

The Surdna Foundation Meets Saul Alinsky

Community organizing in the era of Obama

By Jonathan Hanen

Summary: *New York's Surdna Foundation used to focus on the usual left-wing causes: environmentalism and so-called smart growth, community development, and the arts. Sensing an opportunity when Barack Obama became U.S. president, the charity changed its mission to promote community organizing above all else. Its benefactor would not have approved of its old mission statement or the new mission statement.*

Founded by a practical, hard-nosed, free market-loving capitalist, over the past century the Surdna Foundation Inc. was transformed into a hotbed of revolutionary radicalism. Created by legendary industrialist John Emory Andrus, the New York City-based foundation now adheres to the *Weltanschauung* of extremist agitator Saul Alinsky and Alinsky acolytes like Barack Obama and Hillary Rodham Clinton. Andrus was no utopian, holier-than-thou dreamer or activist. In the obituary carried by *Time* on Jan. 7, 1935, the magazine declared,

He was supposed to be one of the ten richest men in the U.S. But when Death came to John Emory Andrus at 93 last week, the best the Press could do was to identify him as the “millionaire straphanger.” Indeed the Press never heard of the financier-philanthropist until he was past 60. And then it spotted him, a shy, parsimonious, white-bearded old gentleman, because he always rode the subway to his Manhattan office until he was 86.

If he were alive today it seems a fair bet he would be a conservative, Tea Party movement supporter. He would likely stand bewildered at the grant-making patterns of his founda-



John Emory Andrus (Feb. 16, 1841 – Dec. 26, 1934)

tion that over time has degenerated into a philanthropic epicenter for the promotion of statism.

Andrus was “the complete laissez-faire businessman,” according to biographer George P. Morrill, author of *The Multimillionaire Straphanger*. “He believed in simple capitalism all his life.”

“Under his code, a man was responsible for his own welfare,” wrote Morrill. “Therefore he was obliged not only to earn his bread by his own brain and sinew but to guard himself from anything that threatened his welfare. The dangers included businessmen, the government, genteel beggars, high taxes, frivolous pursuits, intemperance, and waste in any form.”

Andrus and his business partner, Thomas Barlow Walker, both “clashed with govern-

ment investigators—whom they impatiently considered stumbling blocks in the path of progress.”

A devout Methodist and family man, Andrus was very politically active. In fact, after serving as mayor of Yonkers he served as a Republican U.S. representative from New York’s 19th congressional district from 1905 to 1913.

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CONTENTS

Surdna Foundation
Page 1

Philanthropy Notes
Page 8

“The biggest fight Andrus picked while he was in the House was his attempt to stop the federal government from spending too much money,” David Hogberg wrote in Capital Research Center’s most recent previous profile of Surdna (*Foundation Watch*, September 2007).

“Andrus opposed a proposal to have the federal government buy land in Washington, D.C. to create Rock Creek Park. He was convinced that land speculators were trying to fleece Uncle Sam because the speculators’ asking price for the land was \$600,000, well above the \$230,000 assessed value.”

Congressman Andrus stuck with the GOP’s official nominee, President William Howard Taft, in 1912, when Theodore Roosevelt tried to regain the presidency under the Progressive Party banner. “I am going to vote the Republican ticket because I still believe in its principles,” Andrus said. (*New York Times*, Sept. 11, 1912) Four years earlier Andrus voted for Taft at the Republican National Convention in Chicago.

But this time Andrus seemed to sense that Taft, who had previously been Roosevelt’s secretary of war, was doomed. When asked if the GOP ticket would prevail that year, the lawmaker said, “You know there

Editor: Matthew Vadum

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Address:
1513 16th Street, N.W.
Washington, DC 20036-1480

Phone: (202) 483-6900
Long-Distance: (800) 459-3950

E-mail Address:
mvadum@capitalresearch.org

Web Site:
<http://www.capitalresearch.org>

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is not eternal sunshine, and one can’t hope to win all the time.” In the end left-wing Democrat Woodrow Wilson crushed both Roosevelt and Taft in the Electoral College. With Roosevelt splitting the anti-Wilson vote, Wilson garnered 435 electoral votes, compared to Roosevelt’s 88 electoral votes and Taft’s paltry 8 electoral votes.

Before the great stock market crash of 1929, Andrus’s wealth had peaked at an estimated \$800 million. His personal worth fell in the years leading to his death five years later but he still had a large fortune to his name when he slipped the surly bonds of earth in 1934.

