VJD

Interviewee: Dorothy Knapp | Session #6 (video)

Interviewer: Sharon Zane | New York, New York

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Q: I wanted to start out by asking you to sing the Star Spangled Banner.

Knapp: It could only be upward from there. [Laughter]

Q: We'll forget that. Dorothy, I thought the first thing we should maybe do is talk about your experience as a grantee, because that is what led you, at least in part, into your position at Carnegie, and in so doing we could get a little bit of your own background in terms of what you studied, what you knew, and --

Knapp: Okay. I studied Russian studies in graduate school at Princeton University. I came in at a point when graduates of that program were being offered tenure-track positions at Stanford and Harvard. By the time I finished graduate school the academic job market had changed. One of my professors from Princeton had started a new organization that was administering U.S./Soviet academic exchanges on behalf of the American university community, and he offered me a research position at his organization called International Research and Exchanges Board [IREX]. I worked there for thirteen years, and in the early '80s -- I started in '73 -- I had become their grant writer and sort of spelled out sources of support. It was a mixed program. It got most of its funding from the United States Information Agency, but it did need core support from foundations; it had been established by the Ford Foundation as this inner-university mechanism. But we had received diminished Ford support, so we were aggressively looking for other foundations, and I saw this blurb in the newspaper about a new president of Carnegie Corporation. It said he was going to be working on questions of avoiding nuclear war, and I knew that we had, perhaps, a chance of making an impression with him, and his name was David Hamburg. So I ran excitedly into my boss and said, "Let's try to get him to come to some of our meetings." He did eventually come to some of the meetings we had held, and then he got interested. He was in the process of what he called "intellectual mapping" of a new area of grant making for the foundation, and at the time I didn't realize it -- It was actually quite a controversial one for the board, so he was giving it a lot of his personal attention. He soon -- after we approached him and he got to know us -- he sent his program staff to talk to us, and we began negotiating seriously and got a major grant from them. Our programs officer was Fritz Mosher, and he was assisted at that time by a very junior graduate student from Columbia named Deana Arsenian. Deana's still at the corporation today, and Fritz is retiring today. So that was the way I got to know Carnegie Corporation and they got to know me personally, in addition to Fritz's being a program officer, and I was really trading drafts of grant proposals with him, so he was giving me feedback. I was going back to the organization revising and putting together a proposal that they could accept. In addition, the corporate secretary was Sara Engelhardt, whom I had known from undergraduate days at college and who was the sister of a very good friend of mine. So that's how I became known at the corporation. I needed a job. At the time they were looking for an assistant for Sara, and David Hamburg wanted someone with grant-making experience, with grant-receiving experience, because he felt there was this sort of inbred separation and, in time, perhaps, arrogance, if you're not really in touch with what it's like to be out there scrambling for funds in the non-profit world. So I had the right background and the right connections at the right time. So that's how I landed at the corporation.

Q: And landed at the corporation as an assistant?

Knapp: As assistant corporate secretary to Sara Engelhardt who had been corporate secretary for a number of years, had no indication she was going to be anything but a corporate secretary and I'd be her assistant, for a while at least, and thought, "Oh, I'd better slow down and get used to this slower, more deliberative pace," because the place I'd been was very fast-paced and quick and dirty, and the corporation is deliberative and perfectionist, it was at the time. Very high standards, especially in the secretary's office, and after I'd been there about six months, Sara announced she was leaving to take her current position at the Foundation Center, so I sort of, "Oh, my goodness, what is happening here?" But they were still in the final stages of the transition from Pifer to Hamburg.

Q: At that late date?

Knapp: At that late date.

Q: Right. So we can come back to that, but the secretary's office at that time, and the position of secretary of the corporation -- What were the boundaries at that point?

Knapp: Okay. Sara, at that point, was overwhelmed by the number and breadth of responsibilities that she had. She was in charge of being the secretary to the board and doing all the work related to handling board meetings, the logistics of board meetings. At that time there were five meetings a year, I think. They had just gone down from six to five. She was also responsible for the files and the archives. She was responsible for what library services there were, or staff she supervised. She was handling all the proposals that came in, tracking them, logging them in, responding to everyone who requested funds, whether or not they were even a potential grantee. She was really in charge of the corporate correspondence. She had program duties, too. She was running the grant-making program on women, education of women in higher education, in science in particular, so she really had diverse responsibilities. At that point she was assisted by an administrative assistant, Dee Holder, who is currently on staff as Personnel Manager and Director of Administrative Services, but at that time Dee was half-time assistant secretary. So there wasn't a lot of assistance, and the number of grants they were beginning to handle, because the endowment was going up astronomically -- They were beginning to process many more grants in a board meeting, and there was a lot more paper. They were sort of drowning in paper.

The grant letters took two weeks of temps typing to type them, to get them out the door. The mechanism for responding to requests for funds was breaking down under the sheer volume of material to be handled, and Sara was sort of crying, "Help!" I think the grant-making staff was feeling similarly stressed. So they were really dealing with the need to increase the efficiency of their systems, and to cope with being a bigger foundation than they had been in recent years.

Q: So these were some of the things you were facing. What about having program, actual program, on duties lodged in that office? How did that evolve?

