

THE PITTSBURGH FOUNDATION

Established 1945

Building the Community's Foundation

Introduction

A Trust of Lasting Value

“Since it is not possible to determine the urgent needs of the Pittsburgh district a generation hence, by the community trust plan of giving donors are assured that changing conditions will be considered and that income from their trusts will be used constructively and beneficially throughout the years.”

—C. Stanton Belfour, executive director, The Pittsburgh Foundation, 1945-1969

There are at least four hundred community foundations in the United States, but among the ten largest is The Pittsburgh Foundation, the only such permanent endowment in Allegheny County. Here, throughout more than fifty year, donors have established more than five hundred separate funds, making the Foundation the steward of assets totaling over \$325 million. Funds range in size from \$10,000 to over \$25 million—but they share one goal. The sole purpose of this money is to identify and address the betterment of this community.

Many people are surprised to learn that Pittsburgh has the largest philanthropic asset base per capita of any similar region in America, according to a 1996 *Post-Gazette* “Benchmarks” report. Of the local foundations that build this base, The Pittsburgh Foundation is the only one that makes philanthropists of individuals from all walks of life.

Pittsburgh earned a place in philanthropic history more than a hundred years ago, when industrialist Andrew Carnegie began to preach his “Gospel of Wealth.” Carnegie believed that a man or woman who accumulates vast amounts of money has a duty to use his or her surplus wealth “for the improvement of mankind.” “The man who dies rich dies disgraced,” said the steelmaker on many occasions. Once he retired, Carnegie devoted his time to giving away \$350 million, and establishing several of America’s first

philanthropic foundations. Philanthropy, one could argue, is as much “the Pittsburgh industry” as were iron and steel.

The strength of philanthropy, in fact, is one important reason why Pittsburgh is an attractive city in which to live, work, or grow a business. Philanthropy not only enhances the quality of life here, but also expands the economy, develops jobs, educates new leaders, builds collaborative relationships among diverse people, and strengthens institutions that improve human well-being. Foundations invest strategically with social venture capital. They define direction for change, allocate resources, test promising solutions to social problems, and seed innovative ideas. They also promote community, advance social justice, and reinforce altruism. They remind us of our shared values. They replenish human dignity.

Philanthropy in Pittsburgh is a multi-billion-dollar industry, providing indispensable assistance for education, health care, research, social welfare, the arts, and the environment. The area’s twenty-five largest local foundations paid out more than \$250 million in grants in 1996. The market value of their assets totaled approximately \$5 billion. As government support and corporate giving decrease, foundations like The Pittsburgh Foundation will become ever more crucial to the region’s vitality. Philanthropy, in many ways, generates the wealth of the community.

A Wise Beginning

The occasion of its fiftieth anniversary prompted The Pittsburgh Foundation to review its history of growth and change, to recognize its broad-based community of donors and partners, and to share its plans for a stronger future. More than ever, the Foundation recognizes that its achievements are inextricably tied to those of the community it serves.

Leaders in business, finance, and the community created The Pittsburgh Foundation in 1945 “to promote the well-being of the inhabitants of Allegheny County and its vicinity.”

These innovators knew that the needs of the community as well as changes in tax laws made charitable giving increasingly “wise, humane, and economical.”

The Foundation began with no more than faith in the people and future of the Pittsburgh area. Today, like community foundations across the country, it is a growth industry. In the last decade, the assets of The Pittsburgh Foundation increased 371 percent, from \$87.5 million to \$325 million. Its annual grants of almost \$12 million improve thousands of lives throughout the region. But, governed by a board of directors representing the community’s diversity, The Pittsburgh Foundation is much more than a giver and receiver of money. Its board and staff provide leadership and skills to identify and address significant community needs, as those needs change over time. The Foundation convenes experts to search for and discover innovative solutions to regional challenges, and partners with other foundations, community agencies, corporations, and businesses. And as the community’s permanent trust, the Foundation is the vehicle that makes giving easy, personally satisfying, and effective.

Like no other, the success story of The Pittsburgh Foundation is the success story of Pittsburgh. Fifty years ago, Pittsburgh was an exhausted industrial city whose imminent death was widely predicted. Today it is a vibrant center of education, research, health care, business, technology, philanthropy, and culture. Today, for many people, Pittsburgh is a good place for living and working and raising children. The Pittsburgh Foundation is a significant reason why this is true—as it also seeks out the ways for all to share in this well-being.

Celebrating its past and looking forward to an even stronger future, The Pittsburgh Foundation justifies, day after day, its founders’ lasting belief in the ideals and generosity of this community.

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1945

A BETTER WAY OF GIVING FOR PITTSBURGH

The story of The Pittsburgh Foundation begins with a world at war—and a community with uncommon plans for peacetime. Pittsburgh, the exhausted “war factory,” was about to remake itself as the Renaissance City. Institutions like government, banks, corporations, universities, and human service agencies were about to examine and improve virtually every facet of living here—from the quality of the air and the rivers to public health, education, child care, human services, transportation, housing, the arts, recreation...and charitable giving.

Achieving these large-scale goals would require a huge investment of human energy and capital, a fact few understood better than Aims Coney, who headed the Trust Department of Mellon Bank. And so Mr. Coney proposed that Pittsburgh invest in its future with a model idea from his home town of Cleveland. He suggested a community foundation.

The Foundation would build a permanent trust for the community, Mr. Coney explained.

