be done with it. But I ‘am’ suggesting that Freedom of Education and Freedom of Enterprise are part and parcel of the same thing—that they are inseparable—and that neither can survive without the other.35


35 Olds, loc. cit. For related discussions, see Wilson Compton, The Liberal Arts College and the Promise of American Life, an address to the Association of American Colleges, January 14, 1954, reprinted by the Council for Financial Aid to Education, Inc.; Henry T. Heald, The
Although it is difficult and hazardous to select statements and testimony which could be considered representative of the predominant point of view, it is obvious that the associated relationship of business and education to private enterprise is one of the primary reasons for industry's willingness to support private higher education. There are few indications that support offered for such reasons is considered charity by corporations. To the contrary, such contributions seem to be classed as sound business investments. From the vantage point of the corporations, this kinship with free enterprise must be regarded as one of the strongest bonds between corporate interests and private education. It should continue to be a vital stimulus to future corporate giving.

6. Private higher education is essential to that dual system of education needed to meet the demands of a free society. This reason is closely related to the reason just discussed. The literature shows that discussions of the preservation of the free enterprise system and the maintenance of a dual system of higher education are strongly related, although writers tend to emphasize each point separately. The writer, therefore, has chosen to deal with them individually.

Corporate interest in maintaining a dual system of higher education goes beyond immediate, selfish considerations. This interest

foresees the disappearance of not only economic freedom, but also of political and educational freedom, if state and federal control permeates societal relationships to such an extent that a centralized authority becomes the dominant force. Corporate philosophy is predicated on the premise that there is unity in diversity in most phases of human endeavor, including higher education. This philosophy advocates that competition in politics, business, education, and the like has helped to make the American democracy what it is. Lack of competition would bring stagnation and impotence to these vital arteries of American life. With specific concern for higher education, representatives of corporations have expressed the opinion that the diverse character of our free society demands a dual system of higher education. Their view is that private higher education must be preserved, if the unique progress that American higher education has demonstrated is to be continued. Howard W. Files, Vice-President of Pillsbury Mills, Inc., has addressed himself to this point. He states:

Our American society depends upon this dual system of higher education to meet the needs of our free society. Higher education that becomes entangled in the tyranny of political propaganda and control will lose its power to exercise freedom of thought and action.36

Like so many of his fellow industrialists, Files not only recognizes the importance of maintaining a dual system of higher education,

36Howard W. Files, Industry's Stake in Education, an address to the Commission on Colleges and Industry Workshop of the Association of American Colleges, Indianapolis, Indiana, April 12-15, 1953, reprinted by the National Association of Manufacturers.
he also urges that it becomes incumbent on corporations to assist in the preservation of this dual system by saving private colleges and universities through material support. In urging corporations to do their part in saving private institutions, Files states further:

The deep, pure, cold water springs of economic and political freedom are located in our centers of higher learning. Water flowing from these springs nourishes the growth of freedom everywhere. It is important, therefore, that we find some way to meet this responsibility because in doing so we save ourselves as well as our society.  

Another industrialist, Simon D. Den Uyl, President of the Bohn Aluminum and Brass Corporation, has also pleaded the necessity of the preservation of a dual system of higher education. In this connection, he observes:

What could be more important to the future of my company, your company and to our country than for us to work to see that the most valuable product we have--trained and free young minds--continue to come to us ready to work for the company and for the American way of life. Such youngsters will continue to come to us only if we preserve the basic soundness of our dual system of public and private higher education.

In addition to statements by industrialists concerning the possibility of government intervention, the literature reveals some penetrating observations by educators. Lee A. Du Bridge, President

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38 Simon D. Den Uyl, an address to the Association of Non-Tax-Supported Colleges and Universities in Washington, Inc., November 16 and 17, 1954, reprinted by the Association of Non-Tax-Supported Colleges and Universities in Washington.
of the California Institute of Technology, has written a general
description of current higher education. In part, this description
reads:

One of the great things about American higher education
is its diversity. Every individual institution is in a
sense its own boss, formulating its own policies, aiming
at its own goals. Some institutions are superb, others
are mediocre. But there is no central all-wise authority
who can tell them all what to do. The day that happens will
be the day that brilliance, sparkle, and new ideas vanish
from our colleges and universities.  39

Henry M. Wriston, former President of Brown University, is even more
pointed in his appraisal of the contemporary situation, as it relates to
government intervention in private higher education.

In America, there is only one way to keep the government
from taking over the independent universities and colleges
and that is to keep them vigorous, competitive and solvent.
If private capital has only the 'wish' to keep government
out and not the 'will' to keep it out, the financial status
of institutions will deteriorate to such a point that money
must be accepted from any source available to meet commit­
ments to their faculties, the expectation of the young, and
the demands of society. . . If philanthropy withers, govern­
ment will step in.  40

Although a modicum of references has been cited illustrating the
motivation behind the corporate desire to maintain a dual system of
higher education, the whole corpus of literature manifests overwhelming
evidence that corporations and private higher education are in agree­
ment on this point. Neither wants government intervention; however,

39 Lee A. Du Bridge, "Colleges and Corporation," Chemical and
Engineering News, XXX (August 18, 1952), 3391.
40 Quoted in "Our Colleges and Universities and Their Financial
Support," National Association of Manufacturers News (October 13, 1954),
12.
private educators have warned that they will be forced to accept government support if private support fails. Both corporate directors and private educators realize that private higher education is too essential a national asset to permit deterioration by default. Yet if private colleges and universities are not thus supported, it is likely that the government will be asked to obtain the money through taxes. It should be said, however, that government, as would be expected in a culture that is open and free, has shown no tendency to take over private higher education.

7. Corporations fulfill a portion of their obligations as "corporate citizens" in supporting private higher education. In a previous chapter, we have noted that, in the twentieth century, corporations displaced individuals as the great possessors of wealth in the United States. Assuming this mantle was no easy task for corporations, it led to an infamous and checkered career in which distrust and suspicion became synonymous with corporate activity. Even with the help of time, it has been difficult for corporations to remove the blemishes of a bygone career. The "muckrakers" did a necessary and effective job in exposing the malpractices of businessmen and corporations.

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41 See Chap. III.
Some residual distrust and suspicion has persisted to this day. However, corporations and business have altered their practices considerably since the heydays of Upton Sinclair, Charles Edward Russell, Thomas Lawson, Ida M. Tarbell, and others. "Business today is more humane and fully attuned to social needs than it was twenty-five or fifty years ago." Lewis Brown, Chairman of the Board of the Johns-Manville Corporation, has succinctly traced the emergence of "corporate citizenship" within the structure of American society. Brown observes:

In the evolution of a complex industrial society the social responsibility of management has broadened correspondingly. Management no longer represents as it once did, merely the 'single interest' of ownership; increasingly it functions on the basis of a 'trusteeship' which endeavors to maintain, between four basic interlocking groups, a proper balance of equity. Today the executive head of every business is accountable not only to his stockholders, but to the members of his working organization, to his customers, and to the public.