Knapp: That had been a long-time tradition. I think, in reality, from the days of the small staff, when everyone made grants, including the treasurer, it was just part of the duties that everyone did, but they were becoming more specialized, and I think it's fair to say that Sara would have found it hard to initiate a grant-making program. It was easier to try to maintain something she had started in less stressful days. But when I became corporate secretary, it was clear there was just not enough time to do grant making as such. Although, because I had experience and background in one of the programs, I did contribute in a more passive way. I sat in on meetings and contributed, but I wasn't outside, looking at grants and making trips like Sara had been, in her field. And over time, as the volume continued to grow, I did not even have that role. So it became a full-time administrative job, which it had never been until that point.

Q: And your expertise is as a Soviet scholar, or whatever, that --

Knapp: That wasn't used in a hands-on way at the corporation anymore, although the general background in the field was obviously helpful, as I was editing and writing board materials and working with Avery Russell on how you present materials. And the general experience in a non-profit was extremely helpful because it gave me the context within which the corporation was doing its work, at least in one program, in some depth. But the administrative burden became overwhelming. When Sara hired me it took her a while, I think that to make the argument she needed a full-time assistant, so I think the needs were not easily perceived outside. You really had to be in the department and understand the range of what they were doing, and know exactly how overwhelming it was. You just get a lot of phone calls, people calling all the time, asking for materials and for money, and this was the first winnowing of those calls, the first screening, to make sure the program staff wasn't inundated. Some foundations have two and three people who do nothing but route first-class correspondence, and at that point the corporation had a third of a person who was doing that type of thing. Then the files and, at that point, the archives, were sort of overwhelmed with paper, and it was hard for staff to have confidence in the filing system that the corporation had invested a lot of time and thought in over the years, and had a very good paper management system. It was hard for program staff to get what they needed, and they were totally lost when it came to any sort of primitive, at that time, on-line searches, but there were ways to get information more quickly through electronic means, and that wasn't being tapped at all at the time I came. So there was sort of a backlog of things that needed to be done, to make the secretary's office more efficient and cope with the increasing volume. When I came we were making twenty-five grants at a board meeting, in a really busy board meeting, and that was stressful. At our high point we were making sixty-five. So, although the numbers of staff went up, the volume went up far more than the number of staff that were hired to cope with that over the years.

Q: Well, one of the big things you undertook was to get the place computerized and maybe you could just talk about that, because the way things were being done -- the catalogue and paper and stuff was pretty amazing.

Knapp: Yes. When I came -- Well, first let me explain my at previous job, International Resources & Exchanges Board, we were exchanging scholars and managing a lot of information on paper systems, and we knew that computers that were coming in could revolutionize that kind of work and make things much more efficient. It was a pretty obvious application of computers to the type of work we were doing. I had been following that development for quite a while, and it was only toward the end of my stay at IREX in the early '80s that Wang computer systems were beginning to develop computers that were affordable for non-profits. So we had started with just a PC or two. But then when Wang came out with a mainframe that was affordable, we really switched to computers, and although it wasn't a computer at every work station and was, in retrospect, rather primitive -- Even IREX was able to afford a room where people could go and do the kinds of record keeping and work where you could see enormous gains in productivity very rapidly. And I had a laptop and I was working on IREX business coming and going on the train; I had one of the first laptops, so I knew you could get a lot of benefit from relatively modest investments in computer equipment. When I came to the corporation, which was so much better funded than IREX had ever been and could really afford anything that it wanted, I found a place that was really not using computers at all except in the treasurer's office. They had a stand-alone computer system in handling the accounting, but there was no comprehensive framework for developing information, electronic information systems, in the foundation. Some interest in it and the history of sort of an aborted attempt to put in a mainframe but it wasn't well designed; it wasn't what the corporation needed, and it was enormously expensive, from my perspective, although, not so expensive in absolute terms.

But they had decided that was not working and not to invest in that anymore, so I came in at a point when the treasurer's office was changing and the new occupant was not interested in developing that aspect for the entire corporation, with a strong belief that the corporation could benefit from those systems and a feeling that it was really quite affordable, even in a foundation that, in fact, does have to watch its administrative expenses. So, although lavish from the non-profit world, it was, in fact, operating within budget constraints. So it wasn't a profit-making corporation that could say an investment of so-many dollars was going to yield some sort of quantifiable benefit. So David Robinson basically was not taking any interest in the computer systems at that time. Jean Grisi had said she would handle the treasurer's office but was not interested in a wider role, and we had an all, hands-on meeting soon after I got there in which everyone was paralyzed. David Hamburg convened the meeting to get everyone's thought, and the people in the room just couldn't agree on anything. After the meeting it was so obvious that someone had to take some leadership position, and David Hamburg was quite comfortable with the new person on the block who was eager to do it, with giving me some assignment to do that, and Fritz Mosher was a computer maven, and he believed in it, too. So we identified a consultant, Marty Schneiderman, who was working with Rockefeller -- the Rockefeller family, not the philanthropic end -- but who had been a very close friend of a grantee, a former staff member of the corporation. I remember going to the consultant, Marty Schneiderman, and saying, "We need a computer therapist. Mine [should read, "The staff"] needs therapy; it's frozen, and it needs to get off center base." So there was as much fear of change and an inability to see the benefits as any objective reason of cost or competence. Marty was really very helpful in coming in and solving an immediate problem. We had a mailing list. We're still very proud of our mailing list, since we are for the advancement and diffusion of knowledge and understanding. We have a mailing list that's far in excess of mailing lists maintained by other foundations, and we had a very competent Juilliard graduate who was totally, personally devoted to maintaining this beautiful mailing list, and she couldn't get a list printed out in less than two weeks of having a printer operate. Marty said, "The thing that will help establish both the credibility of an effort to bring information systems in and relieve fears will be to have a quick success with that mailing list," which we did. Within about two months it was turning out a mailing list within a couple of hours. We had different software that was easier to use. The systems were more reliable, and with the credibility of that success, we then moved on to computerize the entire operation, in terms of grants management, information management, and to establish appropriate links with the financial side of the corporation. In the broad context, that was a useful history because we had no big investment in systems that we felt we had to upgrade or expand, so we could start with a clean slate. We were coming in at the time when personal computers were becoming affordable and powerful enough to allow us to make significant progress with small investments. We had a good consultant who was, by background, a teacher and familiar with the corporation. So he really could deal with the human interface to the machine and help us think that through. I think we gave the corporation, for the times, some leading edge systems that were models -- Some of our systems were models for what other foundations have done, and we still see echoes of our information systems in newer systems. We went from stand-alone PCs. We had a plan when we moved to new offices [to move to] networked PCs. We had a network that didn't crash for three years; when we turned it on it worked perfectly for three years, and it's hard to go back and remember no one was having that experience at the time. Everyone, at that point, thought networks were the way to go, but they were very unstable and they were always crashing. We just had a turnkey. People could go in and say, "Oh, your network is down and ours is not down." In fact, we still are in a building, the same building, with the same network we had seven years ago, and I'm still hearing people on the elevator saying, "The network is down," and our network is almost never down, just every now and then. We don't have a perfect record anymore.

