

100
NEW YORK FOUNDATION
1909/2009

CELEBRATING 100 YEARS

TAKING RISKS THAT MATTER

By Steven Barboza



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TAKING RISKS THAT MATTER

IN 1906, THE U.S. ECONOMY WAS IN SHAMBLES. BANKING TITAN JACOB H. SCHIFF, WHO WAS TO BECOME FOUNDING CHAIRMAN OF THE NEW YORK FOUNDATION, ISSUED A STERN WARNING THAT AMERICA WOULD FACE CRITICAL FAILURE IF THE NATION DIDN'T MODERNIZE ITS BANKING AND CURRENCY SYSTEMS. THERE WOULD BE “SUCH A PANIC,” HE SAID, “AS WILL MAKE ALL PREVIOUS PANICS LOOK LIKE CHILD’S PLAY.”

The country did not heed his call, and in 1907, economic conditions worsened, the situation capped by two stock market crashes and a global credit shortage. Depositors lined up to take their money out of the banks.

A little more than a hundred years later, the U.S. economy plunged once again. Investor Warren Buffet said, “its fallen off a cliff.”

At first it might seem paradoxical to celebrate grantmaking amid the current economic conditions. But rich traditions of philanthropy deserve special honor not just in flush times, but also in times of greatest need. And one foundation—established in an economically stressful period of American history, when there were few templates for grantmaking—warrants recognition.

Even during the toughest times of the past century, that foundation has stubbornly clung to the ideals upon which it was founded: social justice, grassroots giving, and faith in the resilience of New Yorkers.

That foundation is the New York Foundation.

This is its story.

“GOING PUBLIC” ON WALL STREET

At the start of the 20th century, the U.S. economy had been shaken to its core by stock market collapses and credit crunches. But 1909 would turn out to be a propitious year.

Four New Yorkers of great distinction in their fields—Edward C. Henderson, Jacob H. Schiff, Isaac Seligman, and Paul M. Warburg—gathered on April 5 at 2:30 in the afternoon in an office at 52 William Street in Manhattan. Determined to make a difference in the lives of people not as fortunate as themselves, they got down to the business of creating one of the first foundations in the United States. Only a handful had existed prior to that time—three established by Andrew Carnegie, who believed it



was the height of immorality for a man to die rich; the Baron de Hirsch Fund, founded in 1891; the Association for the Aid of Crippled Children, in 1900; the Milbank Fund, in 1905; and the Russell Sage Foundation, in 1907.

At the April 5 meeting, the four citizens adopted a charter and bylaws, and elected a chairman (Schiff), a president (Morris Loeb, a New York University professor of chemistry), and appointed other officers. They wrote a charter later enacted by the state legislature and signed by the governor, creating the New York Foundation.



The founders of the New York Foundation had come together as a result of the unexpected death at age 49, of Louis A. Heinsheimer, a partner at Kuhn, Loeb & Co., a banking firm founded in 1867. In his will, he bequeathed \$1 million to the Jewish charities of New York, but only if they would federate within a year of his death. When they chose not to federate, the bequest reverted to his brother, Alfred M. Heinsheimer, who formed the New York Foundation.

Three of its founders—Schiff, Seligman, and Warburg—were profiled alongside J.P. Morgan in a New York Times article about the most active people in charity.

For his part, Schiff considered himself an equal to Morgan, who called him “that foreigner” but regarded him as a friend. Schiff stood at five feet, two inches in stocking feet, but he was a banking giant. The Seligmans, according to banking lore, helped finance the Civil War by selling hundreds of millions of dollars worth of Union war bonds in Europe on behalf of President Lincoln. Warburg would go on to create the Federal Reserve System,

and President Woodrow Wilson would appoint him to the Federal Reserve Board, where he was to serve as vice governor in 1917 and 1918. Warburg’s family bank, M.M. Warburg & Co., in Hamburg, had been founded in 1798 and would last into the Hitler era, when it was forcibly confiscated in 1938 by non-Jews.

Schiff, Seligman, and Warburg were among the grand dukes of New York society. They were part of a close-knit group of venerable German Jewish families who had built vast banking fortunes but who nevertheless were considered newcomers in America. Led by Schiff, these families played an important role in American philanthropy: they held fast to the Jewish principle of *tzedakah*, or “righteous giving,” from the root Hebrew word for “justice.”

