

**MAKING A DIFFERENCE —**  
**THE FIRST TWENTY-FIVE YEARS OF THE FUND FOR NEW JERSEY**

“There are seasons, in human affairs, of inward and outward revolution, when new depths seem to be broken up in the soul, when new wants are unfolded in multitudes, and a new and undefined good is thirsted for. There are periods when the principles of experience need to be modified, when hope and trust and instinct claim a share with prudence in the guidance of affairs, when, in truth, to *dare* is the highest wisdom.”

*William Ellery Channing*

**W**hen ideas coincide with events, the result depends both on the nature of the ideas and the character of those who develop and implement them. History is replete with such intersections of people, ideas and events.

But this phenomenon of intersection isn't limited to events of national significance. It occurs again and again, in large ways and small. Where it occurs to the benefit of humanity, it is the coincidence of leaders in positions of responsibility who respond with good ideas in times of need—leaders with the character, drive and wherewithal to see those ideas to fruition.

That is the story of The Fund for New Jersey. The Fund grew from and still follows the path of giving established by Charles F. Wallace and his wife, Florence Murray Wallace. The Wallaces created The Eljabar Foundation in 1933, The Florence Murray Wallace Fund in 1958 and the successor Wallace-Eljabar Fund in 1969. Their admonition to their daughters to follow the teaching of John the Baptist by sharing their wealth with others provides the basic philanthropic tenet that has guided giving by The Wallace-Eljabar Fund—renamed The Fund for New Jersey in 1973.

And it is that intersection of individuals, ideas and events that has molded the unique character of The Fund for New Jersey. It is the product of the Wallace family's generosity and vision combined with the tal-

ent and experience of The Fund's staff and trustees that distinguishes the work of the foundation and its influence on the quality of life and governance in New Jersey over the last twenty-five years.

Two years after the Central Ward of Newark burst into flames The Fund was created. The riots of July 1967, which left twenty-six dead and put New Jersey's largest city on the cover of *Time*, clearly influenced those who set the course for the foundation. That event, borne of the frustration and desperation of poverty, followed by four months the implementation of an idea: the creation of the New Jersey Department of Community Affairs. The department's first commissioner was an innovative thinker whose experience in New Jersey state government would greatly influence the grantmaking philosophy of The Fund for New Jersey.

Governor Richard Hughes recruited Paul Ylvisaker, the Ford Foundation's vice president of urban programs, to run Community Affairs. Through his initiatives at the foundation, Ylvisaker led the first battles of what was to become the nation's "War on Poverty." He came to New Jersey government with the vision and experience for this new undertaking, but it was the rioting in Newark that "created a concentration within the department on urban development and housing that was not intended in

Governor Hughes's plan," says John Kolesar, who was deputy commissioner of the new department. In responding to the needs exposed by the riots, Ylvisaker "saw state government as a better avenue than the federal government for dealing with issues of poverty, race and urban development," according to Kolesar.

Ylvisaker's experience in state government changed his ideas about how to treat poverty. He concluded that attacking individual problems at the local level one by one was insufficient. What was needed was "concentration on the ground rules of government"—a focus, for example, on the impact of property taxes and municipal home rule.

At the end of the Hughes administration, trustees of the newly created Wallace-Eljabar Fund hired Gordon A. MacInnes, Jr., an assistant to the Governor, as the foundation's first executive director. The trustees also turned to Paul Ylvisaker for guidance in making the most effective use of the limited funds available for the foundation's grantmaking. In concert, the trustees and their new executive director followed the advice of the visionary commissioner and foundation executive, devising a groundbreaking mission for The Fund: a focus on public policy and the establishment of new and innovative orga-

nizations that could concentrate on solutions to New Jersey's most difficult problems.

This focus on funding public policy projects rather than directly financing social services "came from discussions with Paul Ylvisaker and others in the foundation world who had a long-distance view of the use of philanthropic dollars," recalls

Joseph Cornwall, Chairman of The Fund's board.

"Our objective was to get the greatest effect from the giving. Stanley Van Ness (a Fund trustee from 1970 to 1980) used the term 'a systemic approach to problems,' which appealed to us as a way to achieve a more meaningful use of the dollars—supporting projects that would improve decision making or our knowledge of issues."

It was a view shared by The Fund's executive director. According to MacInnes, the Fund's early mission, in part, "came out of embryonic

Naderism of the time—the view that there was a need to watch public institutions—the distrust of public institutions. There were a lot of things that didn't work in New Jersey."

Ylvisaker had envisioned a new organization that would undertake the task of addressing the "ground rules of government"—an organization characterized by its independence, consistency and permanence.

