Notes

PROLOGUE

1 The Foundation officially changed the title of chairman to chairperson in the mid-eighties. In subsequent chapters, titles will conform to usage at the time.

2 Because of its record of innovation and its position as one of the few community foundations that is larger than every other philanthropic organization in the vicinity, The Cleveland Foundation is also widely considered to be the most influential community trust in the country.

CHAPTER 1

1 At the time of the merger The Cleveland Foundation’s endowment totaled nearly $115 million.

2 In 1989 the Foundation’s assets surpassed the $500 million mark, making it the second-largest community foundation in the world. With assets that approached $840 million in 1989, the New York Community Trust is first.

3 Because of this record of accomplishment, many Clevelanders assume that the “Pogue” in the firm’s name refers to Richard. Actually, it refers to his father, whose Washington practice Jones, Day acquired 10 years after the son’s hiring.

CHAPTER 2

1 The beginnings of The Cleveland Foundation’s close relationship with the leadership of Jones, Day, Reavis and Pogue can be traced back to Goff’s friendship with Tolles, then with the firm Tolles, Hogsett, Ginn and Mor-ley, a predecessor of Jones, Day.
CHAPTER 3

1 The task force was chaired by John McDonald, a vice president of BP America (formerly the Standard Oil Company of Ohio).

2 Tutela ultimately fared no better than his predecessors. In May 1990, after months of squabbling with the superintendent over issues of authority large and small, the Cleveland Board of Education agreed to buy out the remaining 14 months of Tutela's contract for $330,000. Frank J. Huml, Cleveland's deputy superintendent since 1985, was immediately appointed by the board as Tutela's successor.

3 The Roundtable eventually raised $18 million for CIE in a campaign chaired by TRW's chief executive, Joseph T. Gorman.

CHAPTER 4

1 Between 1900 and 1910 Cleveland's population jumped 56 percent, from 360,000 to 560,000. By 1930 the population would nearly double again, to 900,400 residents, one fourth of whom were foreign-born.

2 The 1914 Resolution and Declaration of Trust Creating the Foundation does not provide an official name for what came to be known in the forties as the Distribution Committee. Before that time, the Distribution Committee was referred to as the Foundation Committee. For consistency's sake the current appellation will be used here.

3 Goff provided that his estate would pass to The Cleveland Foundation upon the death of his grandchildren.

4 Charles S. Howe and Robert E. Vinson, respectively.

CHAPTER 5

1 In 1943, the Combined Fund was created to administer small gifts and bequests inexpensively as a single account. Originally referred to as the "basket trust" until a potential inaugural donor to it objected to the name as undignified, the Fund had grown to more than $27 million by 1990.

2 The new trustees were Union Trust, Guardian Trust Company, Midland Bank and Central United National Bank. Three of these banks were never to administer a bequest on behalf of the Foundation. Cleveland Trust (now Ameritrust) absorbed Midland Bank in 1931, and Union Trust and Guardian Trust fell victim to the banking crisis of 1933 and closed their doors. Other banks that eventually became Foundation trustees are National City Bank in 1937, Union Bank of Commerce (now Huntington National Bank) in 1955, Society National Bank in 1960, Bank One in 1983 and First

3 Ranked according to their 1931 endowments, the top five were New York, $8.58 million; Cleveland, $5.79 million; Chicago, $5.06 million; Boston, $4.82 million; and Buffalo, $1.99 million.

CHAPTER 7

1 The final award in the series went to the Hogg Foundation for Mental Health at the University of Texas.

2 Tom Patton, Raymond Q. Armington, vice chairman of the University Circle Development Foundation, and Edward H. deConinck, immediate past president of the Welfare Federation of Cleveland.

3 Lewis B. Williams, representing the Prentiss Foundation; Edgar A. Hahn, treasurer of the Beaumont Foundation; Frank E. Joseph, vice president and secretary of the Kulas Foundation; and James D. Ireland, president and trustee of the Mather Fund.