Among the greatest financial minds of their day, these men shared a grand vision for their foundation: that New Yorkers, given the proper tools and means, could create social change. For a century now, this vision has served as a guiding principle of the New York Foundation.

OF RISK AND REWARD

From its inception, the New York Foundation has shown an appetite for uncertainty. The founders, who were knowledgeable about the vagaries of the financial markets, were well versed in the language of capitalism. Theirs was a world of risk/reward ratios, and they somehow imbued their new foundation with a principle borne of the vicissitudes of life on the Street: the greater the expected return, the greater the investment risk. Only, in this case, the prize ultimately was not financial, but social, gain.

New York in 1909 was an industrial town striving to become a world-class metropolis. It was a city compelled to expand in every direction, including skyward and downward. Burrowers carved a warren of subway tunnels. Builders erected skyscrapers that threatened to touch the clouds. Two magnificent bridges, the Queensborough and the Manhattan, were built over the East River. The well-heeled shopped on Ladies Mile, which stretched from 10th to 23rd Streets and boasted more fine stores than anywhere else on earth. The New York Times was emerging as the nation's newspaper of record, and Manhattan was fast becoming the center of radio programming. To highlight its ambitions, the city hosted the Hudson-Fulton Celebration, a two-week riverfront festival. It included a 40-mile-long parade of tall ships and the first flight in New York's sky, a 30-minute jaunt by Wilbur Wright from Governors Island to Grant's Tomb.

But there was another side of New York, the side of crushing poverty, and the juxtaposition of richness and dearth was startling.

New York was also a teeming, sweltering jungle of smoking factories and sooty skies. Millions came seeking pathways to better lives. What they found instead were crowded, dilapidated tenements, food riots, chaos, disillusionment, and an inept government steeped in corruption. The index of suffering was particularly high in the tenements, where misery smothered hope, and disease ran rampant.

The tenements contributed workers for the steady drone of industry. More people worked in the factories of Manhattan in 1909 than in all the mills of Massachusetts, and more than a quarter of a million garment workers in the city produced two-thirds of all clothing made in the United States, mainly in sweatshops. After the horrific blaze at the Triangle Shirtwaist

Factory, they were called "fire and death traps."

At a time when few foundations were prepared to step up and create infrastructure to augment the limitations of government assistance to the disenfranchised, the New York Foundation rose to the occasion. Its trustees were willing to underwrite untested programs operated by groups that battled the odds or defied convention in order to bring desperately needed social change. The trustees funded the grassroots work of nurses and social workers on the Lower East Side in 1912 to bring relief to residents in dire need, and underwrote the distribution of free milk to schoolchildren, a precursor to free lunch programs for the poor. The foundation supported organizations that raised awareness of child labor in factories, and spearheaded the national child labor movement and organizations that supported strikes by those seeking to regulate working conditions.

The foundation was guided by the belief that community residents had the will if not the means to make a difference in their own lives.

Throughout its history, the New York Foundation has supplied seed money to address social problems, especially at "tension points" in society: housing, public health, workers' rights, women's suffrage, reproductive rights, racial equity, legal aid, and more. Early trustees put the foundation on track for taking risks in its grantmaking practices.

The foundation's interest in social welfare escalated during the Great Depression of the 1930s. The federal government provided relief to the

unemployed, but public assistance proved to be inadequate and had to be supplemented by local and private agencies. The foundation worked with established social service agencies and assisted in forming new ones throughout the city. In 1934, the foundation funded efforts to conduct surveys and make recommendations to the state government, providing a road map for relief efforts. Two years later, the foundation helped to support a dozen private family welfare agencies in New York that strove to keep people off public welfare rolls, preserve morale, and provide services not supplied by public assistance.

Over the years, a willingness to take risks has become a valued attribute of the foundation, a prize in a field where established major players are often content to stick with safer, doctrinaire outlooks on grantmaking and meeting public need. The New York Foundation's leadership fully recognized the inherent strength of a small foundation—it had the flexibility to get in early, admittedly at the point when the risks were greatest, but precisely at the moment when resources could be aligned to solve problems before they were even acknowledged as such.