*"Our objective was to get the greatest effect from the giving. Stanley Van Ness used the term 'a systemic approach to problems' which appealed to us as a way to achieve a more meaningful use of the dollars—supporting projects that would improve decision making or our knowledge of issues. I find it gratifying that today more dollars are being spent in this area than was the case twenty-five years ago. There were critics at the time who looked down their noses at that kind of giving."*

*Joseph C. Cornwall  
Chairman of the Board and Treasurer  
of The Fund for New Jersey*

Being outside government, this organization would depend heavily on investigative reporting to influence events on the inside. Discussions between MacInnes and Richard C. Leone, who also served in the Hughes administration and shared Ylvisaker's interest in the creation of an independent voice to monitor state policymaking, led, at The Fund's initiative and with its financial support, to the formation of the Center for Analysis of Public Issues.

In 1970, there was no independent, enterprising group paying attention to the quality and integrity of government and politics in New Jersey. Nor was there any group inclined to dig past the clash of organized interests in order to divine how well the broader public interest was being served by the actions and decisions of government. The Center for Analysis of Public Issues was established to fill this void.

"1970 was a time when non-governmental organizations were rare," Leone says. "There was John Gardner and Common Cause. There was Ralph Nader. The idea that there would be what Paul Ylvisaker would call a 'third force' was very much in the air and was considered to be very creative. The notion was that public institutions needed to be under pressure, constantly reexamined, analyzed from independent points of view, and that foundations should

be active in the creation of institutions of this type."

"There were not a lot of models around at the time," MacInnes recalls, "so I went down to Washington to talk to Ralph Nader. We hit the ground running. Right away The Fund committed itself to this idea of initiating programs and projects. I started work in March and the Center was created in June." Richard Leone became the Center's first president and Paul Ylvisaker became its founding chairman.

In the twenty-five years since, the Center has undertaken the analytical review of numerous state initiatives and published dozens of policy studies. Its highly regarded, award-winning magazine, *New Jersey Reporter*, is read and relied upon by the state's political and civic leadership. The Fund for New Jersey has provided financial support to the Center in every year since its founding.

The pattern set with the establishment of the Center for Analysis of Public Issues has been followed throughout the twenty-five year history of The Fund for New Jersey. When needs were recognized, The Fund responded—taking the initiative in devising solutions.

"Our original discussion," says John J. Gibbons, a founding trustee of The Fund, "was that we would focus on grant applications that really showed promise of improving the social climate of the state. Because

*"The approach to giving is what makes this foundation different from most of the rest. Anybody who would try to assess the impact of The Fund would not be able to say it has made much of a difference based on the amount of money it has given away. It's not a big foundation as money goes. I think its intrinsic uniqueness has been its willingness to create things that don't exist."*

*Gustav Heningburg  
Trustee of  
The Fund for New Jersey since 1975*



of the size of The Fund, we concluded grant making at the retail level had very little impact and that we should look for projects that would provide social leverage.

“We certainly can’t say that every project we decided to fund lived up to our hopes and expectations, but a great many of them did. I think that our biggest successes have been in organizations where we were instrumental in their creation.

“The Coalition for Fair Broadcasting is another instance where The Fund created an organization. Largely as a result of its efforts, we did succeed in improving the amount of news coverage of the state both with respect to political issues and with respect to news of the state generally.”

The Coalition also grew from MacInnes’ experience working with Governor Hughes: “I came away from government service with Hughes’s view of New Jersey—that we really had to come out of the shadows. Dick Hughes is the guy who started speaking in those terms.

“When Hughes went up to New York to be interviewed on those Sunday morning television news shows, I went with him. We had to sit there listening to a bunch of uninformed New York newsmen ask

questions that they knew nothing about. It was really offensive. Hughes would mutter all the way home, ‘we’re the eighth largest state, and we get no respect.’”

The Coalition for Fair Broadcasting was established to address the electronic media’s failure to focus on New Jersey public affairs. By monitoring news coverage of New Jersey and questioning the propriety of license renewals, the Coalition prompted both commercial and public television in New York and Philadelphia and the state’s public television network to devote more resources to the mission of creating a more informed New Jersey citizenry.

“We tried to improve the quality of public life in New Jersey by improving the quality of information available to its citizens and by focusing on questions that others avoid or by asking them in ways that others won’t,” MacInnes says.

These two examples of innovative grantmaking—The Center for Analysis of Public Issues and The Coalition for Fair Broadcasting—illustrate two distinct characteristics of The Fund for New Jersey over the last twenty-five years: First, that The Fund has taken the initiative in creating programs, projects and organizations that can respond to a perceived need.

“I think it is so important for The Fund to take the

“It’s in the nature of this kind of operation for us to fund things that have some risk of failure but where success would be of significant benefit and where we are putting up funds that wouldn’t be available from any place else. In these investments we are counting on the promise of innovation, the promise that a relatively small amount of money will get things started which will be perpetuated on their own merits, and we are often basing our decisions on the promise that some individual is capable of giving leadership to the task at hand.”

