LET THEM GIVE: PHILANTHROPIC INFRASTRUCTURE AND INDUSTRY IN THE UNITED STATES

by

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DEDICATION

This dissertation is dedicated in loving memory of Dr. Cheryl Pratt Woods and Rebecca Hensley.

To Cheryl: for her belief in community; for her belief that we can and must build more just and humane institutions; for her tireless commitment to bringing all of us back to our better angels; and for her authenticity in every aspect of the incredible life she led. Every time I choose my own better angel—action over complacency, empathy over dehumanization, listening over assumption—it is undoubtedly interwoven with you being a part of my world. Thank you for showing me that care and compassion for myself and care and compassion for others are inherently intertwined, and I must walk the first path in order to walk the latter. And, most of all, thank you so much for believing in and loving me.

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LIST OF ABBREVIATIONS

Internal Revenue Service .... IRS
Philanthropy-Serving Organizations...PSOs

ABSTRACT

LET THEM GIVE: PHILANTHROPIC INFRASTRUCTURE AND INDUSTRY IN THE UNITED STATES

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Historically, philanthropy has occupied a contested space in American life in regards to its role in social welfare. As a result, at different points, the organization and work of private philanthropic foundations has been met with suspicion by lawmakers in the United States. Today, there is a renewed emphasis on philanthropy by lawmakers, scholars, and practitioners as partners to the state in shaping social welfare and well-being. This dissertation investigates the emergence and ongoing work of philanthropic infrastructure organizations as one space where philanthropic foundations in the United States have garnered and maintained their legitimacy as purported democratic actors, arbiters of social innovation, and sustainers of public goods. I use three sources of evidence: an analysis of the hearings of the House Ways and Means Committee and the Senate Finance Committee in regards to the Tax Reform Act of 1969’s proposed regulations of philanthropic foundations; analysis of meeting minutes of the Peterson and

Filer Commissions; and interviews with current leaders of philanthropic infrastructure organizations. Drawing from institutional ethnography as a model for inquiry, I explore how the "relations of ruling" within the institution of philanthropy are infused into not just the actions and decisions of either wealthy donors as individuals or large endowments with their own operational decision-making, but throughout a sectoral ecosystem with organizations that develop and administer forms of knowledge about philanthropy as a purported tool of/resource for democracy, and are challenged by those who are positioned as the beneficiaries of philanthropy. This work contributes sociologically to understanding how fields emerge in relation to cultural interpretations, and how the dimensions of such fields are contested and renegotiated by the actors within them over time. Last, this dissertation contributes a sociological framework for social change advocates navigating the broad terrain of petitioning for philanthropic resources while protecting the mission of their work.

CHAPTER ONE: INTRODUCTION

Smith (1987:175) suggests beginning an analysis by "taking up the everyday world as problematic," entering into inquiry from an everyday experience or practice. The research then "follows a sequence: (a) identify an experience, (b) identify some of the institutional processes that are shaping that experience, and (c) investigate those processes in order to describe analytically how they operate as the grounds of the experience" (DeVault and McCoy 2002:375). To situate this study, I must first explain my own point of entry into trying to understand the world of U.S. philanthropy through the eyes of those who aim to preserve, protect, and better organized philanthropy through philanthropy-serving organizations (PSOs, as they have come to be known and will be called throughout this work).

Before moving to Washington, DC to begin graduate school, I lived my entire life in and around the outskirts of New Orleans. As a Katrina kid, I became fascinated with the idea of care and the way we distribute resources. I was inspired by the mutual aid that my neighbors provided one another as we cooked, bought groceries, and rebuilt our houses together, the tents that stayed for months in church parking lots distributing food and clothing, and the Red Cross workers that drove down our street every night. However, as I grew up in this context, I also began to wonder about the school systems that were rapidly changing in the city, the stories of new nonprofit entrepreneurs who were inspired to move from New York City, San Francisco, or any other number of cities to come create initiatives in the now decimated Lower Ninth Ward, or the buses of volunteers who would stay in the church down the street from my house that never ceased to come each spring or summer break. This inspired me to better understand mission trip volunteers for my master's thesis.

However, it was not until I moved to DC and took a job with a PSO for a few months to make extra money on the side that I really understood that these applauded voluntourists were but a subset of a much larger sector. In my months working for this organization, I was given a bird's-eye of philanthropy and the charitable sector. I learned that there were PSOs across the country and for just about every cause one could think of. I observed advocacy meetings on Capitol Hill where some small funders, but mostly those working inside PSOs, would come meet with their Senators and Representatives. Some would report out about their meetings, telling us—the staff providing the space—how it went. I recall distinctly that one individual said their meeting went well, that they had raised issues of tax deductions with their representative's staffer who knew that things needed to be ironed out, but that they should not worry too much. They were, after all, the "white hats," doing work that needed to be done in communities across the country through the charitable sector, and, for those inside PSOs, organizing philanthropy to be more effective in their regions or social issue areas of investment interest.

These experiences were my "entry point" into the institution of philanthropy and wanting to more closely understand the "ruling relations" (Smith 1987; 2001; 2005). I was interested in how, in a time of such vast economic inequality and lack of trust in institutions (Saez and Zucman 2016), those representing philanthropy were the "white hats." I was interested in who spoke for the sector and defended the charitable tax deduction, and their reasons and motivations for doing so when they were not always the ones with the vast wealth to give away.

This dissertation thus explores how the institution of organized philanthropy, subsidized purposefully through the federal tax code for wealthy donors, protected itself from further federal regulation of its then-dominant organizational form (the philanthropic foundation) after the federal tax paradigm shifted from seeing philanthropy as a cost-saving measure for government to an expenditure for government in the late 1960s and 1970s (Duquette 2019). The protection was achieved in part through the creation of infrastructure organizations that would research, organize, and advocate on philanthropy's behalf, as a distinct field in itself (Bourdieu 1984; 1989). I then explore how the creation of a philanthropic infrastructure as a field was guided by conflicts over cultural interpretations of philanthropic giving. These cultural interpretations included philanthropic giving as support for a robust civil society, as protection against taxation, as a democratic act, or as a fundamentally undemocratic institutionalized practice. Next, I look at how the "organization of [the] work" (Devault 2006:295) for those working inside the infrastructure today is structured by political discourses around nonprofit sector identity (Barman 2013) and the protection of philanthropic vehicles (Williams and Doan 2021), changes in associationism and civic engagement since the 1970s (Skocpol 1997), and the conceptually ordered practices linked to ruling interests (Smith 1987; 2001; 2005). Last, I reflect on a sociological framework for social change advocates navigating the broad terrain of petitioning for philanthropic resources while protecting the mission of their work.

Background and Literature Review

In the United States, private philanthropic foundations first emerged in the early 1900s "as a consequence of the concentration of wealth in the Gilded Age and the federal government granting tax-exempt status to charitable organizations in 1896" (Barman 2013:111). While previous charitable trusts that had specific missions existed before the early 1900s, the foundations founded at the turn of the 20th century by Gilded Age tycoons existed for the broad mission of human welfare (Bremner 1988). Outlining the 25 years of shifts that followed the economic depression of 1873, and the violent labor disputes of the 1877 and 1886, Hall (1992:4) outlines the "reinterpretation of social and economic life loosely based on Darwinian theories about the natural world." The industrial leaders in the United States needed more laborers on their side to proliferate the idea that inequality was an "inevitable consequence of social and economic life." By doing so:

> their experiences as self-made men made it clear that the location of individuals in the hierarchy was not a birthright, but the reward of individual ability tested and tried in the competitive struggle. If so, it might be possible to substitute equality of opportunity for traditional goals of equality of condition, suggesting that the greatest beneficiaries of the industrial system had a positive obligation to use their wealth to establish institutions that could maximize opportunities for the masses, not only ensuring the continued recruitment of the talented and ambitious into

> leadership positions but also, in so doing, affirming--in a dramatically new way--the democratic and Christian values held by most Americans" (Hall 1992:5).

For example, in a striking passage from the *Gospel of Wealth*, Andrew Carnegie (1903:454) wrote: "Thus is the problem of Rich and Poor to be solved. The laws of accumulation will be left free; the laws of distribution free. Individualism will continue, but the millionaire will be but a trustee of the poor, entrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself." Carnegie closely aligned, as also pointed out by Hall (1992) and made evident through his central principles set forth in the *Gospel of Wealth*, with Herbert Spencer's social Darwinist theories.

However, Hall (1992) also points out that the consensus Carnegie and his peers tried to build with wealth accumulation being naturalized so long as the wealthy then acted as trustees for the poor was very much contested in political life until the rise of the New Right with Ronald Reagan's election. This makes the period from Carnegie's philosophical development and institution-building at the turn of the 20th century through the legitimation of private philanthropic foundations as legitimate institutions for social welfare rich for exploration. The well-known Gilded Age brought suspicion as to the motivations of big philanthropists, namely Rockefeller and Carnegie (McGoey 2015). Thus, talks of tax reform that would limit the laissez faire operation of foundations were prominent well before 1969. One such example of this deeply rooted suspicion of Gilded Age tycoons was the Walsh Commission, formed in 1912 to explore industrial and management issues. In the reports that followed, the Rockefeller family came under public scrutiny for their approval of harsh worker treatment (McGoey 2015). In turn, the Rockefeller Foundation created a company union, increasing suspicion of the foundation's industrial purposes and raising questions about the ties between concentrated wealth and the creation of foundations (Brilliant 2000). In this example, the foundation is tied directly to the funder – the Rockefeller family – and their business practices and handlings. While the commission was not directly investigating private foundations, such concerns were integrated as they related to issues of industrial wealth concentration and labor rights. Then, the elite family behind the foundation came to the forefront rather than remaining separated as such foundations were not yet seen as separate, independent organizations with interest separate from that of their funders.

Intermittently, foundation accountability questions were raised in Congress through various commissions, particularly in times of budget crises and widespread wealth disparities, over the next half century. Congress continued to reaffirm the regulation-free operation of charity yet struggled with the classifications of such a diverse group of organizations. Finally, in 1954, the 1954 Internal Revenue Code revision differentiated for the first time between private foundations and public charities through the creation of 501(c)(3) status. Within the code revision was a larger tax deduction to those who donated to public charities – churches, schools, hospitals – rather than private foundations (Brilliant 2000). Such a distinction made possible the regulation of private foundations separate from public charity, paving the way for the Tax Reform Act of 1969.

Beginning in 1961, Congressman Wright Patman officially mobilized his crusade against foundations that would ultimately lead to major reform. The motivations behind Patman's almost decade-long push to regulate private foundations remain unclear but could be an area for future inquiry to better strengthen the understanding of social ties and motivations behind the Tax Reform Act of 1969. Further, a series of executive appointments (importantly, Stanley Surrey to the Treasury Department – a well-known tax policy progressive against major tax exemptions) by the newly elected Kennedy administration foreshadowed change to come (Brilliant 2000; Hall 1998). The social and political backdrop of the late 1960s set the stage for tax reform. By the time President Nixon took office, Brilliant (2000) argues that such reforms were inevitable. It was during this time that John D. Rockefeller III began to mobilize.

The Tax Reform Act of 1969 and the Organization that Coincided

The Tax Reform Act of 1969 was a catalyst for the more formal organization of organized philanthropy, which at the time, aside from a few professional organizations, existed as a more disjointed endeavor with individual philanthropists and organizations working without the broader support organizations we see today. As a result, John D. Rockefeller III began to bring philanthropy advocates together when talks about the act started to emerge. Barman (2013:112) argued that "instead of simply bemoaning or ignoring negative attitudes toward foundations, as others had done, Rockefeller sought to change public opinion on the status and contributions of foundations."

Consistent Calls for the Study of Philanthropy

In 1999, thirteen years after the Center on Philanthropy planning committee was formed (that would eventually become the Lilly School of Philanthropy at IUPUI), Stanley Katz published an article outlining where the "serious study of philanthropy [came] from" (p. 74). Here, Katz details how the study of organized philanthropy *by* philanthropic organizations, philanthropic infrastructure groups and associations, and schools dedicated to the practice of philanthropy came to be. Katz outlined his experience trying to obtain funds from philanthropic foundations to create a historical account of foundations that formed after World War I, working with McGeorge Bundy of the Ford Foundation and finally being successful in obtaining a grant for his work through the Ford Foundation. Essentially, Katz chronicles that he was encouraged to study philanthropy, but there was still little support from the leading foundations to do the work, and it required him to lobby the Ford Foundation for discretionary funds. This "serious study" rose in prominence after the Tax Reform Act of 1969 and organized philanthropy's internal revelations that they had little to show for evidence that philanthropy was a positive force in U.S. society.

Hall (1999) wrote a response to Katz (1999), where he argued that the study of philanthropy had taken place across disciplines since at least the 1890s, tracing several dissertations focused on the history and sociology of philanthropy. Hall praised Katz for his work in igniting a renewed interest in philanthropy. However, Hall criticized Katz for not being more transparent about the reasons why leading foundations wanted more study of philanthropy, which was not critical inquiry but affirmative research of their effectiveness. Hall (1999:528) concluded that:

> We ignore, at our peril, the multiple centers from which academic interest in philanthropy, voluntarism, and nonprofits grew—and continues to grow. As the rapidly growing body of civic engagement and civil society scholarship reminds us, some of the most illuminating and insightful perspectives on nonprofits and voluntary action have come from scholars whose primary interests lie elsewhere.

He then cited a list of scholars who were studying philanthropy, such as Theda Skocpol and Robert Putnam, as a social institution rather than as a discipline in itself (Hall 1999:528).

The debate between Katz and Hall is an enlightening one, as it exemplifies what is meant by the "serious study of philanthropy" in the framework of those seeking to conduct research to *support* philanthropy as an institution versus those seeking to study philanthropy as a phenomenon that is rooted in, influenced by, and influences political, economic, domestic, and social life. Of course, these two types of research frameworks can and do overlap. However, as Hall (1999) points out and Katz (1999) exemplifies, those who sought research that would in turn defend philanthropy's place as an institution in American life were not satisfied with the interdisciplinary, sometimes disparate research that had existed for quite some time by 1999. What needed to and did develop in the eyes of philanthropy's leaders in the 1970s (McGeorge Bundy of the Ford Foundation, John D. Rockefeller III, and Humphrey Doermann of the Bush Foundation as were all named by Katz) was an intellectual community that could legitimize and defend philanthropy's value against legislative and social uncertainty. The Tax Reform Act of 1969 had revealed that there was not a cohesive narrative about philanthropy's value or even a factual accounting of philanthropy's work.

On one end of the research spectrum, centers for the study of philanthropy, nonprofits, and voluntarism have emerged across the country, with policy scholars lending their expertise to strengthen the third sector. This body of research, as outlined by Nickel (2018:61), has an inherent positioning that is political in that it "potentiates a vast array of arguments for how resources are accumulated and distributed." The calls for social scientists to take philanthropy more seriously as a shaping force in our society have also continued and strengthened as we enter what Ferris (2015) has posited could be a golden age for philanthropy as giving continues to rise and generational wealth at the top of the class structure continues to benefit from favorable tax benefits by donating to charitable causes. Across social science disciplines, particularly those with an eye toward understanding inequality, leading scholars have urged their colleagues to study philanthropy's social and political influence and relationships with social movements and social institutions (Barman 2018; Rogers 2015; Skocpol 2016).

However, much of the scholarship around philanthropy has been largely focused on the practice of philanthropy, whether that be critical or affirmative of the institution itself. Reich (2016) argued that foundations could not be evaluated on their providing assistance to the poor and disadvantaged given that "giving for basic needs represents a surprisingly small percentage of foundation activity" (470). Reich's view represents one that is critical of philanthropy's investments and seeks to develop scholarship around the empirical reality of giving. This dissertation, however, seeks to move beyond that scope.

Thus, this literature review will begin with the size and scope of philanthropy as a starting point for what I will refer to as the philanthropic studies branch of the study of philanthropy that has its roots in the aftermath of the Tax Reform Act of 1969 and the commissions that followed. The philanthropic studies branch was institutionalized in the 1980s, as outlined by Katz (1999). This branch will lend insights into how an accounting of philanthropy has then led to more critical insights by social scientists interested in the social underpinnings of philanthropy as organized philanthropy itself continues to grow and expand, leaving questions of its influence for social scientists to explore. Then, I will outline two significant sociological contributions to the study of philanthropy: the gift and field theories (Barman 2017). These theoretical frameworks have allowed deeper sociological understanding of how philanthropy is shaped by cultural understandings of social welfare and charity, how philanthropy influences and is influenced by social movements, and how philanthropy is connected to the U.S. class structure. Next I demonstrate how the social sciences are also intertwined with the legacy of philanthropic studies, and how that connection has both expanded and limited our understanding of philanthropy as an institution.

The Size and Scope of Philanthropy

The amount of wealth tied to philanthropy and the number of foundations established has steadily increased since the 1980s. Faber and McCarthy (2005) observe: "The growing inter-generational transfers and concentration of wealth accompanying the economic boom of the 1990s also resulted in the formation of new foundations at unprecedented rates: doubling from more than 30,300 in 1988 to more than 61,800 active grantmakers by 2002” (p. 4). According to the Foundation Center, a nonprofit organization aiming to expand knowledge on philanthropy, in 2010, over $643 billion dollars were tied up in foundation assets alone. The duration of the following decade brought even more growth, despite the economic downturn of the late 2000s. the Foundation Center (2016) reported a total of 87,142 foundations in 2013 owning a collective total of $798,176,136,705.00 in assets and distributing $55,262,883,393.00 in grants nationwide. In the turbulent year of 2020 amid the COVID-19 pandemic, foundations gave away $88.55 billion (IULFSP 2021).

At the same time, the founding of philanthropic studies as a discipline itself has led to more social science inquiry. Concerns over wealth inequality have led social scientists to interrogate the activities of foundations, philanthropists, and their influences on social institutions, such as agriculture, civic life, education , public health (Brown 2012; McGoey 2015; Skocpol 2016; Tompkins-Stange 2016). Next, I explore the sociological theoretical frameworks that have helped to shape our understanding of philanthropic activities, and the sociological tradition of exploring philanthropy as an institution.

Sociological Contributions to the Study of Philanthropy

Thus far, concepts of the philanthropic relationship, as seen through the gift and different perspectives within field theory by sociologists have advanced our understanding of the role of philanthropy as a social institution. These frameworks are the basis from which I then began to shape this project, asking what makes the philanthropic relationship possible from a political and cultural perspective.

The Gift. The gift has long been debated in scholarly conversations, framed often as an initiator of social relationships (Blau 1964; Mauss 1990 [1925]; Adloff 2006; Adloff 2015). According to Barman (2017), sociologists concerned with the gift offer three competing perspectives on gift-giving: altruism (Comte 1973), self-interested economic exchange (Blau 1964; Becker 1974), and reciprocity (Mauss 1990 [1925]). Gift-giving as altruism and gift-giving as self-interested economic exchange are primarily concerned with individual motivations for giving. However, gift-giving as reciprocity, as most notably put forth by Mauss (1990 [1925]), frames the act between groups rather than individual exchanges. The reciprocal nature that emerges from gift-giving "creates norms of solidarity and cements social relationships, while at the same time involving struggles over status" (Barman 2017:276). Adloff (2015) extends Mauss (1990 [1925]) and argues that the gift produces a paradox rather than a one-way promise of the nature of this developed social relationship itself: "[The gift] can both bring social actors closer together [or] set them further apart" (p. 2004).

Philanthropy is a particular institutionalized form of the gift in which private wealth or resources are used for the public good. The scale and scope of philanthropy from this broad definition is thus widespread. Sociologists contribute an institutional perspective to encourage understanding variations in the size and scope of philanthropy across space and time (Healy 2000; Barman 2007). Healy (2000), for example, interrogated why the French donate blood at significantly higher rates than neighboring

Luxembourgers. He found that the donor motives did not vary between the two countries, but the institutional settings in which donors were recruited varied significantly. Thus, it is often the "centrality of the structure and organization of charitable giving" rather than individual motives that impact philanthropy's variation (Adloff 2016). In short, philanthropy, charitable giving broadly conceptualized, flourishes not because of individual attributes, but because of institutions and societal conditions which shape this behavior.

Therefore, the philanthropic foundation emerges as an organization that channels endowments to charitable use. This form of philanthropy is particularly associated with economic elites desiring "shaping influence and generativity" in addition to their personal altruism and societal institutions which make their existence more probable (Adloff 2016:63). From a legal framework, the gift that is institutionalized through a philanthropic organization detached from the giver him or herself is legitimized through the state's legal categorization for the organization's existence (Barman 2013; McGoey 2014; Nickel and Eikenberry 2016). However, particularly as of late with economic elites sometimes finding other means through which to channel their wealth for charitable use that do not fall neatly into the legal categorization for a philanthropic foundation, research sampling traditional foundations alone as defined under the tax code may not encompass variations of elite giving. Thus, Adloff's (2015) sociological definition of the foundation is useful in framing as a particular social relationship rather than particular legal category: "If a gift creates a social relationship that is decisively defined and structured by the giver, that continues to exist after the giver's death, and that is constantly kept up to date, then it is a foundation" (p. 2005).

Research and theory-building around the gift continue to shape invaluable research into the motivations and intentions of charitable giving via many forms, the philanthropic foundation included. From this perspective, the gift is importantly theorized as a social condition, one which does not have inherent intentions and is shaped by institutional conditions. Thus, in the United States, for example, high volumes of philanthropic giving may be produced by institutional conditions that allow philanthropic giving to flourish, along with the general generosity found within individuals. However, a substantial critique of gift-giving focused research posits a failure to fully consider the social and political contexts within which institutionalized philanthropy takes place (Fisher 1983; Hall 1992; Barman 2017). Thus, another significant contribution sociologists have made to philanthropy research is the introduction of field theory, which moved nonprofit studies literature away from methodological individualism (Barman 2017).

Philanthropy and Field Theory. Field is first a unit of analysis, meaning "a meso-level domain characterized by its own architect and a shared orientation among its members" (Barman 2016:442). Field is also a theoretical model, in which it "embraces a relational explanation for social action, by focusing on actors' structural location and their position vis-à-vis others within a bounded arena" (Barman 2016:442). Field theory brings with it three perspectives that make up the theoretical framings of the sociology of philanthropy: Bourdieusian, New Institutionalism, and Strategic Action. These three stands of field theory each pose frameworks of institutional logics which contribute to understanding philanthropic organizations, which I outline and review below.

The Bourdieusian approach to field theory positions actors based on their varying levels of capital – including cultural, symbolic, and economic capital – that shapes their actions (Bourdieu 1990). Fields in the Bourdieusian sense are "always characterized by power, self-interest and contestation, with dominants seeking to protect the status quo and subordinates working to effect change" (Barman 2016: 448). Classification systems emerge within fields as contested struggles between actors to shape social reality through language, "to impose the legitimate definition of the divisions of the social world" (Bourdieu 1991:221). Thus, fields are contested spaces through which classification occurs; contestation is not necessarily domination, but a struggle between actors, albeit with varying levels of social capital, to define and classify social reality in their own interest.

Thus, philanthropy is a tool used by the wealthy to both exert their influence across sectors of society to which they may not have previously had access and to gain status among their peers (Odendahl 1990; Ostrower 1995; Himmelstein 1997; McGoey 2015). Such a conception offers a framework from which to understand why the wealthy may donate to causes that do not necessarily directly benefit them, as a means of shaping that field and thereby exerting social capital. Barman (2013) notably undertakes a Bourdieusian approach to field theory and classification systems in her study of the National Taxonomy of Exempt Entities' (NTEE) establishment in 1987. NTEE is a classification system that defines nonprofit entities in the tax code. NTEE's establishment created classifications that legitimized foundations and other nonprofit entities, which were once met with suspicion due to their origination from the wealthiest Americans, as having "clear benefits [to] larger society" (Barman 2013: 129). Barman (2013) contends that the classification system thus shielded nonprofit entities from further federal investigation, and in turn further regulation and oversight.

Dromi (2016) examined the social context in which the Red Cross arose as a private entity responding to war, rather than taking a governmental approach. They find that one cannot explain the phenomenon without first examining the beliefs the underpinned the organizational decisions made, which were the beliefs in private initiative. They argue that culture can "give rise to enduring social arrangements," and thus, "to truly understand a historical process, sociologists must trace how actors' interpretations have shaped social processes and how people interact with extant cultural structures and social conditions" (Dromi 2016:197). Field theory must thus play close attention to culture and intersubjective interpretations that have shaped social process: "The tendency of field analysts to focus on the structural dimensions of fields leaves them ill-equipped to explain why so many actors—artists, environmentalists, physicians, and scientists—have become convinced that their type of work must be set aside from all others and waged for its own sake in an autonomous realm and how this collective belief contributed to the establishment of concrete, institutionalized social patterns."

An overlapping field perspective, the New Institutionalism approach offers an institutional logic theory explaining philanthropic institutions' operations and shared assumptions. The New Institutionalism perspective, as set forth by DiMaggio and Powell

(1983), offers insights into the organizations that make up philanthropy. DiMaggio and Powell (1983) contend that bureaucracy is still the dominant institutional form. However, Weber saw the competitive marketplace as the driver of rationalization. DiMaggio and Powell (1983:150) claim that late twenty-first century organizations do not just compete for "resources and customers," but for "political power," "institutional legitimacy," "social [fitness]," and "economic fitness." Thus, through a structuration process, organizational fields emerge (i.e., the making of a common enterprise and increased interaction among organizations and the actors within organizations) (Giddens 1979; DiMaggio 1983). As a result, it is now states and professions that are the rationalizers. Bureaucratization no longer occurs due to "competition" or "need for efficiency," but from the structuration of organizational fields. Organizations are initially diverse, but "once a field becomes well established … there is an inexorable push toward homogenization" that produces the institutional isomorphism phenomenon (DiMaggio and Powell 1983:147-148). Under this framework, a field consists of "all organizations involved in the production and distribution of a particular good or service, as well as all those organizations in their environment that they rely on to engage in that work and/or that influence their decisions" (Barman 2016:449). Organizations begin to look more alike as they professionalize due to a unifying force of shared understanding that emerges in the creation of new fields (Jepperson 1991; Adloff 2015; Krause 2014; Barman 2016).

Frumkin (1998) notably used the New Institutionalism perspective in his analysis of the Tax Reform Act of 1969's effects on philanthropy. Frumkin (1998) suggests that philanthropy is a field characterized by institutional isomorphism, meaning foundations and organizations in the philanthropic sector are more homogenous in their operation, structure, and organizational logics. Philanthropy professionalized as a result of regulation imposed by the state. Once regulation occurred, a new class of philanthropy professionals emerged, this class then produced logics of shared understanding as to how their organizations needed to operate in order to maintain their legal status imposed under the tax reform, and specific philanthropic organizations started to operate similarly. Frumkin (1998) alleges that the professionalization and subsequent bureaucratization of philanthropy after "shockwaves" from the Tax Reform Act of 1969 resulted in lost connection with communities and a neutralization of mission for philanthropy.

Finally, a third field theory framework is Strategic Action, which emphasizes the constant conflict within fields and the porous boundaries of fields themselves. This framework brings together organizational literature and social movement literature (Silver 2014; Barman 2016). Strategic Action fields, like the Bourdieusian field, recognize stratification and inequality in varying degrees of social capital. However, the Strategic Action framework posits that fields are "rarely organized around a truly consensual 'taken for granted' reality" (Fligstein and McAdam 2011:4-5). The reproduction of any given field is less assured than in other frameworks because "actors who are both more and less powerful are constantly making adjustments to the conditions in the field given their position and the actions of others" (Fligstein and McAdam 2011:5). There is not so much a set of static shared assumptions, but instead continuous contestation and tension that makes change constantly imminent, and oftentimes piecemeal.

Silver's (2014) examination of anti-poverty agenda negotiations in Los Angeles is one example of Strategic Action fields utilized to understand philanthropy's impact. As community organizations mobilized to combat systemic poverty after riots broke out through the city, foundations entered for their own interests as well. In this situation, where foundations were responding to a specific set of problems, they were made vulnerable to the knowledge of community organizations, just as community organizations were made vulnerable to their need for resources. What emerged was a collaborative effort by both parties to negotiate an agenda, thus challenging the rigidity of foundation's isomorphic, bureaucratic tendencies while not totally dismissing their pervasiveness and presence. Those *within* the community used their knowledge and resources strategically to shape the agenda, the lack of knowledge on the part of more affluent funder positions being the strategic opportunity to act upon.

Altogether, the sociological frameworks I explained here when used to explore philanthropy demonstrate that philanthropy can be understood as a practice and a social institution, Philanthropy as an act and philanthropy as a social institution shape individual behavior, social relations, and political discourse. Thus, historicizing the origins, the negotiations, and the ongoing discourse *about* philanthropy as an American institution and value are the aims of this work.

Links Between Philanthropy and the U.S. Class Structure. Social scientists have long "probed the links between philanthropy and the maintenance of U.S. class structure" as it is "instrumental in reproducing [class] divisions" (Silver 2007:538). Holmes (2012) argues that "Capitalism and philanthropy are intrinsically linked, both financially and through mutually produced discourses, and the already fuzzy boundary between the two is dissolving further from the growing influence of the ideas and practices of philanthrocapitalism, which advocates an increased role for capitalist actors, techniques, and market forces in philanthropy" (186). Domhoff (2009) argued that nonprofits in American society are limited in their expansion of democratic participation so long as they were “beholden to a corporate-financed network of nonprofit organizations concerned with maintaining the current class structure and the huge privilege it delivers to the wealthy few” (970).

Many have argued that giving often only goes to causes that support the interests of elites or advances their cultural capital (Bombardieri and Robinson 2004; Odendahl 1990; Wu 1998). Wu (1998), for example, explores how corporations stepped into the arts world more purposefully through the Reagan era, highlighting that since the founding of the National Endowment for the Arts (NEA) in 1965, the business community has spoken more aggressively as the definitive voice on arts issues and improving their brands and personal social capital through their sponsorships. And when funds do go to disadvantaged populations, these movements are often coopted in the interest of the elites (Arnove 1980; Haines 1984, 1988; Jenkins 1989, 1998; Jenkins and Eckert 1986; McAdam 1982; Piven and Cloward 1977; Roelofs 2003).

Discourse About Needs and the Politics of the Interpretation of Needs

Taken together, what becomes clear about the literature on philanthropy is that philanthropy is a subset of larger economic conditions that are born from the taxation system. Nickel (2018:61) argues that what has emerged across disciples and within the study of philanthropy as a discipline itself is a scholarship that is a “discourse about—among other things—welfare-state politics.” Substantive scholarship has outlined the transformation of the welfare state, where substantive shifts have taken place from social protection as an entitlement to contingent on individual behavior and voluntaristic impulses (Eliasoph 2011; Gilbert 2002), and privatized through the centering of free markets (Brown 2015; Michelmore 2012). Naples (1997:909) argues that “the restructuring of the welfare state involves changes both in material practices of state distributive policies and in the discursive strategies within a wider shift begun in the late 1970s when the terms of the Keynesian social contract established in the late 1930s were rearticulated to center so-called free market processes, privatization, and a diminished conception of the state's role in social provisioning.”

Fraser (1989) laid out a framework for understanding the way we talk about needs in welfare-state societies. Needs-talk, Fraser argues, "functions as a medium for the making and contesting of political claims" (291). Fraser thus suggests a breaking away from inquiry focused on needs to inquiry into the discourse about needs and the politics of needs interpretation. To do so, Fraser frames “‘political,’ ‘economic’ and ‘domestic’ as cultural classifications and ideological labels rather than as designations of structures, spheres, or things” (297). In male-dominated, capitalist societies, what is political is positioned in contrast with what is economic and domestic. As a result, Fraser identifies domestic institutions and official-economic capitalist system institutions as the two principal sets of institutions that “depoliticize social discourses” (298).

Thus, it is what Fraser calls “runaway needs”—“needs which have broken out of the discursive enclaves constructed in and around domestic and official-economic institutions” (300) that are the area of contestation in late-capitalist societies. Runaway needs then enter the realm of the social. Here, they "become the foci of state intervention geared to crisis management" (302). They enter into oppositional discourses, "from below"—where "oppositional needs-talk [...] involves the crystallization of new social identities on the part of subordinated persons and groups"—and "from above"—where "initiative resides in [...] 'expert' needs discourses, and the process involves 'social-problem solving'" (303). Expert needs discourses drive the translation of “sufficiently politicized runaway needs into objects of potential state intervention. And they are closely connected with institutions of knowledge production and utilization" (306).

Of course, “from below” discourses are contested with counterinterpretations about the legitimacy of the social needs at hand, and “from above” discourses involve expert needs discourses that employ “administrative and therapeutic need interpretations” (Fraser 1989:307). Such a framework thus highlights the complexities social movements encounter when they succeed in politicizing needs. There is an ever present and ever-evolving threat of a successful counterinterpretation that could send a successfully politicized social need back into the realm of the domestics, such as the need for childcare that could be contested by right-wing groups looking to dispute the need for state interventions for care. And there is an ever-present and ever-evolving threat that the integration of administrative and therapeutic interpretations of needs to co-opt issues and again depoliticize them by separating needs from the gendered, racialized, and classed contexts. Fraser (1989:313) contends, however, that needs-talk is with us for the foreseeable future, and that it is neither "inherently emancipatory nor inherently repressive. Rather, it is multivalent and contested."

Therefore, scholarship around the politics of needs should further clarify the terrain in which social movements seek to assert needs into the social discourse. This work will use Fraser's (1989) framework in relation to philanthropy (Nickel 2018) as a guide to understanding how the infrastructure around philanthropy either promotes or inhibits the politicization of social needs.

The Need to Study Policy Development and Infrastructure Organizations

Nickel (2018) argues that while it is important to analyze what foundations do "it also is important to analyze what is *commonly said* about foundations" (61). Common ideas about the role of philanthropy are critical to explore not for gauging their truth, but for their importance to political discourse. Common ideas about philanthropy and its benevolence to society are legitimizing to the institution and the practice: "We do not need more accurate or elegant justifications of foundations as democratic actors; rather, we need an understanding of the relationship of these justifications to political discourse, especially when the transformative potential of discourse is inhibited by such actors" (Nickel 2018:62).

Infrastructure organizations are philanthropy-serving organizations in the sector, those concerned with advocating for sector-wide policy and advocating for how philanthropists spend their resources. From the sacred-profane theoretical dichotomy, the sociological literature on the gifts and fields in studying philanthropy, and the history of tax reform and policy governing philanthropy that heretofore have been briefly considered, the central tension to be explored in this research is the transformation of the private foundation from one contested and debated, to one that is “mundane” in American society, an “artifact” of government, despite the growing influence of the philanthropic field broadly (Reich 2016:466). Philanthropic involvement in policy-shaping, particularly around education and health, is prevalent and well-documented (Brown 2012; McGoey 2015; Skocpol 2016; Tompkins-Stange 2016). How philanthropy seeks to reshape fields is a central focus in sociological literature concerned with the sector (DiMaggio and Powell 1983; Bartley 2007; Barman 2016b;). And, the idea that philanthropy simply shapes movements rather than considering the role of those within movements and within foundations making concessions reciprocally in light of internal organizational politics and economic change is refuted (Kohl-Arenas 2016; Silver 2004). Yet what remains rich for analysis and exploration is the bridging of historical data on the shaping of the philanthropic field with current policy advocates for the philanthropic field itself to understand philanthropy’s rise to a powerful sector in the U.S. economy.

In her 2015 report, commissioned and presented to the Charles Stewart Mott Foundation regarding the advocacy capacity of the philanthropic infrastructure, Lucy Bernholz suggests that the philanthropic infrastructure plays defense effectively in maintaining the tax exemption. Those organizations or organization types most directly involved with industry-wide public policy are: “regional associations of grantmakers, state and national associations of nonprofits, the Council on Foundations, Independent Sector, The Philanthropy Roundtable, Alliance for Charitable Reform, The Urban

Institute, and the Program on Attorneys General at Columbia Law School" (Bernholz 2015:6). Currently, new developments in philanthropy, such as the rise of donor-advised funds and philanthropic advising firms receiving a large sum of philanthropic infrastructure dollars, leave philanthropy-serving organizations' futures potentially uncertain as the sector negotiates new types of potential constituents in the field. However, a recent report by Fine and Lawrence (2018) of the TCC Group finds a renewed reliance on philanthropy's infrastructure organizations in an uncertain political climate for resources and networking.

Moreover, what is taken for granted when researching the infrastructure as an indicator for gauging the health of the nonprofit sector is that the infrastructure is also purposed with knowledge production and policy advocacy for the sector (WINGS 2017). In these sites, the sector is conceptualized as a cohesive field and rhetoric around the sector's history, purpose, needs, and future emerges. Thus, this study focuses on the origins of PSOs, and their emergence, history, evolution, advocacy efforts, and rhetoric. This exploration sheds light on our sociological understanding of how the philanthropic sector talks about social needs and the public good, and how these frameworks set forth help shape political discourse (Fraser 1989; Nickel 2018), and inscribes meaning to their work, which is mediated in part through texts and work knowledges within PSOs (Smith 1987; 2001).