Combining the administration of many funds, it would give neighbors a lasting resource for helping neighbors. It would “democratize” giving in Pittsburgh, where philanthropy was previously the province of very wealthy donors like Andrew Carnegie. The Pittsburgh Foundation would make philanthropists of people from all walks of life...and direct gifts to the community’s actual, unfolding needs. Supporting new enterprises, it would open philanthropy to innovation and new leadership.

Each of these benefits has come to pass, as Aims Coney knew they would.

A COMMUNITY PARTNERSHIP

Forward-looking civic leaders like H. J. Heinz II and Leon Falk, Jr. immediately endorsed the community trust plan. Three of the city's most active foundations—the Howard Heinz Endowment, the Buhl Foundation, and the Maurice and Laura Falk Fund—underwrote operating expenses. This support set a pattern of partnering that remains a key way of working for The Pittsburgh Foundation today.

A partnership of the community's public and private institutions—the United States District Court, the Orphans' Court of Allegheny County, the Mayor of Pittsburgh, the Allegheny County Bar Association, and the Trustee banks—appointed The Pittsburgh Foundation's Distribution Committee, distinguishing it from the board of any other local foundation. Board members who represented the community's diversity were selected for their knowledge of Greater Pittsburgh and its charitable needs—as well as for their capacity to make wise judgments about philanthropy. The first chairman of this board, then known as the Distribution Committee, was E. C. Stone, a renowned electrical engineer who worked for Duquesne Light Company.

Not surprisingly, the Distribution Committee set a “flexible policy of giving” from the start. Their mission was to carry out each donor's wishes, and to be guided by the needs of the whole community...then, and through the years to come. This policy enables The Pittsburgh Foundation to change with the times, and to direct giving where the needs are greatest. The board's unique diversity gives the Foundation the ability to convene knowledgeable people to seek innovative solutions to urgent community needs.

Over fifty years, The Pittsburgh Foundation has become the foundation of the community. The story of the Foundation is Pittsburgh at its best: people working with each other to enhance and ameliorate human life...and build a trust of lasting value for their neighbors.

1946-1960

SOURCE OF COMMUNITY PROGRESS

Courageously, in the years that followed World War II, Pittsburgh set out to transform itself from a decaying industrial city into a forward-looking urban center with a stronger and more diversified economy. In the spotlight of evolving, postwar needs, Pittsburghers examined and assessed every agency that served their community. New institutions began to manufacture new services to create a more productive, satisfying city in which to live and work.

The Allegheny Conference on Community Development, for example, went to work to develop, stimulate, and coordinate planning activities. City Council approved an ordinance creating the Urban Redevelopment Authority—which launched the nation’s first public-private project to clear substandard housing for industrial expansion on the South Side. Smoke control laws took effect. The United Fund Drive, the first combined charity appeal in Allegheny County, achieved 107.8 percent of its goal in 1956.

Under the leadership of Stanton Belfour, director and secretary from 1945 until 1969, The Pittsburgh Foundation began its part in this community progress.

The Foundation spread its limited resources to a wide variety of community agencies—from universities and hospitals to YMCAs and YMHAs, settlement houses, camps, Boy and Girl Scouts, fellowships in social work, the Pittsburgh Symphony Orchestra, and theaters. The Foundation’s support also helped create the nation’s first educational television station, WQED, in 1953.

To increase the impact of its grants, The Pittsburgh Foundation also embarked on a path of innovative partnering. The Foundation supported (and members of its Distribution Committee helped to create) new instruments to build up the quality of life in Pittsburgh.

A grant to the Allegheny Conference, for example, aided a study of how public libraries could better fulfill the needs of a dynamic educational center. The results led to a continuing program of Foundation support for libraries throughout Allegheny County, and to a grant for the region's first bookmobile. (Half a century later—in line with the needs of the times—the Foundation would help the Carnegie Library of Pittsburgh set up a computerized network of information technology.) In another instance, the Foundation partnered with the new Hospital Council of Western Pennsylvania to help plan for more comprehensive health care for an increasing number of people, and to provide scholarships to educate much-needed nurses.

By 1960 the Foundation's annual grantmaking reached a quarter of a million dollars, with gifts to education, the welfare of children, medical research, the arts and culture, community planning, and community service groups. Responsive to its evolving community, The Pittsburgh Foundation recognized early on the need to plan programs for people with special needs. Even in 1955, for instance, aging Pittsburghers represented a sizable percentage of the population. To make health care more accessible for them, the Foundation supported an innovative mobile unit for the home treatment of people with arthritis.

DONORS WERE QUICKLY ATTRACTED to the ways the Foundation went about meeting community needs. Within fifteen years, The Pittsburgh Foundation became a trust of seventy-nine funds representing more than \$10 million. Some donors restricted their funds to the support of education, or community health, or opera, or orphaned or delinquent children. Some endowed annual donations to the Community Chest, as the United Way was then known. But others, like the Wherrett Memorial Fund, did not designate how the income was to be spent, allowing the Distribution Committee to direct giving where the need was greatest.

The Pittsburgh Foundation also provided a new life for outdated forms of philanthropy like "fuel funds." These Victorian-era trusts, originally established with banks, went to

work anew at the Foundation to help the needy, especially the elderly, with their utility bills. Similarly, as the trend in the care of orphan children moved from large asylums to foster homes, the community had less need for institutions like the Jane Holmes Hall for Boys. This nineteenth-century corporation dissolved and its assets became the Jane Holmes Hall for Boys Memorial Fund at The Pittsburgh Foundation. Later, outdated institutions like the Pittsburgh Florence Crittendon Home and the Pittsburgh Home for Babies would also use their remaining assets to establish funds.