The foundation funded the emerging field of community organizing as early as the mid-1950s, supporting work in Chelsea to test the hypothesis of Saul Alinsky, whose approach stressed citizen participation in neighborhood organizations and later financed a project on the Lower East Side to help residents devise solutions for the burdens of poverty and the changing population in the neighborhood. In 1978, as the city teetered on the brink of bankruptcy, the foundation awarded startup grants to community-based projects in the city's neediest neighborhoods, shouldering the lion's share of administrative costs. In the late 1970s and early 1980s, it became a prime funder of grassroots groups aimed at community organizing.

As with their forebears in the early 1900s, the foundation's trustees challenged the status quo during this period; they were willing to take calculated risks to assess local resources and mobilize and deliver them at the neighborhood level, including crisis intervention counseling for youth, advocacy services for welfare recipients, and training classes for surrogate



grandmothers who would work with disadvantaged mothers and their children. The foundation was guided by the belief that community residents had the will if not the means to make a difference in their own lives. Grassroots community organizing jibed with the foundation's bottom-up philosophical approach to social change.

The foundation is known today as a preeminent funder of grassroots groups. More than half of its grants go to community organizing groups. Foundation funding has moved toward groups that conduct community organizing to resolve common problems, increase participatory processes, and tip the balance of power.

AMID 1,000 TIPPING POINTS

The New York Foundation supports organizations as varied as the backgrounds of New Yorkers themselves. This is apt because there are multiple New Yorks, as writer E.B. White noted in 1949. First, there's the "New York of the man or woman who was born here, who takes the city for granted and accepts its size and its turbulence as natural and inevitable." Second, there's the New York of the commuter, and third, there is "the New York of the person who was born somewhere else and came to New York in quest of something."

Diversity has always been a principle theme of the New York Foundation's grantmaking practices. By any analysis, its grants show a remarkable diversity. This is true in part because as the city changes, its most pressing issues do too, and the New York Foundation has been able to respond to issues in real time, as change occurs. Through the years, these issues have been part of a broad continuum that includes child labor, workers' rights,

mental health, social work, housing, literacy, higher education, unemployment relief, refugees, legal services, criminal justice, immigrants' rights, victims' rights, AIDS research and treatment, youth empowerment, and "green jobs" and sustainability. Race and race relations have also been powerful drivers of grants during the past century.

RACE

In 1911, a total of 19 grants were made. Appropriation No. 19, a gift of \$500, went to a fledgling organization just a few months older than the foundation itself, the National Association for the Advancement of Colored People.

With early and continual foundation support, the NAACP, the nation's oldest civil rights group, has since played a pivotal role in dismantling racial barriers in the U.S., including overturning Jim Crow laws and bringing the 1954 case that led to desegregating schools, *Brown v. Board of Education*, to the U.S. Supreme Court.

Other groups working in race relations were also among early grant recipients. In 1912, the National League on Urban Conditions Among Negroes (which would later shorten its name to the National Urban League) received the first of many New York Foundation grants. Over the years, substantial funds were committed to educational programs designed to compensate for the severe disadvantages of black students. The foundation awarded grants to a number of historically black universities, the United Negro College Fund, and the National Scholarship Service and Fund for Negro Students.





The foundation helped to challenge racial inequality across the city, particularly in Harlem, where two-thirds of black Manhattanites lived by 1914.

And when tempers flared, the foundation responded. On August 1, 1943, Harlem boiled over, according to Walter White, head of the NAACP, himself a resident of Harlem's Sugar Hill section. A police officer arrested a woman for disturbing the peace. When a black soldier tried to intervene, a scuffle ensued, and the policeman shot the soldier in the arm as he fled. A crowd gathered to accompany the soldier to a nearby hospital, and tensions mounted. Then someone shouted that a white cop had shot and killed a black soldier. The rumor ignited a riot largely focused on property. Rioters set fires, broke windows, turned over cars, and looted stores.

With funds provided mainly by the foundation, Mayor LaGuardia's Committee on Unity studied and dealt with this explosive situation, engaging a full-time staff. The purpose of the committee was "to make New York City a place where people of all races and religions may work and live side by side in harmony and have mutual respect for each other, and where democracy is a living reality."