Andrus formed his foundation in 1917. While he was alive, Surdna directed funding mostly to hospitals, institutions of higher learning, churches, and other legitimate charitable causes. When he died, Surdna received 45 percent of his personal wealth.

Despite Andrus’s pronounced distaste for government meddling, nowadays the overarching goal of his foundation is enlarging the size and scope of government.

By the late 1980s, Surdna “had distanced itself from the charitable practices of its founder,” Hogberg wrote. The foundation embraced anti-development environmentalism, giving grants “to many environmentalist groups whose policies are anything but consistent with the causes Andrus supported during his life and are actually hostile to the ways by which he made his fortune.”

Although Andrus was a conservationist, he was no sanctimonious environmentalist. He made much of his fortune exploiting the natural riches of the planet. He got into the timber-harvesting business. At one time he bought “a huge tract of land, 800,000 acres, in New Mexico,” Hogberg notes. “He sold 300,000 acres for a profit, and kept the remaining 500,000 for mineral extraction. Eventually oil, potassium carbonate, and other valuable minerals were found on that land.”

This paper will explore how the management of the Surdna Foundation has undermined the donor intent of Andrus who would not have wanted his hard-earned money spent on left-wing social engineering. It will focus on how the foundation has come to enthusiastically

embrace the radical left-wing, leveling ethos of community organizing.

This new emphasis on undermining the republic coincided with the rise of Barack Obama, America’s first and so far only president to have come from the in-your-face world of class warfare, street protests, intimidation, and occasional violence that is modern community organizing.

If the grant officers of Surdna get their way, he won’t be the last either.

Philosophy

John Emory Andrus did not leave much in the way of specific instructions on what causes he wanted his foundation to support with grants. However, late in life, after he endowed the charitable organization, Andrus explained in general terms his businesslike approach to philanthropy.

There should be efficiency in charity. The United States Steel Company is efficiently managed. So are many other great enterprises. Why shouldn’t philanthropy be organized and handled just as efficiently as a great business venture? That’s what I’m aiming at. And it will be the biggest thing ever attempted in that line. I hate to see unfortunate or crippled boys and girls, but there are many other kinds of misfortune, affecting children and grown-ups alike. Maybe you don’t realize it, but if I were to attempt to answer all the letters I get for money, I wouldn’t have time to half keep up with the job.

Andrus grew up poor and generated his wealth by hard work and prudent investing. Despite his affluence, he enjoyed a modest lifestyle.

“Like another wealthy contemporary, the oil magnate J. Howard Pew, Andrus eschewed publicity and preferred to keep his name out of the newspapers,” according to Hogberg.

“He did not want fame or public recognition for his charitable work. Indeed, when Andrus established his own foundation, he gave it his surname backwards—Surdna—in order to discourage publicity.”

As Hogberg points out, no one knows with certainty exactly what Andrus wanted his

money spent on after his death, but there is no indication he wanted grants to flow to political causes and activist groups, especially those bent on tearing down the American system.

Note that Andrus clearly had the less fortunate in mind when he considered charitable giving. Nowhere in that passage is there any indication that he would have wanted his philanthropic giving to fund organizations involved in political activism.

Surdna president Phillip Henderson took the helm of the foundation in 2007. Before that he was vice president of the German Marshall Fund of the United States at which he supervised policy research, along with fellowships and grants to organizations supporting democracy.

When two Surdna program officers were named 2014 PLACES (Professionals Learning About Community, Equity, and Smart Growth) fellowships by the Funders' Network for Smart Growth and Livable Communities, Henderson used the occasion to wax eloquent about all the things that the Left dislikes about America.

"Surdna is exploring ways to challenge power dynamics, structural racism, and other social inequities in order to achieve our mission," Henderson said, invoking trendy left-wing buzz words. "And we know that other grant-makers are looking to the PLACES Fellows to help the philanthropic sector find effective ways of reducing, and eventually removing, barriers and patterns of development that—consciously or unconsciously—continue to limit access to opportunity."

Through these buzz words, Henderson implicitly advocates the neo-Marxist academic critique of American society that links the identity politics of gender, race, and ethnicity to the traditional Marxist doctrine of rigid class interests and radical antagonism between the middle class and the wealthy. Of course Henderson doesn't bother to note that the kind of bureaucratic red tape, high taxes, and regulatory overkill his foundation supports limit access to opportunity by killing jobs and suppressing private sector growth.