This dissertation thus explores the historical origins, organization tactics, and current paradigms of philanthropy's infrastructure organizations and the professionals within the PSO world who help to shape the public conversations around philanthropy and influence philanthropic practice. Such an exploration will move conversations beyond attempts to understand how donors do and will make decisions during a time of increased economic inequality and growing influence of the wealthy. Rather, this project will situate this growing influence and donor motivation both historically and in the current social context from which they operate, within the sector itself that is largely maintained and advocated for by philanthropy's infrastructure organizations. The following questions are explored: (1) Why and how did the philanthropic sectors' infrastructure organizations and networks emerge? (2) How did the rhetoric around sector-wide regulation develop and evolve over time, and how did the sector's infrastructure shape the rhetoric? And (3) How do philanthropy professionals serving in roles within philanthropy's infrastructure today understand their role in shaping policy for the sector, negotiate the politics of their sector, and shape meaning around their current policy and advocacy efforts?

In Chapter Two, I will outline the methodological approach used. In Chapter Three, I outline and analyze the contested cultural interpretations of foundations as a philanthropic entity during the House Ways and Means Committee and Senate Finance Committee hearings before the Tax Reform Act of 1969. In Chapter Four, I outline and analyze the meetings of the Peterson and Filer Commissions. Chapter Five will then move into the present, presenting and analyzing interviews with infrastructure leaders today. Finally, Chapter Six outlines the implications of this work for sociology as a discipline, and reflect on lessons learned as a public sociologist.

CHAPTER TWO: METHODOLOGY

Methodological Approach

Each findings chapter will include specific details about the research approach I took with three different forms of data: transcripts from the House Ways and Means and Senate Finance Committee for the Tax Reform Act of 1969 concerned with private foundations, meeting records from the Peterson and Filer Commissions that formed during and after the Tax Reform Act of 1969 and eventually culminated in the founding of some infrastructure groups and strengthening of other infrastructure groups that helped philanthropy form a more cohesive sector identity, and interviews with current PSO leaders. However, here I will describe the methodological and analytical approach that informed this work.

Institutional ethnography allows a researcher to situate experiences, with a specific focus on work knowledges (Smith 2005) and the interrogation of texts (Smith 1987; 1992), within social contexts that shape and direct everyday life. In other words, institutional ethnographies aim to discover "the institutions and, more generally, the ruling relations of contemporary Western society" (Smith 2005:51). Thus far, as outlined in the background and literature review, the majority of scholarship aiming to understand the field of philanthropy—an elusive endeavor given the ever-evolving nature of philanthropic forms—focuses on philanthropic practices. On the one hand, practitioner-based research looks at trends in giving, and structural changes that could impact giving in the U.S. On the other, there is a historic and renewed interest in understanding philanthropy, whether that be the historic giving of the proverbial founding fathers of U.S. philanthropy (with Rockefeller and Carnegie among the most notable) or from the new “big philanthropists” who are seeking change in “big ways”—meaning through the technocratic solutions from which many gained their wealth—in order to leverage an encompassing critique of power and influence. Here, I look at not just the way philanthropy operates in specific contexts and the different forms philanthropy may take, but instead provide further understanding of philanthropy as a social institution, produced by and often influencing U.S. policy developments in taxation and social welfare.

Further, field analysis allows for an understanding of power and conflict in the formation of fields and distinction through categorization allows for explanations (Barman 2013; Bourdieu 1984). The philanthropic infrastructure now operates as a field in itself, and the formation of that field was guided by cultural interpretations (and the conflict amongst cultural interpretations) philanthropy (Dromi 2016). Thus, this research draws heavily on field analysis as a methodological approach, looking to cultural interpretations in field formation, and the strategic action that guides the evolution of the field (Fligstein and McAdam 2012).

The methodological approach began, as outlined in the introduction, as a culmination of experiences with the nonprofit sector, and working with a PSO organization for a short time that led me to want to understand their role. The experiences of PSO leaders who were navigating being a sort of spokesperson for both constituencies, whether geographic or identity groups that stood to benefit from philanthropy dollars, and funders who purported to help these groups became my focus. With this point of entry, I undertook an institutional ethnography. The next step, identifying "some of the institutional processes that are shaping that experience" (DeVault and McCoy 2002:375), led me to a longer review of the sector, stemming back to the Tax Reform Act of 1969 as a starting point to understanding how the idea of creating a sector identity and infrastructure organizations to support it came to be. Two commissions were born out of efforts to organize around and after the Tax Reform Act of 1969 became law: the Peterson Commission and the Filer Commission. These were then added to the historical investigation of the ecosystem around philanthropy. These two chapters aim to set the groundwork for the interviews conducted with PSO leaders, or to "investigate those processes in order to describe analytically how they operate as the grounds of the experience" (DeVault and McCoy 2002:375).

This dissertation starts by examining the regulation of private foundations in the late 1960s. Private foundations are the particular organizational form examined as a means to understanding organized philanthropy of the time. Many have considered the Tax Reform Act of 1969 to be a right-wing backlash against philanthropy (Ferguson 2013). The proliferation of public-interest advocacy groups after the 1950s led some to interrogate the role of foundations in supporting such groups (Walker 1983), including the largest foundation of the day which became a central focus point of the 1969 hearings: the Ford Foundation (Ferguson 2013). However, this literature is limited in that it does not closely examine how the discourse between Congress and philanthropy advocates of the time was also a negotiation in the role of foundations in public life--particularly the role of foundations in the landscape of social welfare. By more closely examining the ways foundations were framed by foundation advocates and Congress, I will demonstrate how our understanding of philanthropy as an institution began to be negotiated, particularly in the context of a changing tax consensus in Congress.

Next, I examine the discourse that took shape within the Peterson and Filer Commissions, two commissions formed during and after the Tax Reform Act of 1969 to begin crafting research that would support the place of foundations in American society. Here, I expand previous work detailing the debates and outcomes of the commissions (Brilliant 2000) by outlining the different frameworks and narratives the commissions experimented with, and the ways they debated these frameworks and narratives to find the most suitable for protecting foundations. This outlining will demonstrate how the commissions were a central part of forming a narrative that foundations are but one part of a larger sector (Hall 1992), and that their accountability must come from within that sector rather than outside.

Last, I will give an account of interviews conducted with PSO leaders. DeVault and McCoy (2002) write that “the point of interviewing in institutional ethnography is not to learn about the individual per se but to learn about the individual's location in the relations of ruling or to learn about what the individual does with texts" (1013). When there are critiques leveraged at the influence of big philanthropists, there is an easy retort: one cannot like what big philanthropists are doing, but the philanthropic impulse is a positive one that should be maintained. Through my interviews, many working in PSOs responded to recent popular publications and books that have criticized big philanthropy. This was dismissed in several ways: the claim that many individuals donate, and individual donations in the U.S. far surpass foundation funding, the claim that such critiques are not pragmatic, and can be easily ignored in favor of a guidebook for how the field could do better and be more inclusive. This discourse between these “sides” that have emerged demonstrates that philanthropy has become a social institution itself. And if those who seek to spur more democracy through philanthropy wish for reform, they must first grapple with how philanthropy is not just a field, but an institution. The consequences of such mean that there needs to be a much more thorough exploration of how a set of shared memory construction in the field took place at two key pivotal moments: through the Tax Reform Act of 1969 and through the commissions that formed to respond. This institution has a set of logics that prioritizes giving as a positive, pro-social, and, most importantly, pro-American behavior.

CHAPTER THREE: CONTESTING INTERPRETATIONS OF FOUNDATIONS: HEARINGS OF THE HOUSE WAYS AND MEANS AND SENATE FINANCE COMMITTEES

"Private foundations, whose existence stems from generous tax rules which not only reward donors for their contributions but also covers foundation incomes with a cloak of tax immunity, are a special target of this tax reform bill." -Russell B. Long (p.1)

On Tuesday, February 18, 1969, Congressman Wilbur Mills, chairman of the Ways and Means committee, gaveled in hearings that would culminate in substantial tax reform. The first issue to be addressed was tax-exempt foundations. In 1961, Congressman Wright Patman of Texas, chairman of the Subcommittee on Foundations, started extensive investigations of foundations, continuing until the 1969 hearings. In 1965, the Treasury Department had issued a series of recommendations on tax reform aimed at preventing self-dealing, the use of a foundation to maintain family control over a property or business, engaging in financial speculation, and indefinite foundation control under the grantor or their families (United States Department of the Treasury 1965). Both Wright Patman's continuous investigations and the Treasury Department's report were key factors in leading to the reform hearings.

This dissertation seeks to examine the evolving relationship between philanthropic foundations, the federal taxation system, and federal approaches to social welfare. This chapter advances this exploration in three key ways. First, I examine the ways tax policy logic of the late 1960s and the political upheaval around tax loopholes that were connected to public discontent over taxation squeeze for middle-income Americans, driven by government spending and inflation risk at the federal level, paved the way for the Tax Reform Act of 1969 after years of investigations into foundation activity. This exploration demonstrates the shifting tax policy landscape of the late 1960s and helps to clarify how and where foundations became a target for reform.

Next, I outline how foundation executives, representatives from infrastructure organizations that existed in 1969, and proponents of foundations generally (which I will collectively refer to as foundation advocates through the remainder of the chapter) and Congressional Representatives and Senators frame the nature and purpose of foundations. Foundation advocates claimed that foundations were sites that advanced the cause of pluralism, American-made institutions that were a hallmark of our society, institutions that would fund where government could not or would not go, and that were flexible and quick to respond to social needs where government was rigid and slow to change. Their independence and freedom to invest where they saw fit, within the parameters of laws prohibiting direct political contributions, were their strength that enabled their societal contributions. Congress framed foundations as tax havens, institutional manifestations of personal will that gave outsized influence to the opinions and viewpoints of the wealthy, potential or already political machines that could shape or sway public opinion, superfluous in their spending when it comes to some investments (e.g., investments in the humanities or preservation, or areas where the government was contributing funding), and too stringent in their spending when it comes to other investments (e.g., the problem of"urban decay"). While foundation advocates found some points of convergence with Congress around self-dealing by foundations, misuse or abuse of their tax privileges, and the need to strengthen oversight, examination of the testimony and arguments reveal that the piecemeal testimony of foundation advocates did not present a cohesive vision of foundation significance in American life that was able to counter Congress's desires to regulate them. This exploration demonstrates how a collective understanding of the nature and purpose of foundations was negotiated through the Congressional hearings, which then opened opportunities for foundation advocates to further shape a sector-wide identity.

Last, I explore how foundation advocates used the Congressional hearings to create more field collaboration, particularly around federal policy. This section provides insights into the following questions: why and how did the philanthropic sector's infrastructure organizations and networks emerge and strengthen? What necessitated creating new and/or strengthening and growing existing infrastructure organizations to speak on behalf of foundations? The emergent negotiations that formed through the dialogues between advocates and Congress demonstrated the need for more self-regulation within a sector that seemed to require more robust organizations that could speak to the field at large, thus necessitating the creation of new organizations and the strengthening of existing ones focused on the internal work of foundations themselves.

More broadly, it is difficult to look back at this very particular era that lives so distinctly in American memory—Civil Rights, the assassination of Dr. Martin Luther King, Jr., and subsequent unrest following, Great Society legislation and its implementation—and fully grasp why, exactly, foundations were placed under such direct scrutiny. Patman's personal efforts to investigate and scrutinize foundations began as far back as 1961, and surely there were more pressing concerns that Congress could focus on. Thus, this chapter aims to situate foundation policy development by recognizing what Pierson (2005) calls the “profound temporal dimensions of real social processes” (34). In other words, this chapter will contribute to a broader understanding of policy development around the philanthropic sector by situating it historically in the larger context of tax policy that is the basis from which foundations are formed, regulated, and maintain their status.

Method

Hearings of the House Ways and Means Committee and the Senate Finance Committee that took place in 1969 concerning foundations were analyzed. These documents are publicly available, and were downloaded through the ProQuest Congressional Collections. All hearings in regards to the Tax Reform Act of 1969 were downloaded, then condensed to key dates where the House Ways and Means Committee and the Senate Finance Committee were focused on private foundations and the charitable tax deduction. These took place in February, March, and April of 1969 in the House Ways and Means Committee, and September and early October of 1969 in the Senate Finance Committee. Once separated, the 4,798 pages of documents that concerned private foundations and the charitable tax deduction were uploaded into the NVivo software and coded for the nature of the debates, the framing of foundations by both advocates and Congress, and the priorities of both foundation advocates and Congress in pursuing tax reform. What follows is a description of the themes that emerged as well as an analysis of the key components of the committee hearings that led to the development of those themes.

Background

Congressional representatives generally agreed that there were two reasons for the hearings: a presumed looming tax revolt by everyday citizens as the tax system was framed as too heavily reliant on middle-income families, and the growth of foundations in the postwar period. These two central reasons for convening the hearings set the tone for discussion during the hearings as power, legitimate charity, tax burdens, and the role of government versus private initiatives to provide social welfare were debated.

Debates were set up with the role of foundations one side, juxtaposed by the increased presence[1] of the federal government in funding innovation and social welfare on the other. Hearings questioned whether foundations were going places where the government could not go, and thereby ensured that there is continuous investment in innovation. They questioned whether the average American taxpayer should subsidize such a venture while also being asked to increase their own tax burden. At the same time, lawmakers were increasingly aware of the size of the federal government. Given the expansion of federal agencies, such as the creation of the National Science Foundation and increased federal spending in higher education, they debated what the role of foundations were to be. The possibility that the federal government was now funding needed innovation directly while simultaneously eroding its own tax base by subsidizing large scale giving was brought into question. The following section explores the tax

[1] This is not to make a definitive claim that the federal government was or was not more involved in these areas, but that people in Congress proclaimed them to be following the Great Society legislation a few years prior.

politics of the time to contextualize the hearings, then looks into Wright Patman's opening testimony to the House Ways and Means committee in order to introduce the debates that Congress would undertake until the bill's enactment.

Tax Politics of the Postwar Period

Before exploring Congressional debates, it is first important to contextualize how the building of tax policy around foundations fit into the larger context of the time through (1) the middle-century tax policy community that formed in the postwar period that greatly influenced the conceptualization of the federal tax code, (2) Keynesian growth liberalism and its discontents, and (3) public resistance to growing tax burdens that laid the groundwork for 1970s stagflation and local tax revolts, and the growth of foundations in the postwar period. All of these phenomena converged as the architects of the Tax Reform Act of 1969 sought to curb inflation. A close reading of the debates in the context of the era illuminates where foundations were situated politically and socially at the time that left them vulnerable to federal regulation.

Middle-Century Tax Policy Community Logic. The American state expanded greatly in the postwar period. In their exploration of this growth and what made it possible, Zelizer (1998) argues that taxation through Congress was central to postwar American state-building in providing moderate economic and social assistance without stimulating a conservative backlash around fear of communism. Prior to World War II, the federal income tax was peripheral to the American state as "no more than 6 percent of the population had ever been required to pay an income tax" (Zelizer 1998:84). However, the war made the income tax central to federal revenue generation.

At the same time, tax policy communities formed among scholars and lawmakers. These tax policy communities undertook extensive studies with a positivistic outlook that favored quantitative measures as a means to objectivity. They thus helped to inscribe an epistemological understanding of taxation that centered technocratic knowledge and macroeconomics, and moved away from redistributive and social justice rhetoric of the New Deal era in favor of growth liberalism. Tax policy communities in conjunction with the increasingly powerful House Ways and Means committee began to see taxation as not only revenue generation, but as a tool for controlling the economy through a market orientation rather than the feared centralized control of communist states. Two notable shifts in lawmakers' understanding of and orientation toward taxation occurred: tax breaks could be given to control growth in the economy and encourage particular forms of economic behavior more broadly, and tax breaks were hidden government expenditures that incentivized private investment. As a result, the tax system needed constant examination as it was now not just a form of revenue generation, but a tool to control the economy (Zelizer 1998).

Stanley S. Surrey, a renowned United States tax scholar and a key figure in the policy community, as identified by Zelizer (1998), illustrates the shifts in orientations toward tax policy as he gave general testimony to the House Ways and Means Committee in 1969 regarding the 1965 Treasury Report. Here he spoke of a tax system as, in some ways, a means of incentivizing particular activities. While some activities are encouraged through tax incentives, he asserts, society should reexamine these activities periodically and ensure fair treatment for all, careful not to tip the scales of balance between incentivizing activities and placing the burden of taxation too heavily on those with less wealth. He went on to say:

> I think it is obvious that if you leave a tax system unexamined without constant attention it is bound to deteriorate simply because changing conditions will make it more complex, less fair, and less neutral. There are many who feel that our tax system is reaching a danger point in that regard. Secretary Barr spoke of a tax revolt. Others have expressed their great concern over the situation, whether Members in Congress or people who are otherwise aware of the trend of public opinion. I think however we characterize it, whether we use Secretary Barr's words of a taxpayer revolt, whether we talk about a dangerous deterioration in public confidence, or use the words 'serious concern,' we all agree that there is an imperative need to reexamine our tax system at this time. (U.S. Congress 1969:1593).

There was a fragile consensus built in this period between liberals who favored an expanded social safety net and fiscal conservatives who feared an expanded centralized government. Tax breaks were central to the House Ways and Means committee's power in the economy. Interest groups who sought to benefit from potential tax breaks must be "proven" worthy of government expenditure through influential scholars' rigorous quantitative studies (Zelizer 1998; Mound 2020). The legendary chairman of the Ways and Means Committee Wilbur Mills brought forth some of the most consequential legislation of the time, including Social Security reform and Medicare, by holding tight to a fiscally conservative orientation that favored balanced budgets. He used the tax policy community's vast studies, and himself took part in them, to plant the seeds for what is now remembered as sweeping social welfare legislation. However, what can easily be remembered as a more fiscally progressive moment in history was actually a period that rooted fiscal conservatism broadly across the political spectrum (Patashnik and Zelizer 2001).

Keynsian Growth Liberalism. Growth liberalism, illustrated and remembered best in relation to the Kennedy-Johnson administration, did, however, receive pushback from progressives who "objected to the administration's neglect of issues of distribution and complained that various 'loopholes' that benefited the rich were being left unplugged" (Mound 2020:109). This framework of tax loopholes is one key to understanding how the Tax Reform Act of 1969 came about. Congress leveraged public discontent that was growing at the local level to put forth alleged anti-inflation measures, using a fairness rhetoric toward the middle class to target specific areas they deemed to be loopholes, including foundations and charitable giving.

Looming Tax Revolts. The late 1970s is often associated in popular memory with increasing tax revolts across the U.S., many pointing to California passing Proposition 13 in 1978 as the starting point for revolts across the country that ultimately culminated in the 1980s Reagan anti-tax revolution.[2] However, the roots of these revolts tie back to an upheaval well before Proposition 13's passage (Kingdon 2011). Mound (2020), argues

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[2] See Drum, Kevin. 2012. "Californians Started the Tax Revolt 34 Years Ago. Will They End It Today?" *Mother Jones*. (https://www.motherjones.com/kevin-drum/2012/11/californians-started-tax-revolt-34-years-ago-will-they-end-it-today/); Haberman, Clyde. 2016. "The California Ballot Measure That Inspired a Tax Revolt." *New York Times.* (https://www.nytimes.com/2016/10/17/us/the-california-ballot-measure-that-inspired-a-tax-revolt.html)

that tax revolts began at the local level more than a decade before Proposition 13 passed. These revolts were “not confined to suburbs, whites, conservatives, or middle- and upper-class voters,” but instead “poor and working-class voters were most likely to participate in the early revolts, not the well-off, and African Americans were just as likely as whites to vote against local levies and bonds” (Mound 2020:107).

For example, in an editorial in Caldwell, Ohio’s *The Journal* on June 18, 1959, after school construction bond issues were beaten in two Ohio districts, an editorial read: "Federal taxes are so high as to be burdensome. But, instead of repealing the emergency measures that affect all the people, Congress has continued them. Government costs are being increased at a rate that promises raises in old levies or the adoption of new ones at this [local] level." The editorial concludes that the only place where citizens can control their tax burdens directly is locally, in their counties, cities, townships, villages, and school districts, and this could result in a tax revolt that could end with the destruction of needed local levies for services.

Four years later, in 1963, an editorial in *The Sidney Herald* of Montana read: "The winds of public feeling concerning the tax problems are growing—and on occasion they reach gale force. On October 15, the voters of the State of Oregon provided dramatic proof of that." After the Oregon legislature passed a tax bill that drastically increased state revenue through a variety of mechanisms, including eliminating the deduction of federal income tax payments against state income taxes, a grassroots effort garnered the 23,000 signatures needed under Oregon law to bring the bill to a referendum vote in the state. According to the anonymous editorial author, the forces mobilized for the bill prior to the statewide vote were impressive, and "included all the principal executives and administrative officers of the Oregon government and the great majority of members of the legislature; the state's principal newspapers, and most if not all of the leading labor, educational, agricultural, business, and civic groups and organizations." Nonetheless, "the bill wasn't just defeated, it was slaughtered, by a margin of more than three to one." The editorial prophetically concludes:

> It can be argued, of course, that this was just the verdict in one state and that it doesn't necessarily indicate that national sentiment would, if given the chance at the polls, follow the same pattern. But that is a frail argument. From all one can learn—including the findings of public opinion polls which have proven remarkably accurate on many past occasions—the public feeling toward ever-increasing taxes is reaching the dimensions of revolt.

On January 17, 1969, just three days prior to President Nixon's inauguration, the Johnson administration Treasury Department testified before the Joint Economic Committee of Congress. There, Secretary Barr warned of an impending revolt of middle-class taxpayers against laws that "'unfairly' reduced the Federal income tax payments of some high-income individuals to little or nothing" through loopholes (New York Times:1969). At the same time, the Treasury Department released a list of two hundred wealthy individuals who greatly reduced or eliminated their federal taxes through loopholes, and a proposal for comprehensive tax reform. Their doing so stirred action amongst already mobilized taxpayers to work with members of Congress to push for tax code changes at the federal level, and framed the issue of tax fairness in a manner that President Nixon could not veto despite his previous threats (Michelmore 2012).

The Growth of Foundations, Federal Government Expansion, and the Tax Policy Community. In an exchange with John D. Rockefeller III following his testimony to the Ways and Means committee, Congressman Byrnes highlighted the confluence of these above outlined contexts in the Tax Reform Act of 1969's targeting of foundations:

> I think we face today, and the committee, here, faces a most difficult problem, in that Government activity has expanded to such a degree that the burden on the people to pay for services has become too great.[...] the part that troubles me and other members of the committee, and it troubles a lot of people in this country, is the burden of taxes and the fact that taxes are an important element in the giving to these foundations and in the creation of the foundations. Tax is an important item. [...] How do you explain to the average individual, and to the people with very, very low incomes, paying 14 percent of their adjusted gross income, which tax comes out of bread and butter, food and shelter, and education, that they have to give that to the Government while people of great wealth need pay only 5 or 10 percent for these services? (U.S. Congress 1969:1571).

The sentiment in the House Ways and Means committee and Senate Finance committee, which will be explored more directy below, was essentially that something had to give in order to achieve their two dimensional aim of enough social welfare to achieve growth and economic expansion and curb inflation. The tax code of the 1950s and 1960s "gave the entrepreneurially wealthy a powerful incentive to donate their wealth rather than liquidate it, even if they had minimal philanthropic inclinations" (Duquette 2019:555). Simultaneously, as outlined above, the U.S. government expanded, and with it, the need for a larger tax base. Wilbur Mills was able to expand his power as House Ways and Means chairman by forcing compromises in Great Society legislation almost as soon as it was enacted in order to achieve a balanced budget and centering fiscal conservatism principles in tandem with social welfare (Zelizer 1998).

Taken altogether, the context of the time demonstrates how foundations were left out of the realm of the tax policy community in that their contributions were not yet understood as a net positive for public spending. The exploration that will follow in this chapter will show where foundations were situated politically, the vulnerability they experienced to their existence and operation, their appeals to the tax policy community logic of the time, and, ultimately, the groundwork laid for opportunities in the next few decades to integrate philanthropy within policy spaces and legitimize their existence.

1969 Hearings in the Ways and Means Committee and Committee on Finance

Wright Patman's Testimony

Congressman Wright Patman of Texas began the testimonies in the House Ways and Means hearings. Following nearly a decade of investigations into foundations through heading the Subcommittee on Foundations, which began in 1961, Patman's "investigations did not damn foundations in general in quite the way he seemed to believe, but they did uncover serious abuses" (Duquette 2019:571). However, what Patman was able to accomplish was garnering enough attention on foundations specifically, in an ideal time where Congress had a pressing problem that needed to be addressed—taxation and fair treatment of middle-income Americans in the tax code—that gave Patman a window of opportunity to center foundations as problem to be solved (Kingdon 2011).

Patman's arguments were pointed and became the framing for the rest of the testimonies to follow. Aligning with the tax policy community of the time and Wilbur Mills's own orientation toward taxation, Patman provided an outline from which Congress could question foundations, and their subsequent questioning remained relatively within the bounds of his arguments. At the same time, Patman's rhetoric was heated, even leaning towards conspiratorial in some instances. He went far past uncovering specific cases of abuses to extending that across foundations altogether. His doing saw also provided an opportunity for foundation advocates to respond to his accusations by providing individual examples of where his accusations were false, which lessened the edges of the critiques against foundations as a whole. Thus, this section serves to both outline his testimony as the main player elevating foundations as relevant for reform, and as a means to guide the chapter to understand the points and counterpoints made by Congress and those testifying.

Framing Foundations. Patman, unlike much of the testimony and questioning to come, gave hardly any weight to benefits of foundations, or the positive accomplishments of them through their history. Rather, his tactic was to separate foundations entirely from more positive charitable impulses: "Put most bluntly, philanthropy—one of mankind's more noble instincts—has been perverted into a vehicle for institutionalized, deliberate evasion of fiscal and moral responsibility to the Nation." (U.S. Congress 1969:12).

As previously noted, prior to the 1969 Tax Reform Act, there was not a legal distinction between privately-held foundations and public charities. Thus, Patman focused on making clear that he was specifically targeting private foundations as a particularly egregious co-optation of the philanthropic impulse. Patman juxtaposed the noble instinct of philanthropy with foundations as a means to avoid taxation. He listed specifically Andew Mellon and the estate of Henry and Edsel Ford as both created private foundations to avoid the estate tax. In appealing to the authority of Congress, Patman suggested that their upholding of private foundations undermines their authority in other areas: “The estate tax—was a congressional declaration of public policy—the use of tax-exempt foundations to avoid estate taxes is a violation of that public policy, and should be halted” (U.S. Congress 1969:20).

Domination of Business and the Accumulation of Wealth. Patman proclaimed that foundations have a “propensity for domination of business and accumulation of wealth” (U.S. Congress 1969:12). First, he targeted their holdings, suggesting foundations have “substantial interests in commercial enterprises” (U.S. Congress 1969:19). Foundations are trading in the stock market, and “are concerned less with equity yields and inflationary trends than they are with the lure of capital gains to swell their principal funds” (U.S. Congress 1969:23-24). He is also concerned with how foundations can pool their resources for investments, pointing out that the thirteen Rockefeller family’s foundations share a joint investment staff that together have huge buying power and can potentially have a “strong impact on the prices of stock they deal in” (U.S. Congress 1969:24). He suggests that Congress should consider antitrust laws as relevant to foundations and make an explicit prohibition on self-dealing to account for the ways foundations could potentially violate Federal Trade Commission and Stock and Exchange Commission regulations.

Further, Patman compared foundation executives with business executives in questioning whether or not they should be limited in their involvement with government. In doing so, he further demonstrated that his accusations against foundations erred toward conspiratorial and were not driven but the full reality of how foundations were governed. He asserts:

> Here is another area that this panel should explore. Does a businessman in Government pose a greater potential conflict of interest than the officials of foundations in Government-such as, for example, McGeorge Bundy, president of the Ford Foundation, whose overlords, the Ford family, have immense commercial interests throughout the world, including the Middle East? It seems to me a bit inconsistent for the Congress to require a businessman to completely eliminate potential conflict of interest when, at the same time, it permits Mr. Bundy to wander in and out of the Government while retaining his $65,000 annual salary from the Ford Foundation. This was the case in June 1967 when Mr. Bundy became Executive Secretary to the National Security Council Committee on the Middle East (U.S. Congress 1969:23).

Latitude of Foundations versus Private Citizens. Patman endorsed Secretary Dillon's sentiments that there are many ways foundations can leverage their economic power for private business ends, and "can be used for the preferment of one set of private persons over another” (U.S. Congress 1969:24). He goes on to say:“There is something fundamentally wrong in conditions which make such acquisition of economic power possible and which tolerate its continuation. And it is the responsibility of Congress to correct those conditions” (U.S. Congress 1969:24). Patman tied his sentiments around the unfair domination of the business sector with latitude of foundations as compared to individuals, highlighting how his concerns are focused mostly in economic populism rather than a broader concern about how the economic power of foundations allow them to target specific social issues in a more influential way than an individual. However, later testimony expanded this idea that foundations have a greater latitude than individuals, addressing how individuals have less economic power to leverage social change than foundations.

What is Charitable? In light of Patman asserting that foundations in their current form are a co-optation of the charitable impulse, he picked examples from the largest foundations of the time, the Ford and Rockefeller Foundations, and questioned how both their expenses and investments were justified, charitable, and tax-deductible. First, he targeted their overhead costs, such as business operations and public relations, He says: “In fiscal years 1966 and 1967, the Ford Foundation paid out $360,351.26 to four outside law firms. [...] The Ford Foundation paid out $446,262.46 for public relations in fiscal year 1967. The Rockefeller Foundation paid $31,546.53 to Earl Newsom & Co., Inc., New York public relations counsel, in 1967. The Ford Foundation spent $210,037.38 for outside printing in fiscal year 1967” (U.S. Congress 1969:14). He questioned their supposedly lavish offices, and the cost to upkeep their large operations.

Then, he targeted foreign investments made by the foundations in a time where there is badly needed domestic investments, including both investment in projects and in staff. He said:

> As of September 30, 1967, the Ford Foundation had 357 employees in the United States and 112 in foreign countries, excluding nationals hired locally. The Rockefeller Foundation spent 75 percent more money out of the country in 1966 than it spent here. It spent $17.8 million for the benefit of foreign institutions or persons, while individuals and institutions in this count received only $10.9 million. The Rockefeller Foundation spent half as much just running its New York office—$5.4 million—as it spent throughout the entire Nation in 1966. It spent more just running its New York offices—in salaries and the like— than it spent on "benevolence" in New York State and California combined. The foundation spent $1,693,762 in India, but not a penny in Arkansas. It spent half a million dollars in Uganda, but not a cent in Idaho. It spent more than $1 million in Nigeria, but it could bring itself to spend only $1,000 in Kentucky. It spent nearly $2 million in Colombia, but it spent nothing at all in South Carolina, or Wyoming, or Maine, or Delaware. More than $5 million went into the upkeep of its elegant offices in New York, but only $2,374 of its money went into West Virginia" (U.S. Congress 1969:14-15).

While his targeting of foreign staff and foreign investments was clearly pulling on the populist rhetoric for which Patman was well known, he also extended this rhetoric to target foundations funding for what he deemed “frivolous” projects while there was rising anxiety over urban decay and poverty in the U.S.:

> While our cities decay, and while those of us not fortunate enough to merit the tax-exempt status of the foundations pay a 10-percent surtax to keep the Nation more or less solvent, the Bollingen Foundation of New York City, a creation of the Mellon banking family of Pittsburgh, spends tax-free dollars on such esoteric research subjects as-The works of Hugo von Hofmannsthal. The phenomenology of the Iranian religious consciousness. The origin and significance of the decorative types of medieval tombstones in Bosnia and Herzegovina. While the Congress and the administration searched feverishly for funds to finance essentially urban rebuilding programs, the Richard King Mellon Foundation sent $50,000 to Ireland for the "preservation of historical buildings" (U.S. Congress 1969:16).

Patman expressed displeasure with projects that do not have a direct policy or political focus, but then turned to projects that do. He asked: “Are the giant foundations on the road to becoming political machines?” (U.S. Congress 1969:15). A few prominent examples were used to highlight his point. In 1969, Cleveland elected the city’s first African American mayor, Carl Stokes. Patman used this example to highlight the ways the Ford Foundation had invested in voter registration drives and grassroots organizations, which potentially helped boost Stokes to victory. It is also alleged that Ford Foundation grants aimed at experimental school decentralization in New York helped ignite New York City’s longest teacher’s strike. And, he referenced Congressman

John J. Rooney of Brooklyn, New York—who later testified and lent his story in full—who alleged that his opponent in his latest election leveraged tax deductible philanthropy to start investing in his district, which then helped boost his opponent's campaign and significantly challenge Rooney's seat. He framed all of these examples as a warning that these foundations are able to leverage their economic power not just to create grandiose offices and public relations operations, invest in foreign countries at the expense of American taxpayers, and pay for frivolous projects, but to directly change the political landscape—a warning to all of Congress that they, too, could be challenged by an alleged "grandiose design to bring vast political, economic, and social changes to the Nation in the 1970's" (U.S. Congress 1969:15).

Beneficial Regulations. Patman, in positioning foundations in their form at the time as a cooptation of prosocial charitableness, framed the proposed regulations as something that will strengthen philanthropy: "Mr. Chairman, my bill is by no means a vindictive measure; indeed, by encouraging the foundations to return to the original purpose for their existence—that is, philanthropy—they should emerge stronger, not weaker" (U.S. Congress 1969:13). In order to do so, he also addressed where foundations are regulated, the Internal Revenue Service (IRS). Patman claims that the IRS is an ineffectual watchdog as they have no way of knowing how much tax dollars are lost with their tax exemption because the IRS does not know how much wealth is held by them exactly, and they are accumulating massive amounts of wealth "behind the protective walls of tax exemption" (U.S. Congress 1969:13). This same concern over the IRS's ability to effectively regulate philanthropy was a central point made in the proceeding hearings, with many testifying in support of philanthropy also agreeing.

Patman's testimony clearly used inflammatory rhetoric to get his point across. However, it is important to highlight in depth here as it is used throughout the hearings, as will be outlined below, by Representatives and Senators from both political parties. Patman gave a wide variety of critiques for Congress to leverage—from the frivolousness of philanthropy that supports the arts and humanities, to the assertion that foundations can become political machines that could quickly challenge them all. Representatives, and later, Senators, are able to draw from his long stream of assertions to fit their personal concerns and platforms. While Patman's exact motivations are unclear (Brilliant 2000), his direct adversarial approach to foundations was welcomed by the Mills-controlled House Ways and Means committee as a means to regulate and tax a sector that had enjoyed relatively little regulation, in a political moment that called for a response to tax pressures across the country.

At the same time, Patman's inflammatory rhetoric and sometimes conspiratorial assertions gave an opening for the allegedly vastly underprepared foundation advocates. Patman uncovered some clear, undeniable cases of abuse in foundations, yet these were upheld as the rule rather than the exception in terms of broad foundation behavior. The assertion that the majority of foundations behave in corrupt ways consistently could be disputed by advocates. Their dispute, though, revealed a weakness in coordination in the sector as they could not give generalizable numbers. However, advocates could recognize and condemn abuses while also demonstrating that it did not exist in a broad sense in their particular circles. Further, Patman did not stop at abuses, but also looked at foundation investments he deemed unworthy of tax deduction. Patman’s examples were clearly a matter of his preferences. This gave foundation advocates an opportunity to defend the pluralism that foundations could fund as they maintained their independence. Last, regulations as beneficial gave way for common ground, where foundation advocates could agree that more regulation could help the sector maintain its integrity. Foundation advocates, as will be outlined below, were able to point out that they, too, wished for more regulation and oversight to weed out abuses while then disputing proposals that would jeopardize their financial stability into the future.

Philanthropy’s Leaders and Advocates Frame Foundations

While Patman frames foundations with little redeeming qualities, the testimonies that followed his required foundation advocates to frame foundations in a variety of ways that countered his narrative that foundations were simply tax evasion shelters with the capacity to dominate business and accumulate large amounts of wealth to increase their power. They did so by highlighting the diversity of foundations, the place of foundations in the larger exempt field, the role foundations play as a check on government power in social life, the role foundations play alongside government as risk capital for social programs, the flexibility foundations have to go where government cannot or would not go in terms of investments, the expertise foundations have within their own communities or funding areas, and the importance and benefits of maintaining donor intent in a pluralistic society.

