

On the cover:

Students from Eisenhower Elementary School in Flint, Michigan, take time out from their Dr. Seuss Reading Club to visit with William S. White, president of the Charles Stewart Mott Foundation.

The reading club is one of many ongoing afterschool activities supported by the U.S. Department of Education's 21st Century Community Learning Centers initiative.

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Foundation

NEWS & COMMENTARY



“Why?” said Board Member #1.
“Why not?” said Board Member #2.
And how did it end?
Read Bill White’s interview!

See page 24 for our conversation with
this year’s Distinguished Grantmaker

PHOTOGRAPHS BY SANTA FABIO



Fourth, fifth and sixth graders show off their musical knowledge to C.S. Mott Foundation President William S. White. The class in beginning piano keyboard meets weekly as part of Eisenhower Elementary School's afterschool program in Flint, Michigan.



the profession

A CONVERSATION WITH

BILL WHITE

BY ALLAN R. CLYDE

The 93-page, 16,142-word document sat on my desk like a mini-Sears catalog. The interview had lasted nearly two full hours—an editing nightmare. But when William S. White—president, CEO and trustee of the Charles Stewart Mott Foundation and the winner of the Council on Foundations’ 2002 Distinguished Grantmaker Award—wants to talk, you just listen. Luckily, though, different salient points and phrases called out to me.

“Move forward.” After White finished his second degree from Dartmouth and worked briefly for a specialist firm on the New York Stock Exchange (“when a big trading day was 8 million shares”), he served 18 months full-time in the U.S. Army National Guard and then went to work for an international management-consulting firm. In 1961, he married Claire Mott, daughter of Harding Mott and granddaughter of C.S. Mott—General Motors pioneer, industrialist and founder of the C.S. Mott Foundation.

“Anchored.” White came to the foundation in 1968 as a consultant, and he’s been there ever since—for the last 25 years as president. In fact, White is only Mott’s third president in its 75-year history—and he knew his predecessors and their values well. He’s committed to 5 percent payout, so that Mott’s global communities will be served over the long haul.

“Capitalize.” Having lived through the infamous 1969 Tax Act, White has been an advocate for foundation transparency and accountability and an outspoken voice on legislative issues. And since 1998, White has led Mott in coordinating a partnership with the U.S. Department of Education and the corporate community to provide additional enrichment and learning opportunities for children through the 21st Century Community Learning Centers initiative. To date, approximately \$2.2 billion in federal resources have been made available for after-school programs around the country—in addition to a \$100 million Mott commitment to sustain these programs and broaden the field of after-school care.

“Reach out.” With board approval, White guided Mott in expanding its focus beyond Flint to building the sector worldwide—supporting indigenous philanthropy programs in Mexico, central and Eastern Europe, Russia and South Africa.

“Remain focused.” Though Mott’s purview now includes the national and international, White stayed faithful to Flint—per C.S. Mott’s wishes. The foundation continues major funding in Flint as it navigates an ongoing transition from a leading automotive manufacturing metropolis, to a community beset with economic hardship, to its gradual emergence as a regional education center.

How was I to synthesize all of that? It emerged clear as day 23 pages into the transcript: “There’s value in having staying power.”

I think it is very important to cover the same ground twice—respect what it is that’s good about us and try to improve it; and those things that don’t make sense, talk them over with the board and say, “This is how I plan to change them.”

You’ve been one of only three Mott foundation presidents and you knew well the previous two. Has this helped foster continuity and an allegiance to donor intent?

Having worked a little bit with C.S. Mott and then more extensively with my father-in-law, Harding Mott, I have a deep respect for the values they had. C.S. Mott really left us a very broad mandate. He empowered his trustees to embrace change while still being mindful of his interests.

But when I think about donor intent, I realize that C.S. Mott was a risk taker and that he’d look at things differently today than he would have when he formed the foundation in 1926 or when he died in 1973.

What kind of dynamic did marrying into the family and heading its foundation create?

