

Creative Philanthropy. II. Getting More Bang for the Buck!

Last week's discussion of creative philanthropy began by noting the problems inherent in the present foundation system of funding research. Apart from duplication of effort by numerous small foundations, many projects are unimaginative and often run counter to the philosophy of the founder. I suggested that scientific research might be better aided in indirect ways which would make better use of the donors' money. Lobbies and political action groups were two alternatives, because they could repay the donor's investment by stimulating government research grants worth many times the original contribution.1

Finally, it was noted that the most creative aspect of the Nobel prize has turned out to be the publicity it generates to increase public awareness and (by inference) public support for basic research.

One of the newest creative awards is the National Academy of Science's James Murray Luck Award for Excellence in Scientific Reviewing. Co-sponsored by ISI® and Annual Reviews, Inc., the nonprofit publisher of Annual Reviews, the award, consisting of a scroll and \$5,000, will be given annually, starting next year, to an author of a particularly meritorious scientific review.

Although it is agreed that good reviews are an important aid to scientists, getting people to write them has always been difficult.<sup>2</sup> Those best qualified to do the work are also most likely to be involved in original research. To write reviews, they must put aside their research efforts and expend a great deal of time and intellectual effort in analyzing, synthesizing, and evaluating information in a limited subject area. In return, they have received verv small financial recompense. The new award will provide for fine reviewers not only financial rewards but also the recognition they deserve. More importantly, the award will symbolize the debt we owe reviewers. We hope that it will also encourage other qualified persons to write excellent reviews.

Just as there is a need for competent scientific reviewers, so there is a need for popular science writers. The \$2,000 James T. Grady Award for Interpreting Chemistry to the Public, given by the American Chemical Society,<sup>3</sup> recognizes that the public must understand and take an interest in science if scientists are to expect wide support for research. Winners, including Isaac Asimov (1965) and Walter Sullivan (1969), have through their writing helped the cause of science.

Grants, too, may sometimes be examples of creative philanthropy. For instance, the Teacher-Scholar Grant Program of the Camille and Dreyfus Foundation Henry is designed to keep teachers most qualified to train researchers in university classrooms. Recipients are given a great deal of freedom in how to spend the money, but the foundation specifies that the grant should not take the teacher away from classes and that it should promote better contact with students. Instead of supporting one person's research, the award permits excellent training of many students and helps insure the quality of science graduates from our universities.

Another Dreyfus Foundation program, Innovations in Education in Chemistry, provides funds to universities to help encourage new ways of teaching chemistry. The foundation does not recommend changes in the educational process, but expects colleges and universities to develop their own innovations. Among the projects the foundation is now funding is a series of seminars designed to make students at the University of Nebraska more aware .of current trends in chemistry and to help them plan their careers accordingly. Another is a course in the history of science and technology at Franklin and Marshall College. According to Drevfus Foundation director William L. Evers, the Innovation in Education grants are intended to help students broaden their intellectual awareness and strengthen their feelings of social responsibility. "This is a counter-move to the that scientific and criticism technically-trained people do not have a broad intellectual base, that they are too highly specialized," he savs.

Both Dreyfus programs are farsighted, creative endeavors because they are aimed at helping, not a few science researchers of the moment, but the many scientists of the future.

One effort to aid technological progress is the Research Corporation's Inventions Evaluation program. The Corporation—actually a foundation—was founded in 1912 by Frederick Gardner Cottrell, who was not a multi-millionaire. His endowment consisted solely of the patent rights to his inventions. The most successful of these, which helped the foundation really get underway, was the electrostatic precipitator, which removes some pollutants from industrial smokestacks. The foundation evaluates 500 inventions a year from the 300 universities and other scientific institutions it works closely with. According to James Fulleylove, director of the program, among the inventions the Corporation supported are vitamin  $B_1$ , the maser, and a drug for curing fungus infections.

When an invention is successfully about 15% marketed. of the royalties are given to the inventor. The rest is divided between the Corporation and the inventor's home institution, to be used for more research. The Corporation takes credit for stimulating academic research early in this century. before industry realized its value and the academic world cared much about marketing its discoveries. It claims that its program industry locate helps new technology while saving the inventor legal expenses. "The value of the first outside recognition of a young researcher, the upgrading of a whole science department, the salvage of a worthwhile piece of research that otherwise might not be done, all are effects that can be described but not measured," according to the foundation.<sup>4</sup>

Clearly then, foundations and other nonprofit organizations can make good use of their money and accomplish a great deal—when they use their imagination. Unfortunately, many do not seem to have the creativity necessary.

The stultifying effect of some

nonprofit organizations was brought home to me when I visited in Pittsburgh several years ago the Museum—a veritable Carnegie mausoleum. As I walked through it, I wondered if Carnegie might not have done better by leaving his money to P. T. Barnum or Walt Disney to create and run a museum for him. So what if they received 10% of the action, and so what if the government got its fair (or unfair) share in taxes? The museum would not have been a lifeless shrine, but a living, dvnamic reminder of its founder.

There are many ways to benefit society other than by setting up a nonprofit organization. Possibly the most creative thing a wealthy person can do with money is to invest it in corporations whose objectives coincide with the donor's. This could be done by establishing a foundation whose funds would be invested in new enterprises-even a venture capital group. Such organizations would earn money for further investment in a way not entirely dissimilar to that of the Research Corporation. And they would be "philanthropic" because they would help society by creating new jobs and industries.

In the United States and elsewhere, anachronistic tax laws are helping to create a society of nonprofit organizations designed to prevent the government from swallowing the fruits of lifetimes of creative endeavor. But a "for-profit foundation" might have the mandate simply to see that the founder's goals in life are actively pursued after his or her death, provided that such purposes remained relevant to society's needs.

It remains to be seen whether the increased efficiency, responsiveness, and incentives of a for-profit enterprise would make up for the loss of tax-free nonprofit status. Our corporate tax laws might require extensive revision if "forprofit philanthropy" caught on. But if immortality is the goal that benefactors seek—and I believe that in part it is—then for-profit foundations could provide equally lasting memorials.

While we should discuss new directions for philanthropy, one should not forget that, under the existing system, foundations could be doing more than they are doing today. Dr. Paul N. Ylvisaker of Harvard University notes that during the "cold war" United States Senator Joseph McCarthy wondered if foundations represented the interests of Communists or radicals. Now, Ylvisaker says, the question in the minds of Congressmen and the public is "not why are you so radical, but so completely the opposite?... Why aren't you being creative? Why aren't you doing much more interesting things with your money...?"5

Undoubtedly many of my ideas about for-profit philanthropy are not original, but I have reason to believe that there are hundreds if not thousands of wealthy people who are looking for more creative ways to use their money to help society. Perhaps these essays will serve to open up a public discussion of these problems. Your comments are welcome and if appropriate will be incorporated into a later essay.

## REFERENCES

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