Diversity of Foundations. J.G. Harrar, president of the Rockefeller Foundation, replied to a question by Congressman Gilbert about whether foundations should be able to generate income by saying: “The generic term foundation is a tremendously worrisome thing because it has been applied to so many unlike entities which you can't recognize as foundations when you see them coming down the street” (U.S. Congress 1969:283). It became clear through the testimonies that Patman asserted that foundations are a distinct subset of the exempt field. However, foundation advocates pointed out that in reality there was much more of a loose continuum of organizations that could be labeled a foundation rather than a distinct type of institution that is mutually exclusive from other types of charitable organizations. Thus, those testifying in support of philanthropy were tasked with ensuring they communicate the diversity of foundations and the disparate ways they operate.

Manning Patillo, at the time of his testimony, was the past-president of the Foundation Center, an early philanthropy-serving organization that emerged in an effort to promote transparency among the foundation world as a defense mechanism against congressional inquiry. Patillo presented himself as a watcher of philanthropy that could speak to the general nature of foundations, but not as a professional grantmaker or philanthropist himself. He argued that throughout his time as a scholar of and watchdog for philanthropy, he had found that “foundations are a remarkably diverse group of institutions” (U.S. Congress 1969:80). And, because there is no agreed upon definition of foundations, targeting one specific type of exempt organization will likely lead to even more “quibbling over definitions” (81).

The definitional problem of targeting specific types of foundations debated in the hearings and beyond are also a space of opportunity for foundations. Congress was clearly troubled by the tax-exemption of private foundations that are run by small groups of elites and can control stocks and businesses through their dealings. However, charity writ-large was not debated here. Foundation advocates were able to point out that Congress could potentially throw the proverbial baby out with the bath water should they go too far in their regulations. This opportunity also aligned them with larger goals in the committees of maintaining fiscal conservatism and limiting the spending of government. By pointing to a potential to hurt charitable causes and operating foundations that had a clear purpose they could point to as a cause funded that relieved the burden of government, foundation advocates opened a potential bridge to ally themselves more directly with the charitable sector overall.

Foundations and the Larger Exempt Field. Foundations advocates also pointed out that foundations play a vital role in the ecosystem of the exempt field. Alan Pifer, President of the Carnegie Corporation testified:

> It must also be noted that any impairment of the philanthropic potential of foundations through removal of their tax exemption would result in a serious loss of income to recipients of foundation giving, which are in very large measure other private, tax-exempt institutions--churches, colleges, schools, hospitals, and so forth. The vigor and independence of the entire private, nonprofit sector is, therefore, directly related to the financial strength of foundations (U.S. Congress 1969:123).

Richard H. Wangerin, President of the American Symphony Orchestra League, testified on behalf of foundations that they are a vital part of the ecosystem that allows for a nonprofit sector. He pointed to nonprofits as an essential part of the economy that would not exist if not for foundation support. In speaking about the burdens on nonprofits throughout the country, he stated:

> There is an increasing demand in their area for services. They need philanthropic support and tax incentives to do that. The alleged tax "losses" the Federal Government is said to suffer as a result of allowing tax deductions for charitable giving scarcely exist in the case of deductions of contributions to symphony orchestras. The charitable contributions that make it possible to maintain U.S. symphony orchestras generate employment that produces personal income taxes equivalent to the Government's costs of allowing deductions for the contributions to orchestras. Greater public demands on symphony orchestras for Increased musical and educational services and the spiralling costs of symphony orchestra operations are increasing the dollar gap between the amount they can earn from revenue producing activities and their total costs of operation. This situation makes it mandatory for symphony orchestras to raise more contributed funds each year; therefore the need is greater than ever for maintenance of strong tax incentives for giving. With the exception of the proposed raised ceiling for gifts to publicly supported organizations, the other proposals relating to tax treatment of charitable contributions made by the prior Treasury would serve to reduce tax incentives for giving. Therefore, the symphony orchestras conclude that if this

> series of proposals were adopted in totality without replacement by other incentives for giving of similar importance, there would be eventual disbandment of some of the nation's great symphony orchestras, or the alternative of seeking direct subsidies from Government (U.S. Congress 1969: 1639).

While the ecosystem language with charitable organizations and vital nonprofits did not necessarily sway Congressional opponents immediately, it did become more apparent in the actual outcome of the bill that the advocates were successful in their framing.

A Check on Government. In the same vein of maintaining the strength of the exempt field, advocate testimony also pointed out that the ecosystem that depends on foundations for their economic survival also is the area of our society that is a check on government that allows for a pluralistic democracy. Representative Wilbur Mills asked McGeorge Bundy: "[do you] believe that foundations should continue to be insulated from the responsibilities which fall upon taxpayers generally by being allowed to retain the tax-exempt status that was given them initially in the income tax law enacted during the Civil War and also in the present income tax system adopted in 1913?" (U.S. Congress 1969:360). Bundy replied that as the government grew, the role of private institutions must also grow to be a counter check. He pointed to this as an American phenomenon that is recognized for its contributions and must be upheld and encouraged to grow. Bundy stated that increased taxation is a discouragement to field growth, which was imperative "at this time"—meaning the time of growth in the federal government. Essentially, foundations should be understood, according to Bundy, as a contributor to pluralism and should grow as the government does. In response to Congressman Conable, whose assertion that foundations were growing rapidly as referenced above, Bundy said:

> I can say this much: That when I last measured the sort of growth in foundation assets as against the largest single area to which we made contributions and with which we are in regular contact, which is the world of education, especially the world of colleges and universities, the reporting then was that the assets of foundations were going up more slowly than the budgets of colleges and universities which, of course, have been going up at a very substantial rate, over 10 percent per annum if my memory serves me at all well. So I don't think one should have the picture of the foundation world has really grown very much more rapidly than other sectors of society. I doubt if foundation assets are growing at a rate as fast as the Federal budget right now. (U.S. Congress 1969:410).

Manning Patillo shared the sentiment that foundations are an essential part of keeping a check on the power and scope of a growing government in American life:

> In order to encourage this kind of public spirited voluntary giving the American people through their legislative representatives have decided to exempt foundations from taxes. In this respect foundations are similar to universities, hospitals, churches, and other organizations conducted primarily for the benefit of the public. This national policy of tax-exemption has helped to preserve our dual system of governmental and private support for noncommercial enterprises (U.S. Congress 1969:80).

A Progressive and Conservative Response. In response, Congresswoman Griffiths questioned the nature of the stock owned by the Ford Foundation. She asked why the foundations should be able to exist in perpetuity. She points out that the federal government is now doing much of the work of foundations, so why should we still have a plurality of charity inscribed in the tax law? She claimed that those testifying needed to be more honest about what they are really doing, implying that tax evasion is more of the central purpose for setting up a foundation rather than purely charitable purposes.

Congressman Byrnes, alternatively, argued that he has long been a proponent of private rather than public responses to social problems and the balancing of power. However, he "seriously question[ed] the degree to which we have sanctioned foundation activity" (U.S. Congress 1969:365). While departing from Griffiths, who represented a more progressive view of taxation, Byrnes and other more conservative representatives came to the same conclusion that while private sector activity is vital, the government has potentially gone too far in supporting and encouraging this activity to the detriment of a fair tax burden and robust tax base.

Foundations as Risk Capital for Government. However, not all testimony framed foundations as a check on or as part of a more adversarial relationship with the government. Many who testified emphasized that foundations can serve as risk capital for the government, in that foundations can invest in more innovative and experimental activities that can then be scaled by the government should they be successful. J.G. Harrar, in an exchange with Congressman Byrnes said:

> I was delighted to hear you say, sir, that our nation has, perhaps earlier more than now, placed reliance on private philanthropy—that a role has been played, a useful role, which has induced or helped Government to come in on an increasingly large scale (U.S. Congress 1969:266).

Alan Pifer of the Carnegie Corporation listed domestic and global initiatives formed that have partnered with government agencies to advance programs. He names "the children's television workshop" which was started by the Carnegie Corporation and supported by both the Ford Foundation and the U.S. Office of Education to supplement a lack of preschool education in the United States. He mentions the amount of money saved by the government, and how these partnerships allow for private foundations to invest capital and prove programs worth for the government to then fund and support.

The Council on Foundations, after their testimony and fulfilling a request by Congress to later reply to them with specific recommendations for how Congress should move forward with regulation, stated:

> Another form of foundation responsibility to the public comes from the demonstration of pilot nature of many foundation grants. Foundation programs can and do offer alternative approaches to problems in the health, welfare and education fields, among others, which the public sector may accept or reject. It is true that almost all the areas in which foundations—and indeed other charitable organizations—operate are fields in which government is also active, but we submit that this coexistence vitalizes and strengthens the democratic process (U.S. Congress 1969:109).

Foundation advocates who used this line of argumentation thus attempted to ally themselves not only with the larger exempt field, but also to draw a parallel between their own funding and that of the government. They framed their public accountability as whether or not the federal government chooses to scale pilot programs that they initially funded thanks to their flexibility and ingenuity. In framing themselves as also part of a larger funding ecosystem that works in tandem with government, they were also attempting to more closely align themselves with government interests.

Congressional Response. However, many in Congress retorted this argument in again relying on the expansion of government, and pointing out that while this risk capital may work in theory, there is a lack of coordination amongst the sectors that renders the argument for subsidized risk capital through foundations meaningless. Byrnes replied to Harrar stating:

> Whenever anyone comes around with some new program for government action one never hears any appraisal of what is being done in the private sector. … Yet, we now come and we talk about the fine purposes served by the private sector, by the foundations, yet we don't hear about the fine work of foundations in the private sector when somebody is advocating that the Government get into some new program or expand on some existing program. Thus, it would appear as though our efforts lacked consistency and coordination (U.S. Congress 1969:266).

Given the taxation logics of the time, and the lack of more systemic proof of their place in and value to more impactful government spending, the arguments of foundations as risk capital and initial investments for government were not aligned with the core mission of the act, to reduce government spending through expenditures. Foundations did not provide systemic proof of their value over time, though they propose it as a possibility.

Flexibility and Growing Social Problems. Advocates turned to the tumultuous times of the late 1960s, looking forward to the 1970s, and pointed out that the then-growing social problems of the nation were and would continue to require robust efforts to solve them. John D. Rockefeller III, testifying as a private citizen and as a voice for his philanthropic family, concluded with the following:

> If I may speak perfectly candidly, my concern about philanthropy today is that it is not venturesome enough. The problems facing our society are almost overwhelming in their magnitude and complexity. If we are to resolve them, we will need the best and most imaginative efforts of private initiative-of philanthropy, as well as of government. Obviously government must carry a heavy proportion of the load; but the private effort, though small in proportion, is tremendously important—even crucial. Philanthropy has flexibility: the ability to move rapidly, the freedom to take risks. But, in taking risks, it must not be inhibited by the fear of making mistakes if it is to be really effective in its efforts to find solutions (U.S. Congress 1969:1568).

In his testimony to the Senate Finance Committee, Peter Peterson, the head of the Commission organized by John D. Rockefeller III to be later addressed more directly, pointed to the growth of social problems and the need for increased support for charitable organizations who would fill that need: "I think there is no question that the seventies are going to be a period of great crisis for charitable organizations and, if we want to preserve the position of the private sector, we will need to greatly accelerate private giving." (U.S. Congress 1969:6069). Peterson tied growing social problems with growing economic problems in order to speak directly to concerns of some Congressional factions that he recognized to be motivated more by the looming economic unrest in the country for which foundations were being centralized than the actual actions of foundations themselves.

Congressional Response. In an exchange with McGeorge Bundy of the Ford Foundation, Congressman Herman Schneebeli asked why the foundation did not decide to spend down their capital gains if they also recognized that there were growing social problems that their economic resources could help address. Bundy replied that they saw no reason why there would not still be a great need for a large independent foundation into the future after they were "besieged" with requests after 1968 (U.S. Congress 1969).

This line is one foundations had to walk when they spoke of their ability to remain flexible and to be innovative, yet sought to also protect their assets into the future. First, the particular line of questioning by Congress over spending down assets certainly was not a more conspiratorial or inflammatory line of questioning, but one that was grounded in the logic foundations advocates themselves presented: that foundations played a critical role in the social ecosystem. Long-term investments that would endow theoretical causes into the future were at odds, at this particular time, with the Congressional logic of immediate balanced budgets and decreased tax burdens for the middle-class. This was thus a particularly difficult hurdle, at least rhetorically, for foundation advocates to overcome in their responses. What they pointed to was then the expertise of foundations to suggest that their existence in perpetuity was justified by the knowledge they were able to build, while giving some credence to Congressional concerns by addressing areas where some foundations were not focused on gathering expertise, but instead on simply becoming a tax shelter for families.

Foundation Expertise. Advocates pointed to how foundations held vast amounts of expertise, both of specific communities and in terms of content knowledge in regards to solving or helping to alleviate social problems. Manning Patillo spoke broadly from his view as a general foundation observer:

> There are, first, the well established foundations with substantial funds and broadly representative boards of trustees whose achievements are way out of proportion to their resources. And then there are several thousand philanthropies, chiefly family foundations, that are not pioneers but have a good knowledge of their local communities and provide indispensable support to essential institutions and organizations in society. They do their job well. To these may be added several hundred foundations sponsored by large corporations that furnish similar sustenance on a national basis. Without their help many a necessary financial campaign would fail (U.S. Congress 1969:82).

J.G. Harrar, President of the Rockefeller Foundation, used the Hookworm example to show that the Rockefeller Foundation had used its money to focus on preventative medicine and showed the importance of it to state officials. He argued that foundations are developing expertise, and suggested it as a reason for existing in perpetuity:

> Over the years the foundation has gained a body of experience which seems to its officers to have a beneficial cumulative effort. That is, far from being fettered by experience, we are instructed by it, and there is no doubt in our minds that when we turn to a new problem we are the better for having already dealt with others—perhaps quite different—problems (U.S. Congress 1969:249).

An Opportunity to Draw Distinctions and Boundaries. By pointing to foundation expertise, many foundation advocates also used the opportunity to draw distinctions within the foundation sector. Manning Patillo of the Foundation Center outlined the diversity within foundations. He looked to family foundations as experts in their local areas, well-established large foundations like the Ford Foundation as experts in a wide array of social causes, and corporate foundations as vital in funding on a national basis. However, he outlined a fourth group of "very small foundations" and says: "There is no criticism we can make of them on moral or legal grounds. They are perfectly legal enterprises. But they lack expertness" (U.S. Congress 1969:825). Patillo here is highlighting the expertise foundations are able to accumulate, while also addressing the problems of foundations Congress is targeting as inherent to very small, rather than large, enterprises. This strategic separation is important in its appeal to the underlying fiscal concerns that Congress is addressing by way of foundations. It also makes the case for more self-regulation and coordination for foundations rather than a case for top-down regulation from Congress.

Independence and Donor Intent. Through lines of questioning around the impact of large-scale donations and their taxation consequences, such as the increase in government spending and the increased tax burdens on everyday Americans, many foundation advocates brought the conversation back to donor intent or donor psychology rather than material consequences. For example, in an exchange with Congressman Byrnes where Rockefeller was replying to his questioning around why everyday Americans should carry the burden of increased taxation for programs piloted by foundations, John D. Rockefeller III stated: "I believe increasingly people of means are seeing the needs of our society today and are rallying to use their funds in the most meaningful ways" (U.S. Congress 1969:1572)

Many concerns over the proposed mandate to limit family control of foundation boards revolved around the donor's interest in setting up a foundation in the first place. These arguments highlight a general framing around foundations and donations: who exactly does that money belong to once it had been "donated?" If it is not taxed but potentially otherwise would be, is this now public funds? Merrimon Cuninggim of the Danforth Foundation stated:

> Their representativeness can be encouraged if not guaranteed by carefully drawn legislation, and I assume that this is the intention of the report's recommendation. To "broaden the base of foundation management" by establishing a maximum proportion of "the foundation's governing body" for family membership is an action that we would applaud as our own voluntary behavior attests. But the suggested fIgure of 25 percent appears to us to be too small. What about one

> third? Or less than 50 percent? The point is of little significance for large, long-established foundations such as Danforth, but it might be of crucial importance for small or young foundations that must understandably possess strong donor interest. [...] Unintentional harm may be done to the philanthropic urge in America if, in an effort wisely to broaden the base of financial governance, new legislation were to discourage the decent and law-abiding desire of donors and their families to contribute to the general welfare (U.S. Congress 1969:348).

Public accountability and donor intent do not have clear legal parameters as foundation existence is essentially tied to the tax system rather than other entities where there is direct public feedback—a tension to be explored more in depth in the next chapter.

Point and Counterpoint

While each person testifying had the chance to frame foundations in a particular light, they then moved into question and answer exchanges where the points delivered by Wright Patman were more pointedly addressed. As previously noted, much of what Representatives and Senators used for their questioning drew on Patman's testimony and previous work. Below is an outline of Patman's assertions as those testifying and those in Congress debated their merits. This section will illuminate how Congress used Patman's assertions as an outline for targeting foundations, while advancing their aims to create a broader tax base through targeting foundations.

Domination of Business and the Accumulation of Wealth. Many in Congress proclaimed a deep concern with how foundations could dominate businesses by maintaining control of voting stocks through a tax-exempt foundation, as a limit to twenty percent of ownership in any one business by a foundation was proposed through the House bill. Congressman Utt asked:

> Isn't there a tendency of any foundation that is in control of a non related corporation to be more interested in the activity of the corporation and the control and perpetuation of control than they are in the purposes for which the foundation was supposedly made, charitable, educational, and so forth? (U.S. Congress 1969:269).

Foundation advocates pushed back significantly on the idea that foundations should be restricted in their ownership of business and that the accumulation of wealth by foundations is a dangerous phenomenon. Namely, McGeorge Bundy of the Ford Foundation, Dana Creel of Rockefeller Brothers Fund, Alan Pifer of the Carnegie Corporation, Howard Privett of the James Irvine Foundation, and John D. Rockefeller III each directly addressed the proposal to restrict ownership to twenty percent of any business as hurting the growth of the foundation field.

Alternatives to the Proposals. McGeorge Bundy of the Ford Foundation suggested an alternative to an outright ban on an over twenty percent investment in a single business by a foundation. He suggested that a foundation had to choose between investing over twenty percent in a single business or diversifying their board of directors to include more representation outside of the donor and their family. At the time, the Ford Foundation was divesting from Ford Motor for the purposes of keeping strong financial diversity. Bundy reported this to Congress as a positive decision that the foundation made. However, he argued that this model of divestment could be a problem for other foundations, depending on their circumstances, and could prevent foundations from incorporating more innovative investment techniques that had not yet been discussed in the hearings as possibilities for foundation activities. Namely, Bundy outlined "program-related investments" like providing loans to "ghetto areas,"[3] which could be prohibited should there be a mandated limitation on ownership of a business. Thus, a foundation could choose either between diversifying their investments or diversifying their governance as a compromise to satisfy Congress's concern that foundations could be vehicles for maintaining familial control over businesses.

In pushing against the notion that foundations are dominating business unfairly and accumulating massive amounts of wealth, foundation advocates once again gave room for compromise in recognizing that there were foundations that did not live up to their ethical standards for operation. Howard Privett of the James Irvine Foundation suggested that was a misalignment, however, in the remedy Congress proposed when he testified:

> The "abuses" and "undesirable results" of foundation involvement in business reported by the Treasury appear to have occurred in only a small minority of the operating foundations. More importantly, those abuses occurred and were possible without regard to the amount of percentage of the stock in a business that was owned by the foundation involved. The incidence of abuses in the problem areas with which the Treasury is legitimately concerned cannot be reasonably

[3] Today, this would likely be referred to as impact investing, a practice of aligning foundation economic investments with their social causes, either through investing in other corporations that incorporate positive practices in their operations (e.g., sustainable energy or high wages for workers) or through investing in low-interest loans to communities that are under-invested in.

related to stock ownership of 20 percent or more. The opportunity for, and incidence of, such abuses exist, to the limited extent they exist at all, in foundations having far less than a 20 percent ownership interest in a business. This is true because the situations and practices that give rise to the abuses are not related to the amount of stock that is owned by the foundation (U.S. Congress 1969:506).

By acknowledging that there are abuses but in a small subsect of the field, those who are speaking for much larger foundations were then able to make the case that there needs to be more oversight, but argue that an infrastructure operated for and by philanthropy rather than the government should be the overseers of such reforms.

Growing Stock. Debates around stock ownership and growth were also debates around whether foundation assets would have been private wealth or public funds should they not have been donated to a foundation. In an exchange with McGeorge Bundy, Congressman Byrnes brought up that should the initial contribution that created the Ford Foundation not have been tax deductible, it would have gone into public coffers. Bundy pointed out: "I think one has to make the point that it was a very much smaller amount of money 20 years ago, probably in the hundreds of millions and not in the billions. The Federal Government is not in the business of holding equities" (U.S. Congress 1969:362-363).

Howard Privett, Counsel to the James Irvine Foundation made a similar point:

It is pertinent for you to inquire about the extent of the benefit conferred upon the public by reason of the exemption from taxation which has applied to the

> dividends on this $5.6 million gift of stock. On the basis of the money already distributed and on hand for current distribution to the universities, colleges, hospitals, youth organizations, and similar charities within the community that is served by the foundation, the benefit has been more than $10 million, or almost double the amount of the total value of the gift at the time it became absolute. (U.S. Congress 1969:505).

Latitude of Foundations versus Private Citizens. Representatives and Senators expressed great concern with the latitude of foundation influence versus that of private citizens who individually may donate to a cause. Chairman Wilbur Mills asked: “How do we continue to justify a foundation's engaging free of tax in philanthropy that I, as an individual, could not do by taking a charitable deduction from my income?” (U.S. Congress 1969:260). Congressman Utt asked of J.G. Harrar: “Let me say that I have tried to make charitable donations to hospitals and churches and schools in Mexico and have not been granted one nickel of charitable deduction, so I can't do that. You can do that” (U.S. Congress 1969:270).

In an exchange with McGeorge Bundy, Congressman Byrnes pushes against Bundy’s assertion that foundations’ net contributions to the public good should exempt them from debates around power and latitude in enacting social change:

> McGeorge Bundy: I think you have to judge, and I think we do come right back to that, whether the Ford Foundation and other foundations make a contribution to the public welfare and educational, charitable purposes—purposes appropriate

under their charter—which justifies that policy which is the historic policy of our country.

Congressman Byrnes: You frame the issue very well, but I think it could also be approached in this manner: Isn't this process too valuable to be placed in the hands of a small group to determine what is in the public good with any specific basic criteria? The only limitation on criteria now is imagination. Should they make this determination rather than those who are charged with a public responsibility and who are accountable to the public for those funds? Not that foundations aren't doing some wonderful work, but haven't we perhaps done too little in supervising this area? It is not that foundations are bad; nor am I suggesting that we should eliminate them or charitable contributions or the exempt status of other organizations. I just wonder whether it hasn't gotten somewhat out of hand, and whether we ought to seek to limit the latitude that is given to some small groups to determine what is in the public good, especially those whose base is bolstered by a higher percentage of public funds. (U.S. Congress 1969:379).

To counter these points made, advocates push back on their assertion that there is a way to legislate what is and is not deserving of a charitable deduction. Rather than understanding foundations as a means to organize for a cause, they are framed by Congress as another category of organization that could not represent the will of anyone but their wealthy donors. The counterpoint by advocates is that foundations are, again, a part of a larger ecosystem of exempt organizations that represent a continuation of

American voluntarism rather than a distinct type of organization born out of industrial wealth. John D. Rockefeller III states the following:

> The spirit of American philanthropy has perhaps never been expressed better than in the familiar statement of the Frenchman, De Tocqueville, almost 140 years ago. He wrote: “These Americans are the most peculiar people in the world. You'll not believe it when I tell you how they behave. In a local community in their country a citizen may conceive of some need which is not being met. What does he do? He goes across the street and discusses it with his neighbor. Then what happens? A committee comes into existence and then the committee begins functioning on behalf of that need, and you won't believe this, but it's true: all of this is done without reference to any bureaucrat; all of this is done by the private citizens on their own initiative.”
>
> This quality is fundamentally important to a truly democratic society. Today philanthropy continues to make possible that form of individual initiative which De Tocqueville found so appealing. It is reasonable to say that today's philanthropic foundation is in reality the incorporation of individual initiative. The foundation's institutional structure and substantial capital are in many cases necessary to accomplish in our complex society what the individual was able to do on his own a century ago (U.S. Congress 1969:1564).

However, Congress seemed mostly unconvinced by the idea that foundations are a part of the larger exempt field that is distinctly American, and lean into the idea that foundations are a cooptation of such. Congressman Byrnes questioned Rockefeller: “How do we cope with the choice that we have given to some people when we haven't given that choice to the great mass of citizens?” (U.S. Congress 1969:1573). Rockefeller replied that it’s not necessarily that they are avoiding the public good in one way. The choice to donate is instead arriving at the public good through “free enterprise” (p. 1573).

What is Charitable? Crossing over into the actual investments foundations make through their grants, Congress used examples of what they deemed not worthy tax deductible actions by foundations. These examples, however, were not specifically targeted at limiting the freedom of foundations to choose their investments through implementing regulations, but instead on the issue of tax deductibility. By suggesting that there should be some form of government control over where foundation assets are invested in terms of grants made, Congress would likely have stepped too far into the tensions and fears surrounding centralized control through communist states. As argued through Zelizer’s (1998) work, there was a line that needed to be walked that appeared to be a hands-off approach to the economy while still maintaining control through the tax system.

Wealth to Other Countries. Following their pattern of targeting actions by larger foundations, Congress targeted the transfer of tax-deductible wealth in the U.S. to other countries, citing both the “frivolousness” of such investments, or the political involvement that could ensue. Congresswoman Griffiths paralleled the then newly established National Foundation on the Arts and the Humanities with foundation spending when she said: “While I voted for the humanities appropriation I think that you [Alan Pifer] could fairly say that the taxpayers of the United States should not have to subsidize somebody's private idea of looking into tombstones in Herzegovina and Bosnia" (U.S. Congress 1969:132). Here she is referring to a grant by the Bollinger Foundation. Pifer disagreed with Griffith's suggestion that there should be some sort of control over where foundations send their grants as their freedom to choose is the basis of the pluralism the sector provides. He goes on to argue that what one might deem frivolous may be critical for other sectors, and should be contextualized as such.

In another exchange, Congressman Collier asks F. Emerson Andrews, who was a well-known foundation consultant that worked for the Russell Sage Foundation and served as president of the Foundation Center, about foundations funding students in foreign nations. Rather than speaking theoretically, Collier targets a very specific example where a group of students who received foundation funding protested the president, and questions why foundations should be given tax exemption to engage in activities that would embarrass the U.S.

Political Involvement. Foundations were already limited in their political involvement before 1969. However, Congress and some appealing to Congress to take up reform focused on foundation grants and activities that were not necessarily partisan, but began to blur the lines.

John J. Rooney, a Congressman from New York, came to testify on his own behalf to the committee, to present a case of private money interrupting his own campaign, claiming "I am the first known Member of Congress to be forced to campaign for reelection against the awesome financial resources of a tax-exempt foundation" (p. 213). Rooney did not argue that a tax-exempt foundation had directly funded his opponents campaign, but that his opponent Frederick W. Richmond had started funding politically salient activities in Brooklyn that spoke to the diverse constituents of the area right before he announced his activity.

> By means of background, the 14th Congressional District contains a number of minority groups. We have a large population of persons of Italian, Jewish, Irish, Polish, Puerto Rican, and Negro extraction. And thus, in late 1967, the foundation of unannounced congressional candidate Frederick W. Richmond suddenly discovered these citizens, and began taking an extraordinary interest in their welfare (U.S. Congress 1969:223)

John F. McKean, an attorney from New York, testified on behalf of a group of 1,420 people who signed petitions asking for an investigation into the tax exemption of foundations. He was also chairman of a committee to relocate the U.N. development, representing 8,000 residents of the area near the United Nations in mid-Manhattan that were concerned that the Rockefeller Brothers Fund and Ford Foundation actually developed a plan for the UN to displace a large swath of middle-income residents.

Dan Sanders, Assistant to the President of the United Federation of Teachers, argued that the Ford Foundation had essentially overtaken operations in New York by channeling their economic power into anti-union efforts when New York City public schools were undergoing a decentralization process. Sanders claimed that the United Federation of Teachers had their own decentralization plan, but it was ignored. Hugh Carey, another Congressman from New York, also testified to express his concerns with the Ford Foundations investments in experimental schools in New York City. Carey stated, “I should like to do all I can to help preserve the private leadership that philanthropic institutions have played, and must continue to play, in this restless and ever-changing society.” (U.S. Congress 1969:354)

These examples and appeals from New York demonstrate some of the tension around foundation involvement in politics. It was not so much that foundations were directly breaking the law by outright involving themselves in the political process. Rather, the discomfort came from their closeness with public goods, like education and investment in charities, to gain social capital. The tension was around their economic power. The testimonies were concerned with that which might lie outside the legal parameters of politics, but nonetheless could impact civic life. When Congressman Carey points out that he hopes not to outright prohibit foundations from existing, he is also demonstrating that some sort of guidelines are needed to diffuse the tensions that arise when large private institutions are able to influence public debate.

Congress in their own questioning also used voter registration drives as an example of a less defined area that could count as political activity. George H.W. Bush consistently asked foundation advocates about voter registration funding:

> Mr. Bush. Let me put it this way. Do you view voter registration as a legitimate function for foundations to sponsor?
>
> Mr. Bundy. Yes, I do, but I would not feel that we should be in the voter registration business with a partisan eye on where the people doing it essentially are a holding company for a particular candidate. I think that is not the right way of doing it and would be an improper use of Ford Foundation or any other

foundation's funds. I do think there is a problem here which you are right to raise and which is important to discuss. Going back to the example, the League of Women Voters did, in the particular case of this grant, want to move into areas where registration was conspicuously low. That does have a tendency to move you into certain economic and social situations where, while you can't be sure a priori, you know that people in the area aren't necessarily going to vote the same way as the martini drinker you were speaking of earlier, so that you can't say that there is going to be no political consequence to voter registration. I am not trying to suggest that to you.

I think, however, that you have to set against that the national policy confirmed repeatedly, most notably in the Civil Rights Act of 1964 and believed in, I am sure, by all of us here, that the participation of American citizens in the political process, the simplest and most important act of which is registering and voting, is just terribly important to the fabric of our society. [...] Not only that, in a time of turmoil, when many of those who are troubled in our society are facing choices in their own minds and asking, "Will this society work, can I be in effect a part of it? "—encouraging the increasing practice of political participation seems good not only for all the reasons we understand and appreciate as practicing citizens but also because of the alternatives that may otherwise develop in time of trouble. So I would say with energy that I believe in voter registration as an important and legitimate activity of philanthropic organization, charitable organization. (U.S. Congress 1969:403).

Bush went on after this particular exchange with McGeorge Bundy to agree that voter registration is a particularly important issue, but that it may not be a tax-exempt activity that should be subsidized through tax-exempt organizations.

Charting Regulation

In his testimony to the House Ways and Means Committee, John D. Rockefeller began to chart a course forward where foundation advocates could create a system of evaluation with distinguished citizens, that could then give back to Congress more substantial feedback for beneficial regulation:

> Mr. Chairman, if I might digress a minute, I would just like to say a word on this matter of private and government cooperation. The Rockefeller Foundation and the other organizations with which I have been associated have for many years worked closely with government in a very happy and meaningful relationship. The political element was only a factor in the sense that we realized that lobbying was out and the support of political campaigns was out.
>
> But there is a new situation today, a new element in the picture which I believe comes as a result of the massive and complex problems that are before all of us and that new element is political overtones—political overtones the foundation finds in working in these very important areas with government. These have confused us, have perplexed us, as to how to approach them, and the thing I would like to say to you, and to the committee, is that we are concerned in this new relationship. We believe that fresh thinking is required and we ask, on our part, a time to study this evolving development. We feel we need guidelines in

> regard to the problem. We feel it is not a matter of fixing definite limits; rather because of the rapidly moving situation a general understanding in relation to the problem.
>
> Therefore, in this new kind of situation, we ask for your understanding. We ask time to study the problem on our side. I will mention shortly in my testimony that on the private front we are giving more time and thought to studying what we can do within the foundation field, and I mention the possibility of a commission of distinguished private citizens, and this is the kind of thing that maybe such a commission could wisely give thought to (U.S. Congress 1969:1565).

Foundation advocates, particularly those leading larger foundations, did agree that some form of regulation would be helpful for the sector. Rockefeller framed growing and complex social problems as a point of convergence between foundations and Congress, and a place where Congress could cede some ground to foundations to reevaluate their positioning before top-down regulation was implemented to better understand their place in funding social causes.

Manning Patillo, as earlier noted, pointed to a lack of expertise in very small foundations that may lead to inadvertent misuse of funds. He claimed that: "The philanthropic foundation is an important institution in American life, and its activities ought to be reviewed from time to time in a public forum. Not since the hearings of the Cox committee in 1952 has there been an open and informed discussion of this subject under congressional auspices" (U.S. Congress 1969:79). He suggests that collaboratively creating inquiry into the sector could actually strengthen it.

Alan Pifer, Carnegie Corporation president, began his testimony saying that he welcomed the hearings and framed the hearings as for the public good, which is what foundations operate under—and good for all foundations for them to weed out abuses. He goes on to claim that the Carnegie Corporation would not change at all if any of the proposed changes were enacted so they feel a responsibility to come forth and testify. However, the committee should weigh the benefits of regulation with the creative force that foundations can play for the public good. J.G. Harrar, president of the Rockefeller Foundation, echoes Pifer in saying that the Rockefeller Foundation would not be impacted by any of these regulations but that they feel they should testify for the field. Aside from an outright regulation critic, Charles McClasey of the National Association of Foundations, who outright opposed the regulations altogether, foundation representatives and advocates began from a sentiment that these hearings are a potential benefit to them to begin a commitment to coming together for self-evaluation.[4] By ceding the point of regulation to Congress, they were able to argue from a stronger position that they hope to work with rather than against Congress.

Discussion and Conclusion

This chapter contributed to the following research question: why and how did the philanthropic sectors' infrastructure organizations and networks emerge? This chapter walked through the onset of the Tax Reform Act of 1969, and gave context as to why

[4] According to *Democracy & Philanthropy: The Rockefeller Foundation and the American Experiment*, the break with McClaskey's sentiments stemmed back to 1965 hearings, where he declared that any restrictions at all on a donor's ability to control a foundation to be unconstitutional. This broke with the "spirit of compromise" that the Rockefeller constituency had developed, and is reflected again in the discrepancies of his testimony as compared with others.

movement in Congress to regulate private foundations occurred when it did. First, the tax politics of the postwar period called for balanced budgets, while the welfare state was expanded and the U.S.'s investment in war abroad required more spending. The time for tax reform was ripe in Congress. At the same time, there were scandals about the investments foundations were making that were deemed political or an abuse of their tax privileges. Finally, the stage was set much earlier as investigations in Congress on foundation activity were ongoing from the 1960s. Thus, when the tax reform came up, foundations were targets for reform.

The hearings that took place in Congress, as outlined above, revealed huge rifts in understanding of the roles of foundations in American life. The sentiment by many that recall this period from a foundation advocate perspective proposes that the Tax Reform Act of 1969 was a shock to the foundation world and an attack on their activities. A close reading of the hearings reveal why this is so: foundation advocates were not well coordinated and unprepared to answer the questions posted and accusations made by Congress. Thus, as will be explored in the next chapter, foundation advocates began to organize and debate a way forward that would protect foundations from attacks and further regulation. It was in this context that philanthropic infrastructure emerged as a more cohesive field, to protect the place of foundations in American life, and to produce knowledge around the benefits of foundations.

Both Congress and advocates for foundations mostly relied on individual examples to illustrate their points either for or against continued tax privileges through foundations. This revealed that foundations did not have a cohesive narrative around their benefits to society broadly, or, importantly, stances on what fair regulation might look like. Congressman Conable, for example, framed foundations as part of a movement, the "foundation movement" (U.S. Congress 1969:410). Conable's statement is reflective of a more general notion that foundations are in fact in a cohesive movement.

Yet the hearings also reveal, with the benefit of time and analysis fifty years later, that there is a substantial lack of coordination among foundations. There is no support in these hearings to suggest that congressional members understood what exactly foundations do and how they spend their money. Conable's statement implies an understanding of foundations in a movement when foundations themselves may not have necessarily viewed themselves as such. Congress was looking to understand a systemic problem of a growing number of assets in foundations while there was not a designated person to talk about this issue, potentially because it did not yet exist. There was a sense of frustration when entities like the Council on Foundations could not provide a clear idea of what Congress could do that they would find fair.

