

The W.K. Kellogg Foundation:

Liberal Grants by a Little-Known Giant

By Martin Morse Wooster

Summary: Since 1930 the mammoth W.K. Kellogg Foundation has given billions of dollars to causes and projects that encourage dependency on government. Founder W.K. Kellogg rejected socialism, but he was not specific about his intentions and not forceful about trying to fulfill them. As a result, the foundation Kellogg created has gone down the well-worn path of liberal philanthropy, donating to nonprofit advocacy groups that support government programs dealing with public health, agriculture, and the amelioration of poverty—and it has little to show for all the money it has spent.



The late W.K. Kellogg (above) founded a breakfast food empire and what became the seventh-largest U.S. foundation, but offered scant guidance on spending his money. An avid conservative who denounced the “Socialist trend” in politics, today his now-liberal foundation’s programs promote stronger, more intrusive government.

Study the great foundations in depth and eventually you can almost explain in less than a sentence how big each is, the source of its wealth and what each funds. The Robert Wood Johnson Foundation (\$9.4 billion in assets in 2005) is the public health colossus. The Bill & Melinda Gates Foundation (\$29.2 billion in assets in 2005) mostly funds medical research to help poor countries, but also supports U.S. school reform. The John D. & Catherine T. MacArthur Foundation (\$5.5 billion in assets in 2005) gives money to peace studies, environmental efforts, and funds its own famed MacArthur Fellows Program (the “genius grants”).

Today the top foundations are increasingly dominated by wealth created by computer technologies (the Gates, Noyce, Hewlett, and Packard foundations) as well as by pharmaceutical fortunes (the Lilly Endowment—\$8.6 billion in assets in 2005).

Then there’s the W.K. Kellogg Founda-

tion. Since its creation in 1930, Kellogg has been one of the nation’s biggest foundations. Even now, according to the Chronicle of Philanthropy, Kellogg is the nation’s seventh-largest foundation (in 2006) with \$7 billion in assets.

How big is Kellogg? In the 2005-06 fiscal year, Kellogg donated \$286.7 million in grants. That’s more than twice the amount that the conservative John M. Olin Foundation had in its *endowment* at its height. The foundation reports that it has given away more than \$4.4 billion in total.

Despite its size, the Kellogg foundation is the most obscure—and least significant—of the big foundations. Kellogg’s obscurity has several roots. One is that the foundation is located, not in a media center like New York

or Washington, but in Battle Creek, Michigan, a city halfway between Detroit and Chicago where the Kellogg Company’s corporate headquarters is located. But the primary reason for the Kellogg foundation’s lack of recognition is that its programs are quite scattershot, with some money spent on agriculture, some on international programs, some on public health, and about 30% on

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grants benefiting Battle Creek and the surrounding counties.

Kellogg is a close ally of the Robert Wood Johnson Foundation, and often acts as the Johnson foundation's junior partner, even though Kellogg has more money. Kellogg also in many ways resembles the Pew Charitable Trusts in that its governing philosophy is nanny-state communitarianism. With one exception, the Kellogg foundation's programs promote stronger, more intrusive government.

Even though Kellogg is, at 77, one of the nation's older foundations, it has received surprisingly little outside scrutiny.

The Founder and His Ideas

The Kellogg foundation's creator was Will Keith Kellogg (1860-1951), who liked to be called W.K. In 2005, the foundation, which was originally named the W. K. Kellogg Child Welfare Foundation, published a history for its 75th anniversary. This is what the anonymously written book says about Kellogg's intentions:

"Ever the master organizer, W.K. created the Foundation to make his giving more focused and purposeful. This

was his last great undertaking, an enterprise that reflected lessons and beliefs distilled from decades of thought and work, frustration and triumph. The Foundation's motto, 'to help people help themselves,' embodies W.K.'s belief in effective philanthropy that is grounded in personal responsibility."

This paragraph is disingenuous. Kellogg created a perpetual foundation with limited



The eccentric Dr. John Harvey Kellogg (left) discussed nutrition with playwright George Bernard Shaw (right) in Battle Creek in 1936.

instructions on how its funds should be spent. The foundation has decided to spend money on public health, education, international programs, nonprofit management, and programs supporting Battle Creek. Most of this money goes to liberal activists and

bureaucrats, not to help the poor and the sick.

