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REBUILDING CLEVELAND

The Cleveland Foundation
and Its Evolving Urban Strategy

DIANA TITTLE

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Editors' Introduction

The publication of this book by Diana Tittle represents a desirable new direction fostering “historical perspectives on business enterprise.” Rebuilding Cleveland is about an important institution, The Cleveland Foundation, in a sizable American city, and especially the influential role that the Foundation has played in Cleveland’s renaissance as an attractive place to work and live over the last several decades.

In publishing this and other books we wish to broaden the horizons of what is appropriate to incorporate in business history. As historians of the United States, we know that business represents a diverse and highly significant range of institutions in our nation’s past, a set of institutions that have not just represented organizations seeking material gain but also institutions that affect the way that we live and think, and especially how individuals relate to one another. Diana Tittle, whose background is in journalism, has demonstrated again that her profession represents a front line of history. Furthermore, she has offered us her timely observation of The Cleveland Foundation when we are renewing attention to the subject of “business ethics” in the business schools, and when business and religious leaders are coming together anew to refresh the enlarging of material wealth in ethical and socially responsible circumstances. Scholars have explored the story of “the social responsibility of business” in the American past, and Diana Tittle’s informed tale about Cleveland fits with that approach and expands it for the recent past.

This book fits another important strand of scholarship in business history, the study of associationalism. The American business system involves institutions other than the business firm. There is an important
body of scholarly literature on the trade association as an intermediary institution. Trade associations are both institutions through which individual firms interact for the resolution of problems in the private arena, and they are institutions through which the firm acts in the public arena. On great questions of public policy it is more typical for trade associations to take a position than it is for individual firms. Rebuilding Cleveland is in an important sense an innovation in the study of business associationalism. Diana Tittle has explained how The Cleveland Foundation's roots are deep in the social concerns of business leaders for the well-being of their city. She has also told well the story of how this association, The Cleveland Foundation, so closely tied to the city's business community, has been open to other groups and, especially, how it has allowed Cleveland's business community the chance to make a positive difference in reversing trends of urban decay and promoting a better life for us. We are pleased to offer this unique "historical perspective" in business history.

Mansel G. Blackford
K. Austin Kerr
Foreword

A great foundation and its evolving role in the life of a great city. That is what this book is about. We see the sweep of a philanthropy's history in the rich context of the times. The examples of its bold initiatives range from exposing an inefficient, sometimes slothful court system in the 1920s to working assiduously to recognize black Clevelanders' needs and avert inner-city riots in the 1960s, from lining up community forces to recapture Cleveland's neglected waterfront for a new state park in the 1970s to a massive special initiative, actually tapping the Foundation's core endowment, for the sake of a broad school and neighborhood revival effort in the 1980s.

Diana Tittle tells us how Cleveland civic entrepreneurs early in this century invented the core concept on which the entire community foundation movement is based; how, prompted by concern over the "dead hand" of so many grantors' wills, which too often became weighted down over time with the barnacles of obsolescence, it provided a way for citizens to make bequests to a kind of community endowment fund overseen by a citizen board; and how other Clevelanders went on to show how useful an instrument a community foundation can be.

Some tremendously impressive names tumble forth. Here's a foundation that seems rather routinely to have selected a team of Felix Frankfurter and Roscoe Pound to author its twenties study of the courts. As if that weren't enough, we learn that the man who hired Frankfurter and Pound was Raymond Moley, the Foundation's director of the time and the same brilliant thinker who would go on to be one of President Franklin Roosevelt's key brain trusters.
We are introduced to some of the illustrious philanthropists of this century, figures who made The Cleveland Foundation a beacon in American community building, among them founder Frederick Goff and directors Dolph Norton in the sixties, Homer Wadsworth in the seventies, Steve Minter in the eighties. And we meet, with intriguing glimpses into their personalities, other figures critical to the Foundation’s history, people with that civic sense that illuminates and elevates a philanthropy’s scope and vision. Assistant (later Interim) Director Barbara Rawson, for example, appears to have been den mother to 1,001 positive initiatives. Industrialist Kent Smith proved himself the pivotal figure of old Cleveland in the birth and success of the urban problem-oriented Greater Cleveland Associated Foundation that was born of, and in a few years transformed, The Cleveland Foundation.