What this tension and frustration on behalf of Congress revealed was an overall sense that something had to be done. Congress forced their position by communicating that some sort of regulation was inevitable. This created an environment where foundation advocates were left vulnerable. Moreover, the hearings demonstrate Congress's overall perceived *dispensability* of foundation resources at the time. Foundations needed to not only organize to make cohesive research projects about their impacts, but also render themselves *indispensable*.

Congress was unsatisfied with the intent of foundation work that foundation advocates could actually testify to broadly. They could demonstrate that they had witnessed others or they themselves had charitable instincts and wanted to contribute to the greater good. With the benefit of time and academic inquiry into federal policymaking of the mid-twentieth century, it becomes more clear that the foundation advocates general approach was misaligned with the context of the time. Amidst fears over tax revolts, a contested yet fairly cohesive commitment to fiscal conservatism and balanced budgets, and a guiding doctrine that assumed “technocratic knowledge could diminish partisanship and promote weaken the influence of interest groups, and curtail the authority of political elites” (Zelizer 1998:54), individual examples of either effectiveness or goodwill was not enough to completely curtail desired regulation.

Last, following Wright Patman’s groundwork, the hearings played out in a way that trapped foundations. If they invested too much in urban problems, they were targeted for meddling in politics. If they invested in apolitical arts or humanities, they were too frivolous. Congress clearly was targeting their tax exemption in whatever way they could while foundations sought to defend their work. Yet what could actually be done in a legal framework remained ambiguous. Certainly the federal government did not want to dictate where foundations invested. This bind demonstrated the limits of focusing regulation solely through the tax system. Foundations may exist federally through this sphere, yet their work spans so much more—from education, to health care, to international development—and the hearings clearly ran into that limitation.

Through an exploration of the Peterson and Filer Commissions internal debates, the next chapter will explore more directly the limitations of federal regulation solely through the IRS, and how foundation advocates began to grapple with this reality. In the end, little was done federally to create any sort of entity that directly dealt with foundations. Foundation advocates began to create a more robust infrastructure that could respond to federal scrutiny much more efficiently, and position foundations as essential parts of American life. And in a changing federal landscape, foundations began to render themselves indispensable to social welfare (Cordelli 2020).

CHAPTER FOUR: "WHEN THE CHIPS ARE DOWN": THE PETERSON AND FILER COMMISSIONS

This chapter will cover two distinct yet connected commissions, the Commission on Foundations and Private Philanthropy, otherwise known as the Peterson Commission (1969), and the Commission on Private Philanthropy and Public Needs (1973-1975), otherwise known as the Filer Commission. Both of these commissions took place around the Tax Reform Act of 1969, and John D. Rockefeller III was instrumental in both of their foundings. Solomon (2002:385) outlines how the Rockefeller family's philanthropic endeavors from its earliest days thought of fact-finding and information-gathering as "indispensable requirement[s] for gift giving." John D. Rockefeller III was frequently meeting with members of Congress when the hearings were taking place, allegedly unconvincingly communicating that their requirements would hurt his family philanthropy (Brilliant 2000). Foundation advocates needed much more of a constituency to speak for the philanthropic sector, and they also needed much more succinct information about not just the work of their own organizations, but the work of foundations broadly to defend their own regulatory privileges.

The commissions John D. Rockefeller III helped form reflect the family philanthropy impulse and broader desires to create a more professionalized sector. As the new head of the family's charitable work, he took a personal interest in creating a more robust sector. The Tax Reform Act of 1969 was a key moment to do so. The commissions were a form of organizing around regulations, but they also should be understood in the context of desired professionalization and the need to create more knowledge production around the sector.

The Peterson Commission was formed while Congressional debates outlined in the previous chapter were taking place, but their final report was not issued until 1970, after the Tax Reform Act of 1969 became law. The Peterson Commission was founded to take an outside look at foundations and private philanthropy and issue an assessment. While they claimed impartiality, it was also clear that they were a protectionist commission interested in the continuation of foundations.

The Filer Commission was founded in 1973, after the Tax Reform Act of 1969 became law, but in the midst of more uncertainty in Congress and in tax legislation conversations. Where the Peterson Commission focused on foundations directly and thought of them as supporters of charity, the Filer Commission tried to create a more cohesive identity for the Third Sector. The Filer Commission helped to stir more commitment to building an infrastructure for philanthropy. It was heavily criticized by those within the charitable sector, which led to the creation of counter-voices that influenced the commission's work as they went on to build infrastructure groups that remain in the sector today.

Both commissions are examples of forming coalitions to speak for philanthropy. While many works have debated their relevance and impact, the benefit of time reveals that these commissions set the groundwork for the founding and strengthening of much of philanthropy's infrastructure. In the end, both commissions helped the foundation field weather a politically turbulent period for the sector, and both for the most part convincingly positioned and defended the institution of philanthropy as central to American life, culture, and pluralism. Both commissions considered alternative arrangements to the tax system as it stood—with the charitable tax deduction being the central tenet of philanthropy's relationship to the tax system. While both commissions claimed independence from political and foundation influence, neither commission would actually consider more drastic alternatives to what existed at the time, and what for the most part still exists today.

This chapter will explore both of these commissions in detail, first the Peterson Commission and its impacts, then the Filer Commission and its impacts. This chapter contributes to research questions one and two: (1) Why and how did the philanthropic sectors' infrastructure organizations and networks emerge? (2) How did the rhetoric around sector-wide regulation develop and evolve over time, and how did the sector's infrastructure shape the rhetoric? Through this exploration I demonstrate how the commissions: (1) helped to create a framework for speaking about foundations that required the commissions to engage in boundary work of professional standard setting (Gieryn 1983; 1999); (2) helped create a framework for speaking about the voluntary sector broadly with foundations being a part of that ecosystem; and (3) were a catalyst for the forming of infrastructure organizations that would produce knowledge and protect foundations from further regulation while creating a more cohesive identity for the nonprofit sector. The discussions and decisions made within the commissions, and the strategic choice to gather panels of "prestigious" citizens that could speak on behalf of foundations without necessarily being foundation leaders themselves, reflects the complex ways in which the commissions balanced the insider/outsider paradigm of philanthropy and negotiated the costs of structural changes to the organizational forms of philanthropy as a social institution.

Given the pushback in Congress against private foundations, the commissions took seriously the task of creating boundaries of acceptable professional standards for foundations. In recounting Gieryn's (1999) work that explores the cultural authority of science, Lamont and Molnar (2002:179) point out that "the drawing and redrawing of the boundaries of science amount to credibility contests that employ three genres of boundary-work: expulsion, expansion, and protection of autonomy." In the case of the commissions, they aimed to expel foundations from the realm of legitimate philanthropic activity who were committing alleged "abuses," expand the authority of foundations by conceptually bringing them closer to the realm of broadly-conceptualized voluntary activity, and protect the autonomy of foundations by against outside powers (in this case, legislators) by "exempting members from responsibility for the consequences of their work" (Gierney 1983:792). In terms of employing expulsion, the commissions were using "boundary work [as a] means of social control" (Gierny 1999:16)—highlighting where some foundation founders were using their foundation for personal enrichment. Personal enrichment, or self-dealing, as it is referred to legally and in this work, was the strictest professional standard set. The commissions called for these foundations to not exist at all, and be considered outside the realm of legitimacy. To expand the authority of foundations, the commissions centered charitable needs, which they defined broadly, as the central reason for foundation existence. They could use charitable needs to highlight where foundations would invest that government could not or would not be able to go, showing that their existence was not duplicitous of an expanding social welfare state. Last, the commissions protected the autonomy of foundations by moving the discourse beyond existential questions of whether foundations should exist as allocators of funds or not, and instead protecting the rights of foundation's freedoms to invest as they see fit in the name of pluralism and democratic participation.

Though claiming to not be protectionist, the commissions' deliberations and writings reveal that the commissions worked with the overarching logic that philanthropy was an American value that should be protected and incentivized. Their boundary work used the three genres set forth by Gierney (1983; 1999) in order to protect the place of foundations in the name of voluntary action and democratic participation. Thus, this chapter also highlights the process by which a field can emerge (philanthropic infrastructure) through a set of logics that appeal to cultural frameworks (values of pluralism and democratic participation) that work to protect existing organizational forms (philanthropic institutions).

Method

To best understand the conversations that took place within the commissions, I visited the Ruth Lilly Special Collections and Archives (RLSPCA) at the University Library of Indiana University Purdue University Indianapolis in March 2019. Documents from the Peterson and Filer Commissions were reviewed in their entirety. Documents from these collections that involved commission deliberations were scanned for further analysis. The documents that were scanned were then coded for the nature of the debates, the ways commissioners and those testifying framed the importance of particular topics and concerns in the field, the ways both commissions understood their relationship to Congress, foundations, charitable organizations, activist movements, and the existing national infrastructure organizations of the time (namely, the Council on Foundations, Foundation Center, the National Council of Philanthropy, and the Coalition of National Voluntary Organizations). Last, the final reports for each commission were analyzed for their overarching recommendations, to Congress and to the philanthropic field broadly.

The Peterson Commission

Following the Treasury Department issuing their report on tax-exempt foundations in 1965, there remained a steady stream of investigations in Congress. As these continued, foundations still were not able to organize a strong counter argument as "there was no one foundation community, and certainly no one voice that could speak for all foundations, even the large ones" (Brilliant 2000:55). John D. Rockefeller III took up the mantle as the head of the family's philanthropic initiatives as he used his relationships in Congress and the Treasury to share his concerns about what a cap on charitable deduction contributions would mean for his family's efforts. He also convened a group of concerned philanthropic leaders in late 1968. Rockefeller believed "the need for regulations to control abuses by some foundations was distinct from the related concerns about Treasury (tax) policies more broadly. As part of an effort to keep these separate, the possibility of self-policing by the foundations was undeniably appealing" (Brilliant 2000:58). In other words, the uncertainty in Congress around tax reform had the Rockefeller philanthropy groups and John D. Rockefeller III himself concerned that the regulations to come would be rooted in the self-dealing and lobbying abuses by some foundations, yet manifest through decreased tax benefits for giving that would impact their philanthropic organizations. There was a need for an organizing mechanism for foundations that would demonstrate some self-regulation and policing in order to hold off Congressional action, yet no apparent mechanism to achieve it.

The informal group John D. Rockefeller III convened was concerned with the tension that self-policing could lead to less pressure on foundations to professionalize their practices. However, many Congressional representatives they met saw curbing abuses as necessary through the tax system rather than through other means, whether that be self-policing by foundations or through a quasi-governmental body outside of the tax system that would regulate the sector. The persistence of tax reform as a means to regulating the sector was a looming concern for the Rockefeller group. They began to consider two questions: “was it possible to secure an independent appraisal of American philanthropy? What should be the long-range role of philanthropy and foundations in American life?” (The Commission on Foundations and Private Philanthropy 1970:3). Alan Pifer, president of the Carnegie Corporation who would go on to testify to the House Ways and Means committee on behalf of the sector, was a part of this small group and suggested there be an independent commission that could study relevant matters to philanthropy and issue suggestions for long-range policy to govern the sector.

Thus, The Commission on Foundations and Private Philanthropy was organized, otherwise known as the Peterson Commission (named for Peter Peterson, who was tapped by John D. Rockefeller III to lead the effort). Peterson then selected prestigious citizens with experiences in a variety of fields, including higher education, corporations, and Congress. They included:

- J. Paul Austin, Chairman, President and Chief Executive Officer, The Coca-Cola Company
- Daniel Bell, Professor of Sociology, Harvard University
- Daniel P. Bryant, Chairman and Chief Executive Officer, Bekins Van and Storage Company
- James Chambers, President and Publisher, Dallas Times-Herald
- Sheldon S. Cohen, Cohen and Uretz; former Commissioner of Internal Revenue
- Thomas B. Curtis, Vice-President and General Counsel, Encyclopedia Britannica; former U.S. Representative and member of House Ways and Means Committee, Joint Economic Committee
- Paul A. Freund, Professor, Harvard University Law School; expert in Constitutional law; Past President, American Academy of Arts and Sciences
- Martin Friedman, Director, Walker Art Center
- Patricia Roberts Harris, attorney at Fried, Frank, Harris, Shriver, and Kampelman; former Dean and Professor, Howard University Law School; Former U.S. Ambassador to Luxembourg
- A. Leon Higginbotham, Jr., U.S. District Court Judge, Eastern District of Pennsylvania; former Commissioner, Federal Trade Commission; member, White House Conference to Fulfill These Rights

- Lane Kirkland, Secretary-Treasurer, American Federation of Labor and Congress of Industrial Organizations
- Philip R. Lee, Chancellor, University of California, San Francisco; former Assistant Secretary, U.S. Department of Heath, Education, and Welfare
- Edward H. Levi, President, University of Chicago
- Franklin A. Long, Director for Program on Science, Technology, and Society, Cornell University; former member, President's Science Advisory Committee; former assistant director, U.S. Arms Control and Disarmament agency
- A.S. Mike Monroney, Consultant, Aviation and Transportation; former U.S. Senator and U.S. Representative from Oklahoma; former chairman, Senate Post Office and Civil Service Committee and member of Senate Appropriations Committee

Aims of the Commission

Initially, the commission did not see itself as needing to gather facts, but rather to "formulate judgments on the principal policy questions raised by the role of foundations in our society" (The Commission on Foundations and Private Philanthropy 1970:3). However, the Commission quickly realized that there was a lack of data about foundations available that made collecting facts themselves necessary to their mission. This realization coincided with the House moving to pass their version of the Tax Reform Act of 1969, and the commission realizing they had no way of either supporting or refuting the broad claims about foundations being made and/or accepted by Congress.

The commission eventually decided that their methods would consist of “many hearings, extensive interviews with leaders in different spheres of American life and with officials in charitable organizations, […] special surveys of accountants across the nation, studies of foundation reports filed with the Internal Revenue Service, and detailed questionnaires framed to get at information that was not otherwise available” (The Commission on Foundations and Private Philanthropy 1970:5)—all in service of constructing an “unbiased” study of the field. They aimed to separate themselves from the hearings that were coinciding with their work—meaning they would communicate their mission as conducting studies of the field rather than responding to Congress directly (RLSPCA Box 1, Folder 2, May 1969).

The commission also opted to not accept foundation funding to avoid accusations that they were simply an arm of the foundation world. In their final report, the Peterson Commission framed their founding as occurring in the midst of a turbulent time for philanthropy, when, despite its noble purpose, philanthropy broadly and foundations in particular came under heavy scrutiny. In the face of growing investigations by the Treasury Department and Congress, and “[frontal attacks] by individual critics respected for their professional competence in law and finance” (The Commission on Foundations and Private Philanthropy 1970:2), the group would consider the state of philanthropy and make recommendations about policy that would speak to Congress and practice that would wou. These recommendations would be in two parts: policy recommendations that would speak to Congress and practice recommendations that would speak to foundations.

The exploration of the Peterson Commission in this section looks to make sense of how the commission was able to build the groundwork for creating a more united voice for foundations while there were serious legislative considerations in Congress. In light of John D. Rockefeller III's concerns that foundation regulation would manifest in tax reform that would hinder his family's philanthropic aims, the Peterson Commission took a protectionist stance that understood foundations as a necessary institution enabling American pluralism to thrive. However, the debates and research the commission undertook revealed spaces where the philanthropic sector needed to come together in their advocacy.

First, the chapter interrogates the considerations the commission made regarding the tax system. Here, tax experts were brought in to guide the commission in their understanding of foundation's relationships to the tax system, and link the "cloud"[5] over philanthropy to the tax system directly. They consider proposals that would separate charitable giving from the tax system, but ultimately concur that the charitable tax deduction is settled law and therefore must be maintained. They instead opt for examining how to make the charitable deduction more equitable, demonstrating a shift that would continue more purposefully in the Filer Commission to follow in understanding who the charitable deduction is meant to benefit (Duquette 2019). Next, this chapter explores how the commission debated the framing of charitable financial needs in the country. Much of what the commission was considering was about how to

[5] The commission conversations often referred to the "cloud" over foundations as their main subject to address. The "cloud" referred to the suspicion Congress and the public had toward foundations.

create a public and governmental relations body for foundations that would better communicate their role in the philanthropic ecosystem rather than concrete policies. Therefore they debated how foundations should be communicated to the public. Some thought they should be framed as innovators, and others thought they should focus less on that and more on foundations as sustainers. They considered whether foundations should have a limited lifespan or required payout rates, and landed on them needing payout requirements that would not lower the amount of charitable dollars available. This section demonstrates how the Peterson Commission laid the groundwork for creating a more cohesive sector identity. Last, this chapter examines how the Peterson Commission critiques the foundation field for abuses and for not building more cohesion amongst themselves. They addressed self-regulation proposals that were already in the works, shared their thoughts on the weakness of the infrastructure organizations that existed at the time, identified a lack of a constituency in the sector, and ultimately used the critiques to protect the place of foundations.

Tax System Considerations

There were differing views around where exactly the unease around foundations came from, but this debate about the resistance to foundations helped to shape how the commission would deliver their final findings and recommendations. David Freeman, then President of the Council on Foundations, addressed the Peterson Commission in June of 1969. There, he gave an overview of congressional concern with foundations: "A common element of all the congressional investigations—from the Walsh Commission before World War I to the Cox and Reece Committees of the early 1950's, the Patman investigation, and the current Ways and Means Committee concern—has been that they occurred in times of national unease" (RLSPCA Box 1, Folder 2, June 1969). This framing by Freeman would remain a thread through the commission's deliberations, as they began to outline their role as a defense for philanthropy. The core problem they would eventually come to address was not the unknown or difficult to explain nature of American philanthropy. The core problem was the national unease that started to reflect onto philanthropy at various points, the late 1960s being one of them. Thus the task was the need to distinguish between philanthropy and the federal government as distinct fields that served the public good. It would thus be the responsibility of foundations to prepare themselves for moments of additional unease by creating evidence of their effectiveness and worth to society.

Despite their saying that the commission did not want to speak directly to the proposals in Congress and desired to remain above the fray of politics, the internal considerations of the Peterson Commission were fundamentally shaped by Congress's then-current tax debates, and unraveling what it was about this particular era that would bring so much concern for foundations. Taxation scholars were brought together for the commission's debates. Among them were Joseph Pechman, renowned economist and tax scholar, Bernard Wolfman, an attorney who worked on the 1965 Treasury Report that foregrounded the Tax Reform Act of 1969, Marion Fremont-Smith, an attorney specializing in nonprofit and foundation law, and Stanley S. Surrey, a previous New Deal administration official, a law professor, and a highly renowned tax scholar

Stanley Surrey asked directly why there was a cloud over foundations that made them the center of controversy, yet went a step further than David Freeman in specificity. Surrey linked the cloud over foundations with national unease around social issues, and with the tax system and its discontents. Surrey articulated a vision where charitable giving was entirely separated from the tax system, which in his view would clear the cloud over foundations as centers of tax avoidance. He relented that the charitable tax deduction was settled law. Yet, this cloud was omnipresent and, in his view, directly tied with the tax system's relationship to philanthropy. Thus, what the commission needed to do was find a way to reconcile the inequity of the tax system with the need for better communication about and from foundations.

Wolfman argued that it's not just that the general public had bad opinions of foundations. He posited that the public generally decided that it's a good thing for there to be private support for institutions like orchestras, who are not necessarily innovating but are sustaining. In this sense, it's not that Congress is going after foundations because they are not innovative and a waste of money, but that they start acting like allocators for social change causes when the government sees this as their role:

> From time to time, rightfully or wrongly, [Congress] gets concerned when it sees granting foundations, not operating foundations, exercising what Congress and maybe lots of other people regard as a governmental function, namely an allocation of resources … what they are concerned about, I think, and what foundations are under a cloud about, is that foundation boards, day in and day out, year in and year out, have the opportunity, without any of the restraints, and

> without any of the democratic processes, to take new judgments as to how money should be allocated, using in a sense federal funds that they are allocated, and I think periodically people get upset, particularly people who are normally thought to be the allocators of resources, Congressmen, when they see that the foundations are generally making allocations in a social direction that doesn't reflect theirs, and I think that this is happening today (RLSPCA Box 1, Folder 7, August 1969:235).

When Peterson questioned his framing of wealthy individuals as not also making allocation decisions, Wolfman agrees, but says they are approved of when they are making donations

> towards institutions that have already received approval. When the individuals make the allocations, not to a granting foundation but directly to an operating charity, they are doing it to the kinds of institutions that have received the imprimatur of general approval, churches, schools, colleges, hospitals, not the voter registration jobs, not to subsidize CORE in the City of Cleveland, that kind of thing, and I think these forces right and fall at different times, and when you get a new Congress, a Republican Congress or a conservative Democratic Congress and we see the foundations still moving in a very liberal direction, namely this private allocator of resources making governmental decisions, decisions of a governmental nature, with federal funds (RLSPCA Box 1, Folder 7, August 1969:236).

Wolfman identified an important conflict that will be central to the way the Peterson Commission ultimately framed their work. The cloud over foundations, as Surrey suggested, was not just that they were tax exempt, but also that they were allocators. In other words, governmental institutions came into conflict with private organizations when their roles were less distinct and mutually exclusive. The commission thus needed to find a framework that would alleviate this conflict while still protecting foundations.

The group pressed back on Wolfman that many people cannot wait for their to be broad approval of their causes, and that innovation happens when there is funding to an unpopular cause. Wolfman went on to agree:

> That is why I am on the side of foundations. I am saying Stanley [Surrey] was talking about why there was a cloud. I think we have to meet that head-on. I think one of the reasons for the cloud is that we are institutionalizing in foundations a non-democratic allocator of federal funds. I favor it. I think it needs some restraints, some restrictions: the removal of donor control, more supervision. But I would not favor eliminating it because I think it is an important element […] I think that first you must acknowledge that there will always be that cloud and for that reason articulate a defense of it" (RLSPCA Box 1, Folder 7, August 1969, 238-239).

Wolfman's concession here is an important one, as it becomes reflected in the commission's work. As demonstrated in the preceding chapter, those who attempted to defend foundations on the grounds that misconduct accusations were not reflective of individual organizations represented in the hearings were seemingly ineffective. If the Peterson Commission was to be effective in their protection of foundations, they needed to also recognize what would be agreed upon as indefensible practices by foundations, and find ways to root out these practices. Thus, the arguments for foundations needed to be two-fold: foundations must remain as sustainers and innovators in the charitable ecosystem in order to maintain an American value of voluntary action, and foundations need to professionalize, show restraint, and practice self-criticism and evaluation.

Drawing Boundaries for Foundation Practices

The commission thus commenced identifying the boundaries of acceptable professional practices for foundations, which was the point at which the investment by the public through tax exemption were worth the investment and defense. The commission came up with three areas that needed to be addressed: self-dealing, governance, and lack of transparency and public relations. They also considered stock control as an issue, but in the end decided to categorize stock control as a practice worth preserving. This will be addressed in the section that follows.

Self- Dealing. The Internal Revenue Service defines self-dealing as the following acts: (1) sale, exchange, or leasing of property; (2) leases; (3) lending money or other extensions of credit, (4) providing goods, services, or facilities; (5) paying compensation or reimbursing expenses to a disqualified person; (6) transferring foundation income or assets to, or for the use or benefit of, a disqualified person; and (7) certain agreements to make payments of money or property to government officials (IRS, n.d.). Personal enrichment from private foundations was a key concern for Congress. Thus, the commission undertook this issue and defined it as a boundary that needed to be set. Essentially, self-dealing should be conceptualized as an infrequent, yet serious problem within the foundation world.

In the August meeting, an unnamed individual[6] commented:

> One, I think, significant disadvantage that the [proposed] tax has is that it doesn't apply selectively. It applies to the good and the bad indiscriminately. But in doing that it removes the pressure for acting selectively. It removes the pressure for the Ways and Means Committee and the Finance Committee to sit down and decide what is bad and what needs to be done to cure what is bad. It gives one a feeling that we have taken care of foundations probably, we have hit foundations hard, that we have taxed them, let's let them go, without recognizing that we have done something that applies exactly the same way to the foundation that has been involved in great abuse and to the foundation that has never been involved in great abuse. (RLSPCA Box 1, Folder 6, August 1969:156)

Commissioner Sugarman agreed and questioned whether Congress was really getting at the problem of abuses through taxing foundations. He asked if these problems will continue to exist, and if they are even that bad to begin with (RLSPCA Box 1, Folder 6, August 1969). The commission recognized that Congress was acting indiscriminately against foundations as a whole without truly identifying the problems they proposed to reconcile. Acts of self-dealing was a way for the commission to identify bad practices

[6] The commissioner being unnamed does not appear purposeful, but a matter of transcription that the individual could not be identified.

within foundations as common grounds to agree with Congress that something needed to be done. As the unnamed commissioner pointed out, the proposals in Congress were indiscriminate. Addressing self-dealing head on could allow for the commission to devise a boundary and identify "bad" actors without indicting foundations as a whole.

In their final report, the commission addressed abuses under the nature of self-dealing and personal enrichment of the donor: "The commission recognized the self-evident potential abuses […] But how often and serious have these abuses actually been?" (The Commission on Foundations and Private Philanthropy 1970:57-58). Following the conversations happening in Congress where those involved with larger foundations claimed that abuses happened in smaller, less professionalized foundations, the commission analyzed small foundations Form 990-A's. Before the Tax Reform Act of 1969 that altogether banned self-dealing, foundations could report then-permitted "arm's-length" transactions between the donor and their foundation. The commission admits that this is not necessarily indicative of all self-dealing transactions as some foundations could opt out of reporting altogether. However, from what they found, "self-dealing abuses are not frequent among the small foundations, [though] they do occur and may be difficult to discover" (The Commission on Foundations and Private Philanthropy 1970:59). However, the commission then argues that their inability to truly know the full extent of abuse is due to lack of resources in the IRS to audit foundations fully and report publicly.

The commission concluded that:

> It is irresponsible, shortsighted, and unfair to permit all foundations to suffer from the broadest anecdotes of individual cases of abuse of privilege without using available tools of auditing and public reporting to get a balanced judgment. […] It is urgently necessary to stop all abuses. It is just as urgently necessary to cleanse from the foundations any taint of abuse which unjustly adheres to them (The Commission on Foundations and Private Philanthropy 1970:62).

Here the commission was able to identify points that those testifying in Congress previously struggled to make—and Peter Peterson was able to speak to in front of the Senate Finance Committee. They reconcile the two institutions in conflict by recognizing the points each made with regards to abuse. Those testifying on behalf of foundations felt the majority of the blame for abuse laid with smaller, less professionalized foundations. Many in Congress largely ignored these arguments and continued to press those testifying on abuses, suggesting that it was up to foundations themselves to identify problems within their sector. The commission was able to pave new ground, where abuses were framed as potentially infrequent, yet very serious in terms of public trust and confidence. They called for increased transparency, but also for further regulation by the federal government. Foundations should feel incentivized to ensure a lack of abuse through creating more professional standards in their sector in order to lessen the likelihood of further regulation and taxation. Congress should feel incentivized to fund institutions like the IRS to ensure that proper standing regulation is taking place. Marion Fremont-Smith identified this dual interests as reconcilable through the commission's suggestions:

> There is a need to preserve the tax base; there is a need to prevent any kind of feelings of abuse, because this undermines the entire system and this is what we are saying is so evident right now. Quite apart from this and interesting, because of the taxing centers, all kinds of social considerations have gone into the federal interest and it has been interesting to see the awareness of this developing, which has been just post-war, it is all post-war, the effects of compensation upon non-profit organizations, fear of concentration of economic power, these are the federal interests that have to be preserved (RLSPCA Box 1, Folder 9, September 1969).

Self-dealing was the main point where the Peterson Commission drew an excluding boundary that invited the federal government vis-a-vis the IRS as the authority needed to revoke tax privileges from foundations. The commission moved past the existential questioning of foundation existence happening in some of the Congressional hearings by centering abuse as what needed to be urgently addressed, as a means of controlling who could and could not be identified as a legitimate foundation. However, beyond self-dealing, the rest of the areas covered by the commission in terms of setting professional standards were suggested that they be voluntary and regulated by a professional community of foundations rather than legally mandated. They appealed to ideas of autonomy and voluntarism as essential values for the American system, even if they did concede that governance and transparency and public relations were important matters to foundations existing for the public good.

Governance. The commission also often linked issues of self-dealing with issues of governance within foundations. Stanley Surrey suggested that if the philanthropic field wanted to remove the derogatory nature of foundations as much as possible, then they needed to work to limit the involvement and self-dealing of donors, and make the institutions as public as possible (RLSPCA Box 1, Folder 6, August 1969). Surrey, however, was the most outspoken around involvement of donors and the need for regulating diversified governance. Dissenting views were that there are ethical family foundations that wish to remain involved in their private foundations, who should have a right to do so. Commissioner Blum stated: "It seems to me that as one moves into the direction of more and more public boards, with greater and greater constraints and government controls over them, one does two things. One makes foundations more like government and one destroys perhaps the two prime advantages of private foundations (RLSPCA Box 1, Folder 6, August 1969:219)".

Eventually through their deliberations, the commission reached a consensus similar to Blum's. They agreed that there could not be mandated governance regulations without sacrificing the suggested pluralism and alternative to government bureaucracy that private foundations bring, particularly because they believed there to be no particular abuses associated with donor-dominance of a foundation. Thus, they "oppose[d] a legislative requirement, and […] consider[ed] it appropriate for foundations themselves to consider seriously the advantages of having independent trustees" (The Commission on Foundations and Private Philanthropy 1970:138).

The commission talked at length in the final report about ways foundations could diversify their governance structures. They also gave two clear reasons for why foundations would benefit from diversifying: providing "added perspective to the insights of the boards" and "allay some of the public suspicion of privatism and disdain" (The Commission on Foundations and Private Philanthropy 1970:138). However, their stopping short of calling for more regulation in this regard while structuring the final report to speak to both Congress and foundations as institutions demonstrates their pragmatic protection of foundations.

Lack of Transparency and Public Relations. Last was calling foundations' lack of transparency and public and governmental relations. This was an area that Peter Peterson, particularly after his experiences in Congress, felt strongly about through the commission meetings and made explicit in the final report. Foundations, he argued, brought much of the storm of 1969 upon themselves.

Peterson sought to ground his framing of the foundation field in a larger cultural context. On the one hand, he argued in the preface to their final report, the United States was in a period of "contradictory protests," (The Commission on Foundations and Private Philanthropy 1970:xi), where many citizens are rebelling against the government's failures and encroachments into their personal lives, while also demanding the government establishment be the entity to correct their grievances. Americans also depend on nonprofit entities that depend on philanthropic support, he argued, yet tend to be critical of the donors themselves. Yet, at the same time, there were foundations, though in the minority, that did abuse their tax privileges. These abuses are where he traces Congressional grievances against foundations as perceived political machines. Other foundations who were noble in the causes they pursued also deserved credit for public distrust. They did not take “warning signs of the troubles they faced” seriously (The Commission on Foundations and Private Philanthropy 1970:xii), nor did they commit to more public disclosures or use auditing and reporting tools available to them to improve their public relations. He argued:

> By remaining a kind of closed society in an era when openness is a byword, the foundations excited public suspicion that they were engaged, not in a great range of activities that promoted the general welfare, but in secret things done in a dark corner. By their reluctance to discuss publicly their failures as well as their successes, the foundations foreclosed the right to their own fragile humanity (The Commission on Foundations and Private Philanthropy 1970:xii).

These conditions, Peterson argues, brought the philanthropic field to this particular watershed moment. Further, the lack of public reporting on the part of foundations and the broad public speculation toward foundations extrapolated from a few examples necessitated that his commission undertake a fact-gathering role. This in the view of the commission was unacceptable and a product of both lack of investment in federal oversight and, mostly, lack of transparency and public relations on behalf of foundations. The commission concluded: “Foundations [should] shed some of their reluctance to communicate and increase the priority of building greater understanding, trust, and enthusiasm for them and their work” (The Commission on Foundations and Private Philanthropy 1970:137).

Altogether, the boundary work engaged by the Peterson Commission helped to create a framework for where the federal government should take a consistent role in regulation (by weeding out self-dealing foundations). They then go on to frame governance and public relations issues as not in need of government regulation, but still in need of improvement. Congressional hearings revealed that many in Congress sought to displace the role of foundations due to their conception that government was now funding what foundations once did. In order to justify the autonomy of foundations, then, the Peterson Commission went on to define and expand what charitable needs were that spoke directly to Congressional concerns while demonstrating where foundations were needed.

The Place for Foundations: Fulfilling Charitable Needs

Beyond the boundaries set by the commission for foundations to improve their practice, most of the commissions' defense of foundations was framed around charitable needs. When certain proposals were considered, they used a cost/benefit approach in their deliberations to measure whether the regulations were worth a supposed loss of charitable dollars. Speaking to the larger economic and social context of the late 1960s and projections for the 1970s, the commission emphasized that charitable needs would only grow while the economy was lagging and charitable donations became all the more important. Their considerations around charitable needs also helped to reframe some of the rhetorical traps that were set in Congress around the usefulness of foundations to society.

Foundations as Sustainers and Innovators. When discussing needs, the commission often found itself looking to the social innovations foundations have made possible, such as vaccination campaigns. In the hearings, the innovativeness of foundations was often questioned. Commissioner Friedman made the argument that the commission was focusing too much on innovative or flashy activities of foundations, and that innovation is not always the only charitable need. He argued that innovation was taking up too much oxygen in the conversations, when the real value of foundations was their sustaining support to important cultural or social institutions/charities that the government would not fund. He said:

> The real issue is the effect of sustaining support, and I think we are still worrying about grants to the Kennedy assistants and we are worrying about some of the flash activity […] and the whole sustaining element is being ignored. I can't conceive of any municipal governments or federal governments taking on any of these activities (RLSPCA Box 1, Folder 7, August 1969, 231-232).

Commissioner Levi concurred that it was not helpful and maybe counterproductive to continue to pursue that foundations be judged on their innovativeness, and that perhaps just their ability to sustain is good enough. Thus, the Commission should argue for their existence not centered on their innovations.

By taking on the dual argument that foundations can be innovators, but should also be publicly understood as sustainers of institutions and thus evaluated by either of these standards, and more closely zooming in on the rare case of abuses by foundations, the commission's deliberations moved past the more existential questioning that was taking place in Congressional hearings. Rather than judging foundations on their innovation, the commission set forth a framework that foundations are also a critical financial lifeline for valued organizations, like operas or orchestras. The boundary for unacceptable practices could be framed as "abuses," which were outlined previously, and the rest of foundation evaluation should be predicated on their role as sustainers of social goods.

Payout Requirements and Refuting Ideas for Lifespan Limits. It appeared somewhat inevitable that payout requirements would be instituted by Congress, and the commission did not dedicate much time to refuting that a payout requirement would be beneficial to the charitable needs of the country. Instead, they focused more on how to present a balanced argument for payouts that would sustain the life of foundations while fulfilling their public obligations to distribute funds. Their approach ended up being an argument that foundations should have the freedom to exist in perpetuity for the sake of sustained support to charitable causes, following the idea that foundations do not necessarily need to be innovators but can also serve as sustainers for charitable institutions.

In the midst of discussing payout requirements, Law Professor Bernie Wolfman said:

> The basic question that is involved in any payout requirement, I guess, has its bottom the notion that we want to opt for requirements of charity today rather than for the requirements of charity twenty-five years or fifteen years in the future. That is the fundamental decision that first has to be made. [...] You are

> making a pragmatic judgment, I guess, that the needs today are so great that we will let the future take care of itself. I am assuming that there is no self-dealing, that everything is kosher in the foundation, and really there is a judgment to be made on whether you want to opt for the current or the future. If you were opting for the current two hundred years ago I guess a lot of universities wouldn't exist today and we would have a little more difficult question. But we are saying let the future take care of itself, to the extent that we have great needs today and we have income accumulation (RLSPCA Box 1, Folder 2, August 1969).

Refuting the idea that foundations should have a lifespan limitation imposed after considering sunset provision proposals, Commissioner Kirkland suggested that instead of having just a lifetime limit, there could be a policy that all money still in a foundation after a particular period of time would be turned over to a national or local body that then controls the funds—a nationalized community foundation of sorts. It could be quasi-governmental:

> I think you have got a problem. There is certainly what seems to be to be an obvious conflict because the latitude you allow to private choices on the distribution of tax exempt money set up for them because presumably it serves certain public purposes, and the needs of—if you will pardon the expression—innovation and encouraging new experiments and so forth, and what to me might be an overriding need of a sensible allocation of resources in terms of the real priority of needs, and demands for funds, in the field that is now covered by private philanthropy largely (RLSPCA Box 1, Folder 2, August 1969).