W.K. Kellogg's story cannot be told without reference to his flamboyant older brother, Dr. John Harvey Kellogg (1852-1943). The Kelloggs were Seventh-Day Adventists who settled in Battle Creek because it was the headquarters of their religious denomination. Dr. Kellogg was a relentless self-promoter, who cajoled the great and the good to come to his Battle Creek Sanitarium, where they would eat healthful foods and rest, and gradually recover from the stresses and strains of life.

Dr. Kellogg was also an entrepreneur, who was constantly thinking up new foods for his patients to try. (He was one of the first Americans to promote the use of yogurt and butter-milk.) He recalled the creation of his most famous invention in a 1925 interview in *The American Magazine*.

Sometime in the early 1890s, Dr. Kellogg recalled, "I prescribed zwieback for an old lady, and she broke her teeth on it. She demanded that I pay her ten dollars for her false teeth. I began to think that we ought to have a ready-cooked food that would not break people's teeth. I thought about that a great deal."

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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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The Kellogg Company, and Kellogg's Corn Flakes --which were invented by the Kellogg brothers-- both turned 100 last year. At left, an early design of the cereal box, with current design at right.

One night, Dr. Kellogg recalled, he was awakened in the middle of the night by a plea from a patient. He then dreamed about a way to make flaked foods.

“The next morning I boiled some wheat, and, while it was soft, I ran it through a machine Mrs. Kellogg had for rolling dough out thin. This made the wheat into thin films, and I scraped it off with a case knife and baked it in the oven. That was the first of the modern breakfast foods.”

Dr. Kellogg was a brilliant creator but a very poor marketer. Moreover, he would routinely undercapitalize the scores of companies he created and use the profits to fuel his charitable activities. “All my life my business has been philanthropy,” Dr. Kellogg repeatedly said.

Unfortunately, his true philanthropic passion was eugenics. Dr. Kellogg created the Race Betterment Foundation, which held at least three Race Betterment Conferences, whose attendees heard speeches by Stanford University chancellor David Starr Jordan and social reformer Jacob Riis. At the second one, held in 1915, he proposed creating a national “Eugenics Registry,” where potential spouses would have physical examinations and have their hereditary traits certified by eugenics examiners, who would make their findings publicly available. His biographer, Dr. Eugene Schwarz, wrote that Kellogg “expressed the hope that the Eugenics Registry would encourage intelligent persons to consider more fully the importance of heredity in planning their marriages.” (It should be noted that Dr. Kellogg’s eugenics funding did *not* involve either W.K. Kellogg or the W.K. Kellogg Foundation.)

Dr. Kellogg spent so much time on promotion, writing books (including at least three about the bowels), granting interviews, and taking care of patients that he let his idea of breakfast cereal be plundered by others. C.W. Post, for example, was inspired by his stay at Battle Creek to launch his own cereal empire. W.K. Kellogg, who worked for his brother as an assistant, thought the idea of cornflakes had potential, and spent several years working with his brother to develop the product. By 1906 W.K. Kellogg launched the Battle Creek Toasted Corn Flake Company, which is

now the Kellogg Company.

“Will Kellogg knew to the bitter extreme the problems of the younger brother,” notes historian Gerald Carson. “He was battered and bruised by his older brother, got the



Sterling Speirn (left), president of the W.K. Kellogg Foundation, met with Democratic Senator Debbie Stabenow (right) of Michigan on Capitol Hill in 2006.



Tom Reis, a Philanthropy and Volunteerism program director for the foundation

scrag end of it for some 40 years.” According to Carson, Dr. Kellogg would routinely make his little brother take dictation while running beside the doctor as he bicycled around the sanitarium.

“No wonder, then, that when *his* turn came at the wheel of fortune, W.K. was as short as a butter cake with his older brother,” Carson wrote.

In 1911, Dr. Kellogg launched his own Kellogg Food Company to sell breakfast cereal. The two brothers squared off in court to see who owned the Kellogg name. In 1920, the Michigan Supreme Court declared W.K. Kellogg the winner, and forced Dr. Kellogg’s company to change its name.

