A Willingness to Lead

No matter what its price tag, the Foundation's Special Initiative in Education was a risky proposition because the public school system seemed almost impervious to change. With a budget of nearly $400 million, the system was at best an unwieldy bureaucracy. When issues of patronage or political ambition were at stake, it became a battleground. Four superintendents had fallen victim in the previous nine years to various factions of the publicly elected school board, most of which had in common a taste for increasing their influence over the multi-million-dollar operation. In the meantime, many believed that Cleveland's youth were being neglected; only 45 percent of all seventh graders went on to graduate, and of those who graduated only 34 percent went to college.

Given the public schools' instability and lack of performance, The Cleveland Foundation had been forced for many years to work outside the system on programs aimed at improving the quality of public education. (Indeed, the Distribution Committee had privately declared that it would not approve a grant request from the Cleveland schools unless both the board of education and the superintendent favored it—a condition that had long disqualified virtually all proposals originating within the system.) This limitation had been especially disappointing to Minter's predecessor, Homer C. Wadsworth, who had previously spent 14 years on the board of the Kansas City, Missouri, school system. If anyone knew something about how to effect change within an entrenched bureaucracy, it was Wadsworth, who had helped to desegregate the Kansas City schools in the fifties in the aftermath of Brown v. Board of Ed-
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ucation of Topeka. (The secret to his success there, Wadsworth would joke, had been to buy "two-pants suits—you have to out-sit these people.")

When Wadsworth came to The Cleveland Foundation in 1974, he had been "prepared," he once told an interviewer, "to do almost anything that could be done to improve the schools. . . ." Yet even Wadsworth, who liked to compare the practice of philanthropy to the petroleum business ("You’ve got to expect a few dry holes before you strike oil") was reluctant to work with the Cleveland school system, believing that "the influence of politics makes it almost impossible. . . ."

Steve Minter, who had been named director of the Foundation when Wadsworth retired in 1983, had felt equally stymied until he began looking more closely at the dynamics that had allowed such communities as Boston to establish what appeared at the time to be successful school-improvement programs. "What became apparent to me in studying the situation was that in Boston it was not the school system that came up with the plan," Minter would later explain, "it was the community leadership that constructed a plan upon which the superintendent stood." This realization would set off a chain of events that eventually resulted in the Foundation’s clarion call to Clevelanders to help Tutela rebuild the schools from within.

If Wadsworth had been unsuccessful in gaining a foothold in the schools, he had also helped prepare the way for Minter to do so. As would be demonstrated again and again during the years following the announcement of the Special Initiatives in May 1987, the Foundation’s current activities in education, physical and economic redevelopment and city governance built upon previous groundbreaking work. For most of its history the Foundation had responded to external imperatives; that it was now willing and able to lead could be attributed to philanthropic pioneering by Minter’s immediate predecessors.

Recognizing the need for visionary leaders in a city left directionless by a series of caretaker or confrontational mayors, these men and women had decided that The Cleveland Foundation should help define a civic agenda. With the assistance of key members of their respective Distribution Committees, they had forged an enterprising new identity for the organization as a catalyst and convener—an evolutionary and sometimes painful process of renewal that had begun in the early sixties and was still unfolding nearly three decades later. (Indeed, the Foundation’s role
in the remaking of Cleveland cannot be understood without examining its own "rebirth," which subsequent chapters will trace.)

Suffice it to note here that a commitment to providing strong civic leadership had been inherent in the original conception of The Cleveland Foundation, which was invented at the height of the city's Progressive Era by a Cleveland banker interested in providing more efficient administration of charitable bequests "for the mental, moral and physical improvement of the inhabitants . . . regardless of race, color or creed. . . ." But the crusading spirit of the teens and twenties, reflected in the Foundation's sponsorship of surveys aimed at galvanizing public opinion about serious flaws in the administration of the courts and schools, had dissipated in the throes of the Depression and the Second World War. Responding to requests that came in over the transom had since become the Foundation's chief role.

