



By Peter Dreier and Chuck Collins

A GUIDE TO INSURGENCIES
FROM COAST TO COAST

TRAITORS TO THEIR CLASS

THE OCCUPY WALL STREET MOVEMENT HAS CHALLENGED THE PRIVILEGE OF the richest Americans, but a handful of people within the top 1 percent support the movement's goals of redistributing wealth and power. They are part of a proud tradition of wealthy people who found common cause with the poor, the working class, and progressive movements for social justice.

For more than a century, most philanthropy—made possible by federal laws that provide tax breaks in exchange for charitable giving—has ignored progressive movements. Instead, it has focused on giving to elite institutions, such as museums, symphonies, private universities that primarily serve affluent students, and land conservancies around private estates. When philanthropists and foundations donate to the poor, it is primarily to institutions that provide services and handouts—such as homeless shelters and soup kitchens—not organizations that mobilize people to challenge the status quo. Understandably, most philanthropy by the rich has not been concerned with challenging the economic and political system.

Throughout American history, however, a small number of rich radicals and prosperous progressives has donated money to keep the Left and its organizations going. Motivated by religious and secular views about slavery,

women's rights, racial bigotry, peace, poverty, and labor—and impressed by the courage and commitment of activists—they invested their hearts and their money in movements for change.

For example, a group that called itself the “Secret Six” funded much of the movement to end slavery. These wealthy abolitionists helped elect Charles Sumner to Congress, funded William Lloyd Garrison's newspaper (the *Liberator*), supported the work of Frederick Douglass, and secretly financed John Brown's anti-slavery organizing, including his attempted insurrection at Harpers Ferry in 1859.

In the late 1800s and early 1900s, many wealthy benefactors—mostly women like Jane Addams, who founded the settlement house movement—contributed their time, talent, and money to the Progressive Era battle against slums and sweatshops.

In 1908, Irene Lewisohn—a German-Jewish philanthropist—offered money to Rose Schneiderman—a poor Polish immigrant and a fiery socialist union organizer among New York garment workers—to complete her education. Schneiderman refused the scholarship, explaining that she could not accept a privilege that wasn't available to most working women. Instead she convinced Lewisohn to provide her with a salary that would allow her to become an organizer for the Women's Trade Union League (WTUL), which mobilized upper-class and middle-class women on behalf of the immigrants' union campaigns. (It was through working with the WTUL that a young Eleanor Roosevelt was first exposed to the suffering of the poor, an experience that transformed her into a lifelong progressive.)

During the great Uprising of the 20,000 in 1909 and 1910 (the largest strike by American women workers at the time), the WTUL raised money for the workers' strike fund, lawyers, and bail money, and even joined the union members on picket lines. Schneiderman referred to them as the “mink brigade.”

One of them was Alva Vanderbilt Belmont. After her second husband, Oliver Hazard Perry Belmont, died in 1908, Belmont put herself and her fortune at the service of the struggle for women's rights and social reform. She hosted meetings for feminist groups at her Newport, Rhode Island mansion, paid for the U.S. tour of English suffragist Christabel Pankhurst, supported the WTUL, and donated funds to the socialist magazine the *Masses*. During the Uprising, Belmont organized fundraising events and spent nights in court paying off the fines of arrested strikers.

A week after the Triangle Shirtwaist Company fire killed 146 women workers in March 1911, Anne Morgan—daughter of Wall Street tycoon J.P. Morgan—rented the Metropolitan Opera House for a meeting to memorialize the victims, hoping to mobilize

the city's wealthy and middle-class reformers around a unified voice for action. Their influence played an important role on behalf of the landmark labor laws passed by the New York legislature after the fire.

Wealthy progressive activists made their presence known during the eras of the New Deal and the Civil Rights movement. Julius Rosenwald—co-owner of Sears, Roebuck and Co.—set up a foundation that supported the Highlander Folk School, a Tennessee training center for activists that became a key player in the Southern labor and civil rights movements. When most daily newspapers were fervently hostile to FDR's New Deal, Marshall Field III—heir to the Chicago department store fortune—bankrolled two progressive daily newspapers—New York's *PM* (started in 1940) and the *Chicago Sun* (1941)—that were ardent supporters of progressive causes. Field was a founding board member and supporter of Saul Alinsky's Industrial Areas Foundation, started in 1940 (which trained or influenced generations of grassroots activists, including Cesar Chavez).

Philip Stern (Rosenwald's grandson), banker James Warburg, and Cora Weiss (daughter of Samuel Rubin, of the Faberge perfume fortune) funded the Institute for Policy Studies, the left-wing think tank founded in 1963 to challenge the Vietnam War and U.S. imperialism. General Motors heir Stewart Mott made significant contributions to the National Abortion Rights Action League, the National Committee for a Sane Nuclear Policy's disarmament campaign, Amnesty International, and the Indochina Peace Campaign.