By the mid-1920s W.K. Kellogg was a wealthy man. He spent much of his time in sunny Pomona, California, and developed an Arabian horse farm, which regularly held Sunday exhibitions of horsemanship. The Kellogg Arabian Horse Farm (now controlled by California State Polytechnic University, Pomona) trains students interested in caring for horses and still holds exhibitions today.

W.K. Kellogg also began turning his attention to philanthropy. In 1923, he created the Fellowship Corporation, which appears to have funded charities largely in the Battle Creek area. But in the late 1920s, as the philanthropist approached 70, he wanted to create a more substantial enterprise.

Biographer Horace K. Powell says that W.K. Kellogg’s primary motivation was to help children. Powell says that Kellogg was particularly moved by the case of his infant grandson Kenneth Williamson, who took a decade to recover from a fall, leaving his parents with huge medical bills. In a letter to Battle Creek physician A.B. Dickson, Kellogg wrote that his grandson’s tragedy “caused me to wonder what difficulties were in the paths of needy parents who seek help for their children when catastrophe strikes, and I resolved to lend what aid I could to such children.”

Gerald Carson notes other considerations. W.K. Kellogg had feuded with his children and did not want to leave them substantial amounts of money. Nor did he want to leave his wealth to the government. Finally, Carson wrote, W.K. Kellogg “certainly could not see John Harvey go down in history as *the* humanitarian Kellogg.”

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Politics appear to have played no part in Kellogg's philanthropy. Politically, Powell writes, Kellogg "fumed over the 'Socialist trend' in politics, and not only aided conservative political candidates financially but also with every ounce of influence he could muster." But Kellogg never used his foundation to promote political ideas.

Kellogg never expressed his ideas at length. He was a quiet, unassuming man, who would sit in the back row in ceremonies in his honor. When asked for an autobiography, he produced a 150-word statement.

So it's little wonder that the only restriction in the Kellogg foundation charter is that its purposes "shall be confined to receiving funds for the health, education, and welfare of mankind, but principally of children or youth, directly or indirectly, without regard to sex, race, creed, or nationality."

There's no evidence why the charter was written this way. Kellogg was the least forceful of donors. It is unclear why he wanted his foundation to be perpetual or why his intentions were so vague. The limited evidence available suggests that Kellogg wanted his foundation to help children do well in school and stay healthy.

At first the Kellogg foundation stayed true to these intentions. Its principal philanthropic project in the early years was the Michigan Community Health Project, which helped provide nurses and doctors for rural Michigan counties. The foundation also provided summer camps for low-income families and also supported a major bird sanctuary in southwestern Michigan.

But after its namesake died in 1951, the Kellogg foundation, like most long-lived foundations, gradually drifted away from its founder's ideas (however limited they may have been). Foundation Management Institute chairman Neal B. Freeman, in a commentary in *Forbes*, observes that W.K. Kellogg "was a model of Midwestern common sense. He told the magazine that he wanted to help people help themselves. And what happened? His W.K. Kellogg Foundation has become an important funder of the nonprofit management class...I guess you can say that the managers are helping themselves."

Photos from Kellogg's 75th anniversary in 2005



Actor Edward James Olmos (at right) spoke as a race relations "expert." He is pictured with New/Nueva Opinion editor Jesús Grillo (center) and Kellogg foundation program director Donna Lartigue (left).



Jennifer Granholm (left), Michigan's liberal Democratic governor, posed with Anglican Archbishop Desmond Tutu (right) at an event.



Public Education Network president Wendy Puriefoy shown during her speech.

A key difference between Kellogg and the other big foundations is that it has so little to show for the vast amount of money it has spent. The Kellogg foundation has always been one of the nation's 10 largest foundations; in the 1960s, it was the third largest, after the Ford and Rockefeller foundations.

But there's no lasting change one can attribute to the Kellogg millions, no big project that established the Kellogg brand. The most the foundation is able to say about its achievements is that some of its grants may have helped speed the creation of intensive care units in hospitals. Other than that, the Kellogg foundation has had a surprisingly small impact despite its substantial grantmaking.

The 75th Anniversary Tribute

To celebrate its 75th anniversary in 2005 Kellogg convened a series of seminars in the fields in which it awarded grants. These conferences brought liberal activists to posh resorts where they could network to reinforce their belief that effective philanthropy must encourage more government direction, funding and controls.