This concept of "corporate citizenship" has not evolved solely from contemporary events. "The changed outlook does not represent a sudden, and therefore temporary, conversion to a new faith, but is the product of hard experience over a long period of years." The business-


Quoted in ibid., p. 49.

Ibid., p. 71.
man and his corporation are becoming more and more aware of the strategic role they play in American life. The modern industrialist has acquired a social consciousness that was absent in the businessman of another era. Businessmen seem to be fulfilling their obligations to society in positive and constructive ways. Concerning the contemporary attitude of businessmen, Bowen writes:

There is no doubt of an increasing awareness on the part of businessmen that they have an important obligation to society. The concept of 'stewardship' is, of course, an old one, and many business men have been thinking in this direction. Only within the past few years, however, have large numbers of business leaders publicly acknowledged and actively preached the doctrine that they are servants of society and that management merely in the interests (narrowly defined) of stockholders is not the sole end of their duties. 46

As a spokesman for corporate management, Abrams has presented the feelings of the industrialist on "corporate citizenship." He states:

The public today expects corporations to be good and constructive citizens. The people who own and manage corporations wish to meet and fulfill this public expectation which includes support of worthy and needed educational activities. Increasing numbers of business managers, I believe, feel that corporations should not take substantial benefits from their membership in the economic community while avoiding the normally accepted obligations of citizenship in the social community. 47

As part of this enlightened role as "corporate citizens," corporations "are giving enthusiastic acceptance to the notion that a

46 Ibid., p. 44.
company is neglecting the obligations of 'corporate citizenship' if it fails to invest part of its profits in aid to higher education. Industrialists have recognized that an increase in community-mindedness is a necessary consequence of the enormous growth in size and power of corporations. Corporate leadership is advocating that industry must assist in the solution of the common problems of higher education, if it is sincere in executing its social responsibilities. In urging corporate concern for the private colleges, Alfred P. Sloan, Jr. writes:

Our corporations spend many millions to provide medical and welfare benefits for their employees. They have just as much responsibility, I believe, to contribute to the common cause of higher education. In the long view, these donations would contribute to the advance of our living standards, and to the strengthening of our national security, and that affects the lives of all Americans.

Arthur V. Wilker, who was for many years President of the National Carbon Company and Vice President of the Union Carbide and Carbon Corporation, has long encouraged corporations to recognize their responsibilities as citizens. Wilker has particularly discerned the social obligations of corporations in their support of private higher education. He writes:

Another cogent reason for industrial and business support of independent higher education is the social obligation that goes with wealth. In my opinion this obligation should be recognized as one inherent in the control of wealth and

49 Alfred P. Sloan, Jr., "Big Business Must Help Our Colleges," *Collier's*, CXXVII (June 2, 1951), 67.
not only should include giving to community projects and to others previously mentioned, but should go much further and include particularly the field of higher education. 50

Although "corporate citizenship" is not one of the more evident motivating factors in corporate giving, nevertheless, it is receiving more than passing attention by those who formulate the philanthropic policies of corporations. Certainly, this changed outlook toward educational and community problems is one of the most gratifying developments in the attitudes of corporate management. It is understandable that self-interest is of prime importance in business decisions within a competitive economy; however, corporations are tempering self-interest with a broadening sense of social consciousness. The willingness of corporations to enlarge their social vision betokens continued corporate support to the many agencies of society, including private higher education.

8. The current favorable tax structure has been an incentive for corporations to assist private colleges and universities. The favorable tax legislation enacted on behalf of corporations has been discussed at some length in Chapter III. It is not the purpose of this section to extend this discussion but merely to point out that exercise of the 5 per cent privilege constitutes a primary reason for corporate giving to private education.

Enlightened corporate management observes that use of the tax advantage is sound business procedure. Business has enjoyed good public relations in recent years. Corporations know that an inexpensive method of maintaining these good relations is through the tax privilege. Ruml and Geiger have described how corporations gain maximum benefits from contributions motivated in terms of public relations and predicated on the advantages of the 5 per cent privilege.

They write:

They contributions create a highly favorable atmosphere for the corporation within which its other business activities—for example, its sales promotion work and its labor relations—have a much better chance of being successful. Consumers, employees, suppliers, the public generally, are predisposed to look with friendly eyes on its activities, to be receptive to its products and services, to respond to its merchandising efforts because, by carrying out a constructive and dramatic five percent program, it has successfully met one of the public's main tests of its social usefulness and good citizenship.  

Ruml and Geiger make this additional observation:

A dollar wisely and soundly invested in worthwhile educational, scientific and welfare activities comes back many-fold over the longer term. Expenditures which contribute to these ends are neither an unnecessary burden nor a tiresome obligation. Like investment in new plant and equipment, they more than repay their cost in the future and can be among the most productive and remunerative forms of business expenditure.  

Corporations comprehend fully that they are buying valuable good will at a very low price. In making contributions, under the 5 per cent advantage.

52 Ibid., p. 15.
privilege, corporations pay a modest amount and, in essence, the government pays the rest. The money which goes into such contributions comes from sources which would ordinarily be absorbed through taxes anyway. John D. Millett writes that "with corporation income tax rates at 52, 70 and 82 percent of profits, there is an added inducement to large-scale giving when so small a part of the gift at the higher rates is a net cost to the corporation itself." Consequently, the sacrifice by the corporations is not as great as it might seem, and the interests of the community, generally, and private higher education, specifically, appear to be served by the existence of the 5 per cent provision and by its effective use.

It must be recognized that this tax inducement undergirds the six other reasons described above. Material assistance, emanating from these reasons, has a relevant dependence on the perpetuation of a liberal tax structure where corporations are concerned. If the future should bring unfavorable alterations in corporate tax provisions, and if it becomes economically unsound for corporations to contribute to charitable institutions, all the sincere motives and generous attitudes.

53 In 1951, it was estimated that a corporation, which had to pay the corporate taxes plus an excess profits tax, could make contributions for a cost to itself of twenty-three cents on the dollar. See "Another Way to Save on Taxes," United States News and World Report, XXXI (August 24, 1951), 54.

of corporations will be of little consequence. The motivation supplied by the beneficial tax pattern to corporations is a sine qua non for the continued growth of corporate giving to private higher education.

**Reasons why corporations do not support private higher education.**

The writer attempted to find reported reasons in the literature why corporations do not support private higher education. In this connection, the literature is lacking. Most of the statements which the writer was able to find were vague and of doubtful value to this study.