Then when it became clear that the Internet was becoming a powerful means of communication, we got the corporation out on a "gopher" first, and then with a Website, before any other foundations really thought about it. But it's such an obvious thing, when your purpose is diffusing knowledge, that -- and there was a lot of support for that. And many other foundations are doing it now, and doing it well or better than we are. But still, it was a fun time to be seeing that technology come into the institution and be able to contribute to that effort.

Q: Now you mentioned before that when you came to the corporation, it was really kind of getting to be the end of this get-adjusted period for David Hamburg, and maybe you could talk a little bit about the kinds of changes that you witnessed. In particular, maybe, we could tie it to what you saw at the board level, also. Because I know it was all kind of intertwined.

Knapp: Yes. I think that Sara had different experiences of the way the board interacted. When I became corporate secretary, and was really sitting in the meetings, the meetings were established in a pattern that continued until the end of the Hamburg presidency. There was a very formal agenda. There was a presentation of some length and depth by one or more grantees, really, and a mini-seminar on an area of corporation grant making, either one we were considering making or one we'd been in. And Hamburg used to refer to it as Carnegie U.; that when you became a trustee, you were going to Carnegie University.

The trustees themselves participated as individuals and as trustees in operating programs and specific projects of the corporation. So they were brought on board for their contributions to a substantive area of the corporation's work, rather than perhaps a broader perspective from, say, a background in business, with a particular interest in something like education. But he was really focusing on expertise he could use in building the corporation's network and furthering its programs. I think he had a vision of what he wanted to accomplish for the foundation, almost from day one. At least I came in with the feeling that his intellectual interests were set and had been articulated fairly well and completely, and the staff was on track with the exception of the Human Resources & Developing Countries program, which was the last to be brought up. I think it's just a matter of sequencing that it happened that way. When I indicated earlier that the avoiding nuclear war program was somewhat controversial, it's hard to go back and remember where we were at that point. But that was the beginning of the Reagan years. There was talk really of "the evil empire," and the height of the cold war. So that was absorbing his attention. That was the first priority he had in grant making, and that was the way we got involved with him rather early in his presidency at IREX. But he also was extraordinarily interested and involved in education and was working on initiatives in education. So I think it [the Developing Countries' program] just came at the end of the priorities, but the priorities were all weighty and substantive from his perspective. So when I got there, the Avoiding Nuclear War program was set and established, with Fritz as chair. The education program was basically -- The old education staff was sort of reassigned to two areas, children and youth, and education and the economy, basically the higher education program was being phased out and the economic benefits of education were in the process of being documented, with Alden Dunham and Vivien Stewart in charge of those programs. They were, in a few years after I got there, consolidated in one program that had no higher education focus. Ade Lucas was being recruited to come into the Human Resources & Developing Countries program. He came in as a doctor, a very senior specialist, very in the running for the World Health Organizations, an internationally respected doctor, and he brought a health focus to the work in Southern Africa and Sub-Saharan Africa, that hadn't really been there before. So he was expected but hadn't arrived by the time I got there, and his deputy was Patricia Rosenfield. So that was where they were in terms of program development. Board functioning, they had just moved Avoiding Nuclear War from the first chapter in the agenda book to the second chapter in the agenda book, which said something about the priorities. Education had just become the one that was getting more board attention, and I think the feeling was that the trustees read the book from start to finish. They would get through the first program and perhaps not pay so much attention to the later programs. So it was a symbolic act that carried a lot of weight in the secretary's office, and it stayed that way until Hamburg left the presidency. Now there's talk about changing it again.

Q: Which we'll get to. But in instances such as dropping higher education, which had been an area that the corporation was well-known in for a very long time, or in instituting programs that were so different from what had been assumed to have been Carnegie's sort of stated mission -- What's your impression of the way in which the board did or didn't have input into those things?

Knapp: I had no direct knowledge of that from members of the board. I only have indirect knowledge from reports of people who were there at the time, and what Hamburg himself has said about it. He said that, when he was recruited as president, he made it very clear to the search committee what his intellectual interests were and that he intended to pursue them when he became president. So they hired him, knowing what his agenda was. He also said that as he worked through his agenda, the thing they had to work through the most was concern about taking a forward position on avoiding nuclear war, because in the height of the Reagan administration they were very concerned that the corporation would be taking public-policy positions that were opposed to the U.S. government position. That was almost inevitable.