A sense of having a larger purpose reemerged, after years of routine grantmaking, in the turbulent sixties, during the tenure of good-government advocate and transplanted Southerner James A. Norton. Before becoming the Foundation's fifth director in 1967, Norton had been president of the Greater Cleveland Associated Foundation, a demonstration project underwritten by the Ford Foundation that sought, through the creative application of philanthropy, to stimulate solutions to the lack of educational, employment and housing opportunities that seemed to fuel inner-city unrest. Using $10 million in seed money to leverage millions of Great Society dollars, the Greater Cleveland Associated Foundation had helped to spark private and public experimentation with a wide variety of socioeconomic programs for the disadvantaged and poor. In encouraging the more traditionally run Cleveland Foundation to continue the Associated Foundation's innovative work when the two organizations merged in 1967, less than a year after riots had devastated the Cleveland neighborhood of Hough, Norton helped to reestablish The Cleveland Foundation's interest in taking on the urgent problems of the day—a development that ultimately prompted other major community foundations to rethink their roles as well. Indeed, Norton's successor, Homer Wadsworth, would later insist that the grant creating the Greater Cleveland Associated Foundation had been the most successful Ford had ever made. "After all," he would note, "they captured The Cleveland Foundation in the process."

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Departing from the belief held by Norton and his associate director Barbara Haas Rawson that a community foundation had an obligation to support as many different community groups and activities as possible, successor Wadsworth would steer a more cautious course. A former city planning director, he encouraged the Foundation to concentrate on strengthening or building significant public institutions. During the seventies and early eighties he had demonstrated what could be accomplished by providing consistent direction and sustained financial support to a carefully chosen group of important civic ventures. Among them was a $37 million capital campaign to restore to their original splendor the Ohio Theatre and two former vaudeville houses—the State and the Palace—in downtown's once-thriving entertainment district, Playhouse Square. In addition to nurturing the decade-long restoration project with a series of capital and operating grants totalling nearly $3 million, the Foundation had persuaded the city's fledgling ballet and opera companies and its classical theater troupe to take a chance on locating in Playhouse Square with the assurance of a new level of support for their artistic aspirations. In 1984 the Foundation had even moved its own headquarters to the district, relocating on Euclid Avenue, 14 blocks east of the historic heart of downtown Cleveland, Public Square.

Two years before, during the tenure of chairperson Stanley C. Pace, the Foundation had also taken the extraordinary step of purchasing outright a strategically placed property, a run-down office/retail complex adjacent to the theaters, to ensure that the district's further redevelopment would proceed as envisioned. With its $3.8 million purchase of the Bulkley-Selzer Buildings, The Cleveland Foundation became one of the first community trusts in the country to invest a portion of its assets in a manner that advanced a program objective. A sophisticated philanthropic tool, the so-called program-related investment (PRI) had previously been employed primarily by such national foundations as Ford. Although redeveloping the newly acquired property proved to be a larger challenge than the Foundation was able to master, the Playhouse Square theaters were eventually transformed into a magnificent performing arts center that soon became a major regional tourist attraction, luring hundreds of thousands of entertainment seekers downtown annually.

Equally important, the creation of Playhouse Square Center gave demoralized Clevelanders the first tangible sign in decades that their city's physical decline could be reversed. While certainly not the most critical
factor, this psychological boost played a part in breaking the 50-year moratorium on downtown development that had been ushered in by the Depression. Concurrent with the successful restoration of the first two Playhouse Square theaters in the mid-eighties, a building boom began in downtown Cleveland. By the end of the decade, more than five million square feet of new office space and 1,000 new hotel rooms were either under construction downtown or on the drawing boards in a city whose chances of landing even one new skyscraper or major hotel only 10 years before had seemed as remote as the Cleveland Indians winning the pennant.

Like most pioneers, Norton and Wadsworth had helped to guide the Foundation into a new world of influence and sophistication at some personal expense. In the drive to transform a sedate, request-granting organization into a major player in the rough-and-tumble arena of public affairs, both strained relations with some members of their Distribution Committees who were concerned with their desire to push beyond the Foundation’s traditional role as responsive funder.