In an effort to obtain the desired information, an independent inquiry was conducted by the writer as a supplemental investigation. As part of this inquiry, the writer contacted, by letter or through interview, the presidents of the member colleges of the Ohio Foundation of Independent Colleges; the presidents of the private colleges and universities which are not members of the Ohio Foundation of Independent Colleges; and thirty-five leading businessmen located in various parts of the state. A list of questions was submitted to these individuals which attempted to elicit attitudes relative to corporate giving and to various aspects of the history and program of the Ohio Foundation of Independent Colleges. Among the questions submitted was the following: "What would be the reasons offered by industrialists and businessmen for not giving to the Ohio Foundation?"

Excerpts from the responses to the above questions indicate some of the reasons why corporations do not support private higher education. The allusions which follow herein are representative of the prevailing
opinion expressed in these responses. Because many of the persons submit­
mitting opinions requested that their remarks remain unidentified, no attempt to annotate these sample opinions is made.

In evidence of reasons why corporations do not support private higher education, a university president observed:

The demands for donations of every kind are increasing in such numbers that industry must select the particular ones that they are most interested in and subscribe to those. Physically and financially, it is impossible to support all of the tax-exempt requests for assistance.

A businessman made this observation:

There are probably two major obstacles to corporate support of higher education. First, legal difficulties, and second, the problem of how to provide financial support for some institutions without incurring responsibilities to many others.

A university official added this statement:

I cannot see that corporations of this area are going to respond year in and year out to an emergency appeal. They may properly feel that the institutions should solve their problems within a reasonable period of time and not be dependent upon annual emergency giving. Particularly obvious is the fact that corporate giving is dependent upon corporate profits, so that in years of no profit, there will be no contributions.

The president of one of Ohio's largest companies offered these two reasons for the absence of support to private higher education by some corporations:

(a) A basic determination on the part of some individuals not to give money, which they have earned, to any organization, in substantial quantities.

(b) Perhaps the belief that each young man should work and pay for his own education. This, of course, is more difficult since costs have gone up.
An officer of a national insurance company, which has branch offices in Ohio, stated:

Some business leaders might feel that the tax-supported institutions are supplying enough top men for industry and that there would be no need to help the smaller and privately endowed institutions. They might even feel that their contribution should be made to research projects on a more advanced level from which they might see more immediate benefits.

The president of an industrial firm offered this reason for the failure of some corporations to give to private higher education. He wrote:

Some people feel that all education should be state-supported and their contribution should be through the tax method. There are still some who feel that the technical education is the most important and for this reason are not active in the support of the liberal arts type of institution. Another reason is the same one which keeps individuals from giving of their means to worthwhile causes.

Finally, a corporate official, who is active in the work of the Ohio Foundation of Independent Colleges, made this observation:

Early in the history of the foundation there was considerable doubt about the legality of giving to the foundation. I suspect this was an excuse rather than a reason. In any event this legality has been substantially cleared up by court decisions and amendments to the corporate law. The most prevalent reason for refusal is poor profit levels by the company or prior commitment for the full charitable gift budget for the year.

An analysis of the above statements, and of other statements received but not quoted, shows that there are five major reasons why some corporations have not aided private higher education. These reasons may be summarized as follows:

1. There is a basic determination by some individuals and corporations not to spend the earnings of cor-
CHAPTER VIII
CONCLUSION

The method of a study significantly determines the nature of the conclusions which can be drawn from it. The employment of the historical approach lends itself, partially, to the emergence of conclusions which involve observation and appraisal. Ordinarily, conclusions derived from a study which has been historically oriented evolve an overview of the historical period and events studied. Such an overview seeks to place the history recounted in its proper perspective by observing the pivotal elements of that history and by presenting these elements in their appropriate magnitude. Such an overview also seeks to evaluate facets of historical content and attempts such minimal prediction as permitted by the limitations and proprieties of the historical method.

It must be recognized that conclusions formulated on the events of history extend beyond the factual basis provided by these events and inevitably involve personal influences and assumptions. The rerum natura in historical interpretation admits to this tendency. Hence, subsequent conclusions and observations must be regarded as exploratory rather than final.

The conclusions presented herein are positive, negative, and suggestive. These conclusions emphasize those factors which have made corporate giving and the foundation movement contending forces in
private institutions continue to operate at a deficit, corporate giving has done much to fill the monetary void. The emergency has been relieved considerably by the willingness of corporations to respond to pleas for aid. In this connection, corporations have responded to this emergency in the true spirit of an enlightened citizenry. This response should be recognized as one of the major contributions made to private higher education in the contemporary era.

It is readily observable, however, that the philosophy in which corporate giving is grounded has evolved from expediency. Expedient measures had to be exacted or possible dissolution of some organs of private education would have resulted. In pursuing assistance from corporate directors, private higher education cast its lot with just one segment of the corporate community.

The writer feels that the philosophical base of corporate assistance must be broadened to include the whole corporate community. Since organized labor is a vital part of that community, private higher education should proceed to solicit labor unions with the same vigor as it solicits management. To date, organized labor has received only token solicitation.

It is undoubtedly true that labor union funds do not offer as fertile fields for economic cultivation as the profits of comprehensive industry, but the resources of labor have correspondingly multiplied with the extensive growth of corporations. These resources can—

1 See Chap. VII, p. 156.
not be dismissed as inconsequential. It has been reported that "labor unions have more than 16 million members and annually collect some 500 million dollars in dues to be used for union welfare and other purposes."\(^2\) In addition, private higher education cannot lean so heavily upon corporate management that the dividing line between them will tend to disappear. Nor should the fortunes of private colleges and universities be so inextricably joined to corporations that these fortunes rise and fall with the fluctuations of the stock market.

This plea to broaden the philosophical base of corporate giving does not argue for the curtailment of solicitation of private management; to the contrary, it advocates even more active and concentrated solicitation of this source. But this plea is based on the premise that labor has as much self-interest in private higher education as private management. Private education, management, and labor all must come to recognize this fact. Unless unions are cultivated and asked to support non-tax-supported education, private institutions might well be accused of favoring only the management side of American business and industry. It seems reasonable that, in due course, the processes of democracy will rectify this condition.

Some observers have argued in the past that the increasing importance of corporate gifts will have a restricting effect on the independence of action by private college presidents and faculties.

although corporate interests have fostered no moves to dominate or influence private higher education. It is opined that a dual participation by management and labor in the support of independent colleges and universities would aid in the elimination of fears of dominance and would precipitate greater balance in the philosophical orientation of corporate giving. Finally, such dual participation would result in increased revenue for private institutions which is the fundamental reason why these institutions make overtures to potential sources of support.

The nature of the appeal for corporate support. Following World War II, the influx of veterans permitted most private institutions a period of economic solvency; however, when the veteran population diminished, economic insolvency became more prevalent among these institutions. It was at this period of a growing financial insolvency that private education began presenting its case more actively to American business. With the aid of men such as Frank W. Abrams, Irving S. Olds, Alfred P. Sloan, Jr., and others, private education was able to state its case forcefully and with conviction.