Today, as in the past, “traitors to their class” fund movements to redistribute wealth and power. It is often called “social justice philanthropy” or “social change philanthropy.” The key players are now linked through a web of progressive foundations and organizations. The modern era of progressive philanthropy

began in the 1970s, guided by David Hunter. Trained as a social worker, Hunter started working at the Ford Foundation in 1959, where he crafted projects to combat inner-city poverty. The Johnson administration drew on Hunter's idea in formulating its War on Poverty programs. In 1963, the progressive Stern Fund (founded by Rosenwald's daughter, Edith Stern) hired Hunter to shape its civil rights and anti-poverty projects. Hunter soon became a mentor to many young radicals who had inherited money and wanted to use it to promote social change.

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This group of wealthy activists challenged the paternalistic noblesse oblige approach to giving. At Hunter's suggestion, Obie Benz, Tracy Gary, George Pillsbury, Sarah Pillsbury, David Becker, and others created regional foundations (from coast to coast) focused on "change, not charity." In 1975, these foundations created the Funding Exchange to share ideas.

The next year, the Funding Exchange published *Robin Hood Was Right: A Guide to Giving Your Money for Social Change*. (A revised edition was published in 2000.) It illustrated

the distinction between traditional charity and change strategies:

Charity: Fund Toys for Tots during the holidays.

Change: Fund organizing for a livable wage so parents can afford to buy toys for their kids.

Charity: Donate to cancer research.

Change: Donate to a group that's organizing to clean up the toxins in our environment and pressure polluters.

Charity: Fund a scholarship for one high school student to attend college.

Change: Fund a student association that's organizing to ensure that higher education is affordable for everyone.

These radical foundations were characterized by donors who believed they should not only redistribute their wealth, but also share decision-making power over the allocation of funds. Committees comprised of non-wealthy movement activists from diverse racial and socioeconomic backgrounds would shape funding priorities and make grant decisions. Initially endowed by a handful of wealthy radicals, these foundations soon raised money from a broader base of supporters. Today they continue to support many organizations that cautious mainstream foundations shy away from.

An early Haymarket People's Fund grant enabled the Anti-Displacement Project (now the Alliance to Develop Power) in Springfield, Massachusetts to organize tenants in "at-risk" subsidized housing to eventually purchase and self-manage that housing. This non-profit now owns more than four thousand units of housing, employs 125 people in living wage jobs, and has leveraged millions in funds for economic development. A seed grant to the Vermont Workers' Center led to the passage of local and state living wage laws and a push for a state single-payer health insurance initiative.

Starting in the 1970s, more than one hundred local women's foundations—as well

as funds that specialized in peace and environmental issues—emerged. Some religious congregations also shifted from traditional charity approaches to social change giving. A Unitarian Universalist congregation on Long Island directed a windfall bequest to create the Veatch Program that became a significant funder of grassroots organizing. The Stern Fund, the Field Foundation, and the New World Foundation steered funds to Human Serve, which started a movement that eventually led to the enactment of the 1993 federal “motor-voter” legislation that made voter registration easier.

In his 1990 book, *Social Change Philanthropy in America*, Alan Rabinowitz estimated that social change funding accounted for \$200 million to \$300 million a year—less than 3 percent of all charitable giving. This percentage has increased as the number and size of progressive foundations have grown. The foundations have provided seed money and ongoing support for a wide variety of progressive causes, including women’s rights, union democracy, opposition to U.S. intervention in Central America, prisoners’ rights, community organizing in big cities and in rural Appalachia, and living wage campaigns.

These progressive donors and foundations not only funded different types of “movement” projects—they also challenged the traditional philanthropic sector. In 1976, activists formed the National Committee for Responsive Philanthropy (NCRP) to push for mainstream foundations’ transparency and responsiveness to social injustice. The NCRP’s pioneering reports investigated the funding priorities of major foundations and local United Ways, pointing out how their corporate ties limited their willingness to fund groups that challenged the status quo.

The NCRP led a campaign to push workplace giving campaigns (including local United Ways and the Combined Federal Campaign)

to allow employees to target donations to advocacy organizations. These efforts have netted tens of millions of dollars a year to progressive groups.

In response to recent government cutbacks, many mainstream foundations have devoted more resources to direct service. In an effort to balance out meeting urgent needs and fermenting social change, the NCRP launched a campaign during the summer of 2011, Philanthropy’s Promise, to encourage foundations to target limited dollars to two high-impact strategies—focusing on underserved communities and directly funding advocacy, organizing, and civic engagement. More than one hundred foundations initially signed this pledge.