Among the committee's many projects was an investigation of a 1948 boycott of white merchants on 125th Street conducted by Harlem residents who believed the merchants were overcharging them for food. The committee negotiated a settlement, easing tensions. In addition, the committee studied inequality in higher education, submitting a report that prompted a national drive to abolish quotas based on race or nationality in admissions to colleges and medical schools, which were used then to bar minorities. By the end of its 40th anniversary year in 1949, the foundation had made an unequivocal commitment to the struggle for equality and justice, a commitment that would grow and strengthen. As the nation plunged into the civil

rights era, and as New York followed the lead of civil rights organizations elsewhere, the foundation targeted efforts in the South for funding. Trustees believed that efforts there ultimately would have an enormous impact on the lives of black New Yorkers.

By the late 1960s, race and poverty formed an underlying theme for half of the foundation's appropriations, from grants to study lead poisoning among children in the South Bronx to workers' cooperatives across the South. The trustees also granted power to Dr. Kenneth B. Clark to award up to \$10,000 to support educational and training programs for poor black youth in Washington, D.C.

In 1967, D. John Heyman, then president, led foundation efforts to support groups that fought discrimination anywhere in the nation, and particularly in the South. The New York Foundation was among the first of few groups willing to make grants to programs in the South during the early years of the civil rights movement.

In the foundation's earliest days, most low-income people served by its grantees were immigrants. This reflected the demographics of the time. As the foundation's commitment to racial justice grew and the poverty profile of the city changed, grants followed the growing needs of low-income African Americans. The demography of New York continues to evolve, and today the foundation has formed partnerships with other marginalized communities while maintaining a core commitment to racial justice.

EMERGING COMMUNITIES

In "The Autobiography of an Ex-Colored Man," a fictional account of a biracial man published when the foundation was three years old, James

Weldon Johnson described the city as “the most fatally fascinating thing in America.” He wrote, “She sits like a great witch at the gate of the country, showing her alluring white face and hiding her crooked hands and feet under the folds of her wide garments—constantly enticing thousands from far within, and tempting those who come from across the seas to go no farther.”

Throughout its early years, the New York Foundation, founded by immigrants and the children of immigrants, supported newcomers from across Europe. For them, New York symbolized a new beginning.

At the turn of the 20th century, newcomers arrived by the boatload only to become entangled in a web of social and public health problems. In Manhattan, an estimated 70 percent of the population lived in tenements. A quarter of all families on the Lower East Side lived five or more to a room. By 1910, four out of ten New Yorkers were foreign-born, mostly poor immigrants from Italy, Russia, and Eastern Europe. The decade from 1935 to 1945 might well be called the era of the uprooted, for no other era in modern history has witnessed as much widespread migration. Whole populations fled the terror of genocide that culminated in the concentration camps of Europe. Private agencies working largely without government assistance faced the monumental challenge of relocating millions.

Although its charter prohibited the contribution of funds for use outside the United States, the foundation was able to help the uprooted after they arrived in America. Between 1945 and 1957, 600,000 European refugees displaced by the war were admitted to the U.S., and New York was a major port of disembarkation. Foundation funds supported organizations to resettle foreigners whose skills were in demand, including thousands of scholars, scientists, physicians, writers, and artists who were waiting in

displaced persons camps in Europe. Large grants were awarded early on for the relief of Jews persecuted by Hitler. These grants supported the resettlement of some of Germany’s brightest scholars and physicians and funded groups that aided refugees and emigrants.

Later in the century, the human ecology of the city shifted. Black Americans had arrived in a great migration from the South and later there was an enormous influx of Puerto Ricans. Between 1940 and 1970, the city’s Puerto Rican population swelled from 61,000 to 818,000, equaling more than 10 percent of the total population. For the many people facing a language barrier, work was difficult to find. The foundation funded organizations that supported young Puerto Rican community leaders. In the late 1960s, it also funded a number of small, newly formed organizations determined to address their community’s economic, housing, and educational needs.

In 1975, the trustees declared New York City and its problems as the foundation’s chief focal point once again. Grants were made to several experimental programs in the city’s public schools and to innovative community schools in poor and minority neighborhoods. The foundation gave a series of grants to organizations concerned with the revitalization of low-income communities and with affordable housing in one of the tightest real estate markets in the nation. It also funded neighborhood preservation groups and awarded grants to economic development organizations for programs that retained industry and commercial enterprises and helped to launch businesses in poor communities. In 1975 and 1976, more than one-third of the grantees were advocacy groups working on behalf of under-represented populations, and more than half of the grantees served clients who were poor, minority, or victims of discrimination.