It was very interesting. It’s a very big family. Frankly, if I were to be in a room with them all, I may not know all of them. But C.S. and Harding had been looking to get some assistance—I never felt any resentment.

Is Mott still a family foundation today?

If you count the bodies, we currently have 13 board members, out of which five are family members, including myself. So from that angle, you would say we are a family foundation. Given the nature of our foundation, I think it’s important for the family to be involved—but there is no requirement for family members to be on the board. In the way we operate, in the way we think, though, we regard ourselves as an independent foundation.

But if you wish for diversity on the board of a foundation, sometimes it’s difficult to get the total diversity you’d like among one family, in terms of thinking, geography, race, etc. We wouldn’t be the foundation we are today if it were not for the outside board members.

Has the foundation instituted a process to shape another leader to emerge internally?

You sound like you’re a board member of mine at the December annual review. One of the reasons we’ve expanded the board recently is the issue of succession—it begins with the board. However, I believe the vast majority of CEOs in larger foundations have all come as a result of some type of search.

How would you preserve donor intent with someone new coming from the outside?

Just because you’re a family member doesn’t mean that you’re going to follow donor intent any more than someone else. Maybe you didn’t know the donor, or you have no respect for him, or you have different issues you’re interested in. But,

any candidate who’s ultimately hired will have to accept some of our fundamental values. Once, I was interviewing one of our board candidates—who’s now on the board—and he said, “Bill, I disagree with some of the things you’re doing.” I said, “That’s okay, as long as you say it with a smile.”

I think it is very important to cover the same ground twice—respect what it is that’s good about us and try to improve it; and those things that don’t make sense, talk them over with the board and say, “This is how I plan to change them.”

What’s your secret to having an involved board?

At one particular board meeting, I was asked a very tough question by one of the board members—I forget what it was. Another board member sitting next to the person said, “Why would you do this?” And I’m thinking, Oh, Lord, what do I answer? So, the other board person looked at him and said, “Why not?” He turned back and said, “Why?” And the other one, “Why not?” They continued this for about a minute. Of course, by the time we were done, the whole board was just in hysterics over this, and what could have been a very tough issue went away, and we were able to work it out like friends at a bar just talking it over.

I’ve been blessed with a very good board and staff. But, to gain the confidence of a board, there’s no better way than to get them out and let them see what you’re funding. As a result of a good understanding of what we’re about, they have given us a certain amount of flexibility and authority, so that when opportunities come up, we can go and seize them.

Is that what’s behind your concept of “shoe-leather philanthropy”?

That term has been around, we didn’t coin it. In Flint, in the early days, since we were almost an operating philanthropy, everyone would get out and know the programs intimately. “Shoe-leather philanthropy” is getting out of the office, getting on your feet, and going out to meet the grantees and others and listen. Keeping your ear to the ground is one of the most effective forms of evaluation. We usually do group site visits with the board about once a year. What we do is show them a program that is a proxy for maybe 20 other similar programs. Increasingly now, the board members are making individual site visits.

Was it hard getting board support on AIDS and teen pregnancy in a conservative town like Flint?

Flint really is not a conservative town, if you think about it—being the spiritual birthplace of the United Auto Workers. In some cases we’re

very progressive, very socially forward; in others, we're very regressive. I say it to any foundation—if you can get your board out to listen to stories from the heart on Main Street, if you can listen to people right on the ground where they are, all of those labels—conservative/progressive—are going to disappear pretty fast, and it's going to be one human trying to help another.

I remember one board meeting where a staff member was throwing condoms down on the table and another staff member was throwing Bibles back at him—figuratively, of course. Our board realized that teenage pregnancy is a fundamental problem, so we have supported some of those programs.

In light of all Flint's local problems, was it difficult convincing the board to take on international grantmaking?

Actually, it was a Flint-based board that made the decision to go international. In the mid-1980s, there were a lot of protests about universities divesting stock in companies doing business in South Africa. So, we came up with a policy and presented it to the board. One of the board members said a foundation expresses its social conscience through its grant program. We sent board members and a vice president that knew something about the area down there and that was the beginning of that program.