This lesson was not lost on Wadsworth’s successor.

Steve Minter came to the task of administering what was then the country’s third-largest community foundation from rural beginnings. Born in Akron, the eldest of eight children of a former national Golden Gloves champion, Minter had grown up in a succession of small Ohio communities, as his father sought to advance the family’s fortunes by moving from one job to another. Occasionally the Minters found themselves to be the only blacks living in a town. (A Northern chapter of the Ku Klux Klan had tried to run the family out of one rural community after burning a cross on their property, but Larry Minter stood them off for several days until a white neighbor offered the family shelter on his farm—a gesture of compassion and courage that would provide Steve Minter with a lasting counterbalance to the ugly experience that he had endured.)

Despite the family’s continual uprooting, Minter had excelled in school and was active in sports, student government and the band—extracurricular activities that his mother encouraged. It was at the prompting of his teachers that Minter had decided to attend college, however, becoming the only child in his family to graduate from a four-year institution of higher learning. Getting all their children through high school had been his parents’ aspiration.
Minter attended Baldwin-Wallace College, a small Methodist school near Cleveland. (The pastor of the Methodist church in Kinsman, Ohio, a farm community to which the Minters had fled after a stint in a low-income housing allotment, had wrangled Steve a partial scholarship to Baldwin-Wallace.) In spite of an impressive record of academic achievement and campus leadership, Minter was unable to land the job he coveted, that of high school coach, after graduating in 1960, though he applied to more than three dozen area school systems. The secretary to the president of Baldwin-Wallace, an elderly white woman, empathized with the plight of this talented black struggling to break into a segregated job market. She put him in touch with her sister, who worked as the secretary to the director of the Cuyahoga County Welfare Department, where he was hired as a caseworker. Within nine years, during which time he earned a master's degree from Case Western University's School of Applied Social Sciences, Minter was promoted to director, the first in a series of increasingly responsible public service jobs he was to hold by the age of 45. (He spent a year, for example, as undersecretary of the newly formed U.S. Department of Education). In 1984 Minter was named the director of The Cleveland Foundation. He became the first black in the country to rise to such a position with a community foundation.

As he grew in stature, Minter did not forget his kinship with the disadvantaged and poor. The Cleveland Foundation under his direction would perpetuate Wadsworth's interest in institution-building, while quietly but firmly insisting on minority access to and participation in the city's institutional life. A mediator by temperament—perhaps because he had straddled two worlds for so many years—the Foundation's seventh director also worked hard to expand the organization's ability to convene a disparate group of leaders, experts and funders around important urban problems and serve as a catalyst within the group toward their solution. In this endeavor he built upon the legacy of the Norton era.

In institutionalizing a collaborative relationship between the Distribution Committee and staff, however, Minter (who had begun his career in philanthropy as a program officer under Wadsworth, foregoing an offered second term as Commissioner of Public Welfare for the Commonwealth of Massachusetts to do so) forged a new path. Because it falls to a foundation's staff to do the legwork, trustees sometimes feel as if
they are merely rubber-stamping the actions of others. However, Minter envisioned a far more active role for the Distribution Committee of The Cleveland Foundation. He wanted to see the members' intelligence and experience brought to bear on major policy decisions. Immediately upon his appointment Minter began to search for a way to increase the interplay of committee and staff so all would be, in his phrase, "reading from the same page." Rather than dictating his vision for the organization, which would serve only to lessen the committee's sense of engagement, he decided that the Foundation should develop its first formal strategic plan, a process that would actively involve both board and program officers in building a consensus about the priorities that should govern the Foundation's grantmaking.