Commissioner Levi pushed back that life limits would actually make foundations more effective. He gave an example of a foundation spending down with the guidance of what a deceased donor may have wanted. If the Ford Foundation, for example, was forced to spend down quickly at its size and magnitude and had used the donor as a guiding light, the Ford Foundation would have been building up anti-semitic institutions in a hurry. Pechman agreed that higher payouts would strike a balance between infinite life spans and reducing waste. He thought that payout requirements would make foundations more disciplined to manage their portfolios intelligently and would place a built-in system for smaller foundations that exist in perpetuity for the purpose of a staff person to live off of it.

Citizen Involvement and the Professionalization of Charitable Work. Another site at which the commission formulated their argument that foundations were both innovators and sustainers was on the question of citizen involvement that they perceived to be vastly increasing during that period, and the professionalization of charitable work to fulfill public needs. It was proposed that foundations were needed because there was an uptick in participation by everyday citizens feeling their local governments had failed them, and who badly needed funding to be public policy influencers in their local areas. This paralleled "urban decay" conversations in the congressional testimonies previously. They contemplated how they could use increased citizen involvement in their argument for the value of foundations by more closely aligning foundations as the key to meeting emergent charitable needs.

The commission had produced a case study in Chicago where they were studying the scope of charitable needs in the city by interviewing foundation heads about what they were funding. The outcome of that study was the commission being able to talk about the cost of doing business and paying for personnel was on the rise in the charitable sector. Commissioner Bryant brought up a movement in large cities for citizens to set up private organizations that work on big urban problems. There was a professionalization of charitable work that the commission posited meant philanthropic dollars were needed to support groups that were working to build cities' infrastructure and support citizen involvement in public and social policy. In an exchange, the commission discussed the rising cost and scope of charitable work:

> Chairman Peterson: What we are doing, Pat, in the Chicago philanthropic sector, we are going back five years, now and the future, and what we are thinking we are going to find is that that rate of paying their people is going to surprise everybody in terms of what it really buys.
>
> Commissioner Harris: Of course, if you go back twenty years, the rate is unbelievable in real terms.
>
> Commissioner Bryant: Pete, do you cover this concept adequately, that we are facing 'the crises of the cities, et cetera,' that citizens are doing—are involving themselves in wholly different ways in planning organizations that are set up and committees to work on rapid transit, et cetera, and foundation money is coming in to help build staff and make some of those things available. Now, these are things that are kind of mushrooming in our major cities. Now, as these problems are

> attacked, are you going to have the citizen involvement, and, if you do, you are going to have to have the funds to do it. (RLSPCA Box 1, Folder 2, September 1969).

The commissioners were building their evidence that charitable work extends past meeting emergency aid needs. In Congress, there were consistent arguments that there was “urban decay” that needed to be addressed, and the federal budget needed to have the funds to do so. They used the tax privileges of foundations to argue that they were a loophole that Congress needed to close to collect a larger tax base. The Peterson Commission was aiming to counter such arguments by demonstrating that foundations were actually contributing to so-called urban crises by funding the citizen involvement that particular moment demanded. By demonstrating this, the commission was drawing a field boundary—government was of course needed, and so were private funds to support private citizen involvement in public matters.

Control Stock. A major issue of the Tax Reform Act of 1969 was control stock. Congress was concerned with the line between non-profit and for-profit entities, as they saw corporate control stock as a means through which wealthy donors could maintain familial control of their businesses through a tax-exempt entity. The commission committed ample time to this issue as they grappled with what types of business entanglements they could or could not defend. Again, the commission used the framework of charitable needs—was limiting business entanglements through regulatory mandates rather than voluntary professional standards worth the potential cost to charitable contributions?

Peterson brought up a specific example during their deliberations. He noted that shortly after his chairmanship was announced, a foundation executive and a company executive brought him to lunch. The foundation was completely made up of that company's stock. When Peterson asked what the advantages were of having ownership of one type of stock only, the foundation executive could not think of one when he was forced to separate business interests. The company executive told Peterson they would "get raided if this prohibition goes through" (RLSPCA Box 1, Folder 7, August 1969:299). Peterson used this anecdote to argue "My point being […] if we are going to defend this I am afraid it is going to be on birth rate or setting it up or something of that sort, not optimization of running a foundation" (RLSPCA Box 1, Folder 7, August 1969:299). Essentially, they could not argue that there are charitable advantages for foundations to solely own in one company and not diversifying their stock portfolios. Instead, they would need to defend heavy stock ownership in a small amount of or single for-profit entity for its broader charitable benefits.

Stanley Surrey argued that he was willing to potentially hurt the birth rate of foundations if it would remove the cloud over foundations that stemmed from speculation that their tax status was being abused in order for a family to keep control of a corporation. Surrey argued that diversifying stock ownership and governance was key to starting to dispel the cloud over foundations:

> I get back to the question of why foundations are always suspect, because they are carrying water on both shoulders. They are carrying philanthropy on one and the family and its business on the other […] I say the reason is that the foundation, as

> an institution in our society, performs two functions. It may channel funds into philanthropy and it solves family business problems. Now, I don't think in the end it can continue to perform both functions (RLSPCA Box 1, Folder 8, August 1969:306-307).

Commissioner Curtis, however, countered that he thought it was possible to clean up foundation practices, up to the point of stock ownership and control. Curtis argued that there could be limits to self-dealing and abuses, but that controlling ownership would impact the birth rate and dabble in motivations of the donors, so it could not be regulated out of existence.

In the end, the commission took the view that limiting control stock would impact charitable giving, and was not worth the restriction. However, under the final Tax Reform Act of 1969 bill, "private foundations with significant control stock were forced to reduce their holdings of any single company to less than 20 percent" (Abrahamson 2020). Thus the final report of the commission urged Congress to reconsider their prohibition (The Commission on Foundations and Private Philanthropy 1970).

The debate over control stocks, however, illuminates a negotiation process that is ongoing in the sector. The logic here was again that foundation advocates had to grapple with the tension between promoting increased charitable giving and the optics of private foundations being tools for business rather than the public good. They again chose to center abuse—framed as an anomaly by a small minority of foundations that can and should be rooted out—as the main problem rather than the more existential question of whether a private foundation should exist.

Altogether, the debate over whether foundations should be considered sustainers or innovators, foundation payout requirements and the consideration of foundation lifespan limits, the status of American cities and the need for citizen involvement, and the consideration of control stock limitations for foundations all illuminate the ways in which the Peterson Commission chose to develop their framework for the place of foundations in American life. Foundations were framed as able to go where Congress could not or would not go. They could support increased citizen engagement to address pressing problems, while avoiding overly-zealous political involvement. All regulatory proposals should thus consider whether they would cost more charitable dollars. After drawing boundaries of unacceptable practices that distanced "legitimate" foundations from those committing "abuses," they went on to suggest that foundations needed to improve their practices in terms of how they govern themselves.

Considering Self-Regulation Proposals

With a distinct boundary set for the role of government in revoking tax privileges for the illegitimate foundations used for self-enrichment, all other proposals fell under self-regulation by foundations. This presented a problem for the commission: by what entity could foundations all be held accountable that was outside of the governmental regulatory space? Underlying the commission's considerations of how to institute a system of self-regulation for foundations was the tension around the nature of power in an institution that does not need to rely on a public for approval of their operations.

In commission discussions, an existing proposal by the three main existing infrastructure organizations— the Council on Foundations, the Foundation Center, and the National Council on Philanthropy—came up. The infrastructure was constructing an accreditation system for foundations to create a system of self-regulation and professional standards for the sector. The proposal suggested that foundations could be set to a standard similar to higher education. They could be accredited, whereby they demonstrate that their practices are standard and acceptable. The sector more generally could enstate these standards through the infrastructure organizations, which could then demonstrate to Congress or other state regulators that foundations accredited through their system were meeting high criteria.

In the commission's descriptions of their ideas for self-regulation, many also made parallels to higher education where the system has been able to keep regulation by the federal government fairly minimal in their everyday affairs because their accreditation systems are powerful regulators in themselves. However, many in the commission dismissed the infrastructure organizations that proposed this regulatory system. Peter Peterson talked about his conversations with foundation leaders to the group, and there revealed that any foundation leader he talked to did not see the significance of any of the infrastructure groups, and thought they were not of worth to the sector. The Council on Foundations was serving small foundations at the time, the Foundation Center was a research arm, and the role of the National Council on Philanthropy was not clear. This presented a problem for the commission who were clearly trying to defend foundations from regulation, and proposals for self-regulation were sought.

Though the commission agreed that foundations should have a system similar to higher education, they pushed back on the proposed foundation accreditation system claiming that foundations did not have a constituency like higher education does. In theory, at least, someone can choose not to attend a higher education system if they do not feel they are living up to their standards. Foundations were understood as not having a constituency to push back on them if they did not operate in a satisfactory manner.

The commission pushed for the foundations to begin to create constituencies for themselves by becoming more public-facing and publicly-accountable for their actions. They again walked the line of resisting further government encroachment on foundation operations while remaining critical of foundations' lack of public relations efforts. This also informed the commission's final recommendations, where they proposed a quasi-governmental entity that could report on foundations and monitor trends, and proposed the expansion of foundation infrastructure to create more cohesion and set better professional standards.

Recommendations of the Peterson Commission

The Peterson Commission finally issued their final report in 1970, after the passage of the tax reform bill. However, their recommendations were able to be read less like direct responses to the tax bill and more like an overview of the field, as was intended. Their recommendations took two forms: recommendations to foundations and recommendations to the federal government.

The Peterson Commission took a marketplace approach to their view of philanthropy: "The public interest is best served through a strong dual system of private giving and government funding as a means for allocating resources for the general welfare" (The Commission on Foundations and Private Philanthropy 1970:xiv). They centered pluralism, and defined pluralism as follows:

> We need the venturesome work of private philanthropy as an instrument for decentralizing the decision-making process in the realm of social policy. We need it to keep open the avenues to a multiplicity of choices, to a freedom of options, to ardent competition among proposed solutions to common problems until the marketplace itself decides which particular solution make the most sense (The Commission on Foundations and Private Philanthropy 1970:xv).

At the same time, they argued the charitable system had "against its record some follies and excesses that were avoidable" (The Commission on Foundations and Private Philanthropy 1970:xv). Yet this record was not strong enough to justify a legislative agenda that would ensure their demise. The commission claimed that their consideration of a country without private philanthropy was a bleak one that should not be pursued, and that there were no positive gains to doing so. Restrictions against innovation by Congress were deemed unnecessary and dangerous—innovation defined as program funding that was outside the scope of what was traditionally deemed charitable.

The commission decided to support a mandated higher payout rate from private foundations. This decision was framed as a commitment to have philanthropy live up to its promise of redistribution rather than growing charitable assets for private gains or keeping control of corporations under the auspices of charity. Higher payout rates were a form of government regulation that would not impede on the decisions of charitable investments, but ensure that charitable investments are made, agnostic of cause. Higher payout rates also conceded that there was a need for some regulation by the federal government while also protecting the right for foundations to be founded and maintained through business investments.

The commission resisted any conclusions that would support government regulation on the right for "foundations to be active in the field of public affairs" (The Commission on Foundations and Private Philanthropy 1970:xvii):

> Government policing and public reporting are necessary to minimize financial and other abuses. Government involvement in program, however, can easily go counter to the basic principle of private philanthropy and put the government in the anomalous position of dominating a group of organizations that have, as a chief reason for being, that they are not governmental (The Commission on Foundations and Private Philanthropy 1970:xvii).

Thus, the commission framed foundations as squarely belonging in the civic sphere, which responded to Congress that claimed funding to matters like voter registration drives were an overreach by foundations.

Last, the strongest overarching recommendation made by the commission was the creation of an Advisory Board on Philanthropic, which would be a private body set up under public auspices. They saw this board as a continuation of their work. How exactly such a body would work was left an open question that should be negotiated with foundations. An advisory board would be a continuous topic through the late 1970s, but nerve came to pass. It was again recommended by the Filer Commission, which will be discussed next.

Recommendations to Foundations. The commission recommended five areas of improvement for foundations: (1) evaluation and knowledge production; (2) capacity building and professionalization within and across foundations; (3) the development of a constituency to which foundations could be held accountable; (4) diversifying boards and governance structures of foundations; and, (5) the creation of professional organizations that could aid in professionalization of foundations and their work.

First, in accordance with how the commission itself took shape, the commission called for increased knowledge production about foundations, which should be supported by foundations themselves and encouraged through the media and academia. They stressed the need for evaluation of institutions and programs—both governmental and nongovernmental: "We believe that foundation sponsorship of impartial appraisals of government policies and programs could become one of their unique contributions to the cause of constructive change" (The Commission on Foundations and Private Philanthropy 1970:129). And by that same token, they state: "we would encourage other agents of responsible criticism—scholars, writers, and the media—to take advantage of new opportunities brought about by wider disclosure of foundation activities to bring their own critical scrutiny of foundations to the attention of foundations and public alike." The media and academic ecosystem around the foundation world was encouraged to more closely follow foundation work as foundations were encouraged to become more transparent.

They then encouraged foundations to find more ways to collaborate and work together on issues, and to improve their internal processes. They call for the creation of associations, mergers, more geographic diversity, and improved staff capacity in foundations where possible. They stop short of calling for the funding of specific programming: "We only urge that foundations bring fresh relevance to the role of pluralism in a modern, responsive society. In so doing, foundations can make a meaningful contribution to rebuilding the society's faith in independent action" (The Commission on Foundations and Private Philanthropy 1970:132). More consistent monitoring and extended staff capacity, they posited, should also mean that foundations are more careful when they make grants that border on political: "the widespread and damaging legislative and public repercussions of a mere handful of small grants on the borderline between politics (or political figures) and charity should remind foundations of both the dangers and of the need for great sensitivity in making and supervising such grants" (The Commission on Foundations and Private Philanthropy 1970:133). Essentially, professionalization could prevent the scandals that could then lead to more existential questioning of the existence of foundations in Congress, and it could help maintain the professional borders of foundations.

Foundations also needed to develop a constituency, and the commission suggested they could do so through "a more candid program of communications" (The Commission on Foundations and Private Philanthropy 1970:135). Founded needed to be good stewards of their investments and ensure good performance of foundation assets: "we also believe that the privilege of an immediate charitable tax deduction for a long-term capital investment in philanthropy carries with it the responsibility to invest that capital productively" (The Commission on Foundations and Private Philanthropy 1970:137). Here, the commission assumed, as also noted in their deliberations over the accreditation proposal for foundations by the infrastructure organizations, that foundations did not already have a constituency and were therefore not being held accountable. The framing disregards that the entities interested in holding foundations accountable for actions at that very time, such as teachers unions in New York City who testified in Congress against the Ford Foundation's investments in their city, were not legitimate constituencies.

Next, the commission suggested that foundation boards needed to diversify. They did not argue for forced diversity by regulation, after considering such proposals during their deliberations. They instead held to the notion that some families may want to remain prominent on boards, and should be able to do so. They suggested that diversifying governance would have two benefits: "provide added perspective to the insights of the boards" and "allay some of the public suspicion of privatism and disdain" (The Commission on Foundations and Private Philanthropy 1970:138). With diversifying boards still being a voluntary idea, however, the commission very much stuck to the status quo for foundation governance.

Last, and one aspect often overlooked in previous work on the Peterson Commission, was their direct recommendations for more and better developed infrastructure organizations. The existing organizations were seen as incapable of bringing foundations as a whole together as they were seen as "too specific to function as an industry-wide body" (Williams and Doan 2021:349). The commission suggested the creation of "a new organization devoted to performance and broadened understanding of foundations" (The Commission on Foundations and Private Philanthropy 1970:139). They argued "the experience of the past year indicates that the existing organizational efforts within the foundation field are on too limited a scale to accomplish the job of achieving better public acceptance" and thus "recommend a reexamination of the existing organizational structure with the objective of establishing a much stronger and more broadly based organization" (The Commission on Foundations and Private Philanthropy 1970:140). They saw this organization as needing to be capable of fostering improved government relations, coordinating the pooling of foundation resources and other forms of cooperation for major projects, and providing technical assistance and helping foundations with their own internal operations and problems. They wanted the organization to seek a leader who had experience creating local chapters that would facilitate philanthropy being practiced more robustly at the regional/local levels. As we will see through the Filer Commission and its impacts, this recommendation will be the most prescient in terms of its long-term viability. The creation of regional and national infrastructure organizations happened piecemeal, and in some ways is still in consistent development today.

The commission ended their recommendations to foundations with a warning: "we believe the foundation world could become the recipient of additional and even more restrictive public and legislative disfavor at both the national and the state level if it does not move with sensitivity and vigor to anticipate abuses and problems that remain, improve its future performance, and broaden the public's understanding of that effort" (The Commission on Foundations and Private Philanthropy 1970:144). What we see through the Peterson Commission's recommendations to foundations is the formation of the logic behind the emergence of the philanthropic infrastructure as a field—the belief in self-regulation as consistent with American voluntarism as a standard to be upheld and cultivated.

Recommendations to Government. The Commission provided a series of three recommendations regarding changes for the federal government to consider addressing: tax policy and administration; payout, reporting, and administrative expenditures; and legislative activities of foundations and the birth rate of new foundations. Overall, the recommendations to the federal government were cautions and mostly conceptual, avoiding many of the more direct debates that took place in Congress leading up to the Tax Reform Act's passage. The commission framed their recommendations around a forecast of charitable needs, appealing to the logic that the charitable tax deduction was a cost-saving measure for government (Duquette 2019).

First, there needed to be a high priority of developing a tax system that incentivizes charitable giving. They forecasted a struggle in the 1970s for nonprofit organizations to raise enough money to survive. They call for a tax system to do the following: "produce significantly more money for charity—in the range of several billion dollars annually"; make "incentives compatible with tax equity and prevent of tax avoidance"; "spread the giving among more people, democratize philanthropy more, and be less 'elitist'"; make incentives that "minimize federal revenue cost": and, "preserve the freedom and diversity of the private sector's charitable efforts and stimulate the will of people to venture new and better approaches to social problems" (The Commission on Foundations and Private Philanthropy 1970:145).

The commission agreed with the Tax Reform of 1969 on self-dealing, limitations on speculative investing, limitations on partisan political expenditures, and limitations on grants to individuals, as well as a requirement for expenditure responsibilities. However, they disagreed with the rules set for payouts and reporting. In terms of payouts, the commission's recommendations were that the payout rate be set at 6 to 8 percent to take inflation into consideration of typical growth for investment portfolios, and that the Secretary of the Treasury be authorized to set payout levels in the future to reflect any trends in the overall rate of returns. They advocated that the payout requirements should be set over a variety of a two to three year average of moving assets rather than one year. The IRS should have the authority to grant extensions on payout requirements for foundations undergoing a transition in terms of investments. Then, in terms of reporting requirements, the commission recommended there be a development of accounting standards among foundations, improved reporting on financial and program activities, and increased efforts to collect, organize, and disseminate information about foundations. Interestingly, the commission recognized the work of the Foundation Center in disseminating foundation information, but suggested that it was not enough given the time lag. They suggested that the IRS be the entity that wrote and published a statistical report on the work of foundations. This once again demonstrated the Peterson Commission's conceptualization of the boundary between government and foundations being that governments were financial regulators. The federal government should thus be responsible for the regulation and dissemination of information on foundations and their financial structures.

Last, the commission made the case that the tax law could prevent the birth of new foundations in the future for three key reasons: (1) the increased disparity in tax incentives for contribution to grantmaking foundations versus other charitable entities; (2) the discouragement of future lifetime or estate contributions of control stock in a corporation by requiring foundations to dispose of those holdings within five years; and, (3) the regulations make establishing a foundation increasingly complex, which may then discourage the future development of foundations. The commission supported the birth of new foundations because it would both increase the amount of assets available to charity and diversify the field, "in particular, it would probably result in a better national distribution of foundations, as the more recently acquired wealth outside the Northeast became reflected in the creation of foundations which might be expected to maintain their base of operations in these areas" (The Commission on Foundations and Private Philanthropy 1970:168)

The commission grappled with what it would mean to set up a positive structure for regulation of the federal government. On the one hand, they argued that the IRS was not the most ideal regulator of foundations. On the other, the creation of entirely new government agency to regulate all non-profit entities could result in typical government problems—the creation of need to maintain their levels of appropriations from Congress that is divorced from their actual need, and the overzealous regulation of charitable entities that could start to control programs rather than just regulating finance and preventing abuse. They thus accepted that the IRS was the main regulating body, and suggested that all foundations undergo an audit before 1973 in order to address concerns still present in Congress and the general public.

Outcomes of the Peterson Commission

The actual impact of the Peterson Commission on foundation activity and government regulation remains a bit elusive and debated. However, it does appear that the commission, mostly through their correspondence within Congress given that the final report itself did not come out until after the Tax Reform Act of 1969 became law, may have held off some of the most drastic proposals set out by Congress. Brilliant (2000:95-96) concludes that “On the whole the commission helped fill a gap in the political arena: it served as a group whose expertise and report-in-the-making could be flaunted in front of the Senate Finance Committee and utilized behind the scenes with members of the administration and Congress.” As explored previously in the House Ways and Means and Senate Finance hearings leading up to the passage of the tax reform bill, those who spoke for philanthropy spoke mostly anecdotally. The foundation executives could speak to their specific foundations. The infrastructure groups that did exist at the time were mostly operating as trade associations with a clear lack of government relations capacity. There was little to counter sweeping allegations. The commission took on a fact-gathering role and Peterson critically testified with their findings that would de-center existential questions about whether or not foundations should exist under the tax code, and instead centered questions of accountability, professionalization, and evaluation.

While it is not possible to understand how members of Congress actually reacted or were swayed by testimony in the end, given Peterson's testimony in Congress, his was one of the only that appeared able to transcend the allegations Congress set out to make against foundations and refocus on more overarching themes the commission research was finding. He maintained a tempered but critical view of foundations, criticizing their lack of transparency while holding steadfast that their role was a crucial one in filling charitable needs in the country.

In short, the Peterson Commission was able to contribute to the discourse in a way that protected foundations from its most damning questioning by Congress. Peterson wrote in the final report about the experience of speaking with Congress: "Yet the experience as a whole raised an uneasy question: Who spoke for philanthropy when the chips were down?" (The Commission on Foundations and Private Philanthropy 1970:5). They revealed that foundations needed to better organize themselves in order to create a knowledge base and government relations capacity that could protect foundations into the future.

The Filer Commission

Despite the Peterson Commission's success in helping to shape a political discourse that potentially held off the most drastic regulations proposed in the hearings, the hostility towards foundations that precipitated the Tax Reform Act of 1969 did not end with its passage. The changing economic landscape of the 1970s (Zelizer 1998) meant that tax considerations were still very much alive in Congress. The Act had staggered implementation phases over several years, which made "interpreting the results of the Act […] a growing business" (Brilliant 2000:101). Peter Dobkin Hall (1992) points to a few ongoing trends in Congress that troubled the same leaders that formed the Peterson Commission. First, Wright Patman continued to be outspoken against foundations as the IRS implemented the passed regulations, which he and other congressional leaders saw as watered down. Second, the impeachment of Richard Nixon revealed hostility towards foundations in the executive branch, as "one of the revelations in the impeachment hearings was a memorandum by presidential aide Pat Buchanan which laid out strategies for combating 'the institutional power of the Left concentrated in the foundations that succor the Democratic Party'" (Hall 1992:75). And third, the new Senate Finance Committee chair, Vance Hartke, initiated more hearings that demonstrated his hostility toward the foundation world.

Members of the 501(c)(3) group, "a loose network of tax lawyers and top officials of national donee organizations" (Hall 1992:75) commissioned a study by Martin Feldstein to counter the then-current academic economic consensus that the charitable tax deduction did not have a clear impact on charitable giving. To their delight, Feldstein found that the charitable tax deduction did influence giving, which meant that the academic backing through research that was still needed to legitimize the purposes of foundations was possible. The Rockefeller group that previously formed the Peterson Commission once again organized a group of prestigious individuals, this time attempting a balance of "geography, party, gender, race, occupation, and religious denomination"

(Hall 1992:77). The group was led by John Filer, Chairman of Aetna Life and Casualty and Director of the Hartford Institute of Criminal and Social Justice (RBF, n.d.), and officially formed in 1973. The commissioners included:

- Leonard L. Silverstein, Silverstein and Mullens and Director of the National Symphony Orchestra Association
- William H. Bowen, President of Commercial National Bank and Director of the Arkansas Association of Private Colleges
- Lester Crown, President of Material Service Corporation and Trustee of Northwestern University
- C. Douglass Dillon, Chairman of U.S. and Foreign Securities Corporation and President of Metropolitan Museum of Art
- Edwin D. Etherington, Former President of Wesleyan University and Trustee of Alfred P. Sloan Foundation
- Bayard Ewing, Tillinghast, Collins and Graham and Vice Chairman of United Way of America
- Frances Tarlton Farenthold, Past Chairperson of National Women's Political Caucus
- Max M. Fisher, Chairman of United Brands Company and Honorary Chairman of United Foundations
- Reverend Raymond J. Gallagher, Bishop of Lafayette-in-Indiana
- Earl G. Graves, Publisher of Black Enterprise and Commissioner of Boy Scouts of America

- Paul R. Haas, President and Chairman of Corpus Christi Oil and Gas Company and Trustee of Paul and Mary Haas Foundation
- Walter A. Haas, Jr., Chairman of Levi Strauss and Company and Trustee of the Ford Foundation
- Philip M. Klutznick, Klutznick Investments and Chairman of Research and Policy Committee and Trustee of Committee for Economic Development
- Ralph Lazarus, Chairman of Federated Department Stores, Inc. and Former National Chairman of United Way of America
- Herbert E. Longenecker, President Emeritus of Tulane University and Director of United Student Aid Funds
- Elizabeth J. McCormack, Special Assistant to the President of Rockefeller Brothers Fund, Inc
- Walter J. McNerney, President of Blue Cross Association
- William H. Morton, Trustee of Dartmouth College
- John M. Musser, President and Director of General Service Foundation
- Jon O. Newman, Judge, U.S. District Court and Chairman of Hartford Institute of Criminal and Social Justice
- Graciela Olivarez, State Planning Officer and Director of Council on Foundations, Inc.
- Alan Pifer, President of Carnegie Corporation of New York
- George Romney, Chairman of the National Center for Voluntary Action

- William Matson Roth, Regent of University of California and Chairman of San Francisco Museum of Art
- Althea T. L. Simmons, Director for Education Programs of the NAACP Special Contribution Fund
- Reverend Leon H. Sullivan, Pastor of Zion Baptist Church
- David B. Truman, President of Mount Holyoke College

The Filer Commission is much more of a disjointed story than the Peterson Commission in its impact and structure. The Filer Commission was less straightforward, and much more prolific, in their approach. They would undertake a total of 86 research projects and a substantial final report, Giving In America: Toward a Stronger Voluntary Sector (RBF, n.d.). Their work also gave way to critiques of the field that would substantially shape the sector's infrastructure moving forward. The Donee Group formed in response to the Filer Commission and an essay issued by Pablo Eisenberg in 1973 claiming that their structure was too elitist and did not consider the needs of donees. The Donee Group was then invited to meet with John Filer and members of the commission to express their concerns [Eisenberg 2004 (1973); Williams and Doan 2021]. In the end, the commission report nodded to the contributions of the Donee group and started to consider them a necessary part of the Filer Commission.

Altogether, the work of the Filer Commission explored in this next section demonstrates the ways the philanthropic field started to chart a new sector-wide operational strategy that recognized shifting political landscapes in terms of protecting their internal interests (e.g., tax deductions and charitable operational freedom), took seriously policy debates and chartered a more cohesive role of the philanthropic sector broadly in the policy arena (i.e., the role of philanthropic dollars influencing policy outside of the direct governing of the sector), considered and debated how to create constituencies that would be a voice for the philanthropic sector, and considered and debated how to create and maintain a more cohesive identity for the philanthropic sector. This section also considers the difficulties in creating a more cohesive sector-wide identity in terms of living up to promises of equity and inclusion. Finally, this section considers a few outcomes of the Filer Commission that shaped the sector's infrastructure moving into the present day as an introduction to the chapter that follows which analyzes interviews of current infrastructure leaders.

The Charitable Tax Deduction in a New Political Landscape

In their early meetings, the commissioners felt that they still did not know the full impacts of the reform bill, and used that lack of data as their starting point. Similar to the preceding Peterson Commission, much of the first two years of the Filer Commission revolved around securing more data and conducting studies about the field. Yet most of the commission's concerns were centered around tax issues. Early in their meetings, the commission brought Stanley Surrey and Boris Bittker to testify about their views of the tax system in regards to philanthropy. Bittker and Surrey had two differing viewpoints. As outlined in the previous chapter, Congressional debates often centered around fiscal balance—where the increased federal spending following the Great Society legislation and the onset of the Vietnam War pressured a Congress squarely focused on balanced budgets to find a resolution. Thus, the charitable tax deduction was questioned as duplicitous. Following years of debates around this issue of government versus private spending on social causes (Zelizer 1998), the Filer Commission was concerned about issues of control when thinking about private versus government funding to charitable organizations. They questioned whether the balance needed for a pluralist society was jeopardized by increased public spending in social areas.

The Charitable Tax Deduction and Pluralism. The debates about the charitable deduction were in nature debates about the pluralism that philanthropy allegedly supports and were consistent with what had been addressed throughout the Congressional hearings and Commissions. Stanley Surrey proposed that eliminating the charitable deduction and replacing it with other incentives for giving (a government matching system, mainly) would actually make the U.S. philanthropic landscape more pluralistic. He argued that the current deduction structurally meant that only 5% of the dollars the government did not accrue due to the deduction, with a rising standard deduction, were from individuals that made less than $50000 per household (RLSPCA Box 1, Folder 8, January 1974). Here, Surrey was asking the commission to think more critically about how to make the charitable deduction more accessible to more people.

Bittker disagreed and argued that there is a long history of subsidizing charity, far past the history of the United States, through the tax system: “I don’t think that those exclusions and exemptions are accidental. I don’t think they represent a two-thousand-year history of error on the part of society” (RLSPCA Box 1, Folder 8, January 1974:23). Essentially, Bittker argued that the charitable tax deduction is an overall reflection of values of society. Rather than focusing on the effectiveness, the commission needed to reorient to think about the charitable tax deduction as a moral stance societies have taken to encourage private giving.

There was no resolution between Bittker and Surrey's friendly disagreements. However, they reveal competing views the Filer Commission considered in terms of how the tax system could incentivize giving, in a way that would benefit more households. The issue of the tax structure was pivotal for the Filer Commission for a key reason: their main outcome would be how to bring foundations into better alignment with the rest of the voluntary sector and to garner wider public support for their existence. Thus, they could not be understood as being the main beneficiaries of government subsidies to giving. They needed to communicate the charitable tax deduction as an American value, as Bittker pointed out, that would support the overall voluntary action of citizens rather than just the top income earner and wealth holders.

However, the commission seemed to take a bit of a hiatus following the January 1974 meeting until September that year. There is no evidence of a meeting[7] until then in the archives. With questions of how the tax system should be structured around philanthropy as their starting point, the Filer Commission struggled to move past the Congressional debates of 1969 when they did pick up again. In the years of the Filer Commission, there were significant changes in the political landscape. The impeachment proceedings for Richard Nixon commenced in 1973, and he resigned from office in 1974. Also in late 1974, Wilbur Mills was involved in a scandal that ultimately led to his

[7] Brilliant (2000) who also wrote about the commissions did not find evidence of commission records between January and September of 1974.

stepping down from the House Ways and Means Committee. And, around this time the House Ways and Means Committee also expanded their membership numbers from 25 to 37 members, and there was an increased use of subcommittees that would begin to diffuse the Committee's power (Zelizer 1998; Brilliant 2000).

This changing political context thus led to enlightening debates within the commission's work as they addressed the changing political context. Commissioner Paul Ylvisaker spoke about meeting with members of the newest Congress. He said that those he had met who held a liberal perspective no longer thought of the United States as a place of growing affluence as they did in the fifties and sixties. Rather, they now want to go through the different systems, including the tax system, and see where they can root out sources of social and economic inequity. However, he expressed hope that the conversation was becoming more sophisticated in Congress around the role of foundations, which was a progression from previous years:

> I am optimistic about the public appreciation of the procedures, the speed at which the country has gone from 1973, to 1975. But again, with Wilbur Mills gone and the back room dispersing for the time being and his x-ray eyes on you, you will see the element of sophistication growing; that is, instead of thinking now in terms of difficulties and tensions between public and private, which I think was advanced for its time; the distinction probably now is going to isolate foundations as the mere image of the deliberative procedures that the Congress and state legislatures represent (RLSPCA Box 1, Folder 10, January 1975:143)

Ylvisaker was speaking in the context of the commission's attempts to outline what a quasi-governmental governing body would look like. In response, Philip Klutznick remarked:

> I can't think of anything that would do more harm than to set up a commission to have the power to investigate every foundation and every recipient organization. [...] Let me go a step beyond. The thing that bothers me about the discussion here today is that I am not quite sure what we are trying to cure. Is it the congressional attitude of 1969, or the congressional attitude of 1975? Is it the donor's benefit or the misbehavior of the foundation? [...] I suggest that our approach may be self-defeating. I think we are getting so deeply involved in the argument of 1969, which was precipitated by a number of things not now present; things that irritated certain Congressmen. If we try to fight the battle of 1969, we are going to lose this battle of 1975. I have great respect for [the proposed quasi-governmental research body]. I think there is a need for a quasi-governmental institution, or I am not quite sure it needs to be quasi. Secondly, that the number of complaints really apply to a small minority of everything going on (RLSPCA Box 1, Folder 10, January 1975:156-158).

Following this exchange, the commission proceeded with their deliberations toward what a quasi-governmental body should look like. Their deliberations, though, demonstrated how their orientation toward tax policy generally needed to shift. Members began to argue that the country was at a place of overall disenchantment with philanthropy in 1969. They felt that the Congress and the public broadly were in a different place by 1975, and that ongoing fiscal crises meant that they did not just need to focus on abuse that was addressed in 1969, but in ensuring there was more fairness in access to the benefits of the charitable tax deduction.

Thus, the problem became less about how to make the case for the charitable deduction for foundations and more about the case for the charitable deduction in general. In this context, Bittker's framework for the charitable deduction as a moral societal tool to encourage charitable giving became more useful. The commission's work going forward needed to be about creating a cohesive idea that the charitable tax deduction was a tool for all rather than a tool for the wealthy—a marked shift from how the charitable tax deduction was originally constructed in the early 1900s as a subsidy for government to have less of a burden to fund social goods (Duquette 2019). This was a break from the Peterson Commission's approach, which appealed to then Congressional consensus that tax privileges were of value insofar as they save the government money. In the committee debates leading up to the Tax Reform Act of 1969, the boundaries of the debate revolved around foundations as either wasteful institutions that were not worth the tax loss, or unaccountable organizations funding social movements or goods while unaccountable to the public. This recognition by the Filer Commission thus marked a recognition that the field itself needed to take up the cause that the charitable tax deduction should be accessible to all taxpayers in an effort to form a broader public constituency.

Through their considerations of the charitable tax deduction, the Filer Commission was engaging in expansion boundary-work (Gierney 1983; 1999). Rather than only protecting tax privileges for foundations, the Filer Commission, given that they were not directly responding to an ongoing tax reform negotiation, were able to rhetorically bring the nonprofit sector closer to a cohesive identity. This effort would improve foundations' standing as they could align themselves with the coveted charitable and voluntary work of many nonprofits while maintaining their own privileges. Then, it could be argued that the charitable tax deduction should be expanded to encourage even more giving and make giving less plutocratic. If the charitable tax deduction was to be defended in this new political landscape, there needed to be more of an identity formed that could create constituencies where all U.S. taxpayers were "givers," and foundations were but one form of giving.

Outcomes of the Filer Commission

This exploration of the Filer Commission highlighted more briefly their internal considerations than I did with the Peterson Commission, and then focused more intently on how the Filer Commission set forth a framework for a more cohesive nonprofit sector identity that would be their main contribution. The Filer Commission, whether by strategic choice or circumstance, made room for dissenting voices that were frustrated with the continued disregard for constituencies that did not have access to the institutional prestige many appointed commissioners did. Further, the Filer Commission's work also helped to pave the way for the founding of Independent Sector, an infrastructure organization that brought together foundations and other nonprofit entities under a single umbrella.

Voices of Dissent and the Donee Group. The Filer Commission sought to bring together a set of constituencies who would be concerned with foundations. People across education, the arts and humanities, and the health sectors addressed where foundation dollars were necessary to their survival and progression. However, their formation was not without significant pushback and critique. Mary Jean Tully (1975:31), then president of the National Organization for Women (NOW) Defense and Education Fund published an article in the New York Times critiquing the Filer Commission for being another formed commission comprised of members "drawn largely from the top echelons of business and higher education." Pointing to several problems with the commission, she stated "the time has passed in this country when public policy on matters of vital concern to all people can be made by groups as profoundly unrepresentative of the general public as the Filer Commission."