Nothing must get in the way of the far-left's unstated goal of dividing Americans against themselves and Balkanizing these demographic groups into victimized voting blocs. The myths of radical class warfare must be perpetuated, in spite of America's unprecedented rise in the standard of living for the poor over the last century, and its creation of the largest and wealthiest middle class, and greatest social mobility in human history.

Under Henderson's leadership, Surdna seems strangely oblivious to John Emory Andrus's real-life legacy. The foundation claims to be acting on its benefactor's "values" which it identifies as "thrift, practicality, modesty, loyalty, excellence, and an appreciation of direct service to those in need." But this ignores Andrus's core political beliefs, specifically his support for limited government and free markets. Andrus would not have approved of Surdna's support for Keynesian economics or its bureaucratic approach to social problems.

Mission Shift

The Surdna Foundation recognized that Barack Obama's election in 2008 presented a tremendous opportunity to advance the hard-left agenda. Obama's ascent to power caused the well-established philanthropy to reorient its approach to giving in order to advance an ACORN-like, Occupy Wall Street-like agenda. It retains its longstanding interest in anti-development "smart growth" policies and environmentalism, but now places community organizing at the top of its list of priorities.

Obama's ascent to power was a breath of fresh, progressive air to officials at Surdna, as the charity acknowledged in its 2009 annual report:

The Surdna Foundation Board and Staff began 2009 with a real sense of momentum. We developed a new mission statement focusing on fostering just and sustainable communities, bringing a sense of cohesion and purpose to our work. Momentum also came from an external environment where our partners were flush with optimism that many issues we have been working on for ten and twenty years might hit tipping points towards rapid reform and resolution.

Since October, staff in each of our three new programs has been hard at work building new alliances with other foundations, with grantees, and with experts in the field. This work has been energizing, an injection of ideas and possibilities against the backdrop of a toxic political environment and economic distress being felt across America. Since we announced our new mission, it has been remarkable just how our message of the interconnectedness of economic, environmental, and cultural issues within communities resonates with the approaches of other leading organizations in the U.S. Surdna sees great possibilities ahead for transformative action.

In mid-2009 the foundation "established board-staff working groups to carefully examine our emerging new programs and to work together to identify the most pressing issues to pursue and problems to solve." This led to "a growing consensus about the way forward into the next chapter of Surdna's philanthropy." The new focus on "just and sustainable communities is a reflection of the underlying values of the institution and the Andrus family, which we believe will give us shared sense of purpose as we tackle these difficult issues."

Sustainable communities are "guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures." Such communities offer "a balance of productive activity and leisure, consumption and conservation, individualism and community." Surdna dissimulates its views by speaking of "balance" in these last two pairs of contrasts. Its thinly-veiled agenda is to use the rhetoric of the common good and the general welfare clauses of the Constitution, not to argue for more spending on genuinely national purposes or even increased social spending for the poorest Americans, but to restrict the individual rights and economic freedom of society as a whole. Likewise, the grand narrative of environmental catastrophe is a rhetorical device for regulating consumption by centrally planning the fossil energy markets. Expansion of the administrative state is the far-left's ulterior motive for attempting to artificially create new energy markets, rather than simply investing in scientific research that might lead to new sources of energy at

some point in a distant future when markets, not government, would most efficiently pick the winners and losers.

Over the previous two years “with the rush of energy surrounding Barack Obama’s election to the presidency and the sudden and deep economic recession, we learned just how little we control these fundamental shifts in our society.” The language here is revealing of Surdna’s mission. The ‘we’ and the ‘our’ are the royal third person of the government bureaucrat, and the ‘control’ betrays an eagerness to use the economic downturn of 2007-8 as a means to centrally plan as much of the economy and civil society as is possible within the constraints of representative democracy.

Surdna asserted that it was looking forward “to working with the many partners and grantees in the coming year, learning from each other and adapting to what is bound to be a dynamic and somewhat unpredictable social, economic, and political landscape.” The resulting upheaval and chaos present opportunities for those who wish to radically expand the ambit of the administrative state. It brings to mind Rahm Emanuel’s statist injunction not to let a good crisis go to waste, and the folksy appeal to social democracy that is baked into Hillary Clinton’s tagline “it takes a village.” This slogan encapsulates the view that social and economic problems should be solved through collective action and bureaucratic central planning, rather than the traditional American means of local self-governance, autonomous social institutions, the family, the church, free markets, and individual charity. Ironically, the “village” of American civil society has no role to play in its own self-governance.