We are let in on some personality conflicts, rough passages, disaffections within the Foundation’s all-powerful Distribution Committee. We’re told of the fallow years just before and after World War II, when this renowned philanthropy became mired in responding to unimaginative requests from a standard list of institutional grantees. There are quotes from Cleveland’s prickly social critic, Roldo Bartimole, deriding the Foundation’s herculean effort to create a more equitable society in the sixties as “a dismal one, pockmarked by self-interest, response to crisis and short-lived commitment.” Even the mixed motives of founder Goff (he was also interested in promoting business for his bank’s trust department) get aired. Considering that the Foundation itself paid the tariff for this book’s preparation, Ms. Tittle’s candor and comprehensiveness are a credit both to her and the institution.

We get a glimpse of some of the chanciness, the precariousness, of building the world’s first community endowment—from fears in 1929 that the entire enterprise might be extinguished, for example, to the then-massive gift of $3 million in the early thirties from the estate of shipping magnate Harry Coulby, the childless “Czar of the Great Lakes,” a gift which in one fell swoop more than doubled the Foundation’s yearly income and catapulted it into the ranks of America’s largest community trusts. And we learn what a hard time The Cleveland Foundation itself had growing up—from a skeleton staff in the early years to a full complement of professional program officers, looking for ideas rather than passively waiting for grant seekers’ proposals, from the late sixties onward.
Foreword

The job is never, of course, as easy as it may, in retrospect, appear. A community foundation necessarily represents a community’s “establishment”—the same establishment that may need sharp jolts to raise its consciousness, to adapt to new realities. A strong foundation director can push that process forward, as one reads again and again through the pages of this book. And on occasion a strong outside stimulus is required: for example, the Ford Foundation grant which helped The Cleveland Foundation launch the Greater Cleveland Associated Foundation (GCAF) in the sixties—a dramatic break with The Cleveland Foundation’s quieter years, and the start of its major urban commitment. One reads here of the extraordinary record of Dolph Norton, moving from distrusted “outsider” to the “insider” who facilitated Cleveland’s first fusions of the interests of old, established wealth on one side, and its growing, largely poor and dispossessed black population on the other. (My favorite quote in the entire book is Homer Wadsworth’s quip that the creation of the GCAF may have been the most successful grant Ford ever made: “After all, they captured The Cleveland Foundation in the process.”)

Outside stimulus is just one of the assists and qualities a strong community foundation needs. Diana Tittle reminds us that other funders in Cleveland, especially the George Gund Foundation, and in recent years, the corporate foundation of BP America, have been critical partners. She notes that successful operations require tenacity, often over many years. (And how serious it is to drop a priority: One reads here that the waterfront revival issue was first raised by Raymond Moley in 1923, but unfortunately allowed to languish until the seventies.) And we learn that the cast of critical players in town is not constant. Indeed, Rebuilding Cleveland in one sense is the tale of how, from a small band of wealthy foundation-builders and social-welfare enthusiasts in the early years, the circle of groups and individuals that need to be involved in civic enterprises—not as mere objects of charity but as true partners—has increased almost exponentially over the course of the twentieth century.

Yet for all its color and candor and history, what is most intriguing about this book is the glimpse it offers into, and the questions it raises about, how urban society functions in these United States of America. The book is, in a sense, a case study in how some of the immense wealth generated by a free enterprise economy can be returned, through private charity, to a community’s public purposes; how a great philanthropy,
through trial, error, pluck and idealism, learns to relate fruitfully to the complex web of local governments, civic groups, schools, churches, universities and neighborhoods which in their totality are the city; and how, having once learned, it must constantly relearn its part, as the society itself changes.

Again and again, Rebuilding Cleveland illustrates the inherent shortsightedness of official governments, their politically pressured councils, their bureaucratically entangled administrative arms. And how a farsighted community foundation, occasionally as adversary but far more often as friendly partner to government, can sponsor the right study, enlist private sector cooperation, intermediate with neighborhoods, bring difficult issues to the public scrutiny in a timely fashion. At its best, this interplay of philanthropy and offici-aldom helps government be more responsive, more relevant, more effective. The product is a safer, more progressive, resilient society.

In retrospect, for example, one has to wonder what else would have averted serious interracial bloodshed in the Cleveland of the sixties, and grave black-white tensions or worse during the school desegregation of the seventies, had it not been for Dolph Norton’s and Homer Wadsworth’s intensive work with black leaders, with the churches and private industrialists—not just to avert incidents, but to try to get at their root causes.