David Robinson organized the key initiative that directly put us in conflict with government policy, what came to be known as the SDI initiative, which was the Star Wars Defense Initiative. He really organized an independent, scientific look at the scientific bases for the Reagan Star Wars initiative, and really led to challenging, on a factual basis, the underpinnings of anti-ballistic missile defense that really were the calling cards and the trump cards that Reagan was using in negotiating with the Soviet Union. That led to change in government policy over time. A lot of questioning in Congress was based on the work that was done then, but the fact that it was a fact-based analysis by people of impeccable credentials I think protected the corporation. But at the time I came I was handling the correspondence, and there was a lot of correspondence, I've never seen the like of it in the years since, in which our support of "Sesame Street" and our opposition to the Star Wars defense were linked as trying to brainwash American schoolchildren into an anti-government policy that was destructive of the United States. It was obviously right-wing, but it was strongly felt and of concern to the board. They were not used to getting that kind of mail. And there were some public attacks on us for that.

So there was some concern, but I think it all came, in the end, that if you undertake a study with integrity, you can defend it against attacks, and that's the role, one of the roles, a foundation can usefully play. It's not coming out, knowing you'll be opposed to government policy, but examining, independently and objectively, some of the underpinnings of policy. Certain foundations are better positioned in certain areas to do that kind of work than others.

Q: Could you elaborate about that?

Knapp: I think when we say something on education we're believed, and I think it has enormous impact on government policy. The research that we funded in the Pifer years, on early childhood education -- what children could learn before they reached school age -- really defined the field, and led, obviously, to the Head Start program. That sort of credibility means that when, in later years, we turn our attention to middle-school children or the problems of brain development, anything to do with educational achievement and attainment, I think we're listened to very seriously. I think we lost by not being in higher education in the Hamburg years. The credentials we had established in that field sort of lapsed, but Vartan Gregorian as president, with impeccable credentials in higher education, and with the history of work in that field, I'm sure that will be re-established. When you're talking about health issues, there are foundations that have long traditions of working with health issues, and I think they're listened to in the same way. But I think our niche is education and, to a lesser degree, peace and security studies.

Q: And that kind of specialization, I guess, is sort of just a continuation of a trend. In general, is that not -- ?

Knapp: I think it's the passage of time. Over time foundations create a certain history, if they continue to stay in a field and don't flit from field to field. I think you begin to really understand the dynamics of the field, and you can seize opportunities. There's a long history at the corporation of funding basic research that's sort of long-term and you don't know where it will necessarily lead. But if you have the familiarity with that research and the people who do the work, and you fund it, then, as you see social problems arising, you can offer the knowledge that you've acquired as a potential way of alleviating social problems. I think when government was perceived as the be-all and end-all, or as even the major player in solving social problems, therefore, your obligation was to make that knowledge available to policymakers at the federal level, primarily. Now we're in a much more fluid situation, where you have to make that knowledge available to state-level people, because a lot of good policy innovation is going on at the state level now. It's a more normal pattern of American government than we enjoyed right after the Second World War. And, also, there's real questioning about what the role of government should be overall, when there's not an obvious threat, external threat. I think that's also a normal pattern. So you're talking about making that knowledge available to business leaders, community leaders of various sorts. So dissemination of knowledge becomes a much more complicated aspect, and I think when you're dealing with those complications it almost forces you to go to your niche, unless you're such a big foundation that you can throw resources at any field you choose to go into, at any time. But certainly, for a corporation with asset size of the corporation, then you really have to give some thought to where you're going to put your efforts.

Q: I'm thinking about what you just said. Is it still the case that some of the very large foundations still take a very sort of general interest and approach?

Knapp: Oh, I think almost any foundation is announcing areas that they are interested in. But if you look at the Ford Foundation's websites, the areas they're interested in are so much more enormous. The resources they have is a much more diverse portfolio of interests than we could ever have. They're into development on a scale that is astronomical. The Kellogg Foundation's shortfall in pay-out is the equivalent of our budget in one year, when the stock market is going up for them. So I think it really is a scale issue as much as anything else. But that doesn't mean that you can't have enormous impact, and the corporation benefits from being an old foundation. So when Andrew Carnegie turned over his resources to the foundation, it constituted a larger percentage of the gross domestic product than anyone has been able to contribute to any effort since then. So at the time it was a major player, in the early years, when it got into culture and was giving grants to artists and creative people. In the Creative Arts program it was probably funding most of the people in that endeavor in the United States, in one form or another. When it was supporting higher education, before the government became such a big funder, it was a more important funder than anyone else. But now that will never happen again, even if we rethink the role of government in higher education and come out with fewer resources at the federal or state level, being devoted to that sector of activity; the corporation will never be a significant funder of higher education, as it was in the earlier period. So we have to deal with that reality, when you're talking about strategic grant making. You really have to choose your subject matter very carefully.

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Q: for some personal perspective on the role of grant making. Maybe you we'll with that. And I think the interesting thing you just told us was that nine out of ten people who enter the field of philanthropy leave after a year.