Between 1948 and 1950, the trend toward deficit spending became so widespread among private institutions that the tenor of the statement to American business had to articulate the emergency aspects of the situation, with particular emphasis on the necessity of funds for current operating expenses. There was no other choice. In short, funds had to be forthcoming immediately to meet the daily costs of operation; otherwise, operation of some of the institutions
In deliberating the future pattern of corporate giving in private higher education, it seems necessary, first, to establish that the role of corporations will be vital. There is no reason to believe that the reasons for corporate giving, cited in Chapter V, will cease to stimulate corporate support. The favorable 5 per cent privilege and permissive statutes, with respect to directorship prerogatives, have immeasurably brightened the prospect of continued support. There are no indications that the contemporary environment, which has been so favorable to the rapid growth of corporate giving, is about to disintegrate. Most competent observers predict an unparalleled growth for corporate philanthropy within the next twenty years. For example, the Commission on the Financing of Higher Education has predicted that corporations will occupy focal positions in the future support of higher education. More directly, Wilson Compton, President of the Council for Financial Aid to Education, has stated that by 1970 corporate gifts to colleges and universities will have risen to $500,000,000. Thus, most current evidence points to a continued and accelerated growth for corporate giving, barring a catastrophic tragedy to the national economy.

Since it is considered that corporate giving will be a primary factor in the future economic structure of private institutions, the

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writer advocates that private education take measures to clear the atmosphere of the impression that corporate giving is only a temporary or an emergency measure. The current climate of opinion which, for the most part, interprets corporate giving as a temporary means of alleviating financial problems must be rectified so that a permanent outline of corporate philanthropy will receive increased attention.

Exemplary moves in attempting to establish corporate giving as a permanent element in the support of private institutions have been made by the National Fund for Medical Education, the United Negro College Fund, and the Council for Financial Aid to Education. The method of solicitation of the National Fund for Medical Education demonstrates that this organization regards its annual appeal for $10,000,000 as a permanent activity and not as a temporary or stop-gap measure. The United Negro College Fund has so geared its requests to corporations and foundations for more permanent subscriptions that participating colleges and universities have come to expect that 10 per cent of their annual budgets emanate from this source. Since its inception, the Council for Financial Aid to Education has envisioned corporate giving as a long-range and permanent part of the financial support to education. An excerpt from one of the Council's documents is indicative. In part, it reads: "The trend is clear. A good start has been made--

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6 For a discussion of the National Fund for Medical Education and the United Negro College Fund, see Chap. VI.

but only a start. Higher Education is 'big business.' Financial aid to higher education is also big business; and over the next many years it will become much bigger business."\(^8\)

To obtain this permanent corporate support, it is obvious that private institutions must continue to justify their effectiveness. Private education must avoid the lethargic condition wherein successful corporate cultivation acts as an anesthetic on the management of colleges and universities, resulting in no definite plans to reduce or eliminate deficits. Constant plans for the reduction and elimination of deficits must be forthcoming. To this end, it is suggested that there be better channels of communication between corporations and private education on the economic status of institutions. Such action would tend to create greater rapport in this cooperative venture.

But, before corporate giving launches into another era, it is necessary that the residual characteristics of an appeal based on an emergency program be replaced by a forward-looking philosophy generated by the prospect of permanence.

**Cooperative fund-raising as a factor in corporate giving.** The composite nature of American private higher education is characterized by its diversity. Some private institutions are large, others are small; some are old, others are new; some are church-related, others

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are independent; and some are wealthy, others are poverty-stricken. Despite their diverse characters, all private institutions annually face the like task of soliciting support for their respective programs. This task has been becoming increasingly more difficult in recent years. Spiraling costs and inadequate income from endowment and from student tuitions and fees have been widening the gap between income and expense. Extensive efforts have been made to narrow this gap. One of the devices used by these institutions to bring a more equitable balance between income and expense has been the employment of cooperative fund-raising. These cooperative ventures have directed their appeals mainly to the resources of the nation's corporations.

As noted in Chapter VI, cooperative fund-raising had its origin with the Colonial colleges and has continued to make its presence known through succeeding centuries down to the present day. Although cooperative fund-raising dates from the earliest years in American educational history, its greatest accentuation has come within the last twenty years. To the extent that its most marked development and refinement have taken place during recent years, cooperative fund-raising is a phenomenon of modern times.

As private institutions unite to solicit corporate assistance, the advantages of cooperative fund-raising become obvious. Donors who wish to make institutional grants without coping with the problems of selection often give through a united approach. In responding to a federated appeal, donors are relieved of the problem of being constantly
black" rather than "in the red."

Nevertheless, the great disparity within the movement, with respect to the mechanics of accomplishing cooperative fund-raising, is indicative that the membership of some foundations attach greater importance to the activities of their foundations than is the case with the membership of other foundations. For example, it is difficult to believe that a four- or six-day annual commitment by solicitors will extend the growth of any foundation to any marked degree. In this connection, it is pertinent to note that those foundations which have exacted greater time commitments to solicitation have also realized greater monetary gains. The continued success of the foundation movement, as a factor in corporate giving, depends partially upon a change of attitude by those who have regarded their efforts in foundation activities as a "side-line" to their usual promotional activities. The above attitude is rarely expressed but is sensed constantly, as one observes the operations of some foundations. Unless increased activity is forthcoming on the part of some relatively inert individuals and groups, organs of the foundation movement could experience extensive stagnation.

The writer would not argue that the number of days committed by solicitors necessarily results in increased contributions, although

\[\text{Cf. Commission on Colleges and Industry, Report of State and Regional Associations, 1948-1954 (Indianapolis: Commission on Colleges and Industry, 1955); Associated Colleges of Indiana, Methods of Solicitation as Reported by Executives or Presidents of State Associations or Foundations (Indianapolis: Associated Colleges of Indiana, 1954).}\]
such an argument might have some validity. But he advocates that a pattern which foundations might employ with some success involved the assignment of monetary quotas to solicitors as measures of fulfilling their soliciting obligations. The Community Chest has employed the quota method with success. Operating under such a plan, the number of days committed, or the number of corporations contacted, would not be conditioning factors in fulfilling obligations of solicitation. Obtaining the assigned monetary quota would complete the annual tasks of solicitors.

The fundamental reason for the advocacy of the quota technique has its origin in the geographical problems facing solicitors. Geographical nearness of institutions to corporations is a dominant factor in attracting corporate support. It is a fact that priority is given by corporations to neighboring colleges and universities. The remoteness of many small, independent, liberal arts colleges from industrial centers has placed them at a disadvantage in attracting corporate support. Most of the institutional members of the foundation movement find themselves laboring under the above disadvantage, since these institutions are located, largely, in the small cities or towns. Hence, there also results a geographic isolation between corporations and foundations.