Completed in early 1985 under the supervision of program officer (now associate director) Susan N. Lajoie, the strategic plan reinforced the Foundation's continuing interest in its traditional program areas of education, health, social services, the arts and civic affairs. At the same time, it made explicit—at the strong urging of Stan Pace, chief executive officer of TRW Incorporated, and two of his colleagues on the Distribution Committee, retired White Consolidated chairman Roy H. Holdt and Dick Pogue—a new commitment to encourage the city's economic revitalization. Among the 28 grantmaking objectives the Distribution Committee and staff had identified as most important were four related to economic development. Helping to improve the competitiveness of the city's manufacturing sector; promoting the development of new small businesses and growth industries; fostering economic opportunities for minorities and women; and providing a "supportive" environment in general were business-oriented goals that the Distribution Committee and staff had agreed were appropriate for a philanthropic organization to adopt. Minter welcomed this leap into a new program area in part because of its potentially favorable reverberations in the neighborhoods, where one out of every three Clevelanders lived in poverty.

Having helped to achieve a consensus about the Foundation's baseline objectives, Minter turned his attention next to the question of how to achieve them. He sensed that the undertaking hinged on what he liked to call "projects of scale." Minter believed that the scale and, for that matter, the pacing of the Foundation's involvement in certain vital endeavors had to be dramatically stepped up. Making a little grant here
one year and a bigger grant there the next was not, it had become pain-
fully clear, the way to solve problems as intractable as, say, the 55 percent
dropout rate in the Cleveland public schools or the substandard condition
of fully one third of the city's housing. These required a systematic
attack.

With the Foundation poised to distribute more than $100 million in
Cleveland by 1990, it was possible in 1985 to conceive of spending $10
million or even $20 million on programs aimed at eradicating some of
the city's most deeply rooted problems. In fact, wielding such concerted
financial clout looked to be the best way to take advantage of the Founda-
tion's phenomenal recent growth. It had taken 42 years for The Cleve-
land Foundation's assets to reach the $20 million mark, and during that
time the organization had disbursed only $20 million in total. Making
sizeable commitments to any single goal had simply not been possible.
However, the Foundation's assets now exceeded $400 million, a figure
roughly equivalent to the combined principal of all community founda-
tions in operation in 1962 and sufficient to boost the Foundation into
the ranks of the 25 or 30 largest philanthropies of any kind in the nation.
By the mid-eighties Cleveland's endowment was generating more than
$20 million in income every single year, and large-scale commitments
were not only possible, but imperative if the Foundation wanted to make
an impact.

Or so it seemed to Minter, who could envision the day when the Bulk-
ley complex would be sold to a private developer. The Foundation would
need to put those proceeds to the best possible use as well. In 1986 he
began discussions with Pogue about the possibility of increasing the
Foundation's commitment to certain of its strategic concerns. Pogue had
only recently been elected chairperson, and Minter may not yet have fully
appreciated the fact that Pogue's energy and drive surpassed even his
own.

A Scot by ancestry, Richard Pogue had been reared in the Washington
D.C. suburb of Bethesda, Maryland. His father, Welch, served as gen-
eral counsel and then chairman of the Civil Aeronautics Board. Richard,
too, would settle on a career as an attorney, studying law at the Uni-
versity of Michigan. After a hitch in the Army, he had been recruited
in 1957 by Jones, Day, Cockley and Reavis, where he specialized in
antitrust law. He became a partner within 36 months of his arrival and
managing partner in 1984.\(^3\)
In 1961, shortly after becoming a partner, Pogue had taken on a volunteer assignment at a settlement house in central Cleveland as a self-imposed penance for an especially lively night on the town. For a group of poor black and white youths who lived in the neighborhood, he acted as a sort of father figure, organizing activities and outings. The experience opened his eyes for the first time to the plight of youngsters condemned by accident of birth to dead-end lives, and it changed him.

Even after he was tapped for a series of more prestigious civic assignments, culminating with his appointment to the Distribution Committee of The Cleveland Foundation in 1979, Pogue had sometimes thought wistfully about the time in the early sixties when he had had the most important volunteer job in the world: being a pal to those kids. But, as he observed to a magazine reporter, "situations change, you have to move on." Twenty-five years later Richard Pogue had moved into position to help build a more prosperous future for all Clevelanders—young and old, rich and poor, black and white.