Knapp: That used to be the statistic, and I think it's still pretty high. Because, especially if you work in the non-profit sector, you think it must be heaven to not be scrambling for funds, but to be giving them out. It would seem to be the culmination of a non-profit career to be able to give up that anxiety, and turn around and fund programs that you know about. But the reality is it's saying no to many worthy people and worthy groups; for every one you can support, you turn away a dozen or twenty, and a lot of people will find that discrimination, and having to make those choices very, very difficult and very stressful. So I think there's a lot of misperception going in and then the reality of the work is less satisfying for a lot of people than it appears. The people who stay in the field obviously make their peace with that, and I think probably have a bit more entrepreneurial spirit, and they're really looking at the resources they have at their disposal as a way of leveraging change and support, so that they're more comfortable with making decisions that are negative, in many cases. But it's a hard -- That part of philanthropic work is hard, I think it's the difference -- and there's a wide variety within the philanthropic sector of the types of activities people can undertake. I think if you're in a community foundation you get many satisfactions of dealing with the alleviation of problems in your community, so that yields additional returns. If you are a family-run foundation, you are fulfilling the wishes of the family member whom you probably know personally, or if you're secondgeneration you know of them, maybe, if you didn't know them personally. So there's a personal, family investment in the types of activities you're undertaking. But when you get to professionally-staffed foundations, where the link to the founder is not there and the program directions are not actually set, necessarily, by you, then there are a different set of motivations that keep people in the field. I've been trying to think why I stayed in the field, when my initial reaction was, actually, "Oh, this is really hard, to say no," and some of the initial reactions -- and I think it was because, first of all, I was working for a corporation and foundation that had worked the field for a long time, that was known for really staying with a problem. And they were working on a problem that I believed, as David Hamburg did at the time he hired me, was fundamental to the survival of civilization on this earth; which was, avoiding nuclear war. So I came at it, not from the arms-control side, but sort of a policy and politics side. I believe that was the pressing international problem, and that the foundation was taking a forward position and not going to leave until they had made some progress on that effort. And I think they did have impact on the Strategic Defense Initiative, which I talked about earlier. I think that in funding exchanges, such as IREX, they actually were funding one of the vehicles for fundamental change in Soviet society, because you couldn't work in the exchanges program and see the impact of contact with the West on people, time after time after time, without believing that change was going to come, and it was going to come through increased contact; and my own belief in the power of information sciences, which I've talked about, that we knew at IREX, at the beginning of Internet, which was in its nascent stages when I was at IREX, that governments were not able to keep scientists from communicating with each other. They could do it. Soviet and American scientists could talk to each other directly, despite whatever barriers the governments were trying to put on, because they had figured out how to do it through the world communications net, before there was such a thing as an Internet. And that was having a powerful, and in the Soviet case, corrosive, effect on their own satisfaction with their own social structure. So the personal satisfactions of working a long term problem, and feeling you had a chance to make an impact, make philanthropy an enormously appealing job for certain people. I have a feeling they're the people who like to go into public service and work for government too, or are academics who are also concerned with trying to bridge the gap between basic research and public understanding of the importance of the work, so the kind of public-spokesman kind of academic. I think those are the types of people who find work in philanthropy rewarding and want to stay in it. I've certainly been impressed by the caliber and the creativity and the commitment of the people who come to philanthropy. And as Alan Pifer noted in one of his essays, once you're in that niche and you're comfortable doing that kind of work, it's enormously appealing and rewarding. I think for some people the religious motivation -- It's an ethical and religious desire to do significant work that will leave the earth a better place as a result of your endeavors. I know I talk to people who want to go into foundation work, and frequently their motivation is the feeling that they have either acquired their money, or acquiring money is not enough and are looking for a chance to contribute in a stewardship way to the advancement of the world that their children will live in. So I think those are the types of people who are attracted to philanthropy, despite the negative that I mentioned at the beginning; the fact that you have to say no much more than you can say yes, no matter what foundation you work for.

Q: Which may take a certain kind of person, to be able to do that.

Knapp: I think so. I think it's interesting. It's not a matter of intelligence, because there are, I think, plenty of intelligent people who couldn't do it well. And I've thought about what kinds of qualities make a person a really good foundation program person. I've watched people come and go, and I really do think it's the sort of entrepreneurial look, the comfort with that; a certain amount of intelligence and training, and I think it helps to have a good knowledge, in-depth, of one field. But I think it's also having this broader commitment and perspective -- seeing it in a larger context -- that goes beyond your personal contributions, and seeing it as a contribution to an endeavor that can make a difference in the future direction of society.

Q: The issue of determining what kind of change you may have made or impact you may have had, is tied up to some degree in the way you look at something and the way you evaluate it. I know that that has been an interesting issue in the foundation world. How you do that.

Knapp: I think every foundation struggles with it, and I think the corporation is entering the phase of confronting that issue head on. In the Hamburg presidency I think we were driven by a vision, and to accomplish certain things we didn't deal so much with whether it was cost-effective or whether we had measurable impacts. We used to make a joke of that -- Hamburg used to make a joke of it, when he was saying, "Well, we had an 'Avoiding Nuclear War' program, and now there's no Soviet Union. We must have succeeded. Our program succeeded." When you're tackling a large issue, it's hard to know exactly what your contribution was, if the issue area is resolved or if the problem is ameliorated. Likewise, if you're working a problem that doesn't seem to go away, does that mean you, personally, or as an institution, have failed and should go try something else?