Thus, since soliciting personnel of most foundations are not generally located in the industrial centers from whence corporate sup-

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port springs, it is conceivable that much valuable soliciting time is lost in getting to sources of solicitation. In some instances, consumed travelling time might be recorded as soliciting time. This point is not made to question the veracity or integrity of institutional solicitors, but is stated merely to illustrate the disadvantage of the present system which does not seem adapted to the conditions in which it operates. With the institution of the quota method, the minutiae connected with the fulfillment of a stipulated number of soliciting days, or the necessity of interviewing a required number of corporate directors, would be eliminated.

Further advantages of the quota method would permit colleges and universities to know, in advance, the approximate sum to expect from the foundation campaigns during a given year. Also, this method could act as a motivating factor in stimulating more vigorous solicitation.

The quota method is advocated with the full knowledge that it has its disadvantages. In applying the quota system to the soliciting programs of foundations, there is certain to be debate over some of its procedures. For example, the assignment of the corporations to be contacted may well become a matter of debate. In this connection, it is natural that the corporations which have demonstrated the greatest potential for giving would be sought after by all solicitors. Likewise, there might be debate concerning the allocation of quotas. Some solicitors might feel that the amounts assigned to them were in excess of the economic potential of the designated contacts. Also, the charge of preferential treatment might find expression with the
application of the quota method to foundation solicitation.

The writer readily admits that the quota method is not ideal in every way, but he feels that the positive factors of this method would far outnumber the negative factors, if it were applied to the soliciting programs of foundations.

A positive current development within the foundation movement has been the effort at national coordination and cooperation. The foundation movement, geared at both the state and national level, represents a primary step toward increasing the potential of corporate support. Closely related to this has been the pioneering move toward solicitation of national corporations. Thus far, only superficial efforts have been made toward cultivating the interest of those corporations whose fields of business are identified on a national or international basis, rather than on a state or local basis. Although it will be necessary for such corporations to develop formulas for contributing, there is little doubt that these untapped sources represent valuable arteries of future support.

In addition to a consideration of the broad, general problems, foundations have also given much attention to the details which are basic to effective operation. Efforts have been made to improve the techniques of solicitation. Considerable attention has also been devoted to extending and intensifying public relations programs. The procedures for distributing contributions have been given careful scrutiny.

Relative to the methods of distributing donations by foundations,
The challenge of the future. The challenge of the future, as it relates to corporate giving to private higher education, must be met both by the nation's corporations and by private higher education. This challenge is the concern and responsibility of both interests.

It is suggested that this challenge possesses five obligations:

1. To engage in constant examination of the status quo in corporate giving to private higher education in order to effect the greatest possible benefit both for interested parties and for the common good.

2. To attempt to remove those obstacles which prevent the creation of a progressive and forward-looking program in corporate giving.

3. To encourage a program of increased giving to private higher education by corporations.

4. To endeavor to produce a climate which will be conducive to future corporate giving.

5. To justify their continued existence and their requests for corporate support, private institutions must foster patterns of education which promote educational freedom and social freedom.

1. To engage in constant examination of the status quo in corporate giving to private higher education in order to effect the greatest possible benefit both for interested parties and for the common good. As the status quo in corporate giving is contemplated, the limitations of the contemporary program are brought into sharp focus. The scope of the current program suggests that both private education and corporations must scrutinize present developments and appraise their adequacy. One question looms above all others when the writer examines the status quo in corporate giving: Is all private
and universities may include both older institutions and newly established institutions, since most accrediting agencies require that new institutions endure a period of probation before being fully accredited.

Educational institutions become unaccredited for various reasons. One of the most frequent contributing factors for lack of accreditation among contemporary private colleges and universities is an economic one. Money is not the antidote to all the problems of these institutions but increased quantities of same would solve a multitude of problems and would make accreditation possible for many of these struggling institutions. If the history of private higher education in America reveals anything positively, it reveals that, since the days of the nine Colonial colleges, most private institutions have experienced periods of economic insolvency. Today, some institutions, which at times in their histories were at the point of economic collapse, are vital parts of the great American higher educational system which we know and cherish.

To date, some corporations and some factions within private higher education have chosen to exclude the unaccredited institutions from reaping the benefits of corporate support. Accreditation by a regional agency has become almost a *sine qua non* for admission to federations which specialize in cultivating corporate support. Is it not conceivable that increased amounts of corporate aid might bring the necessary accreditation to those institutions which are not currently receiving corporate aid because they lack accreditation? If the lack of accreditation by some private colleges and universities has its
basis in economic shortcomings, is it not possible that a trend could
develop in which corporations would be aiding almost solely the "have"
colleges as opposed to the "have not" colleges? More directly, what
should be the bases for corporate aid to private higher education?
Should accreditation be that element which conditions whether institu-
tions receive corporate support? Or should other factors, such as
economic need, be the prime determinants for corporate aid? The reso-
lution of the above questions constitutes an important phase of any
examination of the status quo in corporate giving.

Finally, both private higher education and the nation's corpora-
tions must face the prospect of possible expansion of the scope of cor-
porate giving. If corporations are sincere in fulfilling their obliga-
tions as "corporate citizens," it seems reasonable for them to expect
that private secondary and elementary institutions will engage in
increased efforts to cultivate corporate support for their programs.
There are traces of such efforts operating currently. To date, corporate
giving has been the almost exclusive province of private higher educa-
tion. Whether corporations respond to these anticipated pleas from
secondary and elementary elements in private education is a problem for
the future.

As corporate giving to private higher education makes its imprint
on the twentieth century, it cannot afford to let passivity and inertia
set in. The status quo in such giving must be constantly examined in
order to remain a pivotal factor in the support of private higher
education.
2. To attempt to remove those obstacles which prevent the creation of a progressive and forward-looking program in corporate giving. Corporate giving to private higher education has been confronted with obstacles since its inception. Many of these obstacles have been overcome. Currently, corporate giving must hurdle two important obstacles.

It has been stated that the nature of the appeal for corporate support should reflect a transposition from an emergency appeal to a permanent appeal. If such a transposition took place, an important obstacle facing all corporations would be the task of creating machinery to insure donations on a continuing basis. With the advent of a permanent appeal, it would be necessary for corporations to make provisions for contributions to be made during years when corporate profits were not extensive. Under the present legal and tax structure, it is permissible for corporations to form trusts, funds, or foundations for the expressed purpose of formalizing and stabilizing philanthropic programs. Trusts, funds, and foundations make it possible for corporations to accrue, within specific limitations, monetary reserves from years of high earnings so that grants may be more evenly disbursed during years when corporate income is not so great. Because the advantages of creating corporate trusts, funds, and foundations far outweigh the disadvantages, the writer would advocate the universal adoption of this method by corporations.

\[13\] For a summary of the advantages and disadvantages of corporate trusts, funds, and foundations, see Chap. III, pp. 49-50.
Since the removal of tax and legal obstructions in corporate giving, the major obstacle to widespread corporate support has been one of method. Corporations have been perplexed by the prospect of deciding which institutions to help and by what method this help should be forthcoming. This distribution problem in corporate giving has been partially overcome by the introduction of the cooperative principle in fund-raising.