The number of newcomers kept rising. In the 1990s, nearly 1.2 million immigrants were admitted to New York, resulting in an almost 10 percent increase in the city's population. They came from every continent, making the city a Babel of 180 languages. In fact, one in ten of the nation's foreign-born lived in New York City in 1999.

In the 1980s, 1990s, and so far in the 2000s, just as in its earliest years, the foundation assisted foreign-born residents who were struggling to become New Yorkers in the fullest sense. Foundation grants supported attempts by immigrants to form their own organizations. Immigrant groups—including Afghans, Africans, Albanians, Arabs, Bosnians, Central and South Americans, Indians, Haitians, Poles, and many others—developed a variety of projects, ranging from assistance to victims of human trafficking and domestic workforce empowerment to food justice and reproductive health and rights advocacy.

New York is still a jumble of humanity.

Sixty percent of city residents are either immigrants or the children of immigrants. Just as back in the early 1900s, New York personifies globalization unlike any other city on earth, and the foundation's tapestry of grants continues to reflect this.

SHIFTING ISSUES

The New York Foundation has been a leader in promoting the rights of grassroots organizations to define their own issues, develop their own leadership, and organize and advocate on their own behalf. In doing so, the foundation has made a mark on many of the key public policy issues affecting New Yorkers.



Workers' Rights: The Triangle Shirtwaist Factory fire in 1911 was widely considered the greatest disaster in the city prior to the terrorist attack on September 11, 2001. Garment factory owners had locked the exit door to increase worker productivity. A fire broke out, and 146 young immigrant women were killed.

The tragedy drew the ire of the city, the nation, and much of the world's press. In a heavy rain on April 5, the second anniversary of the foundation, more than half a million New Yorkers watched the mass funeral procession.

The New York Foundation responded to a galvanized labor movement by funding national child labor projects and educational, vocational, and recreational programs for workers, as well as other labor-related projects for young women and girls. It supported factories designed with the health of workers in mind and efforts to organize department store salesgirls, janitors, and musicians.



The foundation continues its nearly century-long legacy of funding workers' rights groups. In more recent years, foundation grantees have improved working conditions for day laborers, domestic workers, and street vendors, as well as New Yorkers who work in garment factories, restaurants, big-box stores, and other low-wage industries. The foundation also supports collaboration between community groups, laborers, and worker-owned businesses.

Law and Criminal Justice: In 1930, Franklin D. Roosevelt, then governor of New York, appointed the Commission to Investigate Prison Administration and Construction, chaired by a foundation trustee. Its findings provided a blueprint for reforming the state prison system for decades to come. The commission sparked the creation of a better-organized program emphasizing education and rehabilitation at Elmira prison. This work influenced educational programs in newer prisons, including Wallkill and Clinton. The foundation also underwrote work done on a national basis by private organizations such as the Osborne Association, named for Thomas Mott Osborne, a former warden of Sing Sing Prison and one of the nation's most renowned prison reformers of his day.

Other foundation-supported projects brought even more change to New York's criminal justice system. Grants funded the careful study of successful antiracketeering efforts, prisoner reentry programs, prison issues for women, parolees' concerns, and the treatment of first offenders between the ages of 17 and 19—boys who would ordinarily have been incarcerated. Recent foundation grantees have fought for the reform of the Rockefeller drug laws, the rights of prison families, and the fair treatment of incarcerated people who suffer from mental illness.

Education Reform: In the early part of the last century, many worthy education programs were not in a position to receive public support—they first had to prove their value. The New York Foundation sought out these experimental programs. An early initiative sent visiting teachers to the homes of children who were delinquent from school. The first such teacher was employed in 1911 with funds granted to the Public Education Association. Foundation support for the project continued for years, and the practice spread to other cities.

The foundation funded many other education initiatives. A 1932 project to “adapt the school to the child” by introducing progressive education methods resulted in the famed Little Red Schoolhouse. In 1947, the foundation financed a new center at New York University that housed the law school and focused on new formulations of modern law. It also funded innovative institutions, such as the New School for Social Research.

The foundation supported scholarships and fellowships for needy students, programs that brought retired top-tier faculty to smaller colleges, after-school and summer recreation programs, and financial assistance for African American students.