So I think evaluation is a difficult issue. I think having goals and trying to be realistic about what you can achieve and measuring your achievement against your goals, and having benchmarks and focus -- I think those good things will come from evaluation. The downside may be that you don't take the big leaps. So, I think as our board is beginning to talk about evaluation and press the staff to be more evaluation -- and outcomes -- focused, coming with that is some assurance from them that they don't want us to be conservative and avoid risk. So that will be a tricky issue, to see how it plays out. I think what you can do is be sure that you're learning from your experience. You're sharing your experience with others on the staff; that the best experience is replicated in every way you can, so that you're continually refining and improving what you're doing, and not just settling into a routine kind of evaluation that drives grantees nuts, because you're not measuring them in ways they consider relevant. That was a concern when I was on the grant-seeking side of the equation at IREX; that every now and then funders would get sort of obsessed with evaluating us, and they would bring in consultants who really didn't understand the issues well enough, and it was very frustrating. Because you welcomed evaluation and you wanted to learn from an outside perspective, but to find the person who can feed that perspective into your work is very, very difficult, and it really can't be done on an episodic basis. It really has to be a partnership, almost from the beginning, so that you're learning from each other and continuing the evaluation, and it's fed into the continuous improvement and to what the grantee is doing, or what the foundation is doing.

Q: There's a kind of tension, too, between this expectation that you get something up and running, and then whether you continue to support it, or whether you sort of leave it at that.

Knapp: There's a lot of talk now in the foundation community about having exit strategies when you enter a project, and that would seem to be in conflict with working a problem for a long time, but not necessarily. Because I think what foundations are seeing (and not just the corporation) is that they all have limited resources. I've been focusing on what the corporation's limits are within the foundation community, but the fact is foundations are not a significant part of charitable giving in the United States. Individuals give much more; they just don't give it in the same way as the foundations do. So foundations really have an obligation to think about how they can strategically use their resources to stimulate new ideas, to stimulate new ways of looking at things -- new social organizations, better policies --and that may mean planning for the end of the project as well as the beginning, and trying to think creatively from the beginning about how to make projects self-sustaining; how to establish the credibility of the effect from the beginning; how to disseminate knowledge of the success of a program from the beginning, so that you really do leave a project that's succeeded able to stand on its own and to replicate, I want to say, like a bacterium on a "medium" or something, but able, by having thought of how it would support itself, and how it would spread knowledge, to become part of the culture of a society.

I think when a foundation leaves a field it also has -- generally, as we did in higher education -- it has a responsibility to that field to think about the consequences of the withdrawal, and to try to minimize it to the degree it can. Too often there is, I think, in the foundation community a search for a new idea, and the finishing and giving it the final push at the end, or taking the responsible position and closing out is less appealing. I think that's something that foundations are beginning to grapple with, too. I think it will be easier to do that responsibly, if you've built your evaluations, your benchmarks, and thought about how you're going to get out from the beginning.

Q: How did Carnegie handle that?

Knapp: The higher education? My understanding, from when I came in, was they just announced they were out. They did keep this general project, trying to stress the importance of a good educational system, start to finish, under this pared-down program. But they had really announced they were getting out of the higher education business, and I think they really didn't think about what the consequences of that would be for higher education, and I think they were missed. Now, deciding how you can re-enter a field, build on your past knowledge, what you didn't do and intervene strategically, is the question before the Corporation. But we see it now because we're in another transition, and we're trying to wind down some themes of grant making in a responsible way. It's a difficult thing to do, and do well. It takes years.

Q: Which explains these long transition periods.

Knapp: Yes. It does. It really does. It's one of the big explanations for it.

Q: The foundation, as a grant-making organization vs. an operating institution -- Has there been a shift over the years at Carnegie, that you can see?

Knapp: There definitely was under the Hamburg presidency, and the later you go into the field the more we did operating foundation types of things. I think the frustration for a grant-making foundation is, if you really know a field well, at some point you feel you should organize your own activity, because you know what you want to accomplish, and grantees really have some latitude in what they'll do with grant funds built that into the nature of the grant relationship. So it becomes very attractive to have a Carnegie Commission on this or that. In the earlier years the corporation used that technique selectively and with relatively good results, although not entirely uniformly correctly. But the Carnegie Commission on Children was enormously influential. The work on public television was accomplished through an operating type of activity, and their early work in that was influential. In the latter Hamburg years -- One year we had, I think, seven or eight operating programs, so the attractions and the mechanism is certainly something the corporation has a lot of experience with. I think the feeling on the staff now is that that's certainly a viable way of doing business, but perhaps it needs to be selective, and maybe in the future done in conjunction with other foundations so that there would never be, or shouldn't be, so many Carnegie commissions, as hyphenated commissions with other foundations.

Q: Because it would take on an extra legitimacy? Is that -- ?

Knapp: Well, I think what we would always bring to the equation is our legitimacy in the field, but other foundations have legitimacy, too, and can command more attention. It used to be enough to put your ideas out in the market place, and if it was a good idea it would be picked up. But marketing has changed, and marketing ideas have changed since that time. So it's a question of bringing resources to see a project or study group through, to have some impact, measurable impact, and not just be another report that people pick up.