4 According to the 1960 edition of The Foundation Directory, published by the Russell Sage Foundation, the four local private foundations that “co-sponsored” the Associated Foundation alone had a combined total of approximately $38 million in assets: Beaumont ($18.5 million endowment; general interests), Kulas ($4.6 million; musical interests), Mather ($244,300; general interests) and Prentiss ($14.6 million; medical interests). However, a case could be made for setting their total assets at about $43 million, as the Mather Foundation, which had habitually dispersed its total principal—or approximately $200,000 annually, could technically be considered a $5 million operation in terms of its grantmaking ability. If the 100-plus other private and corporate foundations listed by The Foundation Directory as operating in Cleveland in 1960 are included, the city’s philanthropic endowments totaled some $143 million, including the assets of The Cleveland Foundation ($36 million) and the Hanna Fund ($11 million).

5 The grants, which will be discussed in detail in the next chapter, were $7,000 to the Greater Cleveland Youth Services Planning Commission and $18,000 to A Plan for Action by Citizens in Education (PACE).

CHAPTER 8

1 In 1965, two former PACE trustees—Calkins and Emmett E. Cooper, Jr., the black chief of personnel for the Cleveland postal service—were elected to the seven-member Cleveland Board of Education. Together with another
former PACE trustee, George Dobrea, who had been appointed to the BOE in 1963 to fill an unexpired term, the trio represented the acme of PACE influence on the Cleveland board. Once on the inside, however, Calkins found that the schools' problems were even more intractable than he had imagined and that the PACE supporters were constantly outvoted in their attempts to change board policy.

Not surprisingly, the commission's research was to be paid for by the Associated Foundation; the insufficiency of all local tax revenues was a concern Dolph Norton had carried with him from his experiences with Metro. Even before the PACE report pointed out the inadequacy of the state's property tax equalization formula, the Associated Foundation had moved to support a dialogue on the need for new taxes of all kinds. In March 1963 it made a $75,000 grant to the Governmental Research Institute, a subsidiary of the Citizens League, to conduct a study of the projected future income versus the projected future expenditures of all 105 governmental and educational entities operating in Cuyahoga County. "Greater Cleveland can benefit substantially from the understanding the people will have of their money problems, from the community discussion of the fundamental questions posed by the report and by, hopefully, the consensus and political action which will follow," the project proposal observed.

These were measures that PACE suggested all schools in the county—public and private—should enact as a minimum: "adoption of a clear policy statement that a major school objective is acceptance of racial, religious and cultural diversity . . . ; appointment of a coordinator for human relations . . . to ensure that the policy statement is implemented; careful review of the entire curriculum . . . to secure maximum incorporation of intergroup relations teaching materials; . . . non-discrimination in all employment, assignment and [promotion] of personnel [and improved] recruitment procedures; maximum utilization . . . of extra-curricular activities . . . to promote creative encounters with those of different . . . backgrounds; in-service training programs for teachers to secure increased understanding of intergroup problems and increased utilization of intergroup teaching materials."

In the case of the Cleveland public schools, the PACE report had two additional suggestions. Having rejected the concept of "reverse busing" (the involuntary transporting of white children into predominantly black schools) as unwise and having similarly discarded the "Princeton Plan" of combining two or more schools of different racial compositions into one as unworkable in a city in which whites and blacks were so thoroughly segregated on opposite sides of a river, PACE recommended the creation of both a Cleveland school campus and a supplementary education center. The
Cleveland school campus "would furnish instruction which is excellent and innovative to children of all ages and aptitudes [through] relationships with university ties and research organizations and assignment of highly competent personnel," with the result that "parents and students from all sections of the city will wish to avail themselves of such superior facilities..." Similarly, students from all over the city would be drawn to the supplementary education center for "a particular program of excellent quality" in, say, music, art, literature, mathematics or reading.