For example, a paper on "Racial and Ethnic Health Disparities" presented at a Kellogg conference at Houston's Woodlands Resort stated that the conference's goal was to transform all schools of public health in the U.S. into "engaged institutions" that would teach students "to merge the concern about physical health status with social justice." This engagement, for Kellogg, included "broad social, economic, cultural, health, and environmental conditions (e.g., racism, pollution, transportation, social service resources, gentrification)" and lobbying to reform "policies at the global, national, state, local levels." As successful examples of "engagement," Kellogg listed smoking bans and efforts to outlaw vending machines in public schools.

Kellogg's goal was to merge professional schools of public health with the politics of the Left in a grand crusade against racism, pollution, gentrification, and other assaults on human wellness. As we'll see, the foundation addresses this goal in its grantmaking.

As a part of its celebration, Kellogg brought liberals to Battle Creek to serve as "Experts in Residence," where they gave lectures and

visited schools. Among the speakers were Marian Wright Edelman, president of the Children's Defense Fund (which the foundation has supported for decades), Public Education Network president Wendy Puriefoy, and actor Edward James Olmos, who wore somber black clothes and told his audience that when it came to race, America was like a tossed salad, not a melting pot. "The onion stayed the onion, the lettuce stayed the lettuce," the Battle Creek (Michigan) Enquirer reported. "Luckily, in my area, it was tossed. In this room, we got tossed."

The final so-called expert was South African Archbishop Desmond Tutu, who reminded his audience of the evils of the apartheid system. In his speech, the prelate reminisced about the 1980s but said nothing about South Africa's current problems, such as rampant crime and the rising number of AIDS sufferers.

At the gala anniversary celebration, the Kellogg foundation announced that it had a new president—Sterling K. Speirn, who previously headed the Peninsula Community Foundation (\$569.0 million in assets in 2005), based in San Mateo, California. Speirn is married to Diana Aviv, CEO of Independent Sector, a networking organization for liberal nonprofits. Speirn told the Chronicle of Phi-

lanthropy that he saw no conflict of interest in having a wife who answered to other wealthy progressive funders. "I'll just want to be very transparent with the board and staff," Speirn said.

Kellogg Grantmaking

Given its size, one can't cover all of the Kellogg foundation's grants in a single article. But here are snapshots of some of its funding priorities.

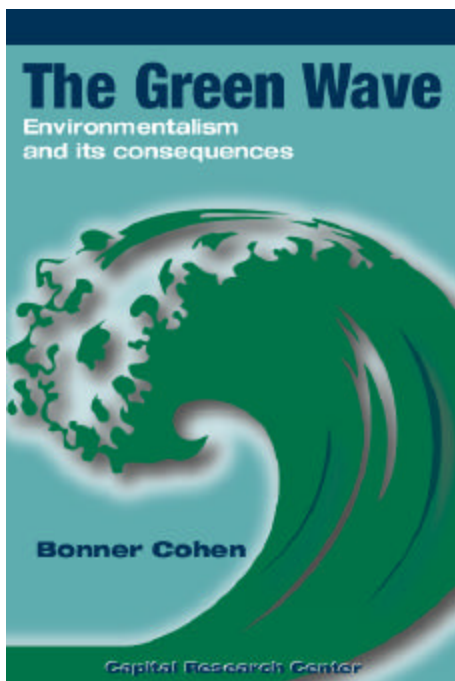
Perhaps the grants that are closest to W.K. Kellogg's personal vision are those for the city of Battle Creek and the state of Michigan. In an article in the magazine *Philanthropy*, William J. Koshelnyk noted that lots of local organizations have benefited from Kellogg's generosity: the zoo, the local airport (which is named for W.K. Kellogg) and area parks.

In 2005-06, grants in this area included \$1.3 million to the Battle Creek Community Foundation for renovation of the W.K. Kellogg Auditorium, \$100,000 to the Battle Creek Area Catholic Schools to develop a new high school, and \$3,000 to the local chapter of Big Brothers Big Sisters. The Kellogg foundation also provides grants to nonprofit organizations for construction projects. For example, it gave Michigan State University

\$95,500 from 2002 through 2005 to build a Student Organic Farm facility.