Government clearly lacked either the vision or the capacity to plan for, much less conduct, all the delicate negotiations that were necessary to make either the Cleveland Lakefront State Park or Playhouse Square as a performing arts center of renown become realities. In each, The Cleveland Foundation played a critical, central role. And each development, it is now clear, was critical to Cleveland’s striking urban revival of recent years.

There are critical issues in a city’s future that rarely if ever make it onto the radarscope of municipal government. One such issue, the city’s and region’s fate in a radically altered world economic environment, was the concern behind the Foundation’s decision to sponsor the Rand Corporation’s study, and the Regional Economic Issues Program’s ongoing analysis, of greater Cleveland’s economic conditions and trends. Another, a large-scale, coherent strategy for rebuilding troubled neighborhoods, was the Foundation’s goal in its massive recent Special Initiative in Housing and Neighborhood Development to take isolated spurts of
neighborhood redevelopment and pull them together. (This was the effort that picked up speed, having gained the vital buy-in of Cleveland’s business establishment, with the creation of Neighborhood Progress, Incorporated, in the late eighties.)

One cannot help but admire the Special Initiatives of the late eighties, extraordinary commitments that obliged the Foundation to dip into its principal to counter the threatened social and physical deterioration of the city. Its determination to improve the quality of the city’s public schools, for example, resulted in the Foundation’s making the largest grant in its history to the Cleveland Initiative for Education (CIE), an imaginative plan for reinjecting hope—and assistance of a highly practical nature—into the academic lives of a city’s disadvantaged and disaffected youth. That grant sent a message of such seriousness and determination that the Gund Foundation responded with its biggest grant ever, BP America with its largest, and so on, until the area’s banks and other funders had bankrolled this bold $16 million experiment.

Diana Tittle appropriately presents the deliberations that led to the Special Initiatives as an unfolding drama, serving as the lead-in to most of the book’s chapters, that hurries the reader both forward into Cleveland’s future and backward into the history of a foundation’s interaction with a great city. The Cleveland Foundation’s decision to commit long-term, major support to these large-scale efforts was indeed dramatic. If there is a resilient, strong Cleveland in the year 2000 or 2010, the Foundation’s efforts may merit special credit.

One must ask, however: What if the Cleveland school system is essentially beyond repair? What if its repeatedly and thoroughly discredited school board and administrative apparatus remain impervious to the classroom reforms that are so vital to sparking the excitement of learning in young people? What if educational revolution, rather than reform, is the appropriate medicine? Chicago (with its city-based foundations playing a major role) is attempting radical decentralization of authority to locally elected committees, a process that reasserts grassroots control, aims to break the hold of the central school board and bloated downtown school bureaucracy. Minnesota, by contrast, is pioneering in allowing total freedom of choice, letting parents shop around for a public school that fits their children’s needs, a school where they believe a spirit of learning and caring thrives. Should The Cleveland Foundation be responsive to such radical reforms, as neighborhood and
Preface

FOUNDATIONS are as uniquely an American invention as baseball or jazz. As Waldemar Nielsen, a respected critic of American philanthropy, has noted: "No other nation in the world has such an array of aggregations of private wealth devoted to public purposes; no other nation has been so encouraging to donors to create such philanthropic institutions; no other has given them, once created, such freedom of action; and in no other have foundations played such a significant role in the nation's life."

Yet despite their numbers and generosity—at last count there were 22,000 foundations across the nation, making grants of $4 billion annually from income generated by a combined endowment of $50 billion—American philanthropies are as much suspect as admired. Witness the investigations of foundations undertaken every generation or two by Congress or other government regulatory bodies since the turn of the century. These periodic hearings were prompted by the same dark view of philanthropy that animates such written inquiries as Teresa Oendahl's Charity Begins at Home: Generosity and Self-Interest among the Philanthropic Elite (Basic Books, 1990) and Philanthropy and Cultural Imperialism: The Foundations at Home and Abroad (G. K. Hall, 1980), a collection of essays edited by Robert Arnowe. In Arnowe's words, "foundations like Carnegie, Rockefeller and Ford have a corrosive influence on democratic society; they represent relatively unregulated and unaccountable concentrations of power and wealth which buy talent, promote causes, and, in effect, establish an agenda of what merits society's at-
with concrete examples of one foundation's programs and their outcomes. I have focused primarily on four program areas—public education, physical and economic redevelopment, and municipal governance—because of the longevity of the Foundation's involvement in them.