Surdna views community organizing as key to bringing about the vague ideal of “social justice” by making sweeping big government changes to American society. At Surdna, the American Dream of self-sufficiency is long dead. The foundation sees America as a land of unfair obstacles that prevent people from fully participating in society. If people manage to become wealthy, they’ve done it at the expense of other people, by exploiting or discriminating against others based on their race, sex, class, or other condition, according to Surdna’s neo-Marxist view of our society.

We emphasize social justice in our work, recognizing the structural and systemic barriers experienced within our communities and are devoted to finding solutions that dismantle them. The importance of young people, organizing, and leadership development in addressing these barriers are lessons we carry forward from previous work at the Foundation.

This thing called *social justice* is a loaded term. Implementing it requires a powerful entitlement state that is strong enough to micromanage every aspect of civil society and to pick winners and losers in the private sector. In the political arena, social justice implies subordinating the modern republican ideal of equality before the law in favor of a radically egalitarian equality of outcome. Conservatives readily admit that freedom and social equality are in tension in the nation-state. Freedom necessarily generates inequality, since different citizens use their liberty differently. Most conservatives readily acknowledge that a liberal democracy, in order to be politically stable, requires a relative equality of conditions, and that graduated taxes and limited social spending are both economically necessary and morally just. But progressives take their redistributive agenda too far and ignore Milton Friedman’s observation that “A society that puts equality before freedom will get neither. A society that puts freedom before equality will get a high degree of both.”

Surdna’s radical objective is to remake America in the image of a European social democracy and to minimize the traditional forms of American self-governance. The foundation prefers that freedom and individual rights take a back seat to equality and the sacred cow of coercive redistributionism through the agency of the federal government.

Surdna now asserts the primacy of community organizing in its philanthropic portfolio and breaks grant-making down into three areas: “sustainable environments”; “strong local economies”; and “thriving cultures.”

“Sustainable environments” is a euphemism for anti-economic growth, neo-Malthusian policies that place the thriving of every species on earth above that of the human species. In this nightmarish, doomsday view of the

world, precious resources are constantly on the verge of being permanently exhausted while ecological crises such as the threat posed by alleged anthropogenic global warming perpetually promise Armageddon.

“Strong local economies” is leftist code for thuggish Saul Alinsky-style community organizing. It amounts to giving to groups that promote government dependency, expanded welfare benefits, immigration amnesty and open borders, minimum wage increases, and generous grants to left-wing community-based organizations.

“Thriving cultures” is code for the usual multicultural relativism that runs rampant in the academy and in Hollywood. The dogma of multiculturalism holds that all cultures are equal – except for America’s culture which is a source of evil and suffering in the world. Whether it’s encouraging children to learn obscure languages like Nahuatl, underwriting political propaganda disguised as art, or worshipping at the altar of diversity for diversity’s sake, for the far-left, it all comes down to a snobby, elitist attitude that masks the progressive drive to weaken constitutional originalism, undermine limited government, and expand the scope of the administrative state.

But the rhetoric of multiculturalism and diversity is very schizophrenic. On the one hand, the doctrinal assertion of the academy and Hollywood is that morality is merely a matter of value or arbitrary choice, rather than knowledge rooted in unchanging principles. On the other hand, both institutions are dominated by the social justice agenda and the attempt to transform America into a European social democracy. This is a categorically normative moral claim, the possibility of which is denied by the thesis of multicultural relativism. What explains the schizophrenic contradiction between relativism and the social justice agenda? It is the paramount need to use the ideology of multiculturalism as a litmus test to weed out conservatives in the academy and in Hollywood.

Surdna believes that “[a]rtists and culture bearers give voice to cultural identity and are often powerful catalysts for social change. They not only carry forth cultural traditions but also create new traditions rooted in their

community and identity.” This has always been the vocation of the artists. What is new is the ideological litmus test of political correctness. The more progressives in the academy and Hollywood talk about multiculturalism, the more they tighten the doctrinal straitjacket that squelches dissent. By eliminating the possibility of any meaningful debate between the left and the right, the contradictory ideology of diversity and normative political correctness prevents the full heterogeneity of man’s moral virtues from manifesting itself in the academy and Hollywood.

Surdna has plenty of resources available to push its extreme progressive agenda.