Norton's choice of Reavis was hardly a shot in the dark. Syndicated political columnist Neal R. Peirce would identify the Cornell Law graduate (class of '21) as "perhaps the most powerful single individual in Cleveland" in his 1972 book, *The Megastates of America: People, Politics and Power*. In part Reavis's clout arose from his position as head of the city's largest law firm, which he had helped to form in 1938 by merging with Tolles, Hogsett and Ginn (Fred Goff's old firm) and Day, Young, Veach and LeFever. Jones, Day had grown from 43 attorneys to 110 in Cleveland and 40 in Washington, D.C., around the time Peirce's book was published. (By then it was also the city's best-connected firm, representing more than 25 major Cleveland corporations.) But Reavis's power also derived from his willingness to act—a decisiveness that was apparently deeply ingrained. Visitors to his office were often proudly shown a framed letter from Abraham Lincoln to Isham Reavis, Jack's grandfather. "If you are resolutely determined to make a lawyer of yourself," Lincoln wrote, "the thing is half done... Always bear in mind that your own resolution to success is more important than any other thing." Isham Reavis went on to become the first federal judge in the Arizona Territory.

Vail and Seltzer later denied that they had entered any such agreement.

Reavis's death in 1984 prevented his confirmation of this and other events.

The PATH Association—named after the "Plan of Action for Tomorrow's Housing" that it prepared—became the Foundation's third unofficial advisory committee, which is discussed in Chapter 10.

**CHAPTER 9**

The report broke down the disbursements into the following categories: public affairs—$528,438, most notably, $160,000 over four years to the Cuyahoga County Mayors and City Managers Association to set up a paid secretariat in the hopes of forging a de facto regional government out of improved communication among the county's welter of municipalities, and $233,438 over three years to Western Reserve University to establish a graduate program in public management science in hopes of improving the
caliber of local public servants; education—$502,088, most notably, grants to Cuyahoga Community College and various PACE activities; community research and leadership development—$275,400, most notably, $157,000 over four years to the Welfare Federation of Cleveland to establish a central planning unit; youth development—$267,075, most notably, grants to Community Action for Youth; race relations—$150,355, most notably, grants to the Businessmen’s Interracial Committee on Civic Affairs; economic development—$84,740, most notably, $45,000 over three years to reactivate the Lake Erie Watershed Conservation Foundation.

For example: Community Action for Youth (operating support—$100,000 in 1963 and 1965); Cuyahoga Community College (planning grant—$50,000 in 1963); Governmental Research Institute (support for tax policy study—$11,000 in 1965); and Pace Association (operating support—$24,000 in 1964 and 1965, support for elementary school libraries—$15,000 in 1965).

The reduction was accomplished by the creation of a special class of members of the Distribution Committee, whose terms expired on March 31, 1971. The three members of this class were appointed on a one-time-only basis by the 11 other members of the Distribution Committee. The resolution provided that all Distribution Committee members thereafter were to be chosen in the following manner: one member each appointed by the mayor of Cleveland, the presiding judge of the Cuyahoga County Probate Court and the chief judge of the U.S. District Court (as before); one member each appointed by the chief justice of the Court of Appeals for the Eighth Judicial District of Ohio and the president of the board of trustees of the Welfare Federation of Cleveland; five members appointed by The Cleveland Foundation’s Trustees Committee (instead of two, as before); and the eleventh member named by the five Distribution Committee members not appointed by The Cleveland Foundation’s trustee banks to ensure that bank appointees would not have a majority.

One of those Distribution Committee members was Dr. Kenneth W. Clement, a respected black physician who had been named to replace a committee member who had resigned shortly before the alliance went into effect. Clement may have been the first black in the country appointed to the board of a community foundation; such a claim is difficult to document.

The expanded Distribution Committee consisted of Raymond Armington, Thomas Burke, Kenneth Clement, Edward deConingh, Pamela Firman, Edgar Hahn, Harvey Hobson, James Ireland, Frank Joseph, George Karch, Elmer Lindseth, Thomas Patton, John Sherwin and Kent Smith. Five years passed before Norton’s suggested “younger person from outside the ranks of those usually considered for such posts” would be appointed. In 1972
Bob Gries, whose grandfather had been spiritual leader of one of Cleveland’s most prominent Jewish congregations, joined the Distribution Committee. And though it would be 1974 before two women would serve concurrently, the tradition of community foundation boards as white male enclaves would thereafter be ended, not only in Cleveland but throughout the nation.