Now having said that, we know that the years we did report some study groups, and designed reports that were for policy makers to pick up and explain, seems to have been used a lot to justify and to argue for changes in policies and programs at the federal level and at the state level, and even at the community level. I think an enormous number of people who are concerned about middle-school education just pick up *Turning Points* and can speak from the executive summary of *Turning Points*, to make the arguments they need to make in their community about what middle-school education should be, to meet the needs of early adolescent children. So it's a matter of knowing the opportunities that a field presents, and understanding how you can contribute to that through an operating type of mechanism. In terms of the diversion of resources and attention from the staff, it's a serious issue because it is a different way of operating, and if you're good at grant making you may not be good at running study groups. And I think the Corporation over it's years has tried all sorts of arrangements with these study groups and felt to some degree that all suffered from problems that were endemic, trying to do very different kinds of activities in one shop -- It's almost like a business deciding to spin off a type of business because it's not your core business, and maybe you don't do it as well, or you don't do it often enough to acquire the experience, and to learn from your experience to do it better the next time. You're constantly reinventing the way you have to do things.

Q: So, therefore, you think that --

Knapp: Therefore, I think that as the corporation thinks through its recent history, as it goes forward, I don't think we'll see too many operating programs. But I could be wrong.

Q: But what about collaboration among foundations in terms of the grant making -- [tape interruption]

Knapp: Okay. Foundations are basically divided into grant-making foundations and operating foundations. They have a legal distinction that doesn't need to concern us here, but what it boils down to is when you're a grant-making foundation you are primarily giving money to other organizations for purposes that you've defined you want them to use it for, but it's their money to run a project. It's their project. If you're an operating foundation, you're basically holding the funds for the charitable purpose for yourself to organize the activity, you're not working through a grantee organization. In the corporation we are legally a grant-making foundation, but we have undertaken, over the years, more or less operating foundation types of activities, where we're holding the money and we're running the project. It is our project, and that's what I was talking about in the earlier period. We have typically put our name on those activities, so it's the Carnegie Commission on Preventing Deadly Conflict, the Carnegie Commission on Science, Technology & Government, etc., and we started doing that years ago, before the Hamburg presidency. So there was a model there. Other foundations do the same thing. I think the way that the world is moving and not just the corporation, but the other foundations that have engaged in this activity, I think the thinking now is "do it together, try to do it together," rather than each foundation going off on its own, and really investigate where such an activity can make a difference, and try to figure out how to do it in a collective way. And the collective way may be that the Carnegie task force, or whatever, is part of a larger endeavor. So the pie can be divided and served up in numerous ways, but there's an effort to look at it beyond the confines of one foundation, and say, "How can we build some synergy if we do this kind of activity?" So I think you'll see, and have seen, some more joint commissions, hyphenated commissions, on health care issues. And some of the social problems are so overwhelming they really need the expertise of a variety of foundations to have a comprehensive approach.

Q: Well, what is that like, when different foundations try to work together either to make policy, or to run a grant-making operation? What's the experience then?

Knapp: I think it's very difficult. It happens, and there have been successful endeavors. The corporation has cooperated successfully with the MacArthur Foundation in the Avoiding Nuclear War program. There was actually an attempt to sit down and say, "This is the issue," and they supported certain kinds of activities. We supported the research, they supported fellowships, and I think that type of activity can be done, and we are now in the process of trying to figure out a common approach to problems of higher education in Russia. But it's also -- Each foundation has its own culture, its own interests, its own procedures, and for the working-level staff to figure out how to do it, in an operational way, even when the heads are committed to it and it looks good on paper, is a challenge, and I think anyone who's tried to do it appreciates that, even when there's mutual respect. It's just hard to mesh gears of two institutions toward a common purpose, but I think it's worth it, it can be brought off.

Q: Can you very briefly describe the culture of Carnegie?

Knapp: [Laughs] I think very deliberative. Very committed to the areas that they are working in. Very eager to have impact. Very eager to stay with a problem until there's nothing more you can contribute. I think that makes it hard to change, because you are committed. I mean, the other side of commitment is an unwillingness, perhaps, to look at something realistically and say, "There's nothing more we can do." Vartan Gregorian is fond of talking about life support. For long-time grantees maybe we become a life-support system, and we've shouldn't be that, we should be an incubator. So turning off the life support is very difficult for committed people. I think, on the other hand, there is enormous creativity and people are very proud of the traditions of the Corporation and history, and they know that in education, particularly, and some degree in security studies the name means a lot. They are standing on the shoulders of their predecessors, and they want very much to contribute and make their mark in that tradition. So that, I think, is what I could say about the culture right now. Even in a transition, those themes continue.

Q: Well, let's see.

[END TAPE 1, SIDE 2; BEGIN TAPE 2, SIDE 1]

Q: As we conclude, let us talk a little bit about, first of all, the context within which foundations operate, because I know you can make that interesting. [Laughter]

Knapp: Well, how can anyone make tax law interesting? Basically, foundations operate on a tax-free basis, so the debate has been, what do they owe the public for their tax-free status, and in 1968, after a series of foundation grants -- the foundation will remain unnamed -- to individuals who had been in the Kennedy administration -- the Tax Reform Act of 1968 put some limits; specified who were disqualified individuals, what the relationship to government officials had to be, what limits there were on grants to individuals -- how that was going to be handled. My predecessor, Florence Anderson, helped draft that legislation so it was punitive in one sense, in that it was a response to perceived transgressions by foundations. On the other hand, it was an informed act, because it did use the expertise of foundation staff members to craft guidelines that would not destroy the work of foundations. And since that time there have been fairly rigorous laws governing how we do our work. That was not the first attempt to deal with foundations. There were study groups before that, but this was the one that really resulted in legislation that changed the way we operate. I think that there was some talk a year ago about having another look at foundations, and some more restrictive legislation, and the talk of giving the IRS something besides loss of tax-free status, to use as a stick in case someone transgressed. So we now have intermediate sanctions, which means that they can do something short of that [taking away one's tax-exempt status] to punish all non-profits, but included in that, foundations. There have been talks about public disclosure laws that would really cripple the kinds of work that foundations do. But, by and large, the support from the public has been overwhelming for non-profits, and especially for foundations, so those threats of new hearings have sort of receded, and I'm pretty confident that, after the last elections, they've receded even further. People have other things on their minds than investigating. I think the feeling -- Some interpretation of the recent campaign results is that there's too much emphasis on investigating and fault-finding, and it's time to be more pro-active about positive legislation.