With assets of \$814,855,442 (ledger value) and income of \$167,883,888, as of June 2012, Surdna is today ranked 118th among U.S. foundations by assets, and 27th among New York State foundations by assets, according to FoundationSearch. Surdna does not accept unsolicited applications for funding.

Out-of-touch with America

To get a sense of just how radical and out-of-touch with mainstream American values the Surdna Foundation has become, one need only peruse the charity’s website.

President Obama’s labor secretary, Thomas Perez, about as radical an Obama cabinet member as you will ever meet, is hailed as a visionary on the website. Like his predecessor Hilda Solis, Perez treats the Labor Department as a wing of the labor movement, viewing business as an enemy, not a partner in creating jobs.

A former top aide to the late Sen. Ted Kennedy (D-Mass.), as an assistant attorney general at the U.S. Department of Justice, Perez led the administration’s assault on voter ID laws in 2012. As a member of the Montgomery County, Md., Council in 2003 he pushed governments to accept fraud-prone *matricula consular* ID cards issued by Mexican consular offices. He sat on the board of Casa de Maryland, an advocacy group for illegal aliens funded by George Soros and Hugo Chavez, the late Marxist president of Venezuela.

Perez played a significant part in getting the Church Arson Prevention Act enacted, a

law built on the false premise that arsonists were disproportionately targeting African-American churches. He also took aim at Maricopa County, Ariz., Sheriff Joe Arpaio, subjecting the border-enforcing conservative folk hero to legal harassment. Perez reportedly blocked prosecutions of hate crimes committed against white Americans and was instrumental in the Justice Department’s dismissal of a case involving two Philadelphia-based members of the New Black Panther Party who intimidated white voters on Election Day 2008.

Surdna staffer Shawn Escoffery writes of a recent visit to Washington, D.C. for a “listening session” with Perez and his team. (Surdna.org, Nov. 26, 2013)

The Department of Labor (DOL) brought together workforce funders for a meet and greet with the new Secretary. We were also there to share with Secretary Perez what we’re doing in the field, our opinions about DOL, and to identify opportunities to work together. Already, many of us are excited about what we think is going to be a very different DOL under Secretary Perez’s leadership.

The other “workforce funders”—a term that appears to be a politically correct version of *job creators*—that sent representatives to the meeting were AARP, along with the “Joyce, Rockefeller, Mott, [and] Ford” foundations. “Weinberg,” which seems to be a reference to the Owings Mill, Md.-based Harry and Jeanette Weinberg Foundation, also sent representation, along with corporate attendees Hitachi, Chase, Alcoa, and Walmart.

Shawn Escoffery paraphrases Perez approvingly. “As a former civil rights attorney, [Perez] said one of the greatest civil rights you can give a person is a good job,” Escoffery writes. Although conservatives, following Reagan, have been known to quip that the best social program is a job, Perez speaks of a job as a *right*. Perez’s view is dangerously extreme. To say that a job is a civil right, is to say that government must have the means to be able to enforce this right for each and every citizen. On this view, government would be entitled to control of the entire private sector.

Escoffery, Director of Surdna’s Strong Local Economies Program since May 2010, himself is a seasoned veteran of the Saul Alinsky-inspired community organizing movement. Before joining Surdna, he was deputy director of the New Orleans Neighborhood Development Collaborative (NONDC), a community organizing, community planning, and development organization. NONDC receives financial support from the usual suspects, including Surdna which gave the group \$290,000 from 2005 through 2007 (but nothing since then). Other funders include Neighborhood Reinvestment Corp. (a.k.a. NeighborWorks), a congressionally chartered, taxpayer-supported nonprofit (\$250,000 since 2009); Greater New Orleans Foundation (\$2,970,210 since 2000); \$400,000 in 2009 from the W.K. Kellogg Foundation; \$399,995 since 2008 from the Annie E. Casey Foundation. Escoffery also did community organizing work in two large sinkholes for charitable dollars, at Empower Baltimore Management Corp. in Baltimore, Md., and the New Community Corp. in Newark, N.J.