I leave to others the task of assessing in which of its most recent endeavors The Cleveland Foundation has succeeded and in which it has failed, since these initiatives are still playing themselves out. However, I would like to suggest a yardstick by which the Foundation's work can be judged. It comes from the essays of noted philanthropist Alan Pifer, the former president of the Carnegie Corporation. In a collection of essays, *Philanthropy in the Age of Transition*, Pifer observes, "... every agency which can serve the common good by facilitating the processes of institutional change toward a more just, healthier, better educated, and more universally prosperous national and world society has special value and perhaps none more so than foundations. Indeed, many observers, while denying the foundation a role as active leader of the more militant movements of social change, would say that its chief value to society today lies in its capacity to anticipate the need for institutional transformations and help bring those about by speedy deployment of its funds to critical points of leverage and potential breakthrough." I agree with Pifer's conclusion that "the willingness to accept a continuous responsibility for the discernment and furthering of required social change provides an exceedingly tough standard against which foundations may be measured."

When I approached The Cleveland Foundation in 1986 with the suggestion that I be commissioned to write its history, I must admit I did not have a Piferean investigation in mind. As the former editor of *Northern Ohio LIVE*, a regional arts and entertainment magazine, I knew of the behind-the-scenes role the Foundation has played in nurturing a richer cultural life in Cleveland, and I was interested in determining to what degree, if any, it might have had a hand in other auspicious developments that some observers were taking as proof positive of Cleveland's economic "comeback." Director Steve Minter agreed that commissioning a history would be a fitting way for the Foundation to celebrate its 75th anniversary in 1989. I am indebted to him for recommending to the Foundation's Distribution Committee that it underwrite such a project and open its files and deliberations to me. And when my research extended past the appointed deadline and beyond the
predictable editorial boundaries of an anniversary retrospective, Minter stayed the course.

The Foundation assembled an in-house editorial advisory committee consisting of associate director Susan Lajoie, director of publications Dennis Dooley, special assistant to the director Margaret Caldwell and senior program officer Robert Eckardt. Its function: to read and comment on the work in progress for my edification. Minter, past Foundation directors James (Dolph) Norton, Barbara Rawson and Homer Wadsworth and the immediate past and present chairpersons of the Foundation’s Distribution Committee, Richard Pogue and John Dwyer, also reviewed the manuscript. To the Foundation’s credit, I was free to deal with all the readers’ comments, criticisms and objections as I saw fit. The due diligence of each spared me from committing a host of small factual errors, from leaping to mistaken conclusions and from making several faulty interpretations, for which I am most grateful. However, if flaws remain either in the book’s accuracy or understandings, they are my responsibility alone.

I would also like to thank several others whose commentary helped me to sharpen the manuscript at various stages in its evolution: historian Thomas F. Campbell; writers and editors Mark Gottlieb, Richard Magat and Bill Rudman; Bill Bartenbach, vice president and director of publications of the Foundation Center in New York; and Ohio State University Press’s assistant director, Alex Holzman, and the Press’s Business History Series editors, Austin Kerr and Manse Blackford. Alicia Ciliberto, a member of the Foundation’s publications department, also deserves recognition for good-naturedly formatting, printing and photocopying each successive draft of the work.

Archivists Kyle Reis at the Ford Foundation and Kenneth Rose at the Rockefeller Archive Center went out of their way to advance my research, offering guidance as well as the normal professional courtesies—as did Patricia Pasqual and Charlotte Kleindienst of the Foundation Center’s Cleveland-based library and Western Reserve Historical Society staff members Kermit Pike, John Grabowski, Barbara Clemenson and Ann Sindelar, with whom it is always a pleasure to work. I owe a debt of gratitude to all those who graciously consented to be interviewed, but especially to Malvin Bank, Daniel Elliott, Lawrence Evert, Seth Taft and Richard Tompkins, who also allowed me to review documents in their private files.
Throughout the three-year labor on this book, many friends and colleagues expressed interest in my endeavor. Little do they know how their words of encouragement have cheered me and urged me on, as did the moral support I unfailingly received from colleague Mark Gottlieb, project manager Dennis Dooley, and my husband, Tom Hinson.