Dorothy Ruth would retire on the same day after 40 years of dedicated service to The Cleveland Foundation. As part of a newly conceived pension plan, both she and Johnson were asked to become consultants; Johnson would serve another two years in this capacity, while Miss Ruth (as she was always called) continued to work part-time into the seventies. All told, Miss Ruth would ably assist four of The Cleveland Foundation’s seven directors. To many grantees prior to the alliance, she was The Cleveland Foundation. As the Foundation’s 1984 annual report noted on the occasion of her death at age 89, it had been Miss Ruth who at one time “reviewed all grant proposals, made follow-up phone calls, sent the letters notifying grantees of their awards, and personally processed each of the hundreds of scholarships given to deserving students, contacting the colleges, writing to the students and making sure they had received their checks.” After her official retirement, she demonstrated her continuing loyalty to the Foundation by establishing the Dorothy and Helen Ruth Fund, named in honor of her mother. Every year until her death she contributed $1,000 or so from her modest pension. When the Distribution Committee gave her a cost-of-living increase of $600 in 1983, she contributed that as well. The Foundation, she explained in a letter, had “better use for it” than she did.

Perhaps most notable of these sixties activists was an antipoverty worker by the name of Russell Means, to whom The Cleveland Foundation would award a $9,000 grant in 1969 to start a storefront community center for Cleveland’s 1,500 American Indians. Within two years Means would build the West Side center into the national headquarters of the American Indian Movement. Means became a household name in 1973 when federal agents lay siege to the hamlet of Wounded Knee, South Dakota, which had been taken over by Means and 200 members of the American Indian Movement to protest the federal Bureau of Indian Affairs’ treatment of 11,000 Oglala Sioux living on the Pine Ridge reservation 15 miles away. Means’s rise to national prominence would be accomplished without further assistance from The Cleveland Foundation, which had in 1971 declined his second grant request for $226,350 in operating support for the community center. “Russell Means has become very active in the national ‘Red Power’ movement and spends a good deal of his time traveling throughout the country in support of this cause,” the staff evaluation of the grant request noted.
Given such absentee leadership, the evaluation questioned whether Foundation funds would be used effectively to meet the needs of Cleveland's American Indians.

CHAPTER 10

1 Dubbed Action in Manpower-JOBS (AIM-JOBS, for short), the program called for executives lent by Cleveland industries to identify and open up the requisite number of positions—an ability honed by the BICCA subcommittee in organizing, as its very first project, a Plans for Progress Council that had persuaded some 90 Cleveland companies to become equal-opportunity employers. In addition, the loaned executives would make themselves available to counsel AIM-JOBS enrollees as they moved from a two-week orientation period to their job training, placement and first few months as employees.

AIM-JOBS was the first and largest such effort launched as part of the federal government's new Concentrated Employment Program. Norton, who was by now an old hand at obtaining federal support, helped behind the scenes in lining up first-year funding of $5.4 million from the U.S. Department of Labor and the U.S. Office of Economic Opportunity, organizing a contingent of 20 or so BICCA members that traveled to Washington, where they met personally with Secretary of Labor Willard Wirtz and Vice President Hubert Humphrey in an attempt to persuade the pair that Cleveland could make good on providing the needed executives and jobs. Before AIM-JOBS was subsumed in the spring of 1968 into a larger effort to coordinate all the city's private and public manpower programs, it had enrolled approximately 3,000 youths, one-third of whom had been successfully placed, one-third of whom were still in training and one-third of whom had washed out.

2 As Slavin would later explain, the massive federal commitment made to implementing Great Society programs had attracted "lots of people who were not committed to honest leadership," and it was often difficult to tell the hustlers pushing bogus services from those providers who had genuine roots in the black community. HADC was believed to be an example of the latter. Formed in 1967 on a shoestring by a former hospital maintenance worker and ordained Baptist minister named DeForest Brown and other neighborhood activists to encourage the economic redevelopment of Hough, Cleveland's first community development organization had been embraced by the federal government as a model program. It soon expected to receive $1.64 million from the U.S. Office of Economic Opportunity,
a landmark grant that Vice President Humphrey would personally come to Cleveland in July 1968 to announce.