Community Organizing

In the Obama era, Surdna has become extremely supportive of community organizing. But what precisely does the term “community organizer” designate? The generic term “community organizer” signifies that the whole of civil society – made up of families, schools, autonomous social institutions, corporations, small businesses, and free-markets—must be organized from without for the sake of the common good of the community. The very term implies that social and economic problems cannot be solved by the spontaneous emergence of social institutions and the creative destruction of free markets that have been the glory

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of America since its founding. Thus community organizing aspires to supplant the American political system of ordered liberty under constitutional limits with more powerful government. Animating this extreme progressive vision of human community is an ideologically-driven desire to generate not mere equality of opportunity through increased social spending and educational programs, but a radically egalitarian equality of results through legislation, and whenever possible, regulatory fiat.

To demonstrate that Surdna fits this pattern, let us now turn to the specific kinds of community organizers that this far-left foundation bankrolls.

Surdna gives large sums to the Tides network (\$5,172,300 since 1999, almost all of which went to the Tides Center). The Tides Center is an incubator for new left-wing nonprofit groups. It provides discounted office space, financing, and expertise in an effort to grow the existing network of radical activist organizations that are seeking to afflict the nation with a contagion of community organizing.

Surdna financially supports groups such as the New York-headquartered Center for Working Families (\$300,000 in grants since 2009). It supports the Center because of its “focus on creating income, health, and job equality” and because it “works with local allies to build the momentum and capacity necessary to reform policies which disproportionately affect low income families in New York state.”

Surdna supports the Gamaliel Foundation (\$1.1 million since 2006), a radical community organizing group that “worms its way into church congregations and uses the ‘in-your-face’ tactics espoused by community organizing guru Saul Alinsky to incite church members to agitate for socialism,” according to a Capital Research Center profile. “Worse, Gamaliel indoctrinates its own community organizers in creepy cult-like teachings and deceives church congregations about its real motives.”

If a day is a lifetime in politics, Gamaliel has *ancient* ties to President Obama. Former Gamaliel executive director Gregory Galluzzo brags about meeting Obama in the early

1980s-when he was creating an independent project on the South side of Chicago called the Developing Communities Project.

Galluzzo said he met Obama on “a regular basis as he incorporated the Developing Communities Project, as he moved the organization into action and as he developed the leadership structure for the organization. He would write beautiful and brilliant weekly reports about his work and the people he was engaging.”

When Obama “was leaving [to attend law school] he made sure that Gamaliel was the formal consultant to the organization that he had created and to the staff that he had hired.” Later he helped out Gamaliel “by conducting training both at the National Leadership Training events and at the African American Leadership Commission.” (Gamaliel Foundation was profiled by David Hogberg in the July 2010 *Foundation Watch*.)

Surdna supports the Minneapolis-based Institute for Agriculture and Trade Policy (\$560,000 since 2000). The think tank used to be run by Minnesota Secretary of State Mark Ritchie, a community organizer by profession. Ritchie is the radical leftist who put his thumb on the scale in 2008, deliberately bungling the recount process to allow Al Franken (D) to win Norm Coleman’s (R) U.S. Senate seat.

Surdna supports the New Organizing Institute (\$150,000 since 2011), a George Soros-funded training facility for community organizers. The nonprofit’s “Candidate Project” aims to procure viable candidates for city councils, school boards, state legislatures, and local commissions. These are “the battlefields where life-changing issues are constantly being tested and decided under our noses,” NOI asserts. “There are more than half a million local elected offices outside of the Washington gridlock -- that’s more than 500,000 ways to influence whether government serves the 99% or just the 1%.”

Surdna supports the Applied Research Center (\$154,000 since 2009) which regularly pumps out propaganda aimed at convincing Americans it’s racist to require photo ID from voters. ARC calls itself a “30-year-old racial justice think tank that uses media, research and activism to promote solutions.” ARC

convenes “Facing Race” conferences that are promoted as the country’s largest multi-racial gatherings of organizers, activists, and intellectuals who are “committed to change” in the areas of race and politics. Self-described communist and former Obama green jobs czar Van Jones gave a speech at one such conference in 2010.

Surdna supports the Berkeley, Calif.-based Greenlining Institute (\$250,000 in 2011), which bears more than a passing resemblance to the now-defunct Association of Community Organizations for Reform Now (ACORN). Greenlining is a left-wing pressure group that threatens nasty public relations campaigns against lenders that won’t carry out its radical economic agenda. It strong-arms politicians and the business community to facilitate “community reinvestment” in low-income and minority neighborhoods. The group brags it has threatened banks into making more than \$2.4 trillion in loans in low-income communities. If this unlikely boast were true, it would mean that the Greenlining Institute was second only to Fannie Mae and Freddie Mac in bringing about the sub-prime lending fiasco that brought on the financial crisis of 2007-8. (John Gizzi profiled the Greenlining Institute in the August 2008 *Organization Trends*.)