It is clear that both corporations and educational institutions are demonstrating a growing acceptance of the united approach in fund-raising. This development is seen particularly in the rise and growth of state and regional foundations. The success of the foundation movement, in the state of Ohio and elsewhere, is adequate testimony that corporations have found workable formulas for philanthropy in the programs of state and regional foundations which have been heretofore absent on the educational scene. A great general need of private education is being satisfied through the appeals of foundations. Since both donor and recipient see values and advantages in state and regional organizations, it remains for both corporations and private education to foster those elements which will continue to contribute to the prosperity of foundations.

At this juncture in the history of corporate giving, the writer opines that state and regional college foundations constitute the most functional media for the distribution of corporate gifts. Corporate grants, channeled through foundations, find more equitable distribution and result in greater economic assistance to a greater number of insti-
tutions. The practices of foundations represent the most democratic approaches to the distribution of corporate gifts than have been hitherto known. It is deemed that corporations will demonstrate increased reliance in the future on state and regional foundations for providing the method of corporate giving.

3. To encourage a program of increased giving to private higher education by corporations. To attract necessary economic assistance, private higher education must continue to demonstrate its effectiveness. To this end, private colleges and universities have the important obligation to remove from their curricula that which is unnecessary, superficial, and ostentatious. There is the necessity for further exploration to discover new economies for the reduction of costs. These same institutions must launch accelerated appeals for alumni support. Finally, private institutions must continue to approach corporate directors and unions which represent major private sources to which they may turn for assistance.

In this connection, certainly one of the tasks ahead for both private corporations and private education is to negotiate an increase in the total amount of corporate gifts, including grants from labor unions. Recent estimates reveal that corporations give annually to all philanthropic causes between six-tenths and seven-tenths of the 1 per cent of their net income before taxes. Of this fraction of 1 per cent contributed, which approximates $250,000,000, only between one-
it takes its place as a primary donor among the varied sources of support to private higher education. Significantly, the fact that these sources of support are varied is the best guarantee that domination by one is a remote possibility.

Corporate giving has emerged as an important factor in the new pattern of support to private higher education. As yet, a climate completely conducive to corporate giving has not been created. Much work remains to be done. We can only regard the progress to date as a beginning. The future holds the key to the ultimate success of corporate giving.

5. To justify their continued existence and their requests for corporate support, private institutions must foster patterns of education which promote educational freedom and social freedom. The future existence of private colleges and universities cannot be based on a nostalgic plea for their continuance. Private institutions must survive on the basis of their contribution to the immediate educational world and to the larger social world. Mere tradition and protection of vested interests should not be the determinants for survival of these institutions. Private higher education must continue to demonstrate that it is one of the many media within the framework of society which are dedicated to freeing man's intelligence and to fostering the growth of a free society. The creation of educational patterns which seek to render such service to society presents a constant challenge to private institutions. These institutions must contribute constructively to
social betterment if they are to justify their requests for support from the nation's corporations and from other sources.

The writer opines that the contribution of private higher education is of such character that not only the American educational system but also our national life would be seriously weakened without these institutions. One way in which this contribution is reflected is in the numbers of students in attendance at these institutions. In 1954, there were 2,499,750 students enrolled in the institutions of higher learning in the United States. Of this total, 1,104,524 were attending private colleges and universities. From these statistics, it is evident that private higher education is performing a worthy service in providing educational opportunities for a large segment of American youth.

In addition, the existence of non-public institutions has given American education a diversity in which it has found strength and unity. Public and non-public higher education have complemented each other so effectively that the beneficial results have been shared both by educational elements and by society in general. The willingness to support a dual system of education is further evidence that the American people believe that the authority in a democratic society should be diffused and should not be centralized and regimented on the

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totalitarian pattern. Education cannot afford to let itself become the object of public political intrigue and chicanery, for such interference can only bring with it the loss of educational freedom and, eventually, the loss of social freedom. To date, one of the great deterrents to political dominance of education has been the existence of private institutions. Thus, if the unique progress that American higher education has demonstrated is to be continued, private higher education must be preserved.

Since the diverse character of our free society demands a dual system of education, it would seem reasonable to expect that all elements of that society should promote the maintenance of freedom. In particular, all facets of our educational system, including private higher education, must be geared for this task. Restrictive educational patterns will not prepare individuals to take their places in a free society. They serve only to deny freedom to a democratic environment which needs freedom to exist.

Various agencies within our democracy have nurtured those vital elements which are the hope and promise of a free society. Among these agencies, private higher education possesses an enviable record. To be sure, exceptions exist but, generally, private institutions have constantly defended the necessity of freedom in educational operations. Most private institutions seek to foster a high degree of flexibility in educational experimentation and in academic freedom. In this connection, past and present successes are not enough. Private colleges and universities must continue to represent bastions of free speech.
and must assist in thwarting the many attacks designed to stifle educational freedom. Ultimately, if such attacks persist, not only will the vitality of our educational system disappear but also the unique character of democracy will disintegrate simultaneously.

Colleges and universities are instruments of the society in which they exist. They are effective instruments only as they minister to the needs and aspirations of that society. Private colleges and universities cannot escape the imperative of this function. These institutions must advance the best interests of mankind so that the full horizon of life, characterized by individual and social freedom, becomes evident. As private higher education seeks to fulfill this function in American culture, its pleas for survival are validated. It then becomes not a question whether private colleges and universities should survive but how they must survive. Hence, corporations are not only justified in supporting these institutions but also are obligated to do so.


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Mimeographed summary report of conference on "Corporate Contributions to Higher Education," held at Harriman, New York on March 31, April 1 and 2, 1955. This conference was held under the co-sponsorship of Columbia University and the Council for Financial Aid to Education.


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"Minutes of the Meeting of the Continuation Committee," May 10, 1950.

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Robert E. Wilson, Chairman of the Board, Standard Oil Company of Indiana, June 15, 1955.

II. MISCELLANEOUS CORRESPONDENCE

Letter from H. L. Yochum, Secretary of the Continuation Committee of the Ohio Foundation of Independent Colleges, to members of the Continuation Committee, June 23, 1950.