The conflicts the Filer Commission created, or as Tully (1975:31) called it, the "rebellion, both within the ranks of the commission and from outsiders who feel that their views were not represented," was not met without a sense of anxiety. Wade Greene, who contributed to the final Filer Commission report, went so far to say that we were seeing the end of philanthropy in this period, and that, even if the Filer Commission did end up defending the charitable tax deduction, it would not be long until it was no longer defensible. He wrote that the danger of losing all tax incentives for philanthropy was "very real and present," "but so is the opportunity—for transforming the venerable processes and institutional structures of philanthropy into bases for exciting advances in citizen involvement, altruism broadly speaking, even if we are bound to say goodbye to philanthropy itself" (Green 1976:10). The sentiment about the nearing end of philanthropy was also shared broadly, far past the Filer Commission. The late 1970s was a time of perceived "existential crisis" for the entire nonprofit sector (Williams and Doan 2021). The expanded social welfare legislation of the 1960s paired with decreased giving amidst financial stagnation garnered a sense of crisis that the nonprofit sector would no longer be a pivotal part of American life. However, this sense that we were coming near to the end of philanthropy as we know it given the seemingly irreconcilable differences the Filer Commission revealed would eventually prove to be more telling of the late 1970s as a period in time rather than a fruitful projection for philanthropy's future.

In the midst of the Filer Commission's work, a new group also formed in protest. What eventually would be called the Donee Group, led by Pablo Eisenberg, felt that the Filer Commission was just as elitist as the Peterson Commission in that they did not represent the needs of charitable and social service organizations and the communities they were a part of and/or served. In his critique of the Filer Commission, Eisenberg asked: "For a national commission studying public needs, this seeming lack of concern for an involvement with the public would seem to be a serious omission" [Eisenberg 2004 (1973):37]. The Donee group would issue their own report, but also acted as advisors to the Filer Commission. And by 1976, the Donee Group had founded their own permanent organization, the National Committee for Responsive Philanthropy (NCRP), which still exists today.

Three years after their founding, a write up about NCRP reported:

> The three-year-old N.C.R.P. has become the gadfly of the philanthropic world. An outgrowth of the Donee Group, a coalition of public interest, social action and volunteer groups that acted as advisers in 1975 to the Filer Commission on

> Private Philanthropy and Public Needs, sponsored in 1973 by the late John D. Rockefeller 3rd, the committee now includes a diverse group of organizations from the National Council of Churches and Common Cause to the National Organization of Women's Legal Defense and Education Fund and the National Black United Fund. It has challenged the United Way's claim that 'it works for all of us' and United Way's unique access to the chief and cheapest source of fundraising — the payroll deduction for charity. In general, the group has criticized the funding priorities of corporate and foundation giving as well as accessibility to them by nontraditional organizations (de Witt 1979:9).

And, a longer reflective view nearly fifty years later demonstrates that the Donee Group became an important constituency in themselves. Throughout NCRP's history, they have taken a less adversarial role against philanthropy and have instead operated to improve philanthropy alongside other infrastructure organizations in the institutional ecosystem. Though starting as a "gadfly" to much of philanthropy, at a time when it was presupposed that philanthropy was coming to an end as we know it, NCRP afforded foundations a chance to demonstrate publicly how they could change their practices and integrate more constituencies that would support their justification and legitimacy.

The Spurring of Advocacy Activities and the Founding of Independent Sector. Finally, and perhaps most importantly, the Filer Commission also paved the way for the founding of new infrastructure organizations and the strengthening of existing infrastructure organizations that would eventually achieve the Filer Commission's main task of "[removing] public policy toward philanthropy from the political process" (Hall

1992:78). The Filer Commission, similar to the Peterson Commission, suggested the creation of a quasi-governmental body that could oversee the field. The creation of such a body never fully formed. The reason for the lack of political will to do so is contested. Brilliant (2000) argues that John D. Rockefeller III's untimely death by car accident put the balance of political lobbying and leadership into question. Williams and Doan (2021) argue that Jimmy Carter's election fully ended the possibility of a quasi-governmental commission creation as he pledged to end the creation and support of new federal commissions. In any case, Hall (1992:78-79) argued that "Because the Filer Commission had failed [to create the long-proposed permanent quasi-governmental agency], those in sympathy with the commission's recommendations had to try to devise alternate means of bringing the diverse and discordant elements of the tax-exempt universe—the third sector—into harmony." As a result, the nonprofit sector's infrastructure broadly underwent a "golden era of growth" beginning in the 1970s (Abramson and McCarthy 2002).

The Coalition of National Voluntary Organizations (CONVO) formed in 1976 to try to fulfill the role the Filer Commission had in mind. However, its existence was short-lived as it struggled to garner a real constituency within the sector. At the same time, the National Council on Philanthropy was also in peril. In 1978, the two groups began discussions about a merger. This proposed merger would lead to the founding of Independent Sector in 1979, an organization seeking to unite the entirety of the charitable sector under one umbrella (Williams and Doan 2021).

The creation of a charitable sector identity was not and continues to not be entirely cohesive. However, the Filer Commission accomplished the building of a framework for how the infrastructure and ecosystem around philanthropy would eventually develop. The dissenting voices the Filer Commission had to reckon with in the aftermath of the Tax Reform Act of 1969 certainly stirred some uneasiness among those within the commission and those seeking for a cohesive framework for the sector to develop. However, the benefit of time also reveals this pushback stirred more organizing activity that was clearly needed in the sector that displaced John D. Rockefeller III's centrality, and, in the end, actually protected foundations from further regulatory scrutiny.

Discussion and Conclusion

Circling back to the research questions in this dissertation, this chapter contributed to answering two questions. First, why and how did the philanthropic sectors' infrastructure organizations and networks emerge? The Tax Reform Act of 1969 was a pivotal moment for U.S. philanthropy because it revealed that there was not a cohesive space that would speak "for philanthropy when the chips were down?" (The Commission on Foundations and Private Philanthropy 1970:5). Both the Peterson and Filer Commissions advocated that a quasi-governmental body be formed at the federal level to research the nonprofit sector in its entirety. When this failed to develop, those within the sector mobilized and eventually founded organizations that, at least until today, have been lasting and impactful in shaping discourse that there exists a cohesive sector that should be protected in American life. It appears that the anxiety within the nonprofit world around a changing social landscape, paired with a real threat from Congress to their tax privileges, spurred the creation of infrastructure organizations and networks that could be an organizing catalyst against further regulations and protect tax privileges (Abramson and McCarthy 2002). And, the commissions gave way for critique of the ongoing reification of social privilege by philanthropic actors.

The Peterson and Filer Commissions were critiqued for their hubris in assuming they would create a framework for how the sector would meet social needs more effectively, given they were made up of privileged groups, overwhelmingly affluent, white, and male. This opening gave way to more organizing, but the organizing was not necessarily against foundations, but against the way they did not make room for diverse voices in decision making. Thus, infrastructure organizations and networks emerged that would challenge philanthropy to be more inclusive and responsive, inherently recognizing that there was a legitimacy to foundations in the sector. This legitimacy claim was badly needed after the hearings leading up to tax reform showed that there were actors in Congress who did not see foundations as a legitimate actor in the third sector at all, even if it did spur anxiety among some that ongoing critiques threatened unity.

Second, how did the rhetoric around sector-wide regulation develop and evolve over time, and how did the sector's infrastructure shape the rhetoric? This historical view and recounting of the actual negotiations within the commissions and the discourse that was happening around them demonstrate how the emerging infrastructure began to use the charitable tax deduction as their central organizing point. The commissions began the process of collecting knowledge around the sector that demonstrated how foundations met "charitable needs," and framed any sort of regulation that would threaten tax privileges as taking money away from meeting such needs. They shaped this rhetoric by helping to create a cohesive identity that all voluntary and charitable activity belonged to a cohesive sector, with foundations being a part of that. The Filer Commission in particular helped to develop the idea that all taxpayers should benefit from the charitable tax deduction not because it helped to save the government money by meeting social needs directly, but because it was a value that Americans should uphold. Thus, as Congress had expressed concerns about the latitude of foundations versus private citizens, the commissions helped to develop the idea that the latitude was less consequential than all taxpayers having access to the benefits of the charitable tax deduction. Infrastructure groups could then take up the claim that they were standing up for everyone to benefit from charitable tax privileges, not just those wealthy enough to form a foundation. The Peterson Commission was formed, and right away began discussing the lack of data on foundations as a major concern. This allowed the commission to do two things. First, they were able to critique foundations for their lack of attention on gathering data about themselves, whereby the commission made concessions to Congress by agreeing that foundations have been negligent with their tax privileges (i.e., organizations that enjoy public subsidies). These concessions made Peter Peterson a credible testifier as he spoke to the Senate Finance Committee as he was separate from foundations and not necessarily someone who would directly benefit or be harmed by whatever policy outcome took shape in regards to foundation regulation.

Second, it allowed the commission to make statements about what types of knowledge were actually needed on foundations—knowledge that would bypass more fundamental and existential questions about their existence and relationships to economic and political power and instead focus on their capacity to be sustainers and innovators for social causes and institutions. They were then able to identify "prominent citizens" that were deemed fit to collect and communicate this data.

As outlined previously, Peter Dobkin Hall (1999), historian of philanthropy, responded to Stanley Katz (1999), another historian of philanthropy who was influential in the founding and shaping of philanthropic studies as a particular area of inquiry after 1969, through a series of published articles. Katz was reflecting on how centers for knowledge production around foundations and the nonprofit sector were built to support the "serious study of philanthropy." Here, Katz suggests that it was not until direct investments were made by philanthropists to study philanthropy that the "serious study" of the subject occurred. Hall (1999) responded that while important inroads had been made, Katz's claim that there was no existing knowledge or interest in philanthropy prior to the investments made to create research centers and infrastructure organizations to become designated knowledge producers for the sector may be due to the fact that the rich literature on philanthropy "did not address concerns emerging about the nature and future of philanthropy in the wake of the Tax Reform Act of 1969" (Hall 1999:526). What the previous chapter on the Tax Reform Act of 1969 hearings showed was that foundations' position as institutions shaping discourse around public needs was being threatened. The commissions were a means to reposition foundations as a space for speaking about needs (Fraser 1989). The commissions were pushing against the politicization that was happening in Congress by resituating foundations as sources of needs addressing. Congress was politicizing foundation investments, and the commissions, rather than also questioning the underlying assumption of foundations positioning themselves as needs fulfillers, sought to depoliticize foundation investments.

The commission criticized foundations for the ways they were not fulfilling their promises. In their final report, the Peterson Commission wrote:

> The record of distinctive foundation contributions is the record of a comparative handful. When the public rhetoric of foundations stresses continuing bold, venturesome leaps into the future, a more complete picture would include a rather pervasive passivity, and a sluggishness that marks not only their financial investments and payout to charity but also the quality of grant making of most American foundations. The commission strongly affirms the work of many of the traditional purposes to which foundations devote their funds. Yet many more of them must face up to a high priority task. They must fulfill their unique potential for the public good in a world of change. They must earn and build the public's trust and confidence if they are to tackle our society's unmet needs (The Commission on Foundations and Private Philanthropy 1970:119).

By collecting data on foundations, they were not calling for knowledge production that could potentially displace foundations as a source of needs fulfillment. Rather, their positioning was to solidify the assumption that foundations should and could be fulfillers of needs. They left open the question of who would actually *define* these needs, leaving open the assumption that foundations were directly tied to communities and/or that charities were formed as close to the issues.

Exploring the Peterson Commission and their concern for a lack of data about foundations gives further insight as to how knowledge production formed around the sector and paved the way for the emergence of the philanthropic infrastructure as a field in itself. It also helps to move forward Fraser's (1989) call for us to break away from inquiry focused on needs into the discourse about needs and the politics of needs formation. The Peterson Commission influenced the political discourse around the Tax Reform Act of 1969 to be less focused on existential questions around foundations' existence and resituated foundations as sustainers for social causes and institutions, which then gave a framework from which to evaluate foundations rather than question their existence as a whole. They centered "charitable needs" and expanded the definition by pointing to Congress's concern around urban problems as a place foundation should and could fund through supporting citizen engagement efforts. Thus, any measures that could potentially divert funds (theoretically, at least) away from charitable needs could be too much of a risk. Foundations needed to be protected, and only the abuses—defined as direct personal enrichment—needed to be weeded out. In short, the Peterson Commission's work was successful in rhetorically placing foundations as central components of a voluntary ecosystem that was a proud American value. And they were successful in creating a framework from which foundations could organize, producing knowledge about their value that spoke to American values of civic engagement and local association.

The Filer Commission, on the other hand, provides insights into the origins of the philanthropic infrastructure as a field. Dromi (2016:196) suggests studying "the role of culture in fields by studying how the logics that govern their emergence develop." The logics that governed the field's emergence was that foundations were a pivotal part of the charitable sector, and that the charitable sector is a pivotal American institution. This was demonstrated throughout the Hearings with foundation advocates frequently invoking de Tocqueville's writings that voluntary action is a central aspect of American identity and a crux of American society. It was made clear in the three years following the Tax Reform Act of 1969 and the Peterson Commission issuing their report to Congress and the public that simply gathering facts on philanthropy in the short term to respond to direct threats of regulation was not enough—the investigations kept going in Congress. The Filer Commission brought together more voices and began to strategize about the longer-term vision of what philanthropy should be that protected the interests of wealthy funders while garnering support from the charitable sector. In short, the external shocks and the feeling that philanthropy as we know it as an American institution was under threat of extinction actually created the frameworks and organizing necessary to protect foundations and the charitable tax deduction broadly from being done away with.

Previous work about the Tax Reform Act of 1969 has posited that the event was an example of a disruption that then spurred isomorphism and more bureaucratic practices among U.S. foundations (DiMaggio and Powell 1991). Frumkin (1998) explored what he described as the "recoil" of regulation following the Tax Reform Act of 1969. There, he uses new institutionalism and organizational isomorphism to argue that the Tax Reform Act of 1969 made philanthropy more bureaucratic and hegemonic. He points to the formation of Regional Associations of Grantmakers (RAGs) across the United States, the majority of whom formed after the Tax Reform Act of 1969, as local places where larger foundations gain more traction by forming coordinating groups for larger projects, and smaller foundations join these efforts. He argues that the creation of infrastructure for communication and coordination means that grantmaking is more centered around the priorities of large foundations, and that regulation necessitated foundations spend more on overhead and administrative costs rather than on their specific causes. This spurred more grantmaking around small niche projects where the newly formed class of philanthropy professionals are able to prove their worth and necessity to the organization, whereas general operating support previously was more common with less staff oversight. On a national level, Frumkin argues, the Council on Foundations formed a code of ethics in 1980 that pushed foundations to understand themselves as public rather than private institutions, and aligned their practices as such. Frumkin points to the creation of what is now known as the Philanthropy Roundtable—a more conservative-leaning infrastructure organization that centers donor privacy and intent and philanthropic freedom as their guiding advocacy principle—but frames this organization as small, niche, and not a significant counter to the Council on Foundations' influence that promoted even more hegemonic practices among foundations.

However, what new institutionalist thought does not take into account when used as a lens for understanding how the philanthropic sector transformed after the Tax Reform Act of 1969 is the dissenting voices that were then integrated into the sector's infrastructure and continue to have influence today. Bourdieu (1989:23) argues that the power to make a new group is predicated on symbolic capital, which is “acquired in previous struggles,” and “can be obtained only as the outcome of a long process of institutionalization.” In order to protect foundations from further regulation, John D. Rockefeller III recognized that there needed to be more voices speaking for foundations other than those who worked for them or were funders themselves. There needed to be organizations who benefited from foundation dollars that understood themselves as existing in the same ecosystem as foundations. The success of creating a sector identity is indicative that nonprofits and associations had come to represent the coveted Tocquevillian associationalist culture of the United States (Skocpol 1998), and their speaking as part of a common sector that existed alongside the state and the economy *with* foundations helped to protect foundations from further regulation.

In their attempt to create a comprehensive theory of fields, Fligstein and McAdam (2012) seek to address the problems sociologists have in explaining the “role that social actors play in the construction of social life” (16). Often sociologists focus too heavily on the structural problems individual actors encounter that gives little credence to individual agency or the ways in which individuals negotiate their actions in a broader context. Fligstein and McAdam (2012) are thus interested in looking to strategic action fields as a means to better understanding how “social actors […] create and sustain social worlds by securing the cooperation of others” (17). They argue that: “the creation of identities, political coalitions, and interests may be motivated by a desire to control other actors. But the ability to fashion such agreements and enforce them requires that strategic actors be able to ‘get outside of their own heads,’ take the role of the other, and work to fashion shared worlds and identities” (17).

Peter Peterson’s success lay much less in the actual suggestions his commission made or how those suggestions were or were not implemented, and more in the political gap he was able to fill (Brilliant 2020). When there was not a unified voice for foundations, he was able to be that voice as an insider/outsider of sorts. He was chosen by John D. Rockefeller III, who was directly lobbying for particular outcomes for the charitable sector broadly. Yet his commission attempted to separate themselves enough in both practice and communication to garner legitimacy in Congress. He was able to strategically consider two exogenous shocks previously explored: the reactions to controversial investments by some foundations that many found distasteful and the taxation reform pressures that aligned with the tax policy consensus at that particular moment in Congressional history (Zelizer 1998).

Similarly, the Filer Commission was able to accomplish much more of the latter in terms of shared roles and identities. The Donee group went on to form the National Committee for Responsive Philanthropy, which remains an organization in the infrastructure and ecosystem of philanthropy today. The Filer Commission took a big tent approach to their recommendations that remained protectionist of the institution, yet took on dissenting views. The infrastructure that emerged from the post-Filer Commission era, though a necessity from a lack of federal action to create the suggested quasi-governmental entity to oversee the sector, demonstrates the strengthened shared identity in the field.

By understanding not just the Tax Reform Act of 1969 and its aftermath but the organizing and dissent that opened in its aftermath as the sector dealt with a perceived crisis, we can see that the logics that governed the creation of a field within the sector, the philanthropic infrastructure, were that there needed to be a unified voice for the sector that could speak for it when under attack. This unified voice was in some ways “a desire to control other actors” (Fligstein and McAdam 2012:17). The Peterson and Filer Commissions both set forth standards that would draw boundaries around which foundations should or should not have access to the legitimacy they worked to create (Gieryn 1999). However, what previous work around the Tax Reform Act of 1969’s impacts that take on an isomorphic theoretical view miss is how the shaping of identity requires social actors to have “the ability to fashion such agreements and enforce them requires that strategic actors be able to ‘get outside of their own heads,’ take the role of the other, and work to fashion shared worlds and identities” (Fligstein and McAdam 2012:17). In other words, to create a cohesive sector identity and for the infrastructure field to emerge, concessions had to be made to dissenting voices who were pushing philanthropy to be less plutocratic. Foundations themselves might have become more bureaucratic as they professionalized (DiMaggio and Powell 1991; Frumkin 1998). However, inscribed into the logic of the infrastructure field’s formation was both protection of foundation privileges *and* space for more diverse voices to speak for them. The cultural dimensions—the valuing of associationism and voluntarism as American values—were crucial to the formation of the infrastructure as a field itself (Dromi 2016).

The next and final findings chapter will thus use interviews with professionals working in the infrastructure today to better understand how they understand their role in shaping policy for the sector, negotiate the politics of the sector, and shape meaning around their current policy and advocacy efforts. Abramson (2016) argues that while nonprofit sector advocates have held off significant federal regulatory threats, there is a frustration by advocates for a robust nonprofit sector that federal policy has been more defensive rather than offensive. They argue that the constraints of regulations around advocacy and lobbying can often hinder nonprofit actors in advancing causes that will directly impact the work of philanthropy and nonprofits. In more recent years, there is also an increased call within infrastructure organizations for nonprofits and philanthropy to engage in as much advocacy as possible, pointing to the nonprofit sector as a whole being a leader in advocating for social welfare.

I will trace how they use "text-mediated discourses" (Devault and McCoy 2002:386) that are set forth by a protectionist infrastructure that seeks to absorb critiques of the sector in the name of meeting social needs through philanthropy, while also facing renewed calls to engage more deeply in advocacy to speak to social welfare at the federal and state levels that brings about renewed concerns for how to maintain a supportive relationship with government that will not threaten the defensive wins of the sector to maintain tax privileges (Abramson 2016; United Philanthropy Forum 2018). Overall, I explore how these professionals navigate the tensions and contradictions of the sector that was set forth by the infrastructure field's emergence, responding to the Tax Reform Act of 1969.

CHAPTER FIVE: THE PHILANTHROPIC INFRASTURCTURES FORMATION AND TODAY: SERVING PHILANTHROPY, CONCEPTUALIZING PHILANTHROPY

When talking about philanthropy, there can be an either/or tendency to frame it as an elitist institution solely born from accumulated wealth that should not exist in a fair economy, or an institution that is inherently good in its quest to invest money into social causes. While this is clearly overly simplified, the more recent critiques of philanthropy that have gained traction still operate with this premise, and tend to critique the giving field as inherently selfish or blind in its quest (Giridharadas 2018; McGoey 2015). However, in more recent years, there has been an increased emphasis on partnerships between philanthropy and government, creating large initiatives to meet social needs (Nickel 2018; Toepler and Abramson 2021). Such initiatives that emphasize coordination of philanthropic resources often adopt language such as solving "structural problems," "systems-change," and "equity-based agendas" (Walker 2017). The embracing of language that aligns with the critiques of philanthropy set forth raises new questions as to how we talk about philanthropy. Critiques around effectiveness bypass what the discourse about philanthropy is actually doing in the first place, which is setting terms around political discussions about needs (Nickel 2018).

In her exploration of philanthropy as an institutional logic that contributes to political discourse about needs, Nickel (2018:63) posits that: "If philanthropy *politicizes* needs in the sense of creating a space of contestation where previously unrecognized needs achieve recognition, then perhaps it has the potential to transform power relations."

On the other hand, strategic partnerships using philanthropy can also potentially depoliticize needs and inscribe a discretionary version of meeting such social needs. The emphasis on partnerships between government and philanthropy and the coordination of philanthropic resources has also brought about an emphasis on policy within philanthropy's infrastructure. Policy, referring to how philanthropic entities engage in policy debates at the local, state, and national levels, is a main focus of many PSOs, which will be explored in this chapter. In short, PSOs are often a space where such coordination takes place. Thus, I found it important to try to understand those who are not philanthropists or foundation professionals themselves, and therefore are not making investment decisions, but are nevertheless operating within this institution for its betterment. How do they make sense of their roles, and how do they conceptualize the possibilities and limits of philanthropy? How do they engage with issues of power and influence? How do they see the role of philanthropy in relationship to government? How does the legacy of organizing to create a sector identity to protect foundations as philanthropic vehicles effect the way PSOs operate today, and understand their roles? As Philanthropy-*Serving* Organizations, what and who exactly are they aiming to serve?

The Tax Reform Act of 1969 was a pivotal moment in U.S. philanthropy's history. Less explored in the existing research on the tax reform act's legacy is the throughline of an ongoing tension in the philanthropic field that lies at the intersection of creating a sector identity that includes nonprofits and community-based organizations as equitable partners, self-protection against encroachments on the charitable deduction and increased government oversight, and living up to purported missions of standing up for the public good. The preceding chapters outlined this throughline starting with the 1960s period of investigation and proposed regulation in Congress, to the work of the Peterson and Filer Commissions in setting the groundwork for the founding of the Independent Sector and the founding and transformation of other infrastructure organizations. The Peterson and Filer Commissions both suggested the establishment of some sort of governmental or quasi-governmental organization through which the nonprofit sector would be regulated, and would serve as a bulwark against the series of Congressional investigations and reporting where philanthropy was centered as an occasional scapegoat for larger systemic problems. However, following the Filer Commission there was little political will to create a governmental organization. Self-regulation within the sector became the focus, and thus the work of PSOs. Little academic research has explored the ongoing thematic throughlines of tensions around who and what philanthropy should serve, as outlined above, or have connected this idea of self-regulation born out of necessity due to a perceived historical trend by those in the sector of investigations by Congress, to the ongoing work of PSOs.

Method

Thirty-one current leaders in PSOs were interviewed for a forward look at philanthropy's evolving place in shaping policy. Ten of the leaders were in affinity groups, all with a national focus, and twenty were in general infrastructure groups. Four of the general infrastructure groups had a national focus and sixteen had a regional focus. In light of the COVID-19 pandemic, access to the Rockefeller Archives, which holds the collections for major foundations who funded the transformation and building of the infrastructure in the late 70s, 80s, and 90s was limited. I sought these records in order to write a chapter about the development of the infrastructure from the perspective of the funders who organized them. However, because of access limitations amidst the pandemic, four supplemental interviews were conducted with previous program officers and founders of infrastructure groups who were instrumental through these years. The interviewees are outlined in the figure below.

Table 1 Interviewees and affiliations

PSEUDONYM	ORGANIZATION TYPE	GEOGRAPHY
Avery	General Infrastructure	National
Beatrice	Affinity Group, Cause	National
Bridget	Affinity Group, Cause	National
Celeste	General Infrastructure	Regional
Charlie	General Infrastructure	National
Clay	General Infrastructure	State
Dana	General Infrastructure	Regional
Darlene	General Infrastructure	State
Edie	General Infrastructure	Regional
Eric	General Infrastructure	National
Frances	Affinity Group, Cause	National
Ferris	Affinity Group, Identity	National
Glen	General Infrastructure	State
Kevin	General Infrastructure	National
Ken	Affinity Group, Cause	National

Katherine	General Infrastructure	State
Lane	General Infrastructure	State
Lillian	General Infrastructure	National
Loren	Affinity Group, Cause	National
Lee	Affinity Group, Cause	National
Mal	General Infrastructure	State
Owen	General Infrastructure	State
Sasha	Affinity Group, Cause	National
Shae	General Infrastructure	State
Sydney	General Infrastructure	Region
Tate	General Infrastructure	State
Terry	Affinity Group, Cause	National
Toni	General Infrastructure	Regional
Taylor	General Infrastructure	Regional
Vick	Affinity Group, Cause	National
Wesley	General Infrastructure	Regional
Supplemental Interviews		
Norman	Affinity group founder; previous program officer to infrastructure organizations	
Craig	Previous program officer to infrastructure organizations	
Kevin	Previous program officer working with public policy and the nonprofit sector; previous foundation director; teacher in nonprofit management and philanthropic studies	
Neil	Previous community foundation leader; previous regional association leader	

Types of Organizations

General infrastructure groups are organizations with a national focus that support sector advocacy, research, and practice. Regional associations are organizations that focus on a specific region, state, or city that are generalist and encompass all funders in their geographic area. Cause-focused affinity groups are organizations with a national focus that support funders who are investing in particular causes (i.e., human rights, early childhood education). Identity-focused affinity groups are organizations with a national focus that support funders who are made up of and/or invest in particular demographics (i.e., Native Americans, women). These organizations were all chosen as part of a snowball sample. Initially I utilized my network connections in the field. Following interviews with these connections, I reached out to organizations of interest and organizations others initially interviewed suggested. The leaders interviewed worked in either executive or policy positions within their organizations. This sample allowed for a deeper understanding of the vast diversity within the infrastructure organizations, and the more granular nuances that occur geographically and across issues areas. It also was purposely chosen as there is an effort today to bring all of these groups together under one umbrella through the United Philanthropy Forum, a move that highlights the ever-elusive task of creating more sector cohesion and identity.

Overview

Interviews with previous program officers and leaders in the field demonstrate the self-preservationist frameworks that were set in place during the establishment and development of much of the infrastructure. They support findings from previous research that highlight how the tax reform act and the Commissions that followed created an environment where the sector needed a stronger infrastructure to protect itself from further regulation, and that believed these Congressional investigations could come at any time (Barman 2013; Brilliant 2000; Williams and Doan 2021). Interviews with current national PSO leaders indicate that the rhetoric around sector-wide policy and norms largely remain defensive of philanthropic structures as evidenced through a persistent focus on the charitable deduction and minimal governmental oversight, a throughline from the post-Filer era (Williams and Doan 2021).

However, regional and cause-focused PSO leaders reveal tensions in actually operationalizing ideas around democratizing the philanthropic process, "community voice," and creating consensus for more effective philanthropic investments. Social movements—for economic, racial, and gender justice, in particular—have pushed these PSOs to grapple with their organizational models and move toward a thought leadership role in addition to the traditional member services model they have undertaken since their inception. Some leaders themselves come from organizing backgrounds and demonstrated a commitment to these principles and sharing them with their members to push philanthropy to more progressive ends. This often manifests in educating members about not just sector-specific policy,[8] but social policy more broadly that impacts those they aim to serve through their funding (e.g., healthcare policy, early-childhood education policy, poverty and/or hunger reduction policy) at the local/state and national

[8] Sector-specific policy refers to government regulations on the nonprofit sector itself.

levels. On the other hand, region-specific PSOs are grappling with local politics and creating a consensus that may not be possible while representing a wide range of interests.

Overall, the interviews make clear how PSOs are a part of the Filer Commission's legacy to create a robust defense for the place of foundations in American life. The Filer Commission faced pushback that claimed they were not representative of charitable needs. The critiques faced by the Filer Commission, in the long term, actually helped to shape a sector identity that was stronger in its defense of foundations because it incorporated more diverse voices that were given a seat at the proverbial table of the discourse around philanthropy. In other words, they all became part of the constellation of the nonprofit sector, which could critique and pushback and remain contested, but was a common identity nonetheless (Barman 2013; Hall 1992). Today, a broad swath of PSOs are themselves seeing their work in common with one another as a field into themselves. Overall, they protect two aspects vital to the ongoing protection of foundations (and a diversity of philanthropic vehicles): a strong reputation of the nonprofit sector as the core of American civil society, and tax protections for giving.

Aside from these two aspects that are protected above all, the PSO space allows room for discourse around philanthropic *practice*, but not philanthropic *existence*. Thus, there is room for critique and dissent about how philanthropy should invest in civil society and partner with the state and communities. The room for critique and dissent allows for a pluralistic approach to philanthropy based on difference theory (Bevir and Reiner 2012:184)—aligning the rhetoric around philanthropy with the rise of pluralism in the United States that emphasizes “inclusion in the political arena.” The embrace of difference pluralism does not mean that there are no philanthropy practitioners who take seriously issues of redistribution. Rather, the embrace of difference pluralism, at least in the PSO space, encourages leaders to separate issues of economic inequality from philanthropic giving as a practice, which reinforces the protection of tax privileges.

This chapter will first explore how the protectionist stance of the infrastructure was infused into its organization in the 1980s and 1990s, then outline the ways national general infrastructure leaders today make sense of their roles and set forth a protectionist rhetoric about the sector. Then, I will zoom into the regional and cause-based infrastructure leader perspective to see how the frameworks set forth at the national level are negotiated in more local and specific contexts. Finally, I will show how the infrastructure makes room for dissent and challenge to traditionalist paradigms of philanthropy.

National Infrastructure

The national general infrastructure—meaning organizations that exist for the protection and service of philanthropy write large in the United States—are largely tasked with protecting the charitable tax deduction and putting forth rhetoric about the “health” of the nonprofit sector.

Memories of 1969 and Conceptualizing “Threats”

Given that it has now been over five decades since the Tax Reform Act of 1969, there are few that still work in the infrastructure that were working during the period, or even working in philanthropy generally. However, interviews with previous program officers help to shed light on how early funders of the infrastructure saw their role as stewards of a sector under threat. Further, the institutional category of "threat" is still very much embedded within PSO frameworks. There was a sense by some that philanthropy could be under threat at any time, which constructed a memory that the Tax Reform Act of 1969 was an "attack" on philanthropy that has lasting impacts on the way the sector operates today.

Stewards of the Sector. When recounting the organizing and unease in the sector following 1969, previous program officers interviewed recounted how major funders of the time began to think of themselves as keepers of the nonprofit sector generally. Craig, speaking as he perceived the foundation would, articulated the sentiment as the following:

> We have found it useful to think of ourselves as citizens with responsibilities that derive from that role. Thus, we see the funders inhabiting three concentric spheres of society, the earth, including the nation, the city, which is the fund's home, and the nonprofit sector, the fund's own sphere of operation.

As a result, the foundation Craig worked for and what they saw as peer foundations of the time started to think of their role as stewards of the sector. Craig himself thus took on a portfolio that funded emergent infrastructure groups and encouraged their formation. They saw this, he recounted, as a means to protect the sector and ensure that all foundations were held to high professional standards.

However, today, some find that they are again having to appeal to foundations to be good stewards of the sector. At the national level, there are renewed calls for foundations to fund PSOs. Craig went on to say that today, he finds himself encouraging foundations to “support the structures that [they] rely on just as some of [our] taxes go to roads.”

The Legacy of 1969. Those that recounted the legacy of 1969 did so in the context of how foundations operate today. Taylor, a regional association leader, recounted the founding of their association stemming from the Tax Reform Act of 1969:

> We have kind of this origin story around public policy where foundations in [our region] like to say they were asleep at the wheel. And they weren't organized in any major way at that point. There wasn't a lot of networking or a lot of groups at that point, it was kind of doing their own thing. And they all kind of were taken by surprise by the Tax Act of 1969 and realized that they needed to organize to defend philanthropy and to defend their, you know, their interests and the reputation of foundations.

With framing 1969 as an attack on philanthropy, many felt that foundations being cautious with their funding was a result of institutional memory that motivated them to be less bold in the grants they make. Eric, a general infrastructure professional working at the national level recounted a workshop they had recently helped facilitate for funders interested in advocacy. There, one presenter told foundation professionals that the reason foundations were so conservative in terms of engaging in any sort of advocacy activity was because they were “punished for it” in 1969. The job of PSOs, in Eric’s recounting, were to guide foundations on how to engage in advocacy activities in a way that would not threaten their tax privileges. There was a line they needed to walk, Eric recounted, between legal parameters and ensuring that foundations were doing all they could to engage with the issues they cared about. This includes advocacy—which Charlie described: “We believe that advocacy is a key determinant and a key sign of a healthy nonprofit sector.” Thus, the memory of 1969 is conceptually aligned with why foundations, in their views, were hesitant to engage in any sort of policy activities: they were afraid of being “attacked” for it.

Regulation and Oversight: Sector-Focused Advocacy. The Tax Reform Act of 1969 hosted many debates around the efficacy of the IRS regulating philanthropy and foundations. It was said then that there should be some other form of regulation because the IRS does not have the capacity or incentive to ensure foundations are properly regulated. That institutional memory still persists. Many leaders who work at the national level are perplexed by how philanthropy is regulated. While they tend to advocate for very loose guidelines to ensure that they maintain investment freedom and allow the field to grow, they also think that the structures in place are inadequate and illogical. Kevin, a national general infrastructure leader focused on sector-wide research, said:

> I will add a piece in all this which is, it is crazy that our tax authority regulates the nonprofit sector. And you know, arguably one of the best things the government could do is say, ‘Hey, you know, this really should sit somewhere else in an entity that is resourced and positioned to do a good job actually regulating us.’ And, I don't know, you can make lots of arguments as to where that should be. But, you know, just the regulatory structure is pretty illogical.

Charlie brought up that there is a spoken historical understanding in the field that the excise taxes paid by foundations were supposed to support the creation of another governmental agency that would be the watchdog for philanthropy, but that never happened. While I am not able to confirm that this is specifically true, there was talk of creating an independent oversight body in government. However, after the tax reform act passed, the political will to do so was lost and the agency never formed. What exists today is still a patchwork at the federal level.

Current Threats and Preparedness. Connected with the memories of 1969 are the ongoing and evolving conceptualizations of "threats" to the sector. Charlie stated: "Trust is such a, you know, kind of the currency of our realm. So I think if the nonprofit sector loses the public trust, I'm not sure what we have left." Previous leaders expressed concern for the current moment of institutional distrust in the country. However, they pointed out that with the nonprofit sector being so closely tied to the tax system, issues can be unpredictable. They may get tied with other seemingly unrelated issues or scandals, as they remember the case being in previous Congressional investigations and hearings and previous tax reforms. Kevin spoke about the sector needing to be prepared and to be constantly thinking about tax issues, pointing out that the Tax Reform Act of 1969 was foregrounded by decades of Congressional investigations into philanthropy when Congress was faced with other seemingly unrelated economic, social, and industrial issues:

> '69 was the result of tax policy issues and public issues, whether it's Cox and Reese or Patman, whether it's the tax reform, particularly in the 1950s, but also

> the legislation before that, in the 1940s. Tax Policy germinates, issues germinate, and then things happen quickly, whatever abuses are perceived... when we come to tax reform, in, let's say, a Biden administration, and I suspect we will, in one way or another, foundations and the nonprofit sector are going to have to be prepared. And, you know, in ‘69, the issues that were germinating certainly concerned pay out. But they did not necessarily concern what was going to happen, funding for individuals. That all burst in ‘67 and ‘68, particularly 68, with the Kennedy staff members, the Bobby Kennedy staff members. The distinction between foundations and public charities, I think, have been germinating probably in the Treasury Department reports in ‘65. But the foundation sector had begun to prepare, with Peterson and Filer, for the reform and the aftermath. I'm not sure we're prepared now. [...] I'm not sure we're as well served by [the current big national infrastructure] organizations as we were when Peterson and Filer mobilized.