Surdna supports Oakland, Calif.-based Grassroots Institute for Fundraising Training (GIFT) (\$50,000 in 2011). Its logo is the traditional clenched socialist fist grasping dollar bills. GIFT is a spinoff of the two community organizing schools, Center for Third World Organizing and the Southern Empowerment Project.

Surdna supports Oakland, Calif.-based Youth Together (\$590,000 since 2005). One of the foundation’s grants, a \$70,000 gift from 2006, was designated for “Support to develop multiracial student organizers advocating for equity in school to institutionalize youth leadership in school decision-making and to support coalition efforts to impact educational policy.”

Surdna supports the grandfather of all community organizing outfits, the Industrial Areas

Foundation. IAF was founded in 1940 by no less than Saul Alinsky himself. Surdna gave \$300,000 in 2011 to IAF Northwest in Tukwila, Wash.

Other Surdna grantee groups are: Chicago-based Center for Labor and Community Research (\$315,000 since 2010); Jobs with Justice Education Fund (\$400,000 since 2009); Center for Third World Organizing (\$590,000 since 2008); People Organized to Win Employment Rights (POWER) (\$464,000 since 2006); Southwest Organizing Project (\$320,000 since 2007); Neighborhood Funders Group (\$90,000 since 1999); and Restaurant Opportunities Center of New York (\$185,000 since 2010).

Surdna also supports so many local and regional community organizing groups, like New Orleans Workers' Center for Racial Justice (\$300,000 in 2011) and Make the Road New York (\$3,069,000 since 2002), that it would be impractical to list them all here.

Surdna also gives money to a media outlet that serves as a cheerleader both for community organizers and the Obama administration. The Foundation for National Progress, whose product is the San Francisco-based magazine *Mother Jones*, has received \$875,000 from Surdna since 2005. Along with *The Nation* and *The Guardian*, *Mother Jones* forms the media vanguard of the extreme progressive movement for single-payer socialized medicine, the elimination or radical curtailment of fossil fuels, and increased corporate and income taxes aimed not at the growth of the overall economy but redistribution of wealth.

Mother Jones is the media outlet that first reported on Mitt Romney's politically disastrous "47 percent" remarks on the campaign trail in 2012. The magazine's namesake, Mary Harris "Mother" Jones (died 1930), was a passionate, loud, pistol-packing labor leader, whose portrait hangs in the U.S. Department of Labor's "Labor Hall of Fame."

Smart Growth/Environmentalism

Despite the new emphasis on -Alinskyite groups that try to force change on American

society, Surdna continues to devote significant resources to environmentalist groups. As a tree harvester, Andrus would probably not think highly of today's green movement.

Green for All (GFA) has received \$1,215,000 from Surdna since 2009. Self-described communist Van Jones co-founded GFA with Joel Rogers, the founder of the Apollo Alliance. GFA claims it is "dedicated to improving the lives of all Americans through a clean energy economy." GFA has created so-called green jobs for poor young people, but not without huge taxpayer subsidies. It also advocates for economy-killing cap-and-trade carbon control legislation. Apollo Alliance, which itself has taken in \$550,000 since 2009 from Surdna (via Tides acting as a fiscal sponsor), wrote the \$86 billion green jobs portion of the \$787 billion so-called stimulus package known as the American Recovery and Reinvestment Act of 2009. In terms of labor force participation, this stimulus has failed to stimulate anything, except the \$17 trillion national debt.

Other green groups to receive grants from the Surdna Foundation include: Blue Green Alliance Foundation; Natural Resources Defense Council (NRDC); Earth Island Institute Energy Action Coalition; Global Conservation Network; ICLEI – Local Governments for Sustainability; Eco America; Smart Growth America; and Funders Network for Smart Growth and Livable Communities.