*Richard J. Sullivan  
Trustee and President of  
The Fund for New Jersey*

initiative in developing new programs,” says Mary Strong, a trustee since 1979. “Foundations are in a position to have an overview of what’s going on in a community. They can see an overall picture, and if they don’t take advantage of that and develop some program to meet the need, they’re missing the boat. To sit around and wait for people to come and ask you for money, is a great mistake. The Fund can really be a partner in change, and I think it is. It is not just an observer.”

Second, the majority of activities funded by the foundation are process oriented—they do not have a neat conclusion which permits the foundation to pat itself on the back for having completed the task at hand. “The Fund for New Jersey has recognized its small size and modest resources in a very interesting way,” says Dr. William O. Baker, a trustee since 1974. “I think our ma-

major contribution has been to recognize that there would not be an ultimate solution. There would not be a final and complete answer to the issue, but that in each case we would try to illustrate that in the New Jersey context things got improved by continuous effort. The board has been committed to this cu-

mulative effort without having some finality.”

“There are two kinds of giving,” adds Richard Sullivan, President of The Fund and a trustee since 1978, “one where the initiative is taken by an organization that applies to us for a grant and the other where The Fund itself, mostly through the work of the executive director, discovers or creates an opportunity to do something that will benefit the community.”

In order to build a record of success in taking the initiative, Fund trustees have had to rely heavily upon the advice and direction provided by its executive directors. “While I stayed with The Fund for eleven years, I felt like I had two or three different jobs,” says Robert Corman, who served as executive director from 1978 to 1989. “That served me well because it gave me the capacity to have new experiences rather than simply sitting

back and reading proposals. That is very important if you want to have the ability to respond to the perceived gaps in the landscape of New Jersey’s nonprofit sector.

“There were and are such gaps. The Community Foundation of New Jersey was a wonderful thing to

“We were in on the school financing litigation effort. It has been a major part of our grantmaking commitment. The litigation as it was structured has been pretty successful. It has resulted in major changes in school financing. What I’m disappointed about is that with all the changes it hasn’t resulted in improved delivery of services to children in inner city schools. The inequities still exist and it is clear it is no longer simply a funding inequity. There are some structural problems that the litigation never addressed. No matter how much foundation money was available, I don’t think you could change the political climate that produced some of these disasters.”

*Hon. John J. Gibbons  
Trustee of  
The Fund for New Jersey since 1970*



create. And it has done tremendous work. That was the first piece of organizational development that I ever sunk my teeth into from scratch.”

This practice of taking the initiative continued during Corman’s tenure with the creation of the Public Education Institute, a statewide forum for education reform. The Institute was an outgrowth of another organization, Schoolwatch, that The Fund for New Jersey had an important hand in launching.

“Schoolwatch is an interesting case study because it was one of those efforts which was designed to have citizens around the state become involved at the local level,” Corman says. “It started as a forum at the county and then district level. Then there was an awareness that you ought to have something much broader that allows for the public dialogue to provide any citizen and any official an opportunity to hear in a nonpartisan way some critical discussions on the prominent issues. And that’s where the Public Education Institute came from. It was an expansion of the idea of the forum.”

Another example of Fund-initiated efforts is the Science Research Program. “In this case we saw a gap and we ran the program ourselves—a small component of an operating foundation at work. The result was urban districts that suddenly were competing in

statewide science fairs and coming in first or second,” Corman says.

The practice continues today under the leadership of Mark Murphy, the executive director since 1990. Murphy has initiated new programs in leadership development, neighborhood revitalization, an Institute of Public Policy to help guide urban mayors

and a small grants and technical assistance project to promote land-use planning. He now is coordinating a local effort to take advantage of Camden’s designation as a federal Empowerment Zone.

“Our work there is not just to be on hand to evaluate applications that are made, but really to devise applications, and to do so with a purpose of focusing a variety of efforts in one area to make some measurable difference,” Richard Sullivan says.

“In this approach, the objectives are ours and we initiate the mechanisms to achieve them. We are closer to the project. But we should remain the funding organization, and there is a hazard of getting involved in the operation of the program. We have to be careful of that, but this approach does enable us to better gauge whether we are successful.”

The Camden Development Collaborative is identifying community leaders and providing those leaders with the tools and resources to effect change.