You once wrote that Mott needs critical feedback from grantees to stay focused on what it does well. How do you get candid feedback?

We don't have a formal process. By definition, the grantee/grantor relationship can always be uneven. But if you stay with a field of work for a significant period of time, and you begin to develop friendships and collegial relationships, and begin to treasure what the grantees are bringing to the table, then they will begin to share with you where they think you're doing good work and where you're not—where you're dropping the ball. You also need to have good outreach to people who will tell you frankly what's going on—people who are not grantees. We have outside evaluators come in and try and figure out if we know what we're doing and whether our grantees are doing a good job that needs to be continued.

Was there any feedback that was hard to hear?

Oh, yes. Someone once said, "Bill, you know, I don't think you're cut out for this job." And, when some projects in Flint didn't go well, I'd open up the newspaper every single day and read about it. I got used to walking down Main Street with no clothes on. But that's okay in our business. You need people every so often who will

tell you that you're doing things wrong, because with all of the money on your side, it's very easy to forget who you are.

You've been a long-time advocate of foundation transparency and accountability. You even served on the Council's original committee shaping the statement of Principles and Practices for Effective Grantmaking 20 years ago. How do you think the sector has done since?

The field has changed tremendously. In those days, there were very few infrastructure organizations. The Council was there, but it was much different. I remember going to the first Council meetings, and there were only maybe 300 people there, and they all looked like I do—white males, primarily lawyers, with bald heads. There was no Independent Sector, no National Committee on Responsible Philanthropy and no regional associations of grantmakers. There were maybe one or two university centers, and most of the grantmakers were located on the East Coast.

We've come a long way, we formed networks, and the field has grown. We took the statement of principles and practices way beyond the legal requirements to address issues of diversity, working with grantees and telling our story through annual reporting. I think foundations are doing a better job telling their stories now—and there's also the Internet, GuideStar and the Foundation Center that are going to tell the story for you if you don't want to do it yourself. The standards help in dealing with human nature.

You've said that foundations shouldn't be afraid to discuss their failures, as well as their successes. What are some of Mott's?

The most important failures are the little mistakes we make every single day—where we don't get back to grantees in a timely manner, where we don't process grants in a timely manner, where we tell the grantees one thing and then we change our minds. We don't treat our grantees like they're our neighbors. I've been guilty of all of these sins, so I'm not just criticizing staff.

You were present during the 1969 Tax Reform Act. What was that time like?

I remember C.S. Mott's testimony. His argument was, "You've got laws on the books. Why don't you enforce them? You don't need new laws."

I also remember our isolation. Now Michigan has one of the strongest regional associations of grantmakers—the Council of Michigan Founda-





tions. But I remember meetings when there were only about 11 of us, probably representing three or four foundations, and we didn't know each other. Today we're all there sharing with each other. That's one of the main outcomes of that legislation—the development of those infrastructure institutions and collegial relationships. Another outcome, of course, was the excess business holding issue. Mott had five excess business holdings and we had to dispose of all of those.

Do you have any legislative concerns surrounding foundations?

There's a lot of discussion in the field of donor-advised funds. There needs to be more clarity on that issue. I feel that 5 percent payout over a long haul is about where it ought to be, but we should feel free to go up and down based upon the needs at the time. Some say you ought to take the current dollars and just spend them, and there will be new wealth coming to take the place of it. Well, when you live in someplace like Flint, you don't see a lot of new wealth being created. So we've been able to respond to changing needs in communities. I have a long view to philanthropy. There's value in having staying power.

What would you consider the role of foundations in dealing with government today?

Foundation dollars are very few and very precious. Even the smallest governmental jurisdiction probably has more money than we have to spend. The key is to work with government at all levels. This entire after-school program at the federal level is a partnership.

Mott may best be known for that 21st Century Community Learning Centers initiative. How did that come about?

I received an invitation to attend a White House Conference on Early