But even in its local grants, Kellogg's reflexive liberalism dominates. For example, Haven of Rest Ministries of Battle Creek received \$117,288 to "enhance the self-determination and self-sufficiency of homeless men through expanding the services of the Life Skills Instructor." Battle Creek's Maple Methodist Church received \$262,222 to "launch organizing activities to address neighborhood, city-wide, and county-wide issues." The Glowing Embers Girl Scout Council of Kalamazoo received \$192,000 to "provide an age-appropriate diversity program for girls, volunteers, and staff." One wonders why Kellogg considers these grants the best way to support faith-based ministries and local children's programs.

Kellogg's commitment to agriculture includes the only recent case in which the foundation's money supported privatization. Kellogg has long supported programs to make sure that poor people have fresh fruits and vegetables available to them at reasonable prices. In 2005, the city of Detroit contracted out management of the decrepit Eastern Market to the Eastern Market Corp., a newly created nonprofit. Kellogg donated \$1.5 million to Eastern Market Corp.; among



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other major donors was the Kresge Foundation, which contributed \$2 million.

Last October, Detroit News reporter David Josar noted that the venerable market had dramatically improved under nonprofit management. “The dead pigeons that occasionally fell from the rafters into nets above the produce stands are gone,” Josar reported. “The shed walkways are power-cleaned weekly of rotting produce and litter. And about a dozen additional growers are selling fresh fruits, meats, and vegetables.”

Josar reported that the success of Eastern Market is one example of how the cash-strapped city of Detroit is transferring control of many city services to nonprofits, including the city zoo, historical museum, and local recreation centers, which are now run by churches and other nonprofits. “Government can’t be in the business we were before,” said Detroit’s chief administrative officer, Lucius Vassar. “Things are changing—and it’s for the better.”

The Eastern Market case is an exception to the rule of Kellogg grantmaking. Far more

typical is Kellogg’s three-year Sustainable Food Policy Initiative, run in partnership with the Jessie Smith Noyes Foundation (\$61.3 million in assets in 2004). The grants, according to a Noyes Foundation press release, are designed to “bring the benefits of a more



Jessie Gruman is president of the Center for the Advancement of Health, a Kellogg grantee that supports socialized medicine.

environmentally sustainable and socially just food system to people of color communities.” The Noyes foundation received \$1.3 million from Kellogg in 2006.

A typical grantee under the Food Policy Initiative is West Harlem Environmental Action, which calls itself “an environmental justice organization dedicated to building community power to fight environmental racism, and improve environmental health and policy in communities of color.” It promises to use its Kellogg and Noyes money to mandate that the New York City school system purchase “the bulk of their food” from New York State farmers. It will also demand that New York City schools get reimbursed for buying soy milk instead of dairy products, and lobby for New York schools to implement “mandatory wellness policies.”

“Families” and “Children”

For supporters of limited government, the most problematic of Kellogg’s grants are to public health advocacy groups. Kellogg and the Robert Wood Johnson Foundation are staunch allies in this area. In fact, the richly endowed Johnson foundation was a Kellogg grantee in 2006, receiving \$150,000 for research on mental health.

The Johnson and Kellogg foundations are primary sponsors of the Health Action Conference, an annual networking event sponsored by the group called Families USA, a longtime advocate for universal healthcare. Other left-wing foundations supporting this annual conference are the Nathan Cummings Foundation (\$481 million in assets in 2005), the David and Lucile Packard Foundation (\$5.8 billion in assets in 2005), the Henry J. Kaiser Family Foundation (\$392.4 million in assets in 2005), and the California Endowment (\$3.7 billion in assets in 2005).

The 76 cosponsors of the 2006 conference included the AFL-CIO, AFSCME, AARP, the Center for Budget and Policy Priorities, the Center for Medicare Advocacy, the Service Employees International Union, the National Association of Public Hospitals and Health Systems, and USAction. Past conference speakers have included Bill and Hillary Rodham Clinton, Senator Edward Kennedy (D—Massachusetts), Representative Henry Waxman (D—California), AARP legislative director John Rother, Children’s Defense Fund president Marian Wright Edelman, and AFL-CIO executive vice president Linda Chavez-Thompson. The opening speaker at the January 2007 conference at Washington’s Mayflower Hotel was Senator Barack Obama (D-Illinois).