So the Council on Foundations, which monitors the situation for all foundations, I think probably will be less concerned, but foundations are restricted in the kinds of lobbying they can do, the kinds of people they can deal with, the kinds of grants they can make, the kinds of grants they can make domestically and overseas, and part of the job is to work within that framework.

In the corporation's view, throughout its history, has been the public disclosure -- it's certainly a responsibility of foundations, but many foundations don't have annual reports and aren't as forthcoming about what they do as the Corporation has been.

So that is the broad framework within which we operate. The Council is the association of all foundations, and it's a very diverse universe, as I indicated earlier. There are family foundations, community foundations, corporate foundations and professionally staffed, old foundations [and new foundations]. So it's a multiple universe within which to design policies and responses to perceived legislation at the federal level, that might influence the way the field operates. But before '68 it was a pretty free system, and after '68 we spent a fair amount of time making sure we were in compliance with regulations that govern our existence.

Q: Maybe this would be a good place to just ask you to recite some of the criticisms that may be made about Carnegie out in the world.

Knapp: First of all, I think there's a criticism because we just came through fourteen years of visionary leadership that what we were doing was not grounded in reality; that we were unrealistic in some of the policy suggestions; that it was all fine to talk about it, and we put a lot of money into disseminating in a highly visible way, but that the programs cumulatively did not have the impact that those contributions should have generated; that there wasn't a collaborative process within the foundation. It was a presidentially driven vision, and it wasn't a mission that involved the board, and the board had bought into; that if it had been significant, there would have been more response from grantees, or to continue the ideas so that we funded things that died after we left, so we hadn't made the case in certain fields for the continuation of the activities; that we tend to be -- so that's sort of the international focus; that domestically we have somewhat squandered our reputation on an education and working-children's issues by not collaborating enough with other institutions, by going alone much too much and not giving credit to the work of other foundations when they've worked in the same area for many, many years; and that that created ill will in foundations, and didn't contribute to forward momentum; that we were insufficiently attentive to the role of the business sector in working on some of the issues that we deal with, and that they could have made contributions and we did not reach out to them as we should have, we were too focused on -- I guess the term would be the "traditional liberal constituencies," and that it's a different era and we should be more pro-active in reaching across all sectors; that we, in Africa, squandered our reputation in African higher education, in the work we did on African higher education, at a time when African universities were in increasingly more distressed conditions; that we could have contributed to that, and created a greater public awareness of those issues, and we did not do that. And, let's see, on special projects, what can I say? [Laughs] What are the criticisms of special projects? That we have an insider clientele that we support in that program, and it was a program and not special, and how can we justify supporting some groups and not others; that we didn't really run a full-fledged program that made the wisest use of those resources.

I think I've covered every criticism I've ever heard about every program. [Laughter]

Q: Is that okay, Mary Marshall? Now in an effort to have you say something personal and positive --

Knapp: Yes, let's end on a positive note.

Q: -- what's good about it? I think the last question we had was the role of private foundations in American life today, and also, how things are changing with new money and new foundations.

Knapp: Am I okay to respond now? Could you repeat the question? [Laughter]

Q: Could I? I don't think so. Yes. The role of the private foundation in American life today, and how that's changing with new money and new foundations?

Knapp: The professionally-staffed grant-making foundations like to see themselves as the venture capital of philanthropy; that they can take risks; they can go to the cutting edge of ideas; they can do things that no other sector of society has resources to devote to those efforts. Not to say that our family foundation couldn't do the same thing, but that's the niche for the large foundations that really work on problems; that they can take a perspective in a society that is increasingly driven to the fifteen minutes of fame, or the latest fad, or the short-term return on capital; that they're the ones who can really take a longer perspective, look at deeper problems, and think about the perspective ten, twenty years out. And this is not a society that does that, as a way of thinking. I think it's no accident that the society that is devoted to "life, liberty and the pursuit of happiness," and has developed the freest market economy in the world, also has developed the strongest philanthropic sector. I think it's a way for people at an individual level to deal with their own issues, especially as they approach the end of their normal life span. What does it all mean? What is this accumulation of wealth mean, and what can I contribute to the perpetuation of my ideas or the betterment of society beyond my lifetime? So a foundation is a way to accomplish that goal, and I think it's no accident that a country with strong religious traditions and ambivalence about the accumulation of private wealth, almost from the day of the wealthy first, native-born, wealthy people accumulating large fortunes, has developed this mechanism and continues to provide a place within its structure, through tax incentives, to be a publicly-approved and supported institution.

Having said that, it is, in fact -- Institutional philanthropy is a small part, still, of giving and charitable giving. The amounts of money that individual people give to charitable causes far exceeds any money that foundations have to give. So it is a piece of a picture, a piece -- a way of distributing income or meeting the needs of the poorest members of a rich society, that serves a purpose but a limited purpose, and I think to the degree that it can, as institutional philanthropy, serve as forward-looking function that it deserves public support.

[END OF INTERVIEW]