The NCRP’s reports that monitored conservative foundations found that they are more politically and ideologically cohesive than their mainstream counterparts, and more willing to invest in building a right-wing-movement infrastructure. Right-wing funders like Richard Mellon Scaife and the Koch brothers targeted a small number of organizations with substantial and multi-year general support, often with few strings attached. In contrast, the bigger mainstream foundations—such as the Ford Foundation, the Rockefeller Foundation, Carnegie, MacArthur, and Kresge—shied away from social movements (preferring a patchwork of projects and single-issue organizations) and often shift priorities on an annual basis.

Beginning in the 1970s, progressive staffers within some foundations formed “affinity groups” that shared ideas for funding activist groups in such areas as: the environment, community organizing, workers’ rights, international human rights, the AIDS crisis, immigration, disability rights, peace and security, women’s rights, and indigenous people’s issues. Thanks to the Neighborhood Funders Group, for example, some major foundations have invested in community organizing groups

and labor-community coalitions to win local living wage laws.

The growing concentration of wealth has led to a proliferation of private, independent foundations controlled by wealthy families and individuals. According to the Foundation

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Center, the number of private foundations increased threefold over the last thirty years, from 22,088 in 1980 to more than 76,000 in 2010.

In 2010 alone, these independent foundations (excluding community and corporate foundations) donated \$32.5 billion to tax-exempt charities. The vast majority of these funds went to traditional—or even conservative—philanthropy, but some flowed to social change funding.

Some groups have actively organized the next generation of social change givers. They have convened conferences to educate and engage younger donors—and to help them understand how wealth, social isolation, and class differences affect personal relationships, vocational choices, and navigating the needs and concerns of families with different values.

In 1997, Tracy Hewitt and Lynne Gerber—two young women with inherited wealth—founded Resource Generation to reach out to wealthy people under the age of thirty-five who were interested in “leveraging their privilege,” not only through grant-making but also through political engagement. In 2005,

Resource Generation members partnered with the 21st Century Fund and others to raise millions of dollars for equitable and sustainable reconstruction in the wake of Hurricane Katrina.

Resource Generation’s publications—*Creating Change Through Family Philanthropy: The Next Generation* and *Classified: How to Stop Hiding Your Privilege and Use It for Social Change*—guide young funders on how to participate in social movements that redistribute wealth and power.

One of Resource Generation’s projects identified wealthy Americans willing to come out in favor of more progressive taxation. They were inspired by the 2001 effort to enlist more than 1,500 millionaires and billionaires who publicly opposed President George W. Bush’s plan to abolish the inheritance (or “death”) tax. In 2010, Resource Generation partnered with Wealth for the Common Good, a network of business leaders and wealthy individuals concerned about inequality and fair taxation.

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They launched “A Letter to the Future” to make a generational statement about the importance of raising taxes on the wealthy.

Tracy Gary catalyzed the formation of the Women’s Funding Network, a global association

of 160 foundations that fund the empowerment of women and girls through community organizing and economic development initiatives. Swanee and Helen Hunt—daughters of the oil tycoon H.L. Hunt—formed a network called Women Moving Millions, which has raised more than \$200 million for women’s rights projects.

In 2005, Christopher and Anne Ellinger initiated Bolder Giving to encourage wealthy individuals to increase their philanthropic giving to a variety of causes, mostly social change-oriented. The same year, a small group of wealthy liberals—including Rob McKay and George Soros—formed Democracy Alliance to coordinate efforts to help elect progressive Democrats and build an ongoing infrastructure for research, communications, and mobilization.

The recent grassroots battle for universal health care was led by Americans for Health Care Reform, a coalition of unions, community and consumer groups, and faith-based organizations. Its major funder was Atlantic Philanthropies, a foundation created

by Chuck Feeney, whose fortune came from Duty-Free shops. Feeney is part of a small, but visible, segment of donors who embrace “giving while living,” distributing funds in their lifetimes, rather than setting up foundations to exist in perpetuity.

Progressive movements will always rely primarily on grassroots fundraising, including the collection of membership dues and bake sales. Online fundraising has changed the funding landscape, as it allows local community organizing groups, national groups like the Sierra Club and the ACLU, and new netroots groups like MoveOn.Org and Color of Change to raise money from a more economically diverse base.

Only a small percentage of American philanthropy is targeted for progressive movement-building. For social change funding to grow, it needs to engage a new generation of wealthy donors who, like the “mink brigade” a century ago, are willing to break ranks and become traitors to their class.

FOR FURTHER READING

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