Smart growth, a relatively recent pet issue for the far-left, has been an interest of the Surdna Foundation since at least the 1990s. Smart growth can be described as a bundle of policies that favor cities over suburbs and rural areas—on the theory that dense population centers are better for the environment and more convenient for governments that provide local services and maintain public infrastructure. "Sprawl" is an epithet that smart-growth supporters use to describe low-density development, and Surdna funds groups that push for tough new zoning restrictions and for whatever the issue of the day is for the environmentalist movement. But the law of unintended consequences is the scourge of central-planners. It is the

proliferation of zoning and environmental restrictions in the inner cities that has lowered overall housing supply and increased the costs of housing for the middle class and the poor in cities—thus leading to the demand for lower cost housing in low-density development areas. It is the regulatory regime of the far-left that has caused the "sprawl" that both conservatives and progressives find to be of low aesthetic value. The final irony is that "sprawl" is the kind of development that helped to make John Emory Andrus fabulously wealthy.

Conclusion

The Surdna Foundation management has transformed this philanthropy into a vehicle for advancing the cause of American social democracy. Surdna dishonors the memory of the philanthropy's benefactor, John Emory Andrus, by underwriting far-left advocacy organizations and activist groups of which the late multimillionaire captain of industry would not approve.

Andrus believed in the American experiment in republican self-government, with its unprecedented emphasis on democratic ordered liberty in the form of limited government under the rule of law, combined with individual rights, economic freedom, freedom of civic association, and an ethos of self-reliance. The foundation that bears his name does not.

Jonathan Hanen is a freelance writer and political consultant based in Washington, D.C. A native of Connecticut, he earned his Ph.D. in philosophy from Boston University.

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PhilanthropyNotes

President **Obama**'s nominee to run the **Internal Revenue Service** told senators that if he is confirmed he will probe the failure of nonprofit groups to disclose fully the circumstances of multimillion-dollar losses that result from financial wrongdoing. **John Koskinen** cited a *Washington Post* report that identified over 1,000 nonprofits that disclosed "significant diversions" of their assets in tax filings in recent years; often, the groups failed to report the precise amount or critical details. Such reports "provide important insights into areas that may have gone unnoticed or have been overlooked," he said. Koskinen served as a director and chairman of the executive committee of the **Federal Home Loan Mortgage Corporation** from 2008-2012 and was non-executive chairman of **Freddie Mac** from 2008 to 2011, and president of the **U.S. Soccer Foundation** from 2004 to 2008.

The **Nathan Cummings Foundation** has decided to focus its grantmaking almost exclusively on reducing income inequality and combating climate change, the *Chronicle of Philanthropy* reports. The foundation's board approved the new approach to giving at the behest of leftist CEO **Simon Greer**. "In the next 20 years, the United States will go through a huge transformation in demographics, the environment, our economy, and in religion," Greer says. "Can we get people to agree on what we know to be true and then create the future of America?" asked the political extremist who used to work as a community organizer. The foundation was profiled in last month's *Foundation Watch*.

Radical actress **Jane Fonda**'s charity has failed to make any grants since 2006, the *New York Daily News* reports. The **Jane Fonda Foundation**'s most recent donation was a \$1,000 gift in 2006 to a medical organization in Atlanta. The philanthropy had assets of \$798,133 in 2011. Foundations that fail to give away at least 5 percent of their assets each year face IRS penalties. Fonda's attorney, **Barry Hirsch**, claims the foundation wasn't required to make donations from 2006 to 2010 because it donated "a ton of money" in 2005.

Goldman Sachs WATCH

A Manhattan judge sentenced former Goldman Sachs trader Matthew Taylor to nine months in prison for his role in concealing an unauthorized \$8.3 billion trade at the bank. The Commodity Futures Trading Commission had accused Taylor in 2012 of covering up the transaction to safeguard a \$1.5 million year-end bonus he received. Prosecutors say Taylor's secret deal cost Goldman \$118 million, a figure he has been ordered to pay back to the bank as restitution.

International Financing Review (IFR) has named Goldman Sachs "Bank of the Year" for 2013 because of "its ability to build market share in the face of a tough economic and regulatory landscape," according to a Reuters news report. Although Goldman has become what IFR called a "lightning rod" for the public backlash against the financial services industry, the bank still managed to deliver "truly impressive" market-share gains. "In the IFR awards year, Goldman's share of mergers and acquisitions stood at 39.5 percent in the U.S. and 36 percent in Europe," Reuters reports. "It ranked first in equity capital markets globally, with market share up to 11.3 percent from 8.4 percent."

Goldman's longest-serving employee, Alfred Feld, with more than eight decades of service, died at the age of 98. In recent years Feld continued to work but came in to the office infrequently. Feld began work at the bank in 1933 in the mail department and earned \$624 annually. By 1936 he had become a research analyst and 12 years later he became a stock broker.