That defense did not extend to Associated Foundation trustees Sherwin and Patton, who were named, along with the four other trustees of Cleveland: NOW!, in a $3 million civil suit filed in 1970 on behalf of three policemen who had been wounded in Glenville. The suit, which charge that NOW! funds "were knowingly provided by the defendants to black nationalist and extremist groups . . . so they would not commit crimes or foment riots," was dismissed in 1977, along with a similar suit for $5.8 million naming additional defendants such as the Growth Association and DeForest Brown that had been filed at the same time. Both suits were defended by Jones, Day (because Seth Taft, extending an offer of help to the man who had defeated him, had drafted Cleveland: NOW!'s incorporation papers and served as its secretary) with fees paid from the balance in the NOW! account. The defense attorneys successfully argued the point that NOW!’s trustees could hardly be held liable for the way in which a grantee spent his legally earned salary. After paying their legal fees, NOW! trustees agreed in 1980 to turn over the remaining corporate assets, totaling approximately $340,000, to The Cleveland Foundation for disbursement to low-income housing and hiring programs.

Two days later, the Democratic congressman announced that the investigation would not take place until after the November elections, a move that effectively killed it.

Ford's grants were part of an increasing involvement in this field that saw the national foundation move from providing support for academic research to creating a Police Foundation to underwrite experimental projects that the police themselves wished to undertake. According to Mitchell Sviridoff, who replaced Paul Ylvisaker as the head of Ford’s renamed National Affairs division, this new program area had arisen "... partially, if not substantially, [in] reaction to the Tax Reform Act of 1969. I think there had developed on the part of the [Ford] board an acute sensitivity to the need to vary our programs and pay attention to some of the big problems troubling the American people as they saw those problems. At one board meeting they discussed two program areas which they thought would be important in those terms and in terms of our capacity to do something. . . . And one was crime and the other was drugs."

Spurred by CWRU’s infrequent and vague accounts of the expenditure of the funds, an investigation conducted by the Foundation in 1976 uncovered evidence that university officials had spent some grant monies in violation of the donors’ wishes. The discovery prompted the Foundation to tighten its grant monitoring and reporting procedures.
In 1946 the Distribution Committee had authorized a principal distribution in the amount of $2,000 to pay for capital improvements at a summer camp for underprivileged boys.

CHAPTER 11

Wadsworth may have acquired this trait early in his life. A year before he was born in 1913, his father, who operated a modest steel-hauling business, had been crippled in a tugboat accident while working on the river in Wadsworth’s native Pittsburgh; and his subsequent death required Homer, at the age of nine, to accept responsibility for supplementing the family’s income by selling magazine subscriptions and delivering newspapers.

Distribution Committee retreats were a Norton innovation, but it was Wadsworth who would institutionalize them as a regular annual event—in the process making one of his most important contributions to the Foundation’s governance.

During the same period, education grants accounted for 21 percent of total disbursements and civic affairs grants for the remaining 20 percent. Having independently arrived at the concern expressed in the Ford Foundation’s final evaluation of the Greater Cleveland Associated Foundation about the predominance of The Cleveland Foundation’s “routine giving” to health and welfare agencies, Wadsworth wanted to effect a more balanced allocation of income across all the program areas. Indeed, between 1974 and 1978, the Distribution Committee would authorize an average of more than $825,000 in arts grants each year, nearly tripling what the Foundation had given annually to cultural affairs before that time. Yet the fields of health and social services continued to command the lion’s share of resources, averaging 46.6 percent of all disbursements during Wadsworth’s tenure. The desired reallocation finally came about during the Minter administration as an outcome of strategic planning. For the period 1985–87, grant authorizations in each program area kept pace as follows: civic affairs, 14.5 percent of total income; cultural affairs, 11.6 percent; economic development, 14.3 percent; education, 27.2 percent (an uptick of more than 5 percent due to the $3 million commitment made in 1987 to Scholarship in Escrow); health, 13.9 percent; and social services, 18.5 percent. Health and social services grants combined constituted 32.4 percent of the total amounts authorized for the period.