Leadership development has been a major empha-

*“The philosophy of The Fund is systemic change and a sense of justice—a deep feeling that changes can be made. There is one thing The Fund does that is unique—if it really believes in something, it’s not going to abandon it. Too often grantees will be told, ‘you can crawl, now stand up and walk.’ You simply can’t do it. If it does make a difference, then stick with it. If it doesn’t make a difference don’t fund it.”*

*Mary Strong  
Trustee of  
The Fund for New Jersey since 1979*

sis of The Fund’s grantmaking over its twenty-five year history. “I think it is critically important,” says Gustav Heningburg, a trustee since 1975. “I don’t subscribe to the notion of critics who suggest that by developing leaders in a community you are creating elitists. There is a great need to provide training and access or leadership may never be realized.”

In addition to providing financing for community development and creating leadership opportunities extending from high school through college and into professional development, The Fund has helped establish statewide financing and advocacy institutions that will ensure the provision of affordable housing. And joining the fight to force state government to fulfill its constitutional obligation to provide a “thorough and efficient” education to all children, The Fund has provided long-term support to the Education Law Center’s legal battle to guarantee funding equity for urban public school children.

Beginning in the early 1970s with the funding of the Urban Coalition of Greater Newark and of Babyland Nursery, the first infant day-care center in New Jersey, The Fund has provided assistance to numerous groups seeking to leverage social benefits from small grants under the general heading of social and economic justice giving.

The Fund for New Jersey has also targeted funding to organizations that work for environmental protection and conservation by emphasizing the need for sound land-use planning and practice. In this area of giving, The Fund’s grants have been instrumental in the development and implementation of New Jersey’s innovative State Development and Redevelopment Plan.

There is risk involved in funding initiatives that are untried. Nevertheless, to have followed this path over the last twenty-five years “was the right decision, the right direction for giving,” Joseph Cornwall says. “When you have a fund of money available to get a project off the ground that won’t be funded otherwise because it’s too difficult to sell something new to donors, it’s the right direction.

“In board discussions we have frequently raised questions and had doubts about

whether a particular project will work, but we have decided it’s worth a try. It’s the only game in town. Let’s go ahead and fund it. You get criticism from those who think you should put your money into tried and true organizations, but I think there are opportunities for social improvement generally that monied sources could support to improve results.”

“People think that giving is good in and of itself, and I think that’s a grave mistake,” Mary Strong adds.

*“The late Malcolm Talbott, the father of Rutgers Newark and dean of the law school at the time was a trustee of the board when I arrived in 1978. At my first meeting with the board, Malcolm told me ‘it’s in your hands. You not only have a responsibility to do what you think is right, you have an obligation to let us know what is the right thing to do.’ That was a tremendous mandate. And the board lived well by it.”*

*Robert P. Corman  
Executive Director of  
The Fund for New Jersey, 1978-1989*

“Foundation dollars are the only risk money out there. And if foundations aren’t willing to take some risk, then we’ve lost. I think The Fund is willing to take risks. Sometimes those risks don’t pay off, but basically, I think the risks taken by The Fund have paid off very well.”

Ultimately it is the board of trustees that is responsible for the philosophy motivating the foundation’s philanthropy, for the pattern of giving established by The Fund for New Jersey over the last twenty-five years and for the record of success achieved by The Fund. They have been willing risk-takers who followed Paul Ylvisaker’s advice and institutionalized innovation in New Jersey philanthropy.

The trustees’ willingness to take risks is, in part, a consequence of their knowledge of New Jersey and their understanding of the need in the community and of the role that a foundation can play in addressing that need. It is also, most surely, a consequence of their collective experience and of the varied perspectives represented on the board. Since its inception, The Fund’s board has included founders and directors of non-profit organizations, community leaders, attorneys and jurists,

and leaders in science, public policy and environmental protection.

“The board members have been outstanding people who were serious and knowledgeable and were quite aware of what big problems were out there,” according to John Gibbons. And Mary Strong

agrees. “The trustees are encouraged to disagree with each other, and I think that’s very good. The debate that goes on at board meetings is very wholesome. People come from different perspectives and that’s marvelous. These things make The Fund unique. The calibre of the board members is remarkable.”

“The exciting part is taking a close look at what needs to be done and then responding to that,” Gustav Heningburg adds. “The board of The Fund is an extraordinary collection of individuals who are willing to support things that others will not. I think this approach has been successful.”

There are many more New Jerseyans who would agree.

Neil Upmeyer  
Trustee, 1989-1990

“The Fund’s hybridism between an operating foundation and an ordinary granting foundation has been particularly useful and constructive in New Jersey. I think The Fund is quite different because it always tried to exercise this quasi-activist role—stirring subjects and issues itself rather than passively receiving them from others.

I think that this activism, in the sense of asking questions or looking at problems which were evident in social, economic, ethical, and humanitarian form was probably the best thing we could have done.”

Dr. William O. Baker  
Trustee of  
The Fund for New Jersey since 1974