More recently, foundation grantees are organizing public school parents and students across New York. These grassroots organizations have led the movement for smaller schools, school-based budgeting, improved site management, and increased accountability to parents and communities.

Child Welfare: Since its founding, the New York Foundation has sought to safeguard children by funding organizations working with and for them. These include groups concerned with child protection, recreation, vocational services, wartime care of children, and the emerging fields of youth development and social work.

As early as 1919, the New York Foundation supported “protective leagues,” which guarded the welfare of girls and sought to create “a movement of girls for girls” that could improve their economic condition and promote sex education. The foundation also funded infant-feeding programs, adoption agencies, and organizations that provided day care for the children of working mothers. It supported early work to promote reproductive rights, and provided a founding grant to Planned Parenthood.

In the first decade of the 21st century, foundation grantees are at the forefront of efforts to ensure that the child welfare system preserves families and involves parents and youth in determining the course of their own lives. Grantees include organizations that bring together young people—parenting teens, immigrant youth, young people in detention, and youth workers—to demand better schools, gender equity in public programs, immigration reforms, fair wages, and human rights.

FORGING PATHS, BUILDING MODELS

That the New York Foundation was itself an innovation is clear—it established a new and unproven template for giving. It also sparked creativity among both grantees and prospective grantees, helping to launch programs that would deliver a host of services to New Yorkers, from low-cost nursing care and experimental drug-rehabilitation therapies to new treatments for diseases and major advances in the efficient delivery of health care.

This legacy of innovation is traced to the foundation’s inception. Appropriation No. 2 went to the Henry Street Settlement, to support nurses who treated victims of infectious diseases. The settlement—federal-style row houses purchased by foundation trustee Jacob Schiff—was headed by Lillian Wald, a nurse who was asked by charity workers in the neighborhood to instruct them in home nursing.

The idea got its start when a girl begged Wald to visit her sick mother. Wald did, and found a family of seven living in two rooms in a tenement house. The father, a cripple, begged on the streets; the mother, who had suffered a hemorrhage, was bedridden and in pain. Wald saw them as abandoned by society, and turned to the New York Foundation for help.

In the Wake of September 11, 2001

New York Foundation staff witnessed the attacks on the World Trade Center from the windows of its office, then in the Empire State Building. Though many grantees were located near the Twin Towers and witnessed the mayhem up close, it seemed that no neighborhood was spared the agony. As foundation staff reached out to colleagues and grantees in the days that followed, stories both horrific and heroic emerged.

A *New York Times* article on September 21, 2001, reflected the foundation's concern that the needs of particular communities could well be neglected in the wake of the tragic events. "The world has changed, but it doesn't mean that the problems that existed a week ago don't exist," Maria Mottola, now the foundation's executive director, was quoted as saying. Many families, particularly in Chinatown, were displaced from Lower Manhattan. Job losses were borne most heavily by the lowest-earning New Yorkers, many of whom were immigrant workers. Limitations on relief funds barred many from receiving help. Unemployment in New York climbed to 8.4 percent. Immigrants who lived in fear of deportation also felt a ripple effect of the terrorist attacks as they watched their neighbors being interrogated and arrested. The reorganization of the Immigration and Naturalization Service delayed applications for immigrant status, and new special registration requirements forced thousands of immigrants to report to the INS, unrepresented by legal counsel, thus risking detention or deportation.

In response, the foundation made a special allocation of \$500,000 in addition to its regular grants budget. Trustees gave the foundation staff the flexibility to make discretionary grants to organizations, or to consider extending support past the usual three- or five-year limit, if the staff felt grant support was critical to a group's survival. The Rockefeller, Kresge, and Nathan Cummings Foundations asked the New York Foundation to regrant a total of \$1.3 million to local groups. These national funders recognized that the New York Foundation could be responsive at the neighborhood level at a moment's notice, even in the midst of tragedy.

The grant to Henry Street Settlement established a precedent for a long list of future grants in health care. With foundation support, the Visiting Nurse Service of New York was created. It would become a model for similar organizations nationwide—and the recipient of hundreds of thousands of dollars from the New York Foundation over the years. Another innovation followed in the late 1930s and 1940s that remains a subject of controversy in latter-day politics—health insurance.

