50 Years of Smart Giving

In income-taxless 1901, Andrew Carnegie sold his vast steel empire to J. P. Morgan for $492 million. At the close of the 1930s, having lost his vaunted steel empire to J. P. Morgan, Carnegie handed over huge deals, which formed the core of the new C. S. Steel Corporation, the beam himself created. In 1919, Carnegie passed away, leaving his vast fortune to be used for various purposes.

Carnegie gave away 90% of his money. He reflected that "if one rich man dies rich, he dies disgraced." Before his own death in 1919, Carnegie handed over $12.8 million. It is revealed how one rich man with conscience can profoundly enrich generations unborn.

Medals & Music. Carnegie's pre-corporation giveaway was staggering. He lavished cash on Scotland's four universities and his native town of Dunfermline. He pensioned off everyone, from railroad clerks and Civil War telegraphers to a couple of maiden ladies with whom he had once danced.


An instance of the impact was the Carnegie Foundation for the Advancement of Teaching (1905). In setting up free pensions for professors in the U.S. and Canada, the foundation had to define a "college," which in turn meant defining "high school." Result: the Carnegie Unit—120 hours per year that U.S. high schools now accept as standard for each subject. The foundation went on to organize the Teachers Insurance and Annuity Association, a pioneer among U.S. annuity plans. Most important, the foundation financed the famed 1910 Flexner report criticizing medical schools in the U.S. and Canada, which in turn unlocked the Rockefeller millions that revamped medical education.

Unleashing Talents. Taking its cue from Flexner, the Carnegie Corporation itself has long specialized in supporting the one inexpensive study that rouses others to give on a grand scale. Today this is partly by necessity. Carnegie is a powerhouse among U.S. foundations, which now total 17,000. But in market value of its assets ($86.6 million), it runs a poor fifth to the top four: Ford and Duke (each with more than $400 million), Rockefeller ($615 million) and the colos- sal Ford Foundation ($5.3 billion). Last fiscal year alone, Ford earmarked $15.7 million for new grants, as against Carnegie's $12.8 million.

What earns respect for Carnegie is its pinpoint giving. In 1914 it called the first U.S. conference on adult education. In the 1920s it got Sweden's Gunnar Myrdal to produce An American Dilem- ma, the first real study of U.S. Negroes. To popularize fine arts, it supported a little study that sparked the modernization of museums across the country.

A master at unleashing human talents, Carnegie financed the early makers of aptitude and achievement tests. In 1948 the corporation helped start the Educational Testing Service, now the country's leading testmaker. In 1952 it helped expand the Princeton program that became the Woodrow Wilson National Fellowship Foundation, which foots the cost of graduate study for prospective college teachers.

Fore sight & Influence. "It's impossible to give us credit for anything except foresight," says Carnegie President John W. Gardner, 49, a deceptively casual California who took his doctorate in psychology at the University of California in Berkeley. A prewar teacher at Mount Holyoke, Gardner is himself an example of Carnegie foresight. The corporation spotted him when he was a Marine Corps officer, and in 1950 he was president, one of the top "philanthropoids" to rise through foundation ranks. Gardner is also one of the few with a gift for words. Gardner chided the Rockefeller Brothers Fund for naming its one-time headquarters "innocent." The inspiration for Excellence, wrote the education report for President Eisenhower's Commission on National Goals, and last year edited President Kennedy's To Turn the Tide.

At Carnegie's headquarters on Fifth Avenue, Gardner heads a staff of just 36, including the telephone girl. What makes this small force highly effective is constant scouting trips and close contacts throughout U.S. education. An instance lies in Gardner's simultaneous presidency of the Carnegie Foundation for the Advancement of Teaching. The foundation's board consists of almost every key university president in the country. What they report about education's headaches influences the Carnegie Corporation, which then typically commissions an outside expert to find answers.

Carnegie-supported books have stirred action on everything from business schools to junior colleges and graduate education. But sometimes Carnegie has to create the experts, as in 1947, when it started sending "Jeep-sized" teams of U.S. scholars to Africa to prepare them for the coming problems of crumbling colonialism. In 1948, Carnegie gained immeasurable "lead time" for the U.S. by starting Harvard's Russian Research Center. Soon due at another major university is an equally precedent-setting center on Communist China.

Nothing Ordinary. Thinking ahead, Carnegie in 1956 supported pioneering school math reforms. It launched James B. Conant on his cognitive studies, a field that Gardner "respects for anything except foresight." It sponsored James W. Windell, a deceptively casual California who took his doctorate in psychology at the University of California in Berkeley. A prewar teacher at Mount Holyoke, Gardner is himself an example of Carnegie foresight. The corporation spotted him when he was a Marine Corps officer, and in 1950 he was president, one of the top "philanthropoids" to rise through foundation ranks. Gardner is also one of the few with a gift for words. Gardner chided the Rockefeller Brothers Fund for naming its one-time headquarters "innocent." The inspiration for Excellence, wrote the education report for President Eisenhower's Commission on National Goals, and last year edited President Kennedy's To Turn the Tide.

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