Letter from H. L. Yochum, Secretary of the Continuation Committee of the Ohio Foundation of Independent Colleges, to presidents of all colleges eligible for membership in the Ohio Foundation of Independent Colleges, December 29, 1950.
APPENDICES
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APPENDIX B

COPY OF LETTER SENT TO CORPORATIONS REQUESTING INFORMATION CONCERNING THEIR PROGRAMS OF CORPORATE GIVING

379 East Sixteenth Avenue
Columbus 1, Ohio

Date

Director of Public Relations
.............Corporation
.............

Dear Sir:

I am writing to seek information concerning your company's policies and practices in regard to economic assistance to higher education. I am presently engaged in writing a doctoral dissertation at Ohio State University in which I am attempting to trace the development of corporate giving to colleges and universities. As part of this study, I am trying to determine the nature of contemporary policies and practices. It would be greatly appreciated if you could supply information, related to your corporation's procedures, as they concern the following:

1) Direct monetary grants to both public and private colleges and universities. Please include grants to state or regional foundations or associations.

2) Scholarship, fellowship, and research programs followed by your company.

3) Any other educational experiments subsidized by your company.

I shall be most grateful for your cooperation with the above request. I trust that you will favor me with an early reply.

Yours sincerely,

John E. Horner
or of Boards of Trustees, of member colleges are not eligible for such election.

5. The duties of the Board of Directors shall be:
   a) To elect its own officers—chairman, vice-chairman, secretary, treasurer (secretary-treasurer?), and such other officers as the Board may deem necessary.
   b) To fix policies governing sources from which funds are to be solicited, purposes for which funds are to be asked, methods of soliciting funds, goals to be set up and amounts to be sought, etc.
   c) To insure the safe handling of all funds received and their prompt and proper distribution to member colleges.
   d) To appoint an executive director, to fix his salary and term of office, to prescribe his duties, and to require from him such records and reports as the Board may deem necessary.
   e) To create such committees as may be necessary for the effective operation of the Foundation.
   f) To authorize expenditures and financial procedures involved in the effective operation of the Foundation, and to perform such other duties as may become necessary.

6. There shall be an Executive Committee of the Board of Directors, consisting of the elected officers of the Board and two members at large elected by the Board of Directors. The Executive Director shall be an ex-officio member of the Board and of the Executive Committee, but without vote.

7. The Board of Directors shall prepare an annual budget (or authorize its Executive Committee to do so) covering all anticipated expenditures. The total amount of this budget shall then be allocated to the member colleges according to the following formula:
   a) Of the total budget, 60% shall be assigned equally to the member colleges, regardless of size.
   b) The other 40% of the budget shall be assigned proportionately according to the number of regular, full-time students reported for the year.

8. To continue as a member in good standing, entitled to share gifts received by this Foundation, each college shall be expected to provide its allocated share of the total budget and such services by its President (chief executive officer) as shall be stipulated by the Board of Directors.
c) To distribute to the member colleges funds thus secured, this distribution to be made according to the following formula:

1) Of the undesignated amount received for distribution, 60% shall be divided equally among the member colleges.

2) Of the undesignated amount received for distribution, 40% shall be divided among the member colleges proportionately according to the number of regular, full-time students reported for the year to the Ohio Association of College Registrars (graduate students not included). Any college receiving the benefit of gifts made by corporations or foundations jointly approached shall waive its right to share in the proportionate distribution of 40% of undesignated gifts beyond the amount it would receive by such distribution if it had not benefitted by designated gifts.

3. Charter membership in this Foundation shall be open to non-tax-supported colleges in Ohio accredited by and holding membership in the Ohio College Association upon action by the official governing board or officials of the college approving this agreement and accepting its provisions.

Colleges not desiring to be charter members and applying for membership subsequently will be received by vote of the Foundation provided they meet the requirements stated above.

4. The Board of Directors of the Foundation shall consist of:
   a) The presidents (chief executive officers) of the member colleges.
   b) One additional representative of each member college, preferably a member of its Board of Trustees.
   c) Ten members at large, elected by the Board of Directors of this Foundation; members of administrative or instructional staffs, or of Boards of Trustees, of member colleges are not eligible for such election.

5. The duties of the Board of Directors shall be:
   a) To elect its own officers—chairman, vice-chairman, secretary, treasurer (secretary-treasurer?), and such other officers as the Board may deem necessary.
   b) To fix policies governing sources from which funds are to be solicited, purposes for which funds are to be asked, methods of soliciting funds, goals to be set up and amounts to be sought, etc.
   c) To insure the safe handling of all funds received and their prompt and proper distribution to member colleges.
   d) To appoint an executive director, to fix his salary and term of office, to prescribe his duties, and to require from him such records and reports as the Board may deem necessary.
   e) To create such committees as may be necessary for the effective operation of the Foundation.
   f) To authorize expenditures and financial procedures involved in the effective operation of the Foundation, and to perform such other duties as may become necessary.
APPENDIX B

REVISIONS EFFECTED IN THE CONSTITUTION OF THE OHIO FOUNDATION OF INDEPENDENT COLLEGES AT A MEETING OF COLLEGE PRESIDENTS OR THEIR REPRESENTATIVES, JANUARY 26, 1951*

Preamble: insert "and other organizations" after "foundations" in third paragraph; repeat same listing of prospective sources of gifts but delete "individuals" in final paragraph of Preamble (beginning: "Therefore..."); substitute "foundation" for "association" in final paragraph of Preamble.

Article 1: substitute "corporation" for "association" and strike parenthesis.

Article 2: delete "from corporations and foundations" in "b)"; insert "under-graduate" after "full-time" in "c)2)" and delete parenthesis. (Much discussion centered around last sentence of "c)2)" and a motion to delete the entire sentence was not carried.)

Article 3: add to first sentence (after "provisions") "on or before April 15, 1951"; add to second sentence (after "stated above") "and as provided in the by-laws"; substitute "Board of Trustees" for "Foundation."

Article 4: substitute "Board of Trustees" for "Board of Directors." Combine a) and b) in new wording to read: "a) The presidents (chief executive officers) of the member colleges, unless the Board of Trustees of a college shall designate someone else to represent the college." Reword former "c)" to read: "b) As many members at large as the Board of Trustees of this Foundation shall elect, not to exceed the number of member colleges."

Article 5: substitute "Board of Trustees" for "Board of Directors" in the first line; delete parenthesis in "a)"; delete "etc." at end of "b)"; in "f)" insert "prepare an annual budget (or authorize the Executive Committee to do so) covering all anticipated expenditures" after "Foundation."

Article 6: add the following sentence, "Between meetings of the Board of Trustees of the Foundation the Executive Committee shall have power to act for the Board in line with policies of the Board and sub-

*SOURCE: Ohio Foundation of Independent Colleges, "Minutes of the Meeting of College Presidents or Their Representatives to Effect Organization of the Ohio Foundation of Independent Colleges," January 26, 1951.
ject to review by the Board." Substitute "Board of Trustees" for "Board of Directors."