HARRY S. WHERRETT NEVER GRADUATED from high school. Yet like the hero in a “luck and pluck” story by Horatio Alger, he made his way from office boy in Indiana to chairman of the board of Pittsburgh Plate Glass Company. When he and his wife, Blanche, died in the 1940s they left bequests of \$1.7 million to establish the Wherrett Memorial Fund at The Pittsburgh Foundation. Because the use of its income is undesignated, the fund gives the Foundation the flexibility to make grants where the needs are most urgent, year after year.

Valued at over \$9.5 million in 1996, the Wherrett Memorial Fund has more than kept pace with inflation. Grants totaling close to \$7.5 million have been paid from the Wherrett Memorial Fund, and have made the Wherrett name well known throughout western Pennsylvania.

1961-1974

A NEW FRONTIER, NEW WAYS OF WORKING

When President John F. Kennedy called upon Americans to “ask what you can do for your country,” a surge of idealism and social action spread throughout the United States of the 1960s. Whether it was sending astronauts to the moon or registering voters in Mississippi, no challenge seemed too costly, no social problem too deep-seated. President Lyndon Johnson declared a “war on poverty” in 1964. His Economic Opportunity Act provided funds for job training and encouraged community action programs. VISTA, Medicare, Medicaid, Head Start, and a host of Great Society programs went to work from the hearts of cities to the hardscrabble acres of rural America. New, nonprofit organizations were set up to channel funding to those in need. In the Pittsburgh region, more than 660 human service agencies would be created after 1960. The human services sector would become a \$600 million component of the local economy.

Profound social changes marked the 1960s. Feminism and the sexual revolution altered attitudes toward traditional gender roles. The nuclear family values of the 1950s gave way to broader definitions of family as more people became single parents. More and more people asserted their rights as individuals—raising the level of consciousness about the rights of women, minorities, and gays.

These developments had a dramatic affect upon philanthropy, expanding the role of foundations everywhere and bringing about increased professionalism and perception in grantmaking. The Pittsburgh Foundation took the first step toward its new role in 1962, when the Distribution Committee appointed an influential group of community resource executives as temporary advisors. They included Francis A. Cheever, MD, dean of the School of Medicine at the University of Pittsburgh; Edward D. Eddy, Jr., president of Chatham College; J. Steele Gow, director of the Maurice and Laura Falk Foundation; Charles F.

Lewis, president of the Western Pennsylvania Conservancy; Ralph Munn, director of Carnegie Library of Pittsburgh; Norman L. Rice, dean of the College of Fine Arts at Carnegie Institute of Technology; Robert M. Sigmond, executive director of the Hospital Council of Western Pennsylvania; Howard B. Stewart, director of the Pennsylvania Economy League; and Elmer J. Tropman, executive director of the Health and Welfare Association of Allegheny County. In those days before professional program staffs, these advisors brought valuable information about the area's philanthropy, libraries, medicine, welfare, fine arts, education, health planning, conservation, and administration and fiscal planning. The makeup of this committee, however, shows that foundations had not yet recognized the need for input from women and minorities.

As Congress began to enact President Lyndon Johnson's vision of a Great Society, government programs recast the role of The Pittsburgh Foundation. New federal and state funds proliferated, and so did new human service agencies, new grants, and working partnerships. For instance, when the comprehensive Mental Health and Mental Retardation Act of 1966 made local governments responsible for a broad range of mental health services, the Allegheny County Commissioners established the Allegheny County Mental Health and Mental Retardation Program. Responding to plans to deinstitutionalize people with mental disabilities, the Foundation, along with others, would support this program with \$25,000 in 1971. It was the Foundation's largest grant ever and its first directly to the public sector.

The innovation set a pattern of partnering with government, a merging of private and public funds, that continues successfully today. Beginning in 1995, The Pittsburgh Foundation would join with Allegheny County Children and Youth Services, the Housing Authority of City of Pittsburgh, and the Allegheny County Housing Authority to establish the Summer Fund for Children's Programs. Through Summer Fund, the residents of sixteen public housing communities plan and carry out summer activities that enrich their

children and keep them safe. The program continues to grow, and its developers hope it can build ways of making families' lives better year-round.

In 1969 another piece of federal legislation, the Partnership for Health Act, led to the establishment of the Western Pennsylvania Comprehensive Health Planning Agency. The Foundation supported this agency with an operating grant from the Wherrett Memorial Fund in 1971. And when the federal government provided operating funds for the Allegheny County Area Agency on Aging in 1974, the Foundation complemented these funds with small but needed special-project grants to several multipurpose organizations. These included Steel Valley Meals-on-Wheels for expanded kitchen facilities, South Hills Community Council for Older Adults for an outreach program, the Monroeville Senior Citizens Club for a specially equipped van, and the Hill District Citizens Development Council, Inc. for a senior citizens' lounge and related programs.

THE CATALYTIC POTENTIAL

But the Foundation provided more than checks. These new human service agencies called for "intergovernmental collaboration" as well as "participation of individuals and organizations." The Pittsburgh Foundation demonstrated its flexibility by providing new kinds of grants—demonstration grants, seed grants to leverage public dollars to benefit the Pittsburgh community. "One measure of a grant's effectiveness is its catalytic potential," wrote the Reverend Dr. Alfred W. Wishart, Jr., appointed director and secretary of The Pittsburgh Foundation in 1970.