Kellogg has also been a staunch supporter of the Children’s Defense Fund, which received \$835,000 from it in 2006 to train activists in six southern states. Ironically, this money is part of a Kellogg project on devolution of welfare policy—and the Children’s Defense Fund has historically been the nation’s leading advocate for a centralized, highly bureaucratic welfare state.

Among the activities covered by this grant is Child Watch, in which activists subsidized by the Children’s Defense Fund “move executives, clergy, legislators, and other community leaders out of their offices, corporate board rooms, and legislative chambers, and into the world of the real children and families whose lives they effect every day with their decisions.” The fund promises to use Kellogg money “to build stronger connections among and between the coalitions working in these states” for expanded welfare budgets.

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Another Kellogg public health grantee is the Washington, D.C.-based Center for the Advancement of Health (2005 revenue: \$3.4 million). Kellogg gave it \$3.5 million in 2006. The Center's positions are best expressed by Jessie Gruman, its president, in an article in the February issue of the Center's newsletter "Good Behavior!" Gruman denounces the Bush administration's new proposal to increase personal deductions for health-insurance premiums while capping the employer deduction for health-insurance costs. Such changes, she says, would "be a windfall for the insurance industry and a further widening of health and income inequality." She also states, without evidence, that "administration health policy had always been assumed to be a creature of the insurance and pharmaceutical industries." She adds that the only acceptable health-care solution is socialized medicine.

In January 2007, the Center issued its first Kellogg-funded report, *Children Left Behind: How Metropolitan Areas Are Failing American's Children*. The report, produced in collaboration with the Harvard School of Public Health, concludes that every problem poor children face can be solved with bigger government programs. The report calls for a vast expansion of Head Start, even though decades of research demonstrate that Head Start doesn't help—and probably harms—inner-city children. The report also claims that inner-city schools are "underfunded," but ignores research showing that most of them waste their funds on red tape and bureaucracy. Finally, the report calls for voluntary busing, but stops short of calling for reimposing the forced busing programs that proved so divisive in the 1960s and 1970s.

Space doesn't permit a detailed discussion of Kellogg funding of programs to improve philanthropy, but in 2005 the foundation gave a three-year, \$4.1 million grant to the radical San Francisco-based Tides Center, which shelters start-up nonprofits under its tax-exempt umbrella. The grant was supplemented by \$425,000 from the Packard foundation, the Skoll Foundation (\$275.9 million in assets in 2005) and the Evelyn and Walter Haas Jr. Trust (\$553.4 million in assets in 2005). This grant followed a \$950,000 grant Kellogg gave Tides in 2003. (For more on the innovative programs of the Tides Foundation and the Tides Center, see "The Tides

Foundation: Liberal Crossroads of Money and Ideas," by Gretchen Randall and Tom Randall, *Foundation Watch*, December 2003)

The grant is designed to provide a "scalable technology platform" allowing liberal nonprofits to spend less money on office management and more money on activist



W.K. Kellogg (right) feeding horses with his wife (left) at the W.K. Kellogg Arabian Horse Center in Pomona, California (picture taken from historical film footage)

crusades. Kellogg program director Tom Reis said the grant "will transform many organizations in the nonprofit sector by increasing their financial sustainability."

Conclusion

Kellogg's role among the big foundations is to make sure that the liberal chorus remains loud and strong. Kellogg money makes left-wing coalitions stronger and more cohesive. Because Kellogg does not take the lead in any of the areas it funds, its philanthropy is more obscure than, say, the Robert Wood

Johnson Foundation or the Pew Charitable Trusts. But Kellogg money is crucial in ensuring that the statist chorus sings on pitch.

A reflexive, deeply entrenched liberalism is, of course, contrary to what we know of W.K. Kellogg's ideas. The philanthropist denounced the "Socialist trend" in politics; the foundation funds programs that advance that trend. The founder believed in self-help; the foundation believes in helping leftist nonprofits grow.

Many of the big left-of-center foundations have at least heard the idea that big government is not the solution to every problem, but the Kellogg foundation will not admit that there are alternative views to its own. "Philanthropy must help people gain a true voice in determining their future," Kellogg President Sterling Speirn said in the 2006 annual report. For Kellogg, the only "true voices" are liberal ones.