**Article 7:** delete first sentence; reword second sentence to read, "Support of the annual budget shall be assessed against member colleges according to the following formula:"; insert "undergraduate after "full-time" in "b)" and add after "for the year" the words "to the Ohio Association of College Registrars."

**Article 8:** substitute "assessed" for "allocated" and substitute following words after "stipulated" to read "for all presidents by the Board of Trustees of this Foundation.

**Article 9:** (to be added): "This Constitution may be amended at any duly-called meeting of the Board of Trustees of the Foundation by affirmative vote of two-thirds of those present and entitled to vote. Notice of amendment shall be given to all member colleges promptly after the meeting at which the action was taken."
APPENDIX F

THE BYLAWS OF THE CONSTITUTION OF THE OHIO FOUNDATION OF
INDEPENDENT COLLEGES ADOPTED AT A MEETING OF COLLEGE
PRESIDENTS OR THEIR REPRESENTATIVES, JANUARY 26, 1961*

1. Applications for membership shall be received by vote of
two-thirds of those present and entitled to vote at meetings of the
Board of Trustees.

2. At meetings of the Board of Trustees a majority of its mem-
bers shall constitute a quorum.

3. The treasurer of the Foundation shall be bonded for $10,000
and is hereby authorized to secure bond, cost of bond to be paid from
the funds of the Foundation.

4. The checks issued by the treasurer are to be signed by two
officers: the secretary and the treasurer. The secretary and treasurer
are authorized to draft and sign resolutions required by the bank for
deposit of funds and issuance of checks.

5. All disbursements by the treasurer are to be authorized by
the Executive Committee before payment is made. The treasurer is
hereby authorized to set up a petty cash fund of $100 to cover inciden-
tal items.

6. Expenses of presidents in joint approaches to prospective
donors, as well as expenses involved in meetings of the Executive Com-
mittee, shall be paid from the treasury of the Foundation.

7. The fiscal year for assessment of support and for distribu-
tion of gifts received shall begin on April 16 and end on April 15 of
the following year.

8. The term of office for elected officers and members of the
Executive Committee shall be one year. (Those elected at this meeting
are to serve until April 15, 1962.)

9. The president (or chief executive officer) of each member
college shall participate in joint approaches to prospective donors for
at least six (6) days during the first year of operation, ending April

*SOURCE: Ohio Foundation of Independent Colleges," Minutes of the
Meeting of College Presidents or Their Representatives to Effect Organ-
ization of the Ohio Foundation of Independent Colleges," January 26,
1951.
15, 1952. (In exceptional cases another executive officer, designated by the Board of Trustees of the member college, may represent the president, subject to approval by the Executive Committee of the Foundation.)

10. By consultation on the part of member colleges and the Executive Director and/or the Executive Committee, every effort shall be made to set up a list of prospective donors for joint approaches which will not conflict with the list of prospects being cultivated regularly by member colleges.
APPENDIX G

REVISED CONSTITUTION OF THE OHIO FOUNDATION OF INDEPENDENT COLLEGES
SEPTEMBER 28, 1953*

CONSTITUTION
FOR
THE OHIO FOUNDATION OF
INDEPENDENT COLLEGES, INC.

We believe that our institutions of higher education, both tax-supported and non-tax-supported, make an indispensable contribution to the life of America;

We believe that the respective municipalities and states should provide adequate funds for the maintenance of tax-supported educational institutions;

We believe that the preservation of non-tax-supported institutions of higher education depends upon the voluntary, generous gifts of individuals, groups, corporations, foundations, and other organizations that recognize these independent and church-related institutions of higher education as an essential part of our American democracy;

We believe that men of vision, both as private citizens and as leaders of business and industry, are increasingly aware of their stake in keeping the 36 non-tax-supported colleges of Ohio strong and independent, thus relieving the burden of heavier taxation and preserving the American ideals of freedom.

Therefore we adopt the following Constitution, setting up a Foundation for a joint approach to groups, corporations, foundations, and other organizations:

ARTICLE 1

The name of this corporation shall be THE OHIO FOUNDATION OF INDEPENDENT COLLEGES, INC.

ARTICLE 2

The purposes of this Foundation shall be:

(a) To interpret the aims, functions, and needs of the member colleges to the public with a view to better mutual understanding and

(b) The other 40% of the budget shall be assigned proportionately according to the number of regular, full-time, undergraduate students reported for the year to the Ohio Association of College Registrars.

ARTICLE 8

To continue as a member in good standing, entitled to share gifts received by this Foundation, each college shall be expected to provide its assessed share of the total budget and such services by its president (chief executive officer) as shall be stipulated for all presidents by the Board of Trustees of this Foundation.

ARTICLE 9

This Constitution may be amended at any duly-called meeting of the Board of Trustees of the Foundation by affirmative vote of two-thirds of those present and entitled to vote, provided notice of proposed amendment is given to all member colleges not less than sixty days before the meeting at which the amendment is to be considered for action. Notice of the amendment, if adopted, shall be given to all member colleges promptly after the meeting at which the action was taken.

BYLAWS

1. Applications for membership shall be received by vote of two-thirds of those present and entitled to vote at a meeting of the Board of Trustees.

2. At meetings of the Board of Trustees a majority of its members shall constitute a quorum.

3. The treasurer of the Foundation shall be bonded for $10,000 and is hereby authorized to secure bond, cost of bond to be paid from the funds of the Foundation.

4. The checks issued by the treasurer are to be signed by two officers: the secretary and the treasurer. The secretary and treasurer are authorized to draft and sign resolutions required by the bank for deposit of funds and issuance of checks.

5. All disbursements by the treasurer are to be authorized by the Board of Trustees or by the Executive Committee before payment is made. The treasurer is hereby authorized to set up a petty cash fund of $100 to cover incidental items.

6. Expenses of presidents or other duly authorized representatives in joint approaches to prospective donors, as well as expenses involved in meetings of the Executive Committee, shall be paid from the treasury of the Foundation.
I, John Edward Horner, was born in Passaic, New Jersey on December 12, 1921. I received my elementary school training in Brookside, New Jersey. My secondary school education was completed at the public high school in Morristown, New Jersey. As an undergraduate, I attended Drew University where I received the degree Bachelor of Arts in 1943. Following military service, I pursued graduate work at Montclair (N. J.) State Teachers College. In 1947, I received the degree Master of Arts from Columbia University. In addition, I have completed further graduate study at Columbia University. I have taught for ten years at the secondary and collegiate levels. As part of my teaching experience, I served as a Fulbright Exchange Teacher to England in 1949-50. My most recent position has been in an administrative capacity at Kansas Wesleyan University. While completing the requirements for the degree Doctor of Philosophy at Ohio State University, I was elected University Scholar for 1954-55 and received an appointment as University Fellow for 1955-56.