This sentiment was indicative of the protective nature of the infrastructure since its inception, and also demonstrates the very real reason for such a sentiment. The idea that philanthropy and the nonprofit sector more broadly must be consistently prepared to defend themselves is grounded in investigations that have been framed as attacks and encroachments. However, this approach disregards a key advancement: the establishment of government relations as a key feature of many national and regional infrastructure groups.

Overall, we can see that the infrastructure, in many places, maintains a cautious view that they are always under some sort of threat given that their sources of existence are tied to public trust and the federal tax system.

Conceptualizing Their Roles in the National Infrastructure

Unified Voice for Philanthropy. Charlie, who previously worked as a Capitol Hill staffer, spoke about how the nonprofit sector remains disjointed. He mentioned that in his experience, if there was a concern brought to him as a previous Hill staffer, he would ignore it unless it appeared that a majority of an industry or sector held the same concerns. He identified a core function of his job to be ensuring that the nonprofit sector could be coordinated when needed. When I asked him to elaborate on what they would need to be united on, he said that it was largely to speak on tax issues. Charlie felt that a "healthy" sector meant that they needed to be united on tax privileges for charitable giving, and emphasize that access to the charitable tax deduction was key to maintaining the nonprofit sector's identity, where all are a part of it. Essentially, the nonprofit sector needed to be conceptualized as civil society itself.

One way some propose they can create a more unified voice for philanthropy is through collaboration amongst national infrastructure groups. Ken spoke about the different PSOs that are now coming together for what he suspected was the first time. He pointed to the different missions within each infrastructure group, whether they are more progressive or more conservative. However, he highlighted that there has been more collaboration around where they do intersect, which is what he identified as the core mission of all of their work:

> And you can't always do [collaboration], especially when you have like, [Association of Black Foundation Executives] or [Grantmakers for Effective Organizations] with Philanthropy Roundtable together, or [the National Committee for Responsive Philanthropy]. There are some parallel lines here. They're not gonna overlap a lot. But suggesting ‘let's try to find places where we can have a shared message and really have a shared commitment and show people that we are all in this together. Obviously, yes, we have different organizations with different missions, different objectives, different populations, different strategies, but we all have the same objective, which is to create a better civil society to make sure people have the resources they need to live a good life.’ That's really what it's all about.

The particular collaboration Ken then alluded to was again about federal tax issues, a common point where national PSOs could collaborate across ideological differences.

Maintaining the Sector’s Reputation. Much of the national infrastructure is tasked with framing the positive aspects of philanthropy publicly. In recent years, it is posited that critiques against billionaires could be a threat to philanthropy. For example, in 2019, shortly after Anand Giridharadas (2018) published his book *Winners Take All* that received significant public attention for its sharp critique of elite “charades” of giving, *Inside Philanthropy* published an article questioning how our revived public conversations around billionaires could reshape American giving (D’Amato 2019). I brought this conversation up directly with interviewees to understand how they thought about critiques of the wealthy in relation to philanthropy. In the national infrastructure, their responses demonstrated that responding to critiques of philanthropy by reinstating nonprofit sector identity is a core function of infrastructure groups. Leaders drew upon nonprofit research to illustrate that foundations are a small part of a larger sector, an idea that was proliferated for the purposes of protecting foundations (Hall 1992; Barman 2013). Their responses took shape in three ways: separating issues of plutocracy and giving, expanding the idea of who counts as a philanthropist, and pointing to positive motivations of givers.

Separating Issues of Plutocracy and Giving. Charlie felt that conversations around philanthropy needed to be disentangled from conversations about inequality. To support his argument, he centered giving from individuals as more prevalent than giving from foundations:

> And, you know, we spend a lot of time talking about foundations giving, foundation practices. But 68, 70% of all giving comes from individuals. And so we need to know that's where our attention is on giving that happens by individuals, that's where 70% of our attention might be. […] I think a lot of the critiques of plutocratic giving are really critiques of inequality and plutocracy.

It was in this disentanglement that Charlie felt was his core work: “I think that we try to separate those issues. I think that we are called to do is separate those issues."

Who Counts as a Philanthropist? Lillian saw her role as helping to educate the public and policy makers that philanthropy should be understood through the number of givers rather than the concentration of wealth within the sector:

> One of the things I want to take on in this role is helping the public and our policymakers have a more sophisticated understanding of philanthropy and a more democratic understanding of philanthropy. You know, you're talking about the plutocrats doing philanthropy. It happens. But by and large, organized philanthropy, the money that comes out of foundations, is a teeny drop in the bucket from a money perspective. So therefore, the vast majority of money that's flowing into charitable causes is democratic. You know, it's coming out of... I mean, you know this, but that's not what the mental set is for either the public or policymakers. And so I want everybody to see themselves in the frame of a giver or a philanthropist. I don't know what word we can use that everybody's gonna see themselves in. But I also want everybody to be a better educated giver.

Leaders draw on relevant discourse about giving being an American value. Thus, the mission should be to expand giving to all. The leaders drew on texts and a knowledge base that stems from the Filer Commission’s work to track giving in America in the form of yearly reports. This is where PSO leaders can turn to garner a response to critiques against philanthropy.

Pointing to Positive Motivations. Moreover, when asked about critiques against the field that were coming up recently, some leaders felt that these critiques were either unfair, or could be dismissed given the strong motivations of their foundation constituencies. Charlie elaborated on his previous points about individual giving, stating:

> Yeah, we spend a lot of time trying to make sure we are focused on the health of the whole. And so, you know, I personally just try to keep a perspective on the

> fact that yes, there are a lot maybe there are more effective ways that any particular billionaire could be giving away their money, right? At the end of the day, they are choosing to give away their money, and that's a great thing.

Ken found it important to restate the values of philanthropy and its place in a democratic society, and pointed to the ways philanthropists give more than just economic resources to causes:

> I think organized philanthropy can take risks, it can be responsive, it can act quickly. It can do things that other forms of support cannot. And I'm not saying that that's where all the money should go. I think there's a real reason for government funding for a lot of things, I mean, a really important reason. But [philanthropy] being that kind of risk capital and innovative capital for society, there's a real role for that. I also, you know, do fully understand the critiques. And you know, we have done a lot. We had Edgar Villanueva speak in our last meeting. I'm not sure if you've read his book. It's another one that you might want to read. It's not quite as well known, but pretty well known. I think a lot, if not all the critiques, are valid critiques. At the same time, you know, the families I have met with over the years, and I've met thousands of families at this point, the vast majority of them, the reason they're doing this is to do change and make good for the world. There's no hidden agenda, right. There really isn't. It's people putting up significant resources and spending significant time.

Navigating Critiques. As Ken pointed out, another critique of philanthropy that has circulated was from a philanthropy insider, Edgar Villanueva (2018), who published a book about decolonizing wealth. Villanueva has since spoken frequently at PSO conferences and throughout the philanthropic sector. Essentially, this critique was fit to be absorbed into the infrastructure. Frances similarly judged these critiques on how many of the funders she knew had actually read or engaged with what they said. She found it best to ignore them until funders were also paying attention to them.

Similar to the frameworks used by the Peterson and Filer Commissions, national PSOs found it more useful to engage with critiques around practice, as was the case with Villanueva (2018), rather than engage with critiques that asked more existential questions around the ecosystem of giving as a whole. Kevin, a previous foundation leader, however, worried about a dismissal of the critiques bubbling up. He said:

> You know, when we had the Grassley hearings in about 2002 or 2003, there were issues on the table then. Remember, it was the automobile and boat donations that offended so many people and rightly so. And, and nothing really came of it. So it's just hard to predict what's going to be in the press, what people may take from Rob Reich's latest writing or the latest Callahan[9] or other piece. We're going to have a hard time. But my message [is] just we have to be prepared. And somebody has to be thinking through these issues in a serious way.

Power and Influence. Altogether, those interviewed who helped to shape the national infrastructure and those who are working in the national general infrastructure today largely bypass questions of power and influence of the sector in favor of pointing

[9] Here Kevin is referring to two prominent writers, thinkers, and, often, critics of philanthropy whose writing is perceived as influential to public discourse around the sector.

to issues around philanthropic practice, and expanding the concept of "philanthropist" to be a term that is "democratized." In his essay looking at how the idea of democratization in philanthropy is as long a history as the history of philanthropy in the United States, Soskis (2017) argues that invoking democratization is a powerful rhetorical tool. It is also a word with many varied meanings: "democratizing philanthropy can mean expanding access to the sector as it is currently configured—providing more seats at the table while serving the same fare. It can also mean transforming philanthropy by reallocating power over its decisionmaking and resources. It can even involve rethinking how we define the project of philanthropy itself" (Soskis 2017:1).

Soskis' (2017) call for those thinking about, serving, and practicing philanthropy to be more critical and precise when using the word democratization, at least in the scope of these interviews, was relatively unrealized by national PSO leaders. For example, when Ken spoke about infrastructure collaboration, he was talking about organizations that are often fundamentally at odds, yet can collaborate on tax issues. However, when there are increased calls for democratization, these organizations may hold vastly different ideas about what that looks like in terms of democratizing the decision-making process. Philanthropy Roundtable, for example, stands for philanthropic freedom and donor choice—two phrases that aim to protect the freedom of investments in service of a free-market approach to philanthropy. However, the leaders interviewed prioritized sector unity over principles of democratization that could present a conflict with other PSO colleagues—an indication that the central purpose of the national infrastructure is maintaining a sector identity.

The Charitable Tax Deduction Conceptualized

As outlined in chapter four, the charitable tax deduction became a central organizing point for the emergent national infrastructure. Interviews with current national leaders looked at their understanding and navigating the politics around the charitable tax deduction. Lillian pointed out that one of her goals for her role in the national infrastructure was to find ways to communicate that everyone is a giver. Essentially, she wanted to find ways to extend the sector identity to anyone that wished to give. Thus, a pressing current challenge for her organization was the 2017 tax reform legislation:

> My sense is that we need policies that enable widespread giving, that make it easier for more people to elect to give their own money and to help advance communities and causes that they care about. We are not in that state right now. Tax Reform made it harder for folks to make that choice, because it doubled the standard deduction, and therefore, the itemizers, the people who are going to get charitable tax deductions, were reduced by some 50 or 60%. So it's a much less robust environment for individual giving at the moment. And the early data is showing that those effects were seen, are being seen, in early 2019. In 2018 they were less seen because folks just didn't know and hadn't done their taxes yet. You know what I'm saying? Like they had not seen "Oh, I'm not gonna be able to deduct this." So they might have still been giving at the same pace they had in previous years. But for the early numbers for 2019 individual giving is down fairly significantly. So, from a policy perspective, if we believe that the charitable

> impulse and that philanthropy is part of the fabric of American society as part of what makes us unique, then we need a policy environment that supports that.

Ideas around what constitutes a healthy nonprofit sector continuously looped back to the integration of all that the nonprofit sector encompasses, and using economic metrics to show the place of giving in the American economy as juxtaposed with corporations and government.

On a local level, many regional associations explained that they engage federally only on issues of the charitable tax deduction. Celeste recalled that she keeps abreast of legislative happenings through the national infrastructure, but has only been active around federal tax matters. Clay recalled that he was "more busy than ever" with tax matters for his regional association after the 2017 tax act. When recalling how he serves his members, he said "we protect them in terms of tax law." However, most local leaders and leaders of affinity groups associated with particular demographics focused on convening and local advocacy much more than they did on federal happenings.

Philanthropy in Local and Cause-Specific Contexts

At a local or cause-specific level, PSO leaders' expression of what an ideal philanthropic sector and ideal philanthropic relationships would look like reveal the goals of their work. They conceptualized their roles as creating gathering and learning spaces for their funder members and encouraging them to engage in policy advocacy. It is in these spaces that concepts like "community voice" and "democratization" are negotiated and operationalized, often leading to conflict between the structures of philanthropy and the discourse around philanthropy being an institution for the "common good." However, the critical contradictions of philanthropy are also challenged in the local and the specific.

Ideal Philanthropy and "Giving Voice"

When speaking about what philanthropy should be at its ideal, leaders emphasized grounding work in community partnership and expertise. Lane, a regional association leader, saw ideal philanthropy as grounded in community, where philanthropy uses both its resources and social capital to create more opportunities for grassroots causes:

> Well, the first role of philanthropy is to have a clear agenda that should be grounded. I mean, like ideally, philanthropy has a clear agenda that's grounded in the needs of communities and informed by communities. And they have a policy agenda that includes expertise, both lived and academic. And philanthropy's first job is to fund it. Their second job is to use their social capital, whether it's getting people seats at the table they couldn't get otherwise, or using their voice in an op-ed to try to move the public, kind of influencing the public narrative. And then their third job should be helping with implementation and evaluation. So like, philanthropy cares about the social issue, if they think policy is one way of achieving and have success or a solution, then they should make sure communities are invested in to be able to come up with solutions. They should fund researchers to work in partnership. They should help. That's ideal philanthropy. Very few people do that. But if you were to say, "what's a good best practice for philanthropy," it's that.

Katherine, another regional association leader, also spoke to an idealized philanthropy as grounded in community voice, and demonstrated how local leaders can use their geographic restrictions to dive deeper into the history of their area to build a group awareness:

> Working with the local organizations to ask those questions about who their processes are, and the ways in which they engage with community, benefit and who they leave out. It looks like policy advocacy, too, or just broadly advocacy, and working with foundations and foundation leaders to leverage their voice and their power in order to support the issues and concerns of those that are most impacted. It looks like having challenging conversations. [...] And so I think to me, doing this work on a local level is interrogating [these systems]... We just had a session with a couple of historians and then panelists of policy advocates, to interrogate the history of race within [our region]. And what were the decision making points or the key points within [our region's] history where we had the opportunity to be not racist or move away from it, and in fact, we actually went the other direction and became more exclusionary in our policy and advocacy. So having conversations around that so that foundations and also nonprofits can see their roles, see how history and policy now impacts the communities that they care about. And are there opportunities for them to engage in advocacy or policy work that dismantles the systems? I think the local work is trying to find who the voices are and build a leadership of the voices that need to be heard the most. And so that can look like organizations and individuals from communities of color.

> And then in [our region], too, I think another important balance to strike is to think about the rural communities here too, which have also been the victims of capitalism and white supremacy in their own way. And so it's to balance that, to balance the voices of those that need to be heard most. So that's what I've been trying to do in some way or the other in the past year.

Toni, however, took this a step further in his assessment of the field's rhetoric around focusing more on community and community voice. He argued that nonprofits could not be used as a proxy for deep community relationships:

> But the whole idea from my perspective of focusing on community, for me, it comes from my experience in graduate school and has carried through everything. And it has allowed me to be in the position to critique philanthropy, even as I'm in philanthropy. Because I think if you focus purely on programs and you're looking internally at internal processes and you're making assumptions about what you think community needs... And what I'm seeing now nationally is a shift now saying, "Well, wait a minute. We can't talk about equity, we certainly can't talk about racial equity, without starting with the community and working backwards from there." Who gets to say what an outcome is? What a result is, or what a result should be? And that, that is something that I see. Finally, and starting to see those two worlds come together where people are talking more, not just about nonprofits-because I think there was a time when someone, if I said community, people would just assume that I was talking about nonprofits. Well, most... not most... but maybe certainly many, if not most nonprofits that operate in

> communities, the people that work there don't live there. So they work in a community but they're not "the community." Community is the actual people we are talking about. And so for me, you know, where philanthropy is, hopefully is, and certainly should be going is not using nonprofits as a proxy for relationships with community, that in fact, you have to have your own relationship with the community. As a part of and also separate from your relationship with nonprofits.

Creating a Gathering Learning Space

PSOs at the local and cause-specific level emphasize their roles as gathering spaces and networking opportunities for their members. The convening aspect of the infrastructure is long grounded in its history. Starting in the 1940s with funders in Texas, according to Neil, regional associations have their roots in creating less crossover in what foundations were funding to make their work more effective. However, after 1969, additional regional associations formed and were tasked with ensuring good practice and adherence to new regulations, while affinity groups took form in an effort to fund particular causes more effectively (Lehfeldt and Zainaldin 2019). Celeste found her work to be limitless in its possibilities around finding ways to convene funders and encourage collaboration:

> Well, I think, you know, I think that there's basically an infinite amount of work to do. Even if you consider just the basic level of helping people remain aware of what other people are doing. Because, you know, I'm a big believer in foundations all being autonomous and independently run. I'm 100% sold on that. I think one of the worst things that could ever happen to us is for foundations to all decide to

> do the same thing. That would be terrible. So, that being the case, if you have 87,000 90,000 foundations all running around doing different things, there's bound to be tons of reinventing the wheel. So even on that very basic level, I think there's a very large role of the infrastructure organizations can play. I think that's like a bottomless pit. And on my worst days, you know, when I'm like holding my head, I just try and remember that even the things that I think are very basic and very self evident, and that don't really kind of tickle my intellectual fancy, it doesn't mean they're not valuable. They are. So there's that.

In her talking about the frustrations she sometimes feels, Celeste was referring to her members' reluctance to engage in policy and advocacy work that could support their missions.

Encouraging Policy and Advocacy Work

There has been an increased emphasis on policy and advocacy work for philanthropic entities, and trainings for how to do so, over the last decade.[10] Darlene, who is a leader in her regional association that helps to coordinate and encourage policy work across the PSO space now, described how policy work became a key issue for PSOs that were not national general infrastructure groups. She recalled that there was a regulatory law passed in California for nonprofits, but the three regional associations there did not feel they had the capacity to advocate against the new regulatory law. This is when organizing amongst PSOs began to take place. They slowly built the capacity within and

[10] For example, in 2011, what is now the United Philanthropy Forum begn PolicyWorks, a yearly gathering for PSOs to learn how to engage their members in advocacy training on local, state, and regional policy issues that are relevant to their funding areas.

across PSOs to start engaging in policy work in their local areas, which included more PSOs hiring staff with policy work directly in their titles. However, Darlene felt that the policy work happening within PSOs is still largely sector-focused rather than focused on broader issues, such as education and healthcare:

> I think there has been some great movement and capacity-building in the sector over time. But for most, it's still very much related to sector issues, and very narrowly defined. You know, anything that affects community and private foundations, for instance, they'll talk about that. Some are a little bit more broadly focused like Illinois Forefront because they have nonprofits as full members as well. So they have gotten more engaged in policy work at the state level, but you know, staff turnover is always a problem. I know Rob Collier and I are sort of the longstanding trends but there's a lot of time turnover. I think so much of this work is dependent on the knowledge and skills, the comfort level people have doing policy work, right knowledge of the political system and how it works. And then just passion for the field.

Mal, a regional association leader, who was in her first few years in an executive position at their organization, however, described their policy work as being more about educating funders on how and when to engage through using a framework of root causes of social problems:

> I think that PSOs, and I would say, particularly the regional PSOs, are very much in that evolution [to more thought leadership and encouraging policy engagement]. And we fit that to a tee where it does have to do with that shift from

just focusing on educating your members to "What do we learn?" Or "what do we do with what we've learned from each other?" I still remember a former colleague who was with the New Jersey PSO when I first joined, and I was like, trying to wrap my head around all of this, and they're all grappling with the same things, and some are farther along than we were at that time, and what can I learn from their experiences? I remember her standing up and talking about, you know, "I feel like I'm hosting a salon." That's what she said. And so, you know, after we have these fascinating educational conversations [in our organization], what do we do with that? And I thought that just really captured it, you know, there needs to be a call to action. And so we became more intentional about, okay, ‘we were focusing on our educational program on this or that social ill that's facing our state that our members are investing in. Well, what are the public policies that led to that social ill? How can we mobilize ourselves to be part of the change and focusing them more on root causes, some of which are public policy, public policies that shouldn't be changed, some of which are, you know, rooted in just a systemic racism and oppression and white supremacy kind of structures?’ And so, you know, it's just been a lot. But that's basically what it is: I think that growing awareness that philanthropy can and should advocate, can make a huge difference, and needs to be organized to have a voice and use its voice and not be afraid of that. It's just all taken a lot of education. And [recognition of] just how important it is to do [advocacy]. Because you can write a grant check over here for $3 million, and then the legislature passes a bill that undermines everything

> you're trying to change as you support this or that nonprofit to help folks. And I just want to emphasize a theme that we've really tried to, focusing on the upstream root causes. You know, that metaphor now that's getting tired. I remember being so moved by it when I first heard people talking about pulling the babies out of the river. And that being the work of, you know, charities and philanthropy, like pull it over look at, you know, count the babies that we're pulling out of the river, and then sooner or later, somebody has the idea that maybe we ought to go upstream and see why there are all these babies in the river. And so that framing has been helpful for some of our members.

Loren, an affinity group leader, echoed Mal's sentiment that philanthropy needed to think about root causes and move beyond direct services to be transformative. Loren, however, recognized that being an affinity group afforded them a specific focus that others may not have when they are operating a general infrastructure group:

> I think before I came to the kind of service model, I thought philanthropy was supposed to be families, corporate types, who were probably conservative and were doing charitable work. But coming into this space, I've realized there's a much greater diversity in terms of who populates philanthropy. There is a subset in philanthropy that is committed to social and economic justice, to power building, that are really not funding direct services. And then there are other groups who are sort of staying in that more traditional space of not getting involved in policy and advocacy and really just fulfilling sort of the charitable mission of how do they support education, environment, economic opportunity

> etc. So I will say that in the short time that I have been in this space, policy and advocacy are growing, particularly given everything that's happening in the political level the last few years that I think more and more folks are sort of seeing that. It's not the most impactful way to be a funder if you're only funding services, and don't look at systems. But I think there's a continuum across the board of where folks are, and I think the central question here is "what does it mean to be a PSO?" And some sort of lean into the sort of idea that a PSO should lead its membership and model behavior and encourage, you know, certain types of work, whether that's advocacy and policy or racial equity, etc. And others may see themselves as sort of serving, providing resources, information, responding to requests. And I think that sort of view determines how a PSO pushes its membership or not. I think it's also influenced a fair amount by what type of PSO you're talking about. For regional associations, I think it's a little bit of a harder spot because their members are so diverse. It's hard to push a single advocacy team. Among those groups where identity and affinity based groups have to essentially have an agenda, because we're focused on a particular issue or population. So it's a little bit easier to encourage the funders that ascribe to that space that they need to be engaged in advocacy around those issues.

Others thought of their policy work as fostering public-private partnerships. Darlene was coordinating a public-private partnership in her regional association that would address COVID-19 gaps in their area. Terry, a new affinity group leader with education policy experience, was hoping to eventually build capacity in her organization to create public-private partnerships with her PSO members. However, Terry found a lot of reluctance within her organization to give up autonomy in their niche area of interest, demonstrating that the lines that are drawn between public and private responsibilities are still complicated.

Taking Membership Makeup Into Account. Associations with a large number of corporate foundations found it most difficult to get their membership to engage in policy advocacy and to take on a thought leadership role to encourage them to do so. Five regional association leaders spoke specifically about the nuances of membership types when one takes into account corporate philanthropy, which is a significant portion of some associations' memberships. Corporate foundations often wanted to avoid engaging in any sort of policy advocacy so as not to conflict with corporate lobbyists from their parent corporation, or to offend potential customers. This is a challenge when an association is trying to organize to get their members to engage with an issue, especially in regions with less familial wealth and more corporate philanthropic institutions.

Lane is a leader of a regional association but was previously a staff member at an affinity group. She felt frustration around the "big tent," as she called it, structure of her organization, which was founded in 1969 in response to tax reform. She found that the history of her organization being founded to help with regulatory matters rather than for creating consensus building around practice still impacted the structure of her organization, and made it difficult to bring a diverse set of constituencies together:

I think one of the other reasons why groups like me, not my group so much, but the others, like the national issue-focused groups, they exist because there needed to be infrastructure to help support strategy in campaigns. So they exist, I think, probably to do that consensus building work and to help bring people in, align as much as you could, and then try and make more happen with the investments. My group really existed... I don't think I don't think my group existed for the same reasons. I just don't. I think it was more of a big tent. So, you know, at least over the past few decades, it's been more big tent. And so when you are in a big tent thing, you have to do a dance for your different constituencies. And so you do have a dance of impact, of creating bigger impact. But that's only for one constituency, right? There is a constituency that comes to the table because they want to make more of their philanthropy. There are others that come to the table because they just want to network. There are others still that come just for programming, for learning. They're coming for their staff to get opportunities of professional development, for learning in an ongoing way to improve their practice, but they're not necessarily there to make more of their dollars by working in partnership with others. And so there is a small contingency that comes to my table for that, and so I have to do some of that work. But that's not the whole. Whereas I think when you go to the more issue-focused groups, that is why people show up to those tables, it's to make more of their money.

Operationalizing Concepts of Community Voice and Democratization

While national leaders emphasized the democratization of philanthropy through the protection of the charitable tax deduction, the reality of operationalizing more specifically what is meant by “democratization” and “equity” is negotiated and complicated in the local and cause-specific PSO space.

Conversation Stoppers and Cultural Challenges. While regional and affinity PSOs found that there were calls for them to be more ambitious in pushing their members to engage in policy, and engage in policy themselves, many pointed to matters that were proverbial red lines that could not be crossed in their organizations and in the way they related to their members. For Darlene, she pointed to issues of how much foundations were required to pay out per year: "really talking about pay out is like a conversation stopper.” Instead, she argued, if you wanted philanthropy to invest more, there needed to be a cultural change rather than a policy shift. She found that protecting low payout requirements was a priority for members, though she, as she stated, felt it was a protectionist stance that should be challenged should philanthropy purport to want “equity” in their practice.

Dana, a policy leader in a regional association, also expressed that there was an inherent tension in balancing philanthropy’s supposed equity agenda with their protectionist tendencies. They pointed to debates over Donor Advised Funds, and philanthropy’s reluctance to speak out about issues of transparency, as an example of internal tension and conflict:

It's really interesting for me, because I've seen a lot of folks in grant making who are saying they're very committed to equity and social justice. But when it comes to Donor Advised Funds, there's this huge defensive wall that comes up, that's like, "you cannot question anything about how this charitable vehicle works." When a lot of the critiques of that vehicle are really legit, I think. And not to say that the regulations that are being proposed are the right ones. But I think there's this almost unwillingness to even have the conversation to reimagine, "what would it actually need to look like to make DAFs, for example, more equitable, and what would that actually look like? And what are the policies that we need to put in place to have that happen, either at the institutional level, or at the state or federal level." And I've seen some foundations kind of grappling with that question, but I would say, for most of them, it's almost like it's this like big defensive wall. It's like, "externally in our grant making, we can be okay with promoting equity and social justice, but once it comes to thinking about how internally we operate, how we do our grant making, who holds the power in our institution," that conversation really changes. And I will be frank, I have not figured out how to break down that or even start to kind of nibble at that wall.

Lane spoke of “billionaire philanthropy” happenings in her region:

I see my members shy away from ever critiquing each other because down the road, they might need somebody else's money to go to one of their grantees. And that's problematic, too, because we have some things going on here, like some billionaire philanthropy kinds of things going on here, and no one will say

> anything because they don't want to be seen as throwing stones, they might need those people down the road, they don't want to draw attention to the sector because maybe people will look at them. You know, and it's this real self-perpetuating thing.

She was referring to philanthropists who were her members going to the state legislature to advocate for policies that were not in accordance with what the larger membership had decided would be their priorities. She felt the “polite” culture of philanthropy, which she felt was also drawn from elite culture also being “polite,” prevented any of her members from speaking up when other philanthropists would partake in actions they disagreed with. To respond, Lane called for a national infrastructure colleague that researches best practices to come speak to her membership. However, she felt she was not in a position to actually speak out against any members’ actions. She felt the protectionist tendencies of philanthropy were a detriment to actually operationalizing “equity” in their practice.

Tensions Between “Equity” and Protecting Assets. There is an interrelated relationship between how PSOs help their members navigate calls for an equity-based agenda in their grantmaking and facing debates around modes of giving, such as debates around transparency and donor-advised funds and payout rates. Loren, an affinity group leader, said:

> There's this question that's sort of emerging of how philanthropy balances an equity agenda with an agenda that is intended to support this nonprofit sort of infrastructure. You know, should there be changes to how much philanthropy, or foundations, have to give a year? Should there be more transparency around

> Donor Advised Funds? And so some of the conversation I've seen recently is about how those things are sometimes in conflict. And it's going to be tricky for PSOs to help their members navigate those two realities for funders—that they want to pursue a particular equity agenda, but at the same time, you know, they're only going to give the bare minimum that we're required to by law, and sort of like how those two things interact or... You know a community foundation that might be directing donations by the instruction of the donors to accomplish the stated goals of the Community Foundation... And so that's sort of definitely a question for the foundations, but then also PSOs who are engaged in some sort of sector wide issues are grappling with.

Others leaders, however, did not see a tension at all, and posed that PSOs fundamentally had to both push philanthropy toward better practices and preserve the culture of respecting organizational autonomy for each philanthropic entity to invest and practice as they see fit. Edie, a leader of a regional association, did not see a tension between pushing forth and promoting equity-based agendas and preserving the oversight and regulatory structures. Edie rather saw a need for cultural change within the sector that should definitely not be mandated from either an internal regulatory or leadership body in infrastructure organizations or from governmental bodies. They thought that both donor intent and protection of philanthropic freedoms and racial equity can proceed. They saw the role of PSOs as being conveners who put the most innovative ideas forward, and create a culture among donors where they want to be responding to needs because they have relationships with other innovators in the field and also want to be on the cutting edge of policy or funding work:

> I mean, I don't see it as a tension. I mean, I see it as I don't think it's either or, and I think both can proceed. And I think there'll be funders that don't feel the same push towards someone and they'll be others who for the first time are saying, “Wow, we're perpetuating. We see this system and we're perpetuating it and we didn't even realize it, and how can we change our practices?” So, yeah, I don't think don't think there's a tension. I think that that tension comes from mandating, you don't want to mandate anything because I think people naturally fight against that. But I think what you want to do is you want to create some FOMO. Like, you know, [DEI work] isn't the flavor of the day. This is the future, as someone said on our call on Friday, ‘this is not a moment, this is a movement and we're late.’ You know, that is part of it is like you're gonna miss out because you're not thinking through some of this stuff the way you should be from a intellectual standpoint, from a caring and compassionate standpoint. But also, from a best practices standpoint, there's no question that this is long overdue. And so if you're not doing it, if you're not thinking about it, then you're missing a big part of practice. That's really the best practices many, many people realize, and birds of a feather flock together. I mean, some of our corporate members will fund something if other corporate members do. Because they feel like it's been vetted, and it's, you know, being supported. So you have to build groups of people who

> are confident with each other and also are influential within their own field so that you can say, Well, here's what these guys are doing.

Celeste, on the other hand, added a perspective about local economic realities that shed light on how her area protecting philanthropic resources reflected their local challenges around deindustrialization. While she was critical of foundations for often being too conservative with their wealth and investments, even if they were socially progressive, she recognized that their conservatism was often rooted in a concern for the long-term viability of their nonprofit infrastructure in their area. Her statement points out the nuances of focusing on a very particular geographic region. What could be interpreted as a self-protectionist stance from a more abstract, national lens of philanthropy, is much more complicated by local economic shifts and turns at a local level. A seemingly protectionist stance for their assets may actually be born out of a concern that the long-term viability of important local cultural institutions in an area that has been economically devastated. She said:

> You know, I think part of it is... Part of it, I think, is that in foundations, the culture is generally quite conservative. Even the ones that may have a very socially progressive kind of point of view to funding things. The leadership is often quite conservative because, number one, people that are older, and typically in older people tend to be more conservative.[...] And also in. So you know, if you think about who's on boards of foundations, they tend to be older, they tend to be more cautious. Often, there's a lot of bankers involved. Bankers are not, you know, it's not in their DNA to give it away. They're into holding on to that. And in

> [my area], specifically, there's a very clear and present reason for being cautious, which is the 30 years we just went through. So, you know, for example, impact investing. There are a lot of nonprofits in [my area] who would love more of our high asset foundations to consider more impact investing more of the time. And we do have at least one high-asset member that uses PRIs with some regularity. But most of them are in the business of grants, not low-interest loans or other tools by and large. And one of the reasons for that is, you know, the reason [my area] has gotten back to where it is, is because of philanthropy, in large part. The [region] combusted, you know. We imploded, it fell apart. The business community left. People were out of jobs. [My area] as a community had to work like hell to hang on to a symphony, a ballet company, or regional theater, the parks, the zoo, you go right down the list. The community worked so hard to hold on to those assets and maintain them waiting for the day that things were going to get better. A lot of people on foundation boards lived through that. So they are understandably very, very cautious about risking assets, because they saw you need those assets when there's a rainy day. Because they went through 30 years of a rainy day.

This inherent tension between protectionist tendencies and moving toward an equity agenda for the sector is far from new, as demonstrated by the work of the Peterson and Filer Commissions. However, this is at a broader national level. By looking to some local contexts, it becomes more clear that this tension at a local and cause-based levels is not always strictly about protectionist viewpoints of foundation assets, though some may be as illustrated through Dana's view, but can also be a sort of local protectionism writ large against economic change and preserving local culture and institutions.

Room for Dissent and Challenge

Throughout the infrastructure's history, periods of upheaval have allowed for some to challenge philanthropy as a means to civil society solutions to social ills. Norman, for example, used the historical context of the AIDS crisis. He outlined how many men, though often white and wealthy, were able to leverage their social capital to push for philanthropy to respond to the AIDS crisis when governments were slow or reluctant to do so. Their establishment of a funders collaborative to fund AIDS relief was a signal that philanthropy was open and willing to fund this stigmatized crisis, and a signal that the walls of neglect around the epidemic could be breached. Norman's story, and many others, demonstrate that the rhetoric around sector-wide practice and policy is not a straightforward outcome of elite culture. Rather, as strategic action approaches to field theory demonstrate (Silver 2014), grassroots movements are also influential in philanthropy's reciprocal feedback loop, and that leaves room for dissent and challenge to traditional paradigms of philanthropy's often rigid means of distributing wealth.

The sector depends on its positive public image, and that positive public image is often reliant on the work of nonprofits that philanthropy supports. Charlie, a policy-focused leader in a national organization said: "The strength of our sector, just from a really narrow minded government relations perspective, is our golden reputation and our diversity. There isn't a lawmaker out of 535 who doesn't have a nonprofit organization that matters to them." Philanthropy must maintain that close affiliation with the nonprofit sector, which they work to become ubiquitous with causes important to the public, in their public relations. This dependency, as well as the diversity of those working in philanthropy and their willingness to hire diverse publics into decision-making ranks, is an example of how changing public discourse and the work of grassroots social movements are important to the sector's evolution.

Essentialist versus Utilitarian Views of Philanthropy

Through their discussions of the tensions within the field, there emerged a divergence amongst interviewees over the essential nature of philanthropy. Some treated the practice of philanthropy in its current form as an essential good that could be reconfigured and tweaked, but overall was a positive aspect of society. Others came to philanthropy as a utilitarian tool that could not in itself produce positive outcomes. Rather, it needed to be exploited for an end, and the positions they held on policy were flexible in context of what needed to happen for their specific constituencies, which they saw themselves as working on behalf of.

The essentialist notion kept strict boundaries when thinking about pushing their members. Those who came from a utilitarian position, however, either wrestled with their position if they led big tent organizations and depended on the continuing membership of organizations that did not necessarily want to be pushed to be more inclusive or progressive, or saw themselves as committed to the redistribution of resources to their particular community they were working on behalf of and accepted the costs that may come with that.