In 1939, the Medical Society of New York conducted an experiment in voluntary prepaid medical care. The foundation paid the organization's expenses and funded the experiment at a low-rent public housing project, the Vladeck Houses on the Lower East Side. The experiment involved offering subscribers the services of a private family doctor whenever needed, including an annual health examination, immunizations, and access to services at the clinic of Gouverneur Hospital.

Although the experiment was discontinued, Mayor LaGuardia appointed New York Foundation President David M. Heyman to head a committee that would recommend a plan to cover the health needs of an even larger population than the residents of the Vladeck Houses. The result: the Health Insurance Plan of Greater New York—or HIP—incorporated in 1945. It pioneered prepaid health care.

Other innovations traced to foundation sponsorship include the evolution of public television in New York and the founding of WBAI radio, which played an important role in the evolution of counterculture in the 1960s and beyond.

In 1954, the foundation added arts and recreation to its list of philanthropic programs. That year, the foundation awarded the first of several large grants to Lincoln Center's building fund. The center's early objective was to make the performing arts more affordable and thus more accessible to large segments of the population.

In the 1970s, foundation grants went to organizations that sought to stop the practice of redlining in Brooklyn and the South Bronx. It also underwrote tenant homesteading projects, centers for



the homeless, and the development of community credit unions. In the early 1980s, it funded some of the earliest work to fight the HIV/AIDS epidemic.

More than a decade before the housing market calamity that led the nation into the current deep recession, the foundation funded organizations that worked to prevent foreclosures caused by aggressive subprime mortgage lending practices. The foundation even supported sustainability projects and “green jobs” programs back in the 1990s, years before federal, state, or local governments took note. It also funded early initiatives in the urban environmental justice movement.

The New York Foundation also established innovative philanthropic practices. In the 1980s and 1990s, it streamlined the process of applying for a grant, developing one-page applications that were soon replicated by other area foundations. It also created one of the earliest programs for capacity-building, seeding nonprofit management support organizations that have continued to provide assistance to New York nonprofits. The New York Foundation has become well known for its bottom-up approach to grantmaking. Wittingly or not, the early trustees created a legacy of

board involvement that still distinguishes the foundation from other philanthropies.

LOOKING FORWARD BY GLANCING BACK

In 100 years of grantmaking, the New York Foundation has distributed some \$133 million to a wide range of people and groups working in extraordinary and ingenious ways to improve the quality of life for New Yorkers. The foundation has been sensitive to residents’ needs, to the failure of municipal programs to meet them, and often to the inability of the federal government to acknowledge them. When only a handful of institutions were committed to philanthropic work, its grantees were filling gaps in public health, education, charitable services, and social welfare. And it did so with the peculiar knowledge that taking risks to develop sustainable social change in a continually changing world is a primary function of a foundation, particularly at the local level. Local groups often get closer than others to the core of public policy issues.





Why should a century-old legacy of grantmaking still matter?

A singular, uniquely New York creation, the New York Foundation has evolved as the city has, along the way helping to forge some of the city's greatest institutions—its schools, museums, hospitals, and housing developments. The organization has also supported the work of leaders in their field.

Yet the foundation's most important work has been among lesser-known city residents—scientists, scholars, political agitators, crime victims, homeless persons, HIV/AIDS patients, restaurant workers, civil rights lawyers, educators, and community organizers. They lend the city its great diversity and its undeniable character.

It is important to understand the foundation's roots, especially in an age when, due to a faltering economy, community needs keep escalating, making philanthropy and its inherent risks matter more than ever. It is

also important to note the foundation's faith in the abilities of community residents. Civic organizations play a crucial role in articulating and advocating community interests. While social theorists, pundits, and political theater customarily stress the necessity of calling in experts to investigate social problems, the New York Foundation has shown a century-old conviction in the irrepressibility of New Yorkers; it has striven to cultivate their capacity to engage social, political, and economic forces while respecting their will to act as the sole arbiters of their fate.

The New York Foundation grew out of the resilience of New Yorkers. It continues to serve as a catalyst for positive social reform, and its history provides valuable lessons for giving in the new millennium.

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TYPOGRAPHY

The report uses typefaces that debuted circa 1909. These include Century Oldstyle, News Gothic, and Alternate Gothic.



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