Convened by The Cleveland Foundation in 1975 as a means to pick up and build on the work of the Administration of Justice Advisory Committee and the Criminal Justice Coordinating Committee, both of which efforts
had become moribund, the Special Committee issued a report in 1976, "Criminal Justice in Greater Cleveland: Strategies for the Private Sector," that served to reenergize and inspire the Foundation's work in this field over the course of the next seven years. Between 1975 and 1982 the Foundation committed nearly $5 million to supporting planning and programming in five areas the Special Committee had singled out for intensive assistance: the police department, the public defender's office, adult corrections, juvenile justice and allocation of federal resources.

The creation of the Study Group on Racial Isolation was to be BICCA's last hurrah. In late 1975 it came to the Foundation's attention that the person hired to replace retiring BICCA director Larry Evert had misused Foundation grant monies. Upon learning this news BICCA's board summarily disbanded the organization, which had been in decline ever since the resignation of Jack Reavis as chair.

The associate dean, Charles W. Case, who had helped to implement voluntary desegregation of the Rochester (New York) city and suburban schools, and Joseph E. Rogus and R. Jerrald Shive, both with similar experience.

After fruitlessly pursuing an appeal of the federal court's eventual decision against the schools, Squire, Sanders and Dempsey would reverse course and go on to help lead the school-improvement movement of the eighties. As has previously been noted, SS&D managing partner John Lewis helped to launch the Scholarship in Escrow program; he also served as the business community's chief proponent of Five Together for Quality Education, a slate of candidates for the Cleveland Board of Education who ran in 1989 on a platform promising full compliance with the court's still largely unimplemented remedial orders.

Brookings had suggested that Foundation personnel lead the local investigation because of the solid work performed by Steve Minter and his wife Dolores on a previous Brookings study of community development block grants in Cleveland and other cities.

CHAPTER 12

1 The city's largest private philanthropy, Gund did not harbor any "illusions about [the NDOs'] ability to turn around the community," program officer Dan Berry once stated. Rather, Gund had regarded supporting the groups' efforts as a means "to 'hold the line' until private market forces take over."

2 Cleveland Ballet, Cleveland Play House, Cleveland Orchestra, Cleveland Opera, Great Lakes Shakespeare Festival and Karamu House.
The Cleveland Foundation subsequently donated $250,000 to bring the challenge grant up to the requested $2 million total.

In 1976, the Cleveland Ballet, for example, had been launched as a small company of 21 dancers with the assistance of a $120,000 grant from the Foundation, which would later contribute more than a quarter of the Cleveland Opera's extremely modest first-year budget of $45,000. A decade later the ballet and the opera had become multimillion-dollar operations, with the ballet mounting lavish storybook productions and touring nationally and the opera (which had started out in a junior high school auditorium) bringing to town accomplished singers for each of its three annual multi-performance seasons.

GLSF has since changed its name to Great Lakes Theater Festival.

The redevelopment goals included renovating the blighted Bulkley; connecting all the buildings within the superblock by means of interior arcades; transforming Dodge Court into a festival-retail space; building a parking garage on land between Dodge Court and Chester Avenue, which would offer patrons safe, weather-protected access to the theaters, shops, restaurants and offices; converting the Selzer Building into an atrium and new outer lobby for the Ohio Theatre, with balcony spaces housing restaurants and shops; converting the Ohio's existing outer lobby into a banquet facility to be operated by the Playhouse Square Foundation as an income generator; and redeveloping the Allen as an additional entertainment space. To date only the first and fourth goals have been realized.

As it turned out, construction of a 750-car structure was financed primarily through the means of industrial revenue bonds. Completed in 1989, the garage is anticipated to generate up to $500,000 a year in income for Playhouse Square Center.

Having poured $1 million into REI by 1988, the Foundation had hired Summers to evaluate the operation before it decided to commit additional support.