PSO leaders also saw themselves as sometimes serving within a niche inside the foundation world that could hold space for alternatives to the plutocratic system. Ferris, leader of an identity-based affinity group:

> I had a fellowship going for some older [identity redacted for confidentiality] youth who had already been working on some of their own initiatives. Toward the end of it I asked ‘what else do you really feel like you could benefit from in this program?’ And they're like ‘well what do you do every day?’ Oh, well that's a great question, and they were basically asking me, like "how do you do institutional fundraising?" Because, you know, we've had this pretty honest conversation, they're like "we know you go out and talk to these people in New York and then they give you grants, but how do you convince them to do that for our communities?" And so I started to kind of work with them to develop some seminar style on the fly, workshops around everything from concept paper development to really actually understanding what relationships mean in philanthropy. And there's, I think, a really important value center to that in our communities because we are really centered around our relatives and our relations and communities and that's actually most of the strategy I'm bringing into now. And I started just putting a lot of youth leaders on funder meetings with me and it was amazing and I loved it and I said ‘hey why don't you do this more often and we should give people money to give away?’ So I started that program which we're about to launch here now which is going to be a new youth philanthropic leadership team, where we're going to be recruiting a network of youth leaders

> from across the country. 10 to 15 or so are like really networked across organizations and communities to train them in philanthropy and kind of really give them the tools they need to actually speak more confidently in those spaces but to also not have that extracted kind of philanthropy meeting happen anymore and for them to really be able to build their own agendas, to invite funders to the table to learn about what they care about in their communities and where funding should be going and then they're also going to be in charge of a pool of funding that they'll be able to sort of direct investments.

Ferris here recognized that to serve his community through his identity-based organization, he had to create a socialization process for young leaders to build relationships. They sought to introduce youth leaders to the system, so they could gain a seat at the table. These youth are taught to redistribute wealth within their own communities. This recognition highlights an important aspect that is often overlooked in critiques of philanthropy—those who work inside and make decisions are not necessarily themselves billionaire philanthropists as often portrayed. Given the commitments many philanthropic sources make to racial equity, diversity, and inclusion, there is possibility in training youth to the social norms of philanthropy to then integrate them into these practices of distributing wealth in resources.

Katherine, a regional association leader, also felt empowered to be more proactive in her approach to pushing for more engagement on complex social issues. This came from her idea that philanthropy is not and cannot be treated as inherently good:

> So I guess, you know, as I think about the "freedom of philanthropy," it comes from a place that assumes that philanthropy is inherently good. And the way that I like to think about philanthropy is that, at its ideal, philanthropy is very good, it is inherently good. But in its practice, philanthropy is a system that supports white supremacy. It's based on class and power, and the way that the economy exists, in order to reward white people and disadvantage people of color so that they are unable to accumulate wealth.

Ferris and Katherine are two examples of an interesting aspect of the rhetoric around sector-wide policy in the infrastructure. Following the Filer Commission, the membership that came together to form Independent Sector took a protectionist stance that has long since stayed with the organization. Independent Sector, while only one organization, is indicative of the post-Filer era of philanthropy after the tumultuous 1960s and 1970s. However, following the Reagan era, the nonprofit and philanthropic sector had much more stable standing from a government relations standpoint. Yet, Williams and Doan (2021) argue that the protectionist standpoint by many major umbrella organizations for the sector struggled to then push the sector toward more positive practices that sought to address the public good rather than focusing on their own self-preservation. Ferris and Katherine are two examples of organizations that are showing alternatives through their practice. They demonstrate that the rhetoric is not static, but ever evolving with the times and economic and social struggles. For philanthropy to live up to its promise, these voices of dissent that take a utilitarian rather than essentialist approach to the protection of the sector, paradoxically, may also be the ones to foster trust among certain publics when the sector needs their endorsement.

Room for Dissent and Challenge

Throughout the infrastructure's history, periods of upheaval have allowed for some to challenge philanthropy as a means to civil society solutions to social ills. Norman, for example, used the historical context of the AIDS crisis. He outlined how many men, though often white and wealthy, were able to leverage their social capital to push for philanthropy to respond to the AIDS crisis when governments were slow or reluctant to do so. Their establishment of a funders collaborative to fund AIDS relief was a signal that philanthropy was open and willing to fund this stigmatized crisis, and a signal that the walls of neglect around the epidemic could be breached. Norman's story, and many others, demonstrate that the rhetoric around sector-wide practice and policy is not a straightforward outcome of elite culture. Rather, as strategic action approaches to field theory demonstrate (Silver 2014), grassroots movements are also influential in philanthropy's reciprocal feedback loop, and that leaves room for dissent and challenge to traditional paradigms of philanthropy's often rigid means of distributing wealth.

The sector depends on its positive public image, and that positive public image is often reliant on the work of nonprofits that philanthropy supports. Charlie, a policy-focused leader in a national organization said: "The strength of our sector, just from a really narrow minded government relations perspective, is our golden reputation and our diversity. There isn't a lawmaker out of 535 who doesn't have a nonprofit organization that matters to them." Philanthropy must maintain that close affiliation with the nonprofit sector, which they work to become ubiquitous with causes important to the public, in their public relations. This dependency, as well as the diversity of those working in philanthropy and their willingness to hire diverse publics into decision-making ranks, is an example of how changing public discourse and the work of grassroots social movements are important to the sector's evolution.

Essentialist versus Utilitarian Views of Philanthropy

Through their discussions of the tensions within the field, there emerged a divergence amongst interviewees over the essential nature of philanthropy. Some treated the practice of philanthropy in its current form as an essential good that could be reconfigured and tweaked, but overall was a positive aspect of society. Others came to philanthropy as a utilitarian tool that could not in itself produce positive outcomes. Rather, it needed to be exploited for an end, and the positions they held on policy were flexible in context of what needed to happen for their specific constituencies, which they saw themselves as working on behalf of.

The essentialist notion kept strict boundaries when thinking about pushing their members. Those who came from a utilitarian position, however, either wrestled with their position if they led big tent organizations and depended on the continuing membership of organizations that did not necessarily want to be pushed to be more inclusive or progressive, or saw themselves as committed to the redistribution of resources to their particular community they were working on behalf of and accepted the costs that may come with that.

PSO leaders also saw themselves as sometimes serving within a niche inside the foundation world that could hold space for alternatives to the plutocratic system. Ferris, leader of an identity-based affinity group:

> I had a fellowship going for some older [identity redacted for confidentiality] youth who had already been working on some of their own initiatives. Toward the end of it I asked 'what else do you really feel like you could benefit from in this program?' And they're like 'well what do you do every day?' Oh, well that's a great question, and they were basically asking me, like "how do you do institutional fundraising?" Because, you know, we've had this pretty honest conversation, they're like "we know you go out and talk to these people in New York and then they give you grants, but how do you convince them to do that for our communities?" And so I started to kind of work with them to develop some seminar style on the fly, workshops around everything from concept paper development to really actually understanding what relationships mean in philanthropy. And there's, I think, a really important value center to that in our communities because we are really centered around our relatives and our relations and communities and that's actually most of the strategy I'm bringing into now. And I started just putting a lot of youth leaders on funder meetings with me and it was amazing and I loved it and I said 'hey why don't you do this more often and we should give people money to give away?' So I started that program which we're about to launch here now which is going to be a new youth philanthropic leadership team, where we're going to be recruiting a network of youth leaders

> from across the country. 10 to 15 or so are like really networked across organizations and communities to train them in philanthropy and kind of really give them the tools they need to actually speak more confidently in those spaces but to also not have that extracted kind of philanthropy meeting happen anymore and for them to really be able to build their own agendas, to invite funders to the table to learn about what they care about in their communities and where funding should be going and then they're also going to be in charge of a pool of funding that they'll be able to sort of direct investments.

Ferris here recognized that to serve his community through his identity-based organization, he had to create a socialization process for young leaders to build relationships. They sought to introduce youth leaders to the system, so they could gain a seat at the table. These youth are taught to redistribute wealth within their own communities. This recognition highlights an important aspect that is often overlooked in critiques of philanthropy—those who work inside and make decisions are not necessarily themselves billionaire philanthropists as often portrayed. Given the commitments many philanthropic sources make to racial equity, diversity, and inclusion, there is possibility in training youth to the social norms of philanthropy to then integrate them into these practices of distributing wealth in resources.

Katherine, a regional association leader, also felt empowered to be more proactive in her approach to pushing for more engagement on complex social issues. This came from her idea that philanthropy is not and cannot be treated as inherently good:

> So I guess, you know, as I think about the "freedom of philanthropy," it comes from a place that assumes that philanthropy is inherently good. And the way that I like to think about philanthropy is that, at its ideal, philanthropy is very good, it is inherently good. But in its practice, philanthropy is a system that supports white supremacy. It's based on class and power, and the way that the economy exists, in order to reward white people and disadvantage people of color so that they are unable to accumulate wealth.

Ferris and Katherine are two examples of an interesting aspect of the rhetoric around sector-wide policy in the infrastructure. Following the Filer Commission, the membership that came together to form Independent Sector took a protectionist stance that has long since stayed with the organization. Independent Sector, while only one organization, is indicative of the post-Filer era of philanthropy after the tumultuous 1960s and 1970s. However, following the Reagan era, the nonprofit and philanthropic sector had much more stable standing from a government relations standpoint. Yet, Williams and Doan (2021) argue that the protectionist standpoint by many major umbrella organizations for the sector struggled to then push the sector toward more positive practices that sought to address the public good rather than focusing on their own self-preservation. Ferris and Katherine are two examples of organizations that are showing alternatives through their practice. They demonstrate that the rhetoric is not static, but ever evolving with the times and economic and social struggles. For philanthropy to live up to its promise, these voices of dissent that take a utilitarian rather than essentialist approach to the protection of the sector, paradoxically, may also be the ones to foster trust among certain publics when the sector needs their endorsement.

Discussion and Conclusion

Smith (1987:211) challenges us to "take up consciously the problems and questions of how our political discourses and texts organize relations among us." Looking at philanthropy through the "work knowledges" of those who "serve philanthropy," rather than those who are positioned as either being served by or serving through philanthropy, demonstrates how the protectionist aims of mid-century foundation advocates were institutionalized through political discourses and texts within infrastructure organizations.

Findings around reputation maintenance for the sector support and expand existing research on the function of nonprofit sector identity creation, which was foregrounded in the Tax Reform Act of 1969 and organized through the Peterson and Filer Commissions, the creation of Independent Sector as an organization, the creation of nonprofit research professionals as a distinct field, and the creation of the National Taxonomy of Exempt Entities (Barman 2013; Frumkin 1998; Hall 1992; Williams and Doan 2021). Barman (2013:104) used Bourdieu's (1984; 1989) investigations of classificatory struggles to argue that the creation of classifications in the nonprofit sector was part of a "larger symbolic struggle over the proper classification of foundations in U.S. society that began in the late 1960s." These struggles then led to the classification of nonprofit entities that served to create classifications for study, and moved the sector into a more cohesive identity rhetorically in order to protect the place of foundations as legitimate actors within a nonprofit sector. Interviews demonstrated that this classification system still matters a great deal for communicating the role of philanthropy in American life, and the sector identity is vital for the maintenance of sector reputation. At the national level, PSOs utilize and reproduce ideas set forth in the Filer Commission era around sector identity and the relationship between democracy and philanthropy. The Donee group, described in chapter four for their work challenging the Filer Commission to listen the voices of donees, challenged philanthropy to be more inclusive in the approach to philanthropy. It remains very much the paradigm at the national level that the culture of philanthropy rather than the policy around philanthropy is key to its democratization. However, what exactly democratization means remains loosely defined (Soskis 2017). Lillian, Ken, Avery, and Craig all had ideas around what that looked like, including funders listening more to grantees and investing in areas that could promote more civic engagement so that more people have a chance participate in civil society. Their roles, they proposed, were to ensure that more people could have access to the charitable tax deduction so that more money going into philanthropy was "democratic." Thus, the role of funders was conceptualized as expanding citizenship, while the role of the infrastructure was to expand who was a philanthropist and thus who could see themselves as part of the nonprofit field.

Further, to make their arguments that both protect the role of foundations and minimize their size as proportions of giving, national PSO leaders rely on nonprofit professionalization and the "serious study of philanthropy" (Katz 1999) to support their claims. Statistics about who gives and to what causes are utilized to illustrate that the nonprofit sector is a democratic institution key to American life and civic engagement. These discourses set forth are then negotiated, operationalized, and contested in local and cause-based PSOs.

Interviews with local and cause-based PSOs demonstrated that the protectionist discourse of philanthropy can sometimes come into conflict with leaders who do connect issues of transparency and inequality with philanthropy as an institution. The political discourse that the protection of the whole will generate a pluralism within philanthropy that will ultimately uphold democratic values often shape the terms of the roles PSO leaders hold. There is often a tension between purporting to exist for the common good, or as upholders of civil society, and also meeting the needs (or preferences) of their membership. This tension speaks to how the intentional obscuring of philanthropy as a means of controlling the terms of civil society for the rich with philanthropy as a pro-social behavior all can engage in shapes the relations of ruling within the institution of philanthropy.

Skocpol (1998), in thinking about how the antistatist conclusions drawn from Tocqueville’s ethnography of American associationism and voluntarism, argues that the decline seen in American voluntarism at the time of her writing was due to a shift in federal regulatory authority that replaced the role of unions and associations with large national agencies that focus more on collecting donations rather than building coalitions at the community level. It is no wonder, Skocpol (1998) argues, that many Americans feel disillusioned by an American system of governance and civic engagement that relies on donations rather than collective voices.

Over two decades after Skocpol's (1998) analysis of Tocquevillian thought as a throughline in American political discourse, Nickel (2018) wrote that there is a renewed enthusiasm for understanding and emphasizing partnerships between philanthropy and the state. In the interviews, philanthropy was conceptualized as having the power to expand citizenship through their investments. Infrastructure leaders, particularly at the local level, thought of their positions as helping philanthropy to do just that, through guiding investments that could "give voice" to disenfranchised communities, and through encouraging philanthropists and foundations to engage in policy discussions at the local level that would promote the expansion of social welfare. Essentially, philanthropy could show local and state governments how their support for social services would "enhance" or support philanthropic investments, making an economic argument for social welfare.

However, as Nickel (2018) argued further, how those investments between the state and philanthropy take shape can depoliticize social needs and thus inscribe a discretionary nature to meeting social needs (Fraser 1989). In other words, there is an ever-present and ever-evolving threat that the integration of administrative and therapeutic interpretations of needs to co-opt issues and again depoliticize them by separating needs from the gendered, racialized, and classed contexts which must be thought about critically as philanthropic partnerships are formed and supported. Some local and cause-based PSO leaders very much recognized that philanthropic initiatives could potentially further depoliticize the unmet needs of communities. Others took a more market-based approach to investments, contending that all focus on meeting social needs was a form of progress.

CHAPTER SIX: CONCLUSION

In this dissertation, I explored the following questions: (1) Why and how did the philanthropic sectors' infrastructure organizations and networks emerge? (2) How has the rhetoric around sector-wide policy evolved over time, and how did the sector's infrastructure shape the rhetoric? And, (3) How do philanthropy professionals serving in roles within philanthropy's infrastructure today understand their role in shaping policy for the sector, negotiate the politics of their sector, and shape meaning around their current policy and advocacy efforts? These questions were formulated from a recognition that the infrastructure was an under recognized and underexplored aspect of philanthropy as an institution. I began speaking with acquaintances that worked in the infrastructure about their work and how they were started. I soon learned that the Tax Reform Act of 1969 was a fabled era for the sector that many I spoke with traced their organizational roots toward. I also started with an interest in how philanthropy became so ubiquitous and associated so closely with voluntary action in American life, given that historically many philanthropic foundations and wealthy donors have been met with public skepticism and scrutiny. Finally, I became interested in how those working in the infrastructure made sense of their work in a time of increasing economic inequality, with occasional critiques of inequality directly targeting philanthropy.

I have argued that the building of the philanthropic infrastructure became more necessary and urgent following the Tax Reform Act of 1969 to legitimate foundations as a part of the voluntary sector ecosystem, and to produce a particular form of knowledge around foundations as contributors to public needs and the public good. I have also argued that though this building was in the interest of elites who established foundations, the ecosystem that supports foundations and various other philanthropic organizational forms are constantly negotiating between the interests of elites and calls for equality. In terms of following an institutional ethnography methodological framework, Devault (2006) argues: “the kinds of discourses that constitute the ruling relations are sprawling, sometimes tangled webs of text and activity; the analyses that show how they work must be focused, specific, and often rather technical. Thus, a single study can typically only trace a specific thread through these processes” (296). What I have done in this dissertation is to weave a thread through the emergence and current reality of the philanthropic infrastructure in relation to federal nonprofit sector regulatory regimes (Brilliant 2000; Hall 1998; Williams and Doan 2021), economic and cultural transformations of social welfare (Naples 1997; Ridzi 2004), and social change movements cooptation under neoliberalism (Fraser 2009). In short, my analysis contributes to explaining how the philanthropic sector became more directly positioned to talk about needs from a position of expertise and legitimacy, and how those within the sector today grapple with political, economic, and social complications that come with such a positioning. I was then able to demonstrate how the relations of ruling (Smith 1996; 2001) are infused into not just the actions and decisions of either wealthy donors as individuals or large endowments with their own operational decision-making, but throughout a sectoral ecosystem with organizations that develop and administer forms of knowledge about philanthropy as a purported tool of/resource for democracy, and are challenged by those who are positioned as the beneficiaries of philanthropy.

In Chapter Three, I used qualitative and archival methods to investigate the context of the Tax Reform Act of 1969 and uncover the way foundations were framed in the discourse of Congressional hearings. I focused my investigation on the House Ways and Means Committee and the Senate Finance Committee hearings concerning foundations leading up to the passage of the Tax Reform Act of 1969. I analyzed the debates between foundation advocates and Representatives and Senators to understand how different actors were framing the role of foundations in relation to public needs and their place in American society as either reflections or divergences of American values. Writing about the analytical practice of institutional ethnography, Rankin (2017:6) argues that "sometimes data collection can start in the policy arena and then move into the standpoint with the aim of discovering how policies are activated—the researcher works iteratively between local and extra-local activity." I applied an institutional ethnography framework that started with the policy arena, which set the groundwork for me to later show where these frameworks continue to be activated from the standpoint of those working within the infrastructure today. In this chapter I outlined the strong disconnect between what philanthropy advocates hoped foundations would be understood as—protectors of the public good, sustainers of institutions, and innovators—and what many in Congress proclaimed foundations to be—tax loopholes that were contributing to public discontent with taxation, either superfluous or wasteful in their investments, and/or contributing to political discontent or political movements generally, abusing their tax privileges. This demonstrated that there was a lack of coordination among foundations in terms of building empirical evidence that supported their work and producing a cohesive message about the role of foundations in American life. It also demonstrated that foundations needed a stronger backing from the charitable sector more broadly, as it was not charity broadly that was being questioned by Congress, but this very particular organizational form of private foundations.

In Chapter Four, I again used qualitative and archival methods to better understand how the Peterson and Filer Commissions helped to create a framework for speaking about foundations, speaking about the sector, and forming infrastructure organizations that would help produce knowledge and protect foundations from further regulation. I used the meeting minutes housed in the Ruth Lilly Special Collections and Archives and the published final reports of the commissions to analyze how the commissions framed their own missions after their founding, the debates within the commissions about the role of foundations, and those brought in to speak as experts. This chapter serves as a historical analysis of how the policy arena began to be activated, through a series of debates that led to the development of a public discourse about foundations. The commissions *themselves* worked "iteratively between local and extra-local activity" (Rankin 2017:6). For example, state officials from states with existing foundation laws and regulations came to share their knowledge with the commissions as experts in regulation, contributing to how the commission could then help develop a national discourse about federal regulation parameters. And, when the Filer Commission faced significant pushback from a parallel group that identified as in opposition to the commission’s elitism and lack of attention to those who foundation dollars claimed to serve, the commission also had to grapple with the source of what foundation advocates in the hearings claimed to be a source of their legitimacy: local public needs. I argue that these commissions served two purposes: to defend the place of foundations, and to forge narratives for a more cohesive sector identity that would allow foundations to garner more legitimacy from charitable organizations that were viewed more favorably by Congress.

In Chapter Five, I used semi-structured interviews with four former PSO leaders, program officers, and foundation leaders who were all instrumental in funding and forming PSOs after the Filer Commission and thirty current PSO leaders. The interviews with former PSO leaders were supplemental in bridging the gap between the Filer Commission’s ending and today, as the COVID-19 pandemic restricted access to records at the Rockefeller Archive Center which would have been part of the data collection process. These leaders showed how the frameworks set forth by the commissions of foundations as an integral part of the voluntary sector that needed coordinating were carried out in the 1980s, 1990s, and early 2000s—the decades all four worked in the sector. The interviews with current PSO leaders gave a juxtaposed account of the current realities PSOs navigate in terms of the political, economic, and social contexts of the sector. More specifically, all thirty-five interviews shed light on how the PSO space exists to protect foundations and other funding sources, but it also exists as a site of negotiation, where causes can be uplifted and the voices that give foundations their legitimacy are able to sometimes leverage their experiential or social power to make the case for more just funding practices.

I used interviews and archival materials to conduct a textual analysis of how philanthropy came to its current form because I was interested in my own standpoint of philanthropy. As I outlined previously, I was perplexed by our current moment of economic inequality that had produced limited discomfort with the philanthropic relationships in which wealthy donors are called upon to respond to social and public needs. I was interested in how the PSOs I encountered were able to respond with coordinated answers to what they called common critiques of philanthropy that equated divergent efforts of individual donations and one's freedom to choose where that should go to the sweeping wealth of the Bill and Melinda Gates Foundation having the freedom to invest as they so choose. Institutional ethnography explores the "linkages among local settings of everyday life, organizations, and translocal processes of administration and governance," and those linkages "constitute a field of coordination and control" (Devault and McCoy 2002:368). Such a field, or the relations of ruling, is increasingly coordinated through texts, and that coordination through texts is how "power is generated and held in contemporary societies" (Smith 1999:79). By using this methodological framework to explore sociologically the discourse around philanthropy, and the origins of how this discourse became coordinated, I demonstrated how various philanthropic acts became equated in order to protect private foundations as an organizational form. This is an organizational form that overwhelmingly benefits the very wealthy. I showed that though the Tax Reform Act of 1969 is remembered in the sector as an attack on philanthropy, it was more precisely an indictment of private foundations, though for varied economic and political reasons. Last, I showed that a protective discourse endures, but it is not without challenge. The legitimacy foundations needed was granted through their relationships with charities and voluntary action very broadly conceived. This can be as broad as any action or giving that happens outside of governmental or business relations. From the Filer Commission onward, this opened a space where foundations could both be protected and challenged to be more responsive to social needs. As a result, there is economic power that is wielded from the funder side, but there is also social capital that is wielded from the beneficiary as philanthropic organizations also depend on their support.

Philanthropy framed as a tool for social change and a protector of pluralism are integral parts of the relations of ruling, with this dominant framework being shaped by a protectionist stance for subsidies and a hands-off governance approach. A historical exploration reveals how this framework was developed by prominent philanthropists, but then upheld and strengthened through a more diffuse commission and research approach that solidified philanthropy's place as a tool within democracy that must be protected and upheld as a value, not just an economic means of saving money for government's social welfare obligations. When philanthropy rhetorically becomes a value rather than a cost-saving measure, philanthropy's advocates are able to use ideals of American values to continuously protect philanthropy as a social institution and the various organizational forms philanthropy takes, including private foundations.

At the same time, this study has also considered the multiplicity of philanthropy as a social institution. Following Smith's (2001) example of studying gender through texts, I take up philanthropy by "attending to specificities," seeing the social relations within philanthropy "not as total, but as multiple and sometimes contradictory relations" (159). The interviews with PSO leaders revealed the contradictions set forth by the organization of philanthropy started around the Tax Reform Act of 1969 and the texts and knowledge production that followed. On the one hand, the organizing that took place behind the scenes of the Tax Reform Act of 1969 into the Peterson and Filer Commissions, led by John D. Rockefeller III, was aimed at protecting foundations as an organizational form. Rockefeller began his organizing urging Congress to recognize how regulation foundations would hurt his family's philanthropic endeavors (Brilliant 2000). When this approach failed to work, he began to find more diffuse means of communicating the value of foundations to Congress. Yet the roots of his organizing were a protection for the Rockefeller family's endeavors rather than focused on how social needs would be best served. However, in order to build a more supportive rhetoric for themselves, foundations needed to be understood as contributing to an ecosystem of volunteerism and charity that was a central value of the United States. Advocates invoked the Tocquevillian tradition through their rhetoric in order to demonstrate that foundations were one organizational form among many that contributed to self-reliant, charitable American values. The commissions then found ways to incorporate voices of dissent for foundation support that was not tethered to the needs of recipient communities (or "donees," as they referred to themselves). Eventually, what emerged was an infrastructure that must balance the source of foundation existence and foundation legitimacy: a supportive taxation structure and an (at least perceived) positive reputation for filling societal needs. PSO leaders thus demonstrated how they must center, at least rhetorically, community needs and put this message forward for their foundation membership.

Contributions to Sociological Understanding

In his classic study of religion, Emile Durkheim (1965) developed a dichotomy between the sacred and the profane in religious rituals. The sacred, on one hand, is that which is extraordinary while the profane is that which concerns everyday life. Through processes of ritualization, objects are classified and re-classified between the realm of the sacred and the realm of the profane. Alexander (1998:97) applied Durkheim's dichotomy to civil society, which he defines as a sphere of solidarity in which abstract universalism and particularistic versions of community are tensely intertwined." That which is "the best" in civil society occupies the discourse of liberty--the sacred--and that which is "the worst" in civil society embodies evil--the profane. Public figures become classified within this dichotomy.

Adloff (2015) suggests that Alexander's (1998) extension of Durkheim (1965) applied to philanthropic foundations can help explain their development in that U.S. foundations were once met with suspicion and frequently associated with elite tax avoidance (Brilliant 2000; Barman 2013). However, in more recent years, increasing partnerships between government and philanthropy have emerged as philanthropists are framed as part of the equation in addressing social problems (McGoey 2015; Nickels

2018; Rogers 2015). Large-scale giving for the most part operates as “the best” in civil society (Alexander 1998).

This central point was the beginning of my exploration into the philanthropic sector, to better understand the process in which giving became associated with the best in civil society. Historical understanding revealed this was not always the case in the U.S., so how, exactly, did this understanding become entrenched? Dromi (2016) reminds us that Durkheim and Weber both contributed to our understanding that religious beliefs shape social action, and that Durkheim’s emphasis in his later work on religion highlighted that these beliefs help shape social structures. Dromi (2016) suggests that such an insight can help us better understand culture as a shaping force in the emergence of fields, whereas Bourdieusian field theorists often objectify the field and study culture as emergent from rather than shaping it. Thus, “to understand why new fields emerge, we need to understand the meanings actors assign to their existence” (Dromi 216:199). I expand this argument by outlining the process by which the philanthropic infrastructure emerged. In the case of philanthropic infrastructure, there is a duality to the meaning of its existence that is revealed through a historical exploration: protection and democratization responsiveness. Protection is made clear through the first two chapters as the meaning inscribed into the emergence of the new field that came after the Tax Reform Act of 1969 and the commissions. Democratization, however, was also essential to inscribe in the meaning of the emergence of the infrastructure, and remains a principle that PSO leaders assign to their existence and mission.

Moreover, “seeing culture (religious or otherwise) as an active element in the constitution of new fields would help explain why certain types of autonomous domains evolve at certain historical points and why they take the shape they do” (Dromi 2016:214). The invocation of American values is key to understanding the lasting power of the framework of philanthropic foundations as contributors to a pluralistic society. First, the assumption by John D. Rockefeller III was that the proposed regulations would harm his family’s philanthropic endeavors and those like them. His initial lobbying came up short (Brilliant 2000). Thus, the commissions that formed were made up of “distinguished citizens.”

In their exploration of the philanthropic field’s enactment of networks to fend off taxation obligations proposed by the UK government, Maclean and Harvey (2016:415) argue that elites are often able to “seek out disconnected, lower-status [actors] to reap the benefits of broader alliance constellations.” Elites benefited from the perception that it was not them calling for the preservation of taxation privileges, but social movements and social welfare organizations. In the case of U.S. foundations, the Tax Reform Act of 1969 revealed a significant lack of cohesion and networks among foundations and between foundations and other civil society groups. It was the organizing in the commissions that began the process of building networks that could then be activated when needed to speak for philanthropy. As Peter Peterson stated, a field was formed to speak for them “when the chips [are] down” (The Commission on Foundations and Private Philanthropy 1970:5).

The discourse set forth by institutionalizing protections for foundations fundamentally shape the work of those leading infrastructure organizations. Interviews with national organizations showed that maintaining the protections and sector identity, however, promotes the adoption of language around democratization of philanthropy—the suggestion that more people should understand themselves as philanthropists expands the identity of the sector without addressing more existential questions about inequality and definitional power. Generalized discourse, however, at the local level becomes complicated and can be challenged in its application to specific causes and local contexts.

In bringing together an institutional ethnographic approach with field analysis (Gerrard and Farrell 2013), sociological research can capture the historical, cultural, and political contestations that give way to the emergence of fields (Dromi 2013). Further, it can look to ways power and conflict exist in such fields (Bourdieu 1989). However, by undertaking an institutional ethnographic orientation *with* an analysis of field emergence and field conflict, research can also subjectivize those who work within them. By granting subjectivity rather than objectifying experiences *within* fields, sites of both reproduction and transformation are revealed (Fligstein and McAdam 2013; Smith 1987).

The ruling relations of philanthropy are rooted deeply in the rise of philanthropy as an elitist means of controlling redistribution and using American cultural values to align workers with the interests of early American entrepreneurs rather than fellow workers (Hall 1992). Protecting philanthropic vehicles was the goal of John D. Rockefeller's organizing, but political contestations revealed the need to shift the discourse away from the wealthy as givers, and instead focus on how the wealthy giving was but a small part of a great American civil society tapestry. Thus, the emergence of the philanthropic infrastructure to protect philanthropic vehicles (mainly foundations) was guided by competing cultural interpretations of philanthropy. It was in this dissent and competition that brought diverse constituencies together that philanthropic elites were both protected and challenged. Yet, the relations of ruling, as Smith (1987; 1996) argues, does not simply govern—it is reproduced, renegotiated, and challenged through individual agency. Those within the field navigate these relations, and, potentially, work to change them by changing their orientation away from ruling interests toward redistributive ends.

Public Sociology

Sociologists and organizational scholars have long been interested in the philanthropic relationship. More critical scholarship has outlined the extractive or co-optive nature of large philanthropists and foundations on social movements and historically oppressed populations (Ferguson 2013; Kohl-Arenas 2016; McGoey 2015). My exploration expands this critical view. The focus on individual philanthropists or foundations and their impact on social institutions or social movements is expanded by the understanding that there is a purposeful field construction that aligns such philanthropists or foundations with the voluntary sector, broadly construed. When one considers culture as an "active element in the construction of new fields" (Dromi 2016:214), it becomes more clear that foundations became protected by an invocation of American cultural values that are associated with voluntary action.

In addition to explaining the emergence and endurance of the philanthropic infrastructure's role, this exploration sheds light on our sociological understanding of how the philanthropic sector talks about social needs and the public good, and how these frameworks set forth help shape political discourse (Fraser 1989; Nickel 2018). Philanthropy "is political" Nickel (2018:61) argues, "precisely because it potentiates a vast array of arguments for how resources are accumulated and distributed." My exploration demonstrates a thread that contributes to our understanding of precisely how we came to a point in the U.S. where philanthropy is able to do this potentiating about accumulation and distribution: through a purposeful building of alliances and networks that decentralized the foundation and invoked cultural values that allows for critique of individual philanthropic initiatives while obscuring the political nature of distribution and resource allocation itself.

Devault and McCoy (2002:373) posit that "the liberatory potential of [institutional ethnography] come from its specifications of possible 'levers' or targets for activist intervention," and its "transformative potential [...] comes from the characters of the analysis it produces; it is like a 'map' that can serve as a guide through a complex ruling apparatus." Their "levers" of relations that become more clear through this research are the two currencies on which philanthropy depends: the idea that philanthropy is democratic and tax privileges.

Reflections as a Public Sociologist

As a scholar and as a humanist interested in the "philanthropic impulse," and interested in how we actually create a more just society that does structurally support a robust civil society, I found myself at a crossroads exploring the nuances and contradictions of the sector many times throughout this process. How does one read the text *the Gospel of Wealth* as a text grounded in the assumption that wealth hoarding is natural and ordained by God, with the millionaire being the arbiter of investment for all.? Yet, this system does, in fact, persist. As our nation grapples with Amazon's business practices, philanthropy watchers wait to see how Mackenzie Scott will give away her billions. There seems to be an emerging dichotomy between opting *out* of philanthropy in framing it as a symptom of a capitalist system of wealth hoarding, and completely opting *in* to the sentiment of "wouldn't you rather the billionaires give away their money than keep it?" This was repeated throughout many of the interviews I undertook with PSO leaders. However, rather than trying to delete the tension, perhaps it is this tension that guides what comes next in terms of continuously creating a voluntaristic spirit that is truly a pillar of democracy.

Throughout the interviews, the most inspiring examples were those who both recognized that philanthropy is in part a symptom of a system, yet moved forward to guide it toward a different conclusion other than extraction and cooptation of social movements and claims to rights. How does one live alongside the promise of philanthropy without being of it, and without opting out? Kompridis (2006:269), in outlining and advocating for a more expansive critical theory wrote: "What the present owes to the past is to prevent its foreclosure, and this it can do by recovering the speech of those who would otherwise have been silenced, reawakening hopes and expectations that might seem 'unrealistic' or 'utopian' to the past-erasing temperament of the times."

When viewed historically not just from the views of the richest Americans but from those who sought and still seek to build a philanthropic sector in which all can participate and make decisions about redistribution, scholarship can produce more of an obligation to not foreclose the future from more democratic and just futures.

I set out to better understand how we disentangle philanthropy as a tool of the rich to wield more social power in order to inform how we can then change or deconstruct philanthropy itself. However ,what I did instead was to inform how we, as sociologists and social change advocates, change our relationship *to* philanthropy. It became clear that the formation of the philanthropic infrastructure was to protect private foundations as an organizational form. This has translated today into the protection of other forms of philanthropic organizations—particularly Donor Advised Funds (DAFs)—that are again bringing up questions of disclosure and donor rights. The protectionist infrastructure's emergence was made possible by cultural beliefs in pluralism and the benefits of voluntarism and action outside of the state. Foundation advocates were able to associate foundations as in line with this cultural belief, from which the infrastructure emerged to produce knowledge and create coalitions to support this association. However, in their outlining of the emergence of Independent Sector out of the Filer Commission, Williams and Doan (2021) suggest that their protectionist stance was not determined from the outset, but a set of choices that could have been made differently should the founders of the organization have been led more by dissenting voices to the Filer Commission who hoped to make philanthropy more reflective of those working directly with communities. Today, we can see that our cultural values of voluntarism may have helped a protectionist infrastructure emerge, but our principles of association and organizing have also led to marginalized voices receiving more recognition.

As public sociologists, we must approach philanthropy as a social institution that is reproduced through everyday life. This reproduction can take different forms. We can be mindful that all philanthropic investments are relationships, and then ask: what are the terms of that relationship? Who has definitional power? Does this relationship necessitate the objectification of any group or experience? Does this partnership allow for real redistribution through the fair hiring and pay of labor? In short, we can leverage cultural beliefs toward different emergences other than the protection of taxation benefits for the wealthy. We can leverage cultural beliefs toward more expansive futures of belonging where the Tocquevillian tradition of association is for the demand for rights rather than for a charitable cause that is discretionary.

APPENDIX

Interview Protocol

1. Tell me about your background and how you came to your current position.
2. How is your organization structured in terms of hierarchy or positioning? Where does your position lie in that structure? How is your position related to others in the organization? Has this changed over time, that you're aware of?
3. What does your position consist of within your organization?
4. What do you know about the history and background of your organization? How is this history and background taught to new employees?
5. How does your organization work with other organizations in the philanthropic sector? Are you involved with working with other organizations as part of your professional duties? How so?
6. What role do you think your organization plays in shaping federal policy?
    a. What does your organization see as the most important policy aims for philanthropy as a sector broadly?
    b. What should the relationship between the federal government and philanthropy ideally look like?
    c. How have you seen the shifts in the federal policy landscape impact the philanthropic sector since you began your position, if at all?
7. How do you see the role of your organization in terms of shaping the philanthropic sector?
8. What are some of the federal policy goals of your organization? How do you develop these goals?
9. What policy goals do you think the philanthropic sector should prioritize?
10. What are the major challenges facing the sector?

Closing Questions

11. Do you have anything you would like to add?
12. Is there anything I haven't asked you that you think is important for me to know?
13. Is there anything that you thought about telling me, but didn't?
14. Do you have any questions that you would like to ask me?
15. Can you tell me how this interview experience went for you?

Thank you! I am grateful for your time, insights, and overall willingness to share.

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