In 1986, when Steve Minter approached the newly appointed chair of the Distribution Committee, he found a cooperative and enthusiastic colleague in Pogue. Pogue encouraged him to flesh out his concept of mounting several large-scale initiatives.

In preparation for taking the idea for what became the Special Initiatives program to the entire Distribution Committee, Minter asked his program officers to identify opportunities or projects arising in their fields over the course of the upcoming three to five years that were likely to require a major financial commitment. These were discussed and debated at a staff retreat in October 1986. Then the Distribution Committee was invited to a box supper in the Foundation's offices in January 1987 for "some unrestricted free thinking about how the Foundation can perhaps take some bold steps," as Pogue put it in a letter sent to his colleagues the week before. "We do not necessarily expect that we will reach any conclusions," he stated.

At the informal brainstorming session, Minter presented a list of projects the staff considered worthy of receiving either a $1 million or $2 million grant by way of illustrating possible initiatives. "We were not trying to present a concrete proposal," Susan Lajoie explained later. "We were trying to say: 'Let's look at our resources differently and also our role.'" Lajoie soon found herself in the midst of the "most exciting" meeting she had attended while working at the Foundation. Respond-
and revitalizing the neighborhoods—priority concerns that no one had questioned—Minter sealed that agreement with a flourish.

Pulling out copies of a two-page document marked "DRAFT—NOT FOR CIRCULATION," Minter announced: "And this is what a Special Initiatives program might look like." The document listed four possible initiatives—neighborhoods, schools, downtown development and lakefront development—and suggested amounts that might be committed to each ($2 million, $3 million, $5 million and $5 million, respectively). The Foundation's $15 million investment would leverage $30 million more from other sources, the document suggested. Impressed with the concept of assembling a complete package, the Distribution Committee agreed that the staff should investigate the pros and cons of three additional initiatives: the lakefront, higher education and an entirely new direction suggested by David Hill: encouraging the economic application of the biomedical research being conducted at local hospitals and universities.

Although a watershed decision had been reached, a few members of the Distribution Committee argued for keeping the Foundation's plans private until the programmatic details had been worked out and the participation of other funders had been confirmed. No resolution to that effect was passed, however. After the committee officially approved the creation of a Special Initiatives Reserve fund at its subsequent quarterly meeting on March 19, Pogue decided to move ahead. He declared that the first two Special Initiatives should be announced at the Foundation's upcoming annual meeting in May, and he determined the level of the monetary commitment to them.

The timing of the announcement allowed the Special Initiatives to function, in effect, as a Request for Proposals. Thus challenged to redouble their efforts to reform the schools and revitalize the central city, interested community groups combined forces within 24 months under the banners of the Cleveland Initiative for Education and Neighborhood Progress, Incorporated. The chances that these two new superagencies would experience a measure of success were greater than might have previously been the case, for both built upon the community's quarter-century of hard-won experience with socioeconomic experimentation, which, interestingly, the Greater Cleveland Associated Foundation had helped to initiate and The Cleveland Foundation later helped to perpetuate.
Henry Goodman, a five-year veteran of the Distribution Committee, had been among those in favor of holding off a public announcement of the first two Special Initiatives, but he later praised Pogue for moving ahead. "Managers discuss," Goodman explained, "leaders make decisions. Then they work long and hard to make whatever they've decided right."

Indeed, even before the two initiatives were officially announced, the Foundation's staff had begun working with various parties on their implementation. In addition to planning program specifics, the staff had begun to wrestle with another important issue: How would the Foundation pay for its unprecedented new commitments without having to cut back its support of other grant seekers? How would it continue to be responsive to those who dreamed, say, of mounting a world premiere, or improving the health care received by pregnant teenagers, or converting an old office building into independent living quarters for the disabled, and were counting on the Foundation for help in realizing their vision of a greater Cleveland?