It's unlikely that the W.K. Kellogg Foundation will change. But one might hope that the 77-year-old charity might spend more money on programs that help the poor directly and less on programs that help liberal activists in the name of the poor.

Martin Morse Wooster, Capital Research Center's Senior Fellow, is the author of the forthcoming revised and enlarged edition of the Capital Research Center book, The Great Philanthropists and the Problem of 'Donor Intent.'

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PhilanthropyNotes

Princeton University has coughed up \$782,375 to the heirs of **Charles S.** and **Marie H. Robertson** who have accused the school of misusing the money that their parents left it, the Wall Street Journal reported March 13. The Robertson children have long held that the university uses the money from the Robertson Foundation gift fund – now valued at \$800 million or 6% of the school's endowment— on programs their parents would not approve of. The university agreed to make the payment after acknowledging it had not disclosed to the university-controlled foundation's board that the funds would support graduate students. A long-running lawsuit filed by the heirs claims the university violated the donors' intent by spending \$207 million on programs outside guidelines established by their parents. The Princeton saga was detailed in the May 2006 edition of *Foundation Watch*.

Senator **Hillary Rodham Clinton** (D-New York) and former president **Bill Clinton** have run a family charity since 2001, but the senator failed to declare that fact on Senate financial disclosure reports for five years running, the Washington Post reported February 27. Mrs. Clinton is treasurer and secretary of the foundation that was created in 2001 but none of her filings have listed those positions, a violation of the Ethics in Government Act. The Clintons have written off more than \$5 million in taxable personal income since 2001, while giving away just \$1.25 million in donations in the same period. A spokesman for the senator said the non-disclosure was an oversight, and the newspaper reported that her Senate ethics reports have since been amended. **Kent Cooper**, formerly head of the Federal Election Commission's public disclosure office isn't buying the senator's excuse. The law is barely enforced, he said. Candidates "know there is [sic] no great consequences, and so the habit has developed that people dismiss an omission as a clerical error, when in fact it is a crucial piece of the puzzle about a member's finances that is being hidden."

The world's third-wealthiest person, Mexican telecom tycoon **Carlos Slim**, delicately mocked the charitable giving of **Warren Buffett** and **Bill Gates**, saying that businessmen can do more good by creating wealth-generating businesses than by "going around like Santa Claus" donating money. "Poverty isn't solved with donations," Slim said.

While the **Internal Revenue Service** cracks down on charities that participate in political campaigns, a Congressional Research Service report took the IRS to task for not explaining -clearly to nonprofits how not to run afoul of the law. The 53-year-old law that forbids charities from political campaign activity and IRS interpretational bulletins on it "do not offer much insight into what activities are prohibited," the report said, according to the Chronicle of Philanthropy.

After alumni complained and at least one lawsuit was filed, the **College of William & Mary** decided March 7 to return a cross that it removed from the school's chapel in order to make non-Christian students feel more comfortable. The school said it decided to display the cross "permanently in a glass case, which will be located prominently inside the chapel." An anonymous donor withdrew a \$12 million gift pledged to the school after the cross was removed. The Richmond Times-Dispatch identified the donor last month as **James W. McGlothlin** but said the gift was \$10 million.

The **Global Fund's** much-hyped \$100 million "RED" campaign is a massive flop, Advertising Age reported. Only \$18 million has been raised for the star-studded campaign that raises funds to fight AIDS in Africa. **Mark Rosenman**, a public-service professor at the **Union Institute & University** in Cincinnati, said the huge gap between marketing expenditures and funds raised ought to concern nonprofits. "There is a broadening concern that business is taking on the patina of philanthropy and crowding out philanthropic activity and even substituting for it," he said. "It benefits the for-profit partners much more than the charitable causes." In February, the Global Fund's board selected **Michel Kazatchkine**, a medical doctor, as the next executive director of the Global Fund. He replaces Sir **Richard Feachem**, the founding executive director, whose five-year term ended March 31.

Private donations to American colleges and universities rose by \$2.4 billion in 2006, up 9.4% over 2004, the Chronicle of Higher Education reported. Total donations to colleges and universities in 2006 were \$28 billion, according to a report by the Council for Aid to Education.