When the Foundation provided \$6,000 for children of low-income families to attend summer camp in 1972, the grant went jointly to Information and Volunteer Services and to the Community Chest—and then federal funds matched the money with three dollars for every one. In 1974, a seed grant helped to add a staff member to the Health and

Welfare Planning Association. The position was for assisting local nonprofit organizations in obtaining funds from local, state, and national sources.

With new leadership, the Foundation vigorously pursued new ideas and new programs to meet the community's changing needs. At "brown bag" lunches around the original boardroom table, the Foundation convened nonprofit community agencies to share knowledge and to coordinate help for the most vulnerable populations—from preschoolers to troubled youth to Allegheny County's inordinately large population of 160,000 people aged 65 and over. Guided by changing needs and the advice of experts like Paul D. Ylvisaker, dean of the Harvard University School of Education, The Pittsburgh Foundation began to redirect its grantmaking. The Distribution Committee began to channel income into fewer but more meaningful grants. One measure of effectiveness became the degree to which assistance reached the neediest. The Northview Heights Resident Council, for example, received a \$10,000 grant in 1972 to purchase a bus. This citizen action group, working to improve the quality of life in its own community, needed to increase accessibility to and from its hilltop site.

The Foundation's "open-door" policy would continue as service agencies sought the Foundation's advice and expertise beyond grantmaking. Some of the first meetings of the Pittsburgh AIDS Task Force, for instance, would be held in the Foundation's offices. Then, when the problem of AIDS became too urgent and too complex for its volunteer membership to handle part-time, The Pittsburgh Foundation awarded the Task Force its first grant for an office and staff. Today the AIDS Task Force is a source of education, prevention, support, and services reaching more than 40,000 people every year.

DONORS SHOW THE WAY

Funds from throughout the community—The Pittsburgh Foundation's unique strength—frequently guided the new partnerships of the 1960s and 1970s. The interests of donors led the Foundation to explore new needs. Field-of-interest funds like the Blumenthal Memorial Fund requested that support go to children and the elderly. An anonymous

donor's bequest created the Child Care Fund in 1970. The Emily Kelly Roseburgh Memorial Fund devoted income to medical care for elderly people who lived at home and research in geriatrics—pointing the way for programs to help older Pittsburghers who wanted to remain independent. The Foundation worked with such organizations as the Visiting Nurse Association and the Health and Welfare Planning Association to develop innovative programs that would set standards for elderly support. Just one example was Montefiore Hospital's Living At Home program, begun in 1987.

New funds led to new ways of working. Carrying out donors' wishes, the Foundation developed relationships with more agencies throughout the community. These relationships established trust and commitment, gave the Foundation insight into the agencies and the community's needs...and the synergy spurred new support from unrestricted funds to help people live more comfortable and fulfilling lives.

It was a stimulating time, and successes kindled the desire to do more. The Pittsburgh Foundation began more actively to seek donors. The Tax Reform Act of 1969 created substantial advantages for a private foundation to transfer its assets to a public charity such as The Pittsburgh Foundation. Among the family foundations who came in under the community foundation umbrella were the Fisher Fund, the Freda T. and Oliver M. Kaufmann Fund, the Lazear Fund, the McFeely-Rogers Fund, The William Christopher and Mary Laughlin Robinson Fund, and the Rachel Mellon Walton Fund. Several donors of these former private foundations would continue to add to their funds in the years to come.

As they do today, these former private foundations retained their identity and also benefited from The Pittsburgh Foundation's efficient administration and effective financial management. As a responsible steward, the Foundation attracts those who formerly might have established private foundations. Today they and their advisors recognize the value of using The Pittsburgh Foundation to best fulfill their charitable intentions.

And so the Foundation marked its thirtieth anniversary in 1975 in a proactive mood, “committed to maintaining a flexible and dynamic approach to philanthropy” and to seeking out new opportunities to improve individual lives throughout the region.

HOPE AND A \$100 SCHOLARSHIP brought Robert L. Vann to Pittsburgh in 1903, and then this remarkable man went on to put himself through law school at Pitt by working as a waiter on a P&LE dining car.

Taking a job as counsel to the Pittsburgh Courier, Robert L. Vann discovered his life’s career. He built the Courier into the number-one African-American newspaper in the United States. Under his editorship its circulation reached 250,000 a week. Mr. Vann became an important leader in Pittsburgh and across the nation.

He died in 1940, but his widow, Jesse Matthews Vann, served as publisher until 1963. When she passed away in 1967, her will created a fund at The Pittsburgh Foundation for “scholarship aid for worthy and needy Negro students” ...like the man she had married many years before. Established with \$83,000 in 1968, the Robert L. Vann Scholarship Fund had by 1996 supported nearly \$140,000 worth of scholarships and grown to a value of nearly \$200,000.

1975-1984

DEEPER NEEDS, BROADER COMMUNITY

Its thirtieth year represented, in many ways, a turning point in The Pittsburgh Foundation's history. Steadily climbing assets now totaled \$25 million. In three decades, The Foundation had channeled nearly \$15 million to more than 850 community organizations—improving individual lives in the categories of Children and Youth, Civic affairs, Community Service, Culture, Education, and Health. Annual grants now topped \$1.2 million.

Yet issues like inflation (9.1 percent in 1975), the vast array of governmental social service programs, and growing community need called for a rethinking of traditional operating procedures. To maximize its ability to address the community's needs, the Foundation began more actively to seek out grant opportunities. Even with comparatively limited resources, the community foundation could make an impact by being engaged, involved, able to seed ideas, demonstrate projects, and provide consultants to analyze issues. Assisting the Foundation was continuing support from the Howard Heinz Endowment and the Vira I. Heinz Fund (established as the Vira I. Heinz Endowment following Mrs. Heinz's death in 1983). Until 1993 The Pittsburgh Foundation shared professional staffs and offices with these organizations.

Recognizing the need to reach out to a growing number of troubled children and youth, for example, The Pittsburgh Foundation built on its long-standing interest in programs for adolescents, early childhood development, and recreation for children and youth. A discretionary grant for \$75,000—the largest in the Foundation's history to that point—was awarded in 1979 to the Boy Scouts of America, Allegheny Trails Council, toward a capital campaign to develop two camps and an Explorer base in the Laurel Highlands.

Public education, long a priority, also moved to the forefront in 1980 when The Pittsburgh Foundation assisted the Pittsburgh Public Schools in the implementation of a

desegregation plan acceptable to parents and the community. Three grants supported this effort: start-up funds for the Partnership in Education Program to link individual high schools and middle schools to local corporations; information and counseling for parents of school-age children throughout Pittsburgh; and a program of small grants to teachers for innovative classroom projects. As a result of these and other grants from local foundations and corporations, the Pittsburgh Public Schools were able to make the transition to an integrated system smoothly and effectively.

Programs for the elderly continued to be a priority, especially programs that helped to maintain older people in their own communities. The Foundation explored ways to improve the delivery of services, and to strengthen links among agencies serving older Pittsburghers.

A CAMPAIGN FOR GROWTH

As grantmaking became more targeted, the Foundation took steps to increase its assets. Between 1979 and 1983, thirty-nine new funds, along with able investment management by the trustee banks, led to a 111 percent growth in asset size. The Foundation's first affiliated community fund also made its initial grants in 1978: the Ligonier Valley Endowment demonstrated how a special trust fund from outside Allegheny County could benefit from The Pittsburgh Foundation's services.

And once again, the intent of donors pushed The Pittsburgh Foundation to explore new territory...and to enhance the regional quality of life. Establishment of the A. W. Mellon Educational and Charitable Trust Fund, for example, enabled the Foundation to play a unique role in Pittsburgh's expanding cultural life. Seeking the wisest way to use the income from this \$2-million fund, Foundation staff called together representatives of a variety of arts groups. These experts suggested that attention should be paid to the community's smaller arts organizations, which were enriching local life in a wide variety of ways. Support from The Pittsburgh Foundation, they advised, could provide just the needed catalyst for a growing group. The director of the dynamic young City Theatre, for

instance, wrote that a Foundation grant “was the first outside recognition of our value. It gave us visibility, and other funders followed suit.” City Theatre is now one of Pittsburgh’s most vital performing arts groups, producing contemporary plays in its own renovated, two-theater complex on the city’s South Side and taking its educational outreach programs to communities throughout the Pittsburgh area.

RESPONDING TO THE LOSS OF STEEL

With the 1980s came dramatic new demands for the community foundation. By far the most significant change for southwestern Pennsylvania was the rapid decline of heavy industry. Between 1979 and 1987, the Pittsburgh region lost 127,500 manufacturing jobs—including 63,100 in basic steel—out of a labor force of slightly over one million. With 12 percent unemployment came the weakening of once-thriving mill towns like Braddock and McKeesport. In a study to assess the true picture of this loss, Foundation staff estimated that approximately 200,000 people in Allegheny County were unable to eat from time to time, because they had run out of money. Depression, domestic violence, and substance abuse manifested the economic problems—causing children as well as adults to suffer.

The Pittsburgh Foundation did not have the resources to deal with all these symptoms—but a well-targeted grant can go a long way to help. A gift of \$37,500 to Turtle Creek Valley Mental Health/Mental Retardation, Inc. supported the training of community members to provide services to the unemployed. The grant also offered a needed series of Mother’s Days Out, and counseling and referral sessions at local union halls.

At the same time families coped with the pain of unemployment, the federal government launched a salvo of spending cuts for social welfare programs. The idealism and hopes for the Great Society of the 1960s faded into the past.

The Pittsburgh Foundation responded to this two-fold challenge in 1982 with The Forbes Fund, a supporting organization established with gifts from area corporate and family

foundations. Under the leadership of Elmer Tropman, retired director of the Health and Welfare Planning Association, the Forbes Fund combined grants, loans, and technical assistance to help agencies facing crises caused by the cutbacks.

The Fund addressed the problems of hunger with a regional study and a coordinated community approach to solutions. Its 1983 survey of Employee Assistance Programs in Allegheny County resulted in an innovative grant to support Family and Children's Services' interest in providing EAP services to other organizations. Studying the impact of change on the Child Day Care Service system, The Forbes Fund "primed the pump" by raising the awareness of other, larger foundations. A grant to the Lemington Home for the Aged provided an emergency loan payment for this critically needed and beloved institution of the African American community, and led to a community-wide campaign to create the Lemington Home Fund at The Pittsburgh Foundation.

The Forbes Fund strengthened nonprofits by helping them improve their management skills. And it had one more distinct advantage: its community Advisory Committee, which brought together a broad, deep, and practical knowledge of the human services sector. Their experience sharpened the Fund's ability to target its philanthropy with unique effectiveness.

WHEN HESTER McELDOWNNEY SMITH and Annabel McEldowney Matthews brought \$11,000 to The Pittsburgh Foundation in 1955, the sisters wanted simply to honor their mother and their father, who had risen from his job as bookkeeper to become president of the Union Trust Company.

But their first gifts set in motion a series of others. Mrs. Matthews' sons, Henry McE. Matthews and C. Hale Matthews, followed her example and frequently made year-end contributions of appreciated stock. When Mrs. Smith died in 1979, her will directed

that her personal trust and the residue of her estate, totaling \$7 million, be transferred to the fund.

Through this family's continuing generosity, a large part of a fortune made in Pittsburgh has been given back to Pittsburgh. Cumulative grants of the Henry C. and Belle Doyle McEldowney Fund—the Foundation's largest in 1979—exceeded \$8 million at the end of 1995, when the fund was worth more than \$21 million. It is unrestricted, allowing the board to apply its income to the community's charitable needs as those needs evolve.

1985-1996

THE INVESTMENT IN COMMUNITY

Responding to community needs, as these needs evolve: this is the community trust's unique challenge, as well as its lasting strength. And in recent, turbulent years, these needs have grown more pervasive and more complex. Pittsburgh, as never before, has come to count on its foundations to preserve and strengthen the social fabric, as well as to seek out the solutions to the challenges that face our people.

In 1985 the Foundation marked its fortieth anniversary by calling together a group of community leaders to determine forty events and forces which shaped Pittsburgh's postwar revitalization, and to help chart a course for a continuing renaissance. In each of the Foundation's program areas, community representatives studied how, over forty years, The Pittsburgh Foundation had supported and nurtured nearly every one of the organizations or events which had made Pittsburgh a better place in which to live and work. Among their examples were Vintage, Inc., Jewish Family and Children Services, Heinz Hall, WQED-TV, Parental Stress Center, Negro Educational Emergency Drive, Pittsburgh Public Schools, regional health planning in southwestern Pennsylvania, deinstitutionalization of the mentally disabled, "The Chemical People" drug awareness programming, Pittsburgh Theological Seminary, Allegheny Conference on Community Development, preservation of neighborhoods, and the creation of open spaces. An editorial in the Pittsburgh *Press* called the Foundation's program "a grand salute to the city in which it has operated so successfully—even if unobtrusively."

The Foundation, in 1985 the steward of 227 funds, also used its anniversary as a springboard to new initiatives. Collaborating with community leaders, the Distribution Committee identified five areas that would require special focus: child care, teen pregnancy, school dropouts, the frail elderly, and economic development, particularly in neighborhoods. These needs have continued to permeate grantmaking for more than a decade.

And so it was with confidence and a reliable compass that The Pittsburgh Foundation also launched a ten-year campaign to double its size. The Foundation asked the community for \$50 million. Only with larger assets could the community foundation more effectively address the region's needs.

The results would amaze even the most optimistic funder.

NEW PARTNERSHIPS IN ECONOMIC DEVELOPMENT

For Pittsburgh, perhaps the most significant change of the 1980s was the emergence of nonprofit organizations as strong players in the region's economy. The Pittsburgh Foundation and others could claim a significant role in this development. The University of Pittsburgh, for instance, became the city's leading employer. Carnegie Mellon University encouraged entrepreneurial thinking and new business development, and, along with Pitt, attracted millions of dollars in national research funding to Pittsburgh. Successful nonprofits learned to act like businesses. Words like "leverage" and "revolving fund" entered the vocabulary of locally organized, locally managed organizations called community development corporations (CDCs).

CDCs built on Mayor Richard Caliguirri's "Renaissance II" focus on neighborhood revitalization. With federal funding devolving to states and cities, and with the trend to community-based decision making, CDCs gave communities a unique opportunity to shape their futures, and to construct affordable housing, office and commercial space. The Oakland Planning and Development Corporation, for example, established a real estate office, built 102 housing units, and attracted a developer to build a hotel, parking for 510 cars, and a 50,000-square-foot office and commercial building. The Pittsburgh Foundation was a vital player from the start.

Community development corporations got a boost in 1980 when the Ford Foundation created the Local Initiatives Support Corporation, offering loans for specific projects. The

following year, The Enterprise Foundation also began to support neighborhood development. In 1983, the Pittsburgh Partnership for Neighborhood Development (PPND) was established with \$1 million in funding from the Ford Foundation, the Howard Heinz Endowment, Mellon Bank, and the City of Pittsburgh. Additional partners soon included the Vira I. Heinz Endowment, the Richard King Mellon Foundation, Westinghouse Foundation, Pittsburgh National Bank, Union National Bank, Equibank—and The Pittsburgh Foundation.

Formed to build healthy communities through grants to community development corporations, PPND brought together local businesses, residents, bankers, government leaders, and interested citizens to stimulate reinvestment in community vitality, and to alleviate poverty. By 1996, PPND would support the operations of ten CDCs and two technical assistance agencies, and manage a \$4 million development fund for commercial and residential real estate ventures sponsored by more than thirty community-based organizations. These efforts would generate 1,141 units of housing and 688,500 square feet of commercial and industrial space—and more than 332 units of housing and 123,000 square feet of commercial industrial space would be in active pre-development. The Ford Foundation described the Pittsburgh Partnership for Neighborhood Development as “one of the most admired networks of neighborhood-oriented community development corporations and commercial banks in the country.” PPND was incorporated as a supporting organization of The Pittsburgh Foundation in 1988.

Investment in neighborhood vitality expanded beyond the City of Pittsburgh to communities devastated by the loss of steel. In 1988 the Foundation helped to create the Mon Valley Initiative to support community-based planning as well as real estate and business development in four counties of the Monongahela Valley. A coalition of seventeen CDCs in communities from Homestead to Charleroi, the Mon Valley Initiative works to improve the lives of people in twenty-nine municipalities. By 1996, these CDCs would complete ninety-three units of low-income housing, while they continued to address important regional issues like investment in the Mon Valley, job creation and

retention, neighborhood strengthening, the revitalization of commercial districts, and the encouragement of cooperation among political entities. Doing work of regional importance, the Mon Valley Initiative takes on issues that require more than short-term commitment...issues of economic vitality and the strengthening of low- and moderate-income neighborhoods.

The collapse of the steel industry and the loss of mining jobs in the 1980s also eroded school districts in communities like McKeesport, Clairton, Duquesne, South Allegheny, and East Allegheny. To reinvigorate twenty school districts and their communities in 1987, The Pittsburgh Foundation helped to establish the Mon Valley Education Consortium as a catalyst for school reform and community building.

In 1990 the consortium began a demonstration project in the Clairton City School District—where 90 percent of the students were eligible for free or reduced-price lunches, and 42 percent received Aid for Families with Dependent Children. A 1996 review of this project by independent consultants described it as “a stunning example demonstrating MVEC success,” stating that “as a consequence of MVEC partnering with the leadership of the community and the school system and the efforts of many community members, teachers, administrators, and students of the school system, Clairton City School District has experienced no teacher turnover, 95 percent student attendance, 95 percent average daily teacher attendance, and less than a 2 percent per year student dropout rate.” In addition, the district saved \$1,565,000 over five years through contract renegotiation, fundraising, equipment sharing, and a reduction in security, grievances, and labor-related lawsuits.

The Pittsburgh Foundation has continued to fund the Mon Valley education Consortium, most recently providing \$300,000 over three years to expand the Clairton school reform model to other districts.

Foundation support also highlights the value of the arts as an enrichment to community life and as a catalyst for economic growth. Each year approximately twelve million people attend arts events in Allegheny County, spending over \$270 million. In addition to creating a more livable city, local arts groups create more than 9,000 full-time equivalent jobs. To enhance the development of the downtown Pittsburgh Cultural District, The Pittsburgh Foundation approved a three-year grant of \$150,000 to the Pittsburgh Trust for Cultural Resources in 1994 to develop and implement an aggressive marketing strategy to attract new business and real estate investment in the Cultural District.

Beginning in 1990, too, The Pittsburgh Foundation and the Howard Heinz Endowment formed a partnership to foster African American and other minority artists and arts groups. This is the Multi-Cultural Arts Initiative, an outgrowth of a committee headed by board member Phyllis Moorman Goode. Designed to promote an environment where African American arts, artists, and arts organizations—through their increased presence—are an integral part of the fabric of the region’s arts community, the Initiative awarded its first grants in support of projects like the Manchester Craftsmen’s Guild to promote Hmong textile artists and neighborhood arts programming in St. Clair Village. Examples of the Initiative’s thirty-five grants totaling \$400,280 in 1996 were audience development and marketing assistance for Kuntu Repertory Theatre at the University of Pittsburgh, operating support for the Afro-American Music Institute, an internship at the Latin American Literary Review Press for an African American student, and a collaborative arts project for youth at Hosanna House, Inc.

As The Pittsburgh Foundation continued to identify and respond to the community’s multifaceted needs, the Foundation’s achievements led to the most significant change since 1945. In 1991—four years ahead of schedule—the Foundation met its \$50-million, ten-year fundraising goal. A total of 348 funds now comprised the endowment of the community. Assets had reached \$193 million, up from \$68 million in 1985.

And the community's support for its community foundation by no means waned. Donors established a record thirty-two new funds in 1992 and added new gifts to eighty-eight existing funds—allowing The Foundation to make record-setting grants of \$7.4 million to approximately 450 agencies in 1992. Over the decade, donors would give more than \$100 million to The Pittsburgh Foundation. People from all walks of life would create nearly 300 new funds, ranging in size from \$10,000 to \$25 million.

So, after more than forty-five years of sharing office space and staff with the Heinz Endowments, The Pittsburgh Foundation in 1993 “left the nest.” Moving to its own offices in One PPG Place, the Foundation began to assemble a staff with expertise in community issues and needs. The Distribution Committee, now known as the Board of Directors, created the position of vice president for Program and Policy. In 1994 the Board of Directors, under the chairmanship of William J. Copeland and the vice chairmanship of Frieda G. Shapira, adopted a strategic plan, the product of a two-year examination of the Foundation. During this examination the board and staff defined the critical issues that cut across the grantmaking program as the community meets the twenty-first century. They identified these community issues as persistent poverty, racism, regional economic vitality, and a satisfying quality of life. Obviously they are big issues. There are no quick fixes.

To encompass these broad, cross-cutting issues, the board and staff built a grantmaking program enabling the Foundation to use its resources to the fullest. The Foundation's program areas for grantmaking include Families, Children, and Youth; Community Development and the Environment; Education; Arts and Culture and the Humanities; and Health and Special Needs Populations. Within this framework, The Pittsburgh Foundation responds to the real needs of the whole community and its people—just as it has done from its modest beginning.

The continuing story of this Foundation, then, is equally the story of Pittsburgh. The Pittsburgh Foundation began in a time of extraordinary hope and action. This is a city of

doers, and The Pittsburgh Foundation fits that way of working. At the time the Foundation started in 1945, many predicted that Pittsburgh would soon die as a city. Now, more than half a century later, we know they were wrong. “Cities,” wrote former Urban Redevelopment Authority director John Robin, “are about as indestructible as anything humans create.” And the success of The Pittsburgh Foundation stands for a victory over pessimism. The Pittsburgh that is emerging in the late twentieth century testifies to the difference community philanthropy can make. In a thousand ways—from economic development to the spirit of altruism to the activism of citizens who are taking charge in their own communities—The Pittsburgh Foundation gives back to this community every day, day after day.

Marking its fiftieth anniversary, The Pittsburgh Foundation recognizes a time of great opportunity for this community. There is a special mission for the community foundation to extend the city’s revitalization to the most vulnerable populations...and to find ways for all citizens to fully participate in and bring their abundant talents to enrich the community. To help extend those opportunities to an ever-increasing number of citizens, and to build the strength and well-being of our entire community, the Foundation has set the goal of a grantmaking program of nearly \$30 million in 2005.

The Foundation—with a distinguished board of directors representing the community, a talented, creative staff with experience and expertise in the needs of the community, and a generous, compassionate community of funders who have created it—is the philanthropic voice of Pittsburgh...speaking to issues of persistent poverty, racism, regional economic vitality, and a satisfying quality of life for every individual. These are the issues that will define our community in the coming years.

These are the issues to which the community’s trust brings its best ideas, energy, and resources, day after day, to create a community where a better life for all is the achievable result.

The Lois Tack Thompson Fund

Lois Tack Thompson was born to wealth, but she lived conservatively and managed her resources with care. Her father, Harry S. Tack, was president of American Oil Development Company, and she grew up in her family's home in Sewickley. After she married Donald Thompson, they moved to Pittsburgh but later returned to Sewickley, where Mrs. Thompson liked to spend time with friends and quietly pursue charitable interests.

A widow for the last twenty years of her life, Mrs. Thompson created a modest fund at The Pittsburgh Foundation in 1984. She asked the Foundation to use it for projects that benefit the blind and for institutions that care for unwanted animals. The Foundation worked imaginatively to carry out her wishes, even arranging a special camp for blind children and unwanted pets.

But when Lois Tack Thompson died in 1991, she left an unrestricted gift exceeding \$17 million—the Foundation's second largest fund. Mrs. Thompson's insight and generosity have permitted the Foundation to apply her gifts where the community's needs are greatest, and where they can have a lasting effect. Her funds are now helping to revitalize the Pittsburgh Cultural District and to improve education by supporting innovative classroom projects in twenty Monongahela Valley school districts.

The Millie and Henry Berns Fund

Strong as a bull, Henry Berns (1885-1980) worked as a bricklayer—and also wove doilies in his spare time. He got interested in weaving before World War I, in his native Holland. Then, seeking a better life, Mr. Berns emigrated to the United States in 1921. His was not a rags to riches story, but he worked hard, married, and had two children. His wife, Millie, died in 1951.

Like so many people, Henry Berns was motivated by a desire to give something of himself to the world. He began to make small contributions to the Fund for Public Giving at The Pittsburgh Foundation. This composite, unrestricted fund was established in 1975 to receive gifts of any amount less than the \$10,000 now required to establish a separate trust fund at the Foundation. When a donor's cumulative total of small gifts equals or exceeds \$10,000, these funds may be transferred to establish a named fund.

This is exactly what Mr. Berns did. In 1977, after several years of giving—sometimes doled out from his cash savings, which he kept rolled up in a flashlight—The Millie and Henry Berns Fund became the first named fund to emerge from the Fund for Public Giving. The fund is unrestricted, allowing the Foundation to focus its income on community priorities as they arise. In 1996 the Berns Fund was worth \$xx,xxx, and had made gifts to the community of \$x,xxx.

You do not have to be wealthy to make a difference through The Pittsburgh Foundation.

The Richard S. Caliguiri Fund for Amyloidosis Research

Mayor of Pittsburgh from 1977 until his death in 1988, Richard S. Caliguiri led “Renaissance II,” revitalization efforts that included construction of new downtown buildings and a subway system as well as a focus on neighborhoods and economic diversification. His death, caused by a little-known disease named amyloidosis, saddened thousands of people who admired his courage and his lifelong commitment to bettering his community.

Within hours after the Mayor died, his widow, Jeanne C. Caliguiri, who serves on the board of The Pittsburgh Foundation, followed his wishes and established a permanent fund for research into amyloidosis.

Never has one fund struck so deep a chord in the community. Within a year, more than two thousand individuals, organizations, and fundraising events contributed to build the Richard S. Caliguiri Fund for Amyloidosis Research. Now worth \$700,000 [?], the fund makes grants for research at the University of Pittsburgh. One day soon, perhaps, it will help find a cure for the disease that took the life of this good man—and others—much too early.

A Gift of Appreciation

The Pittsburgh Foundation marked its fiftieth anniversary in a spirit of gratitude to the thousands of men and women who contribute their time, resources, and support to ensure its continuing vitality. The Foundation's board and staff offer this brief history as a gift to the agencies we serve, and the many individuals who partner with the Foundation to build a region where every citizen can contribute to and share in a healthy community that is just, free from poverty and racism, and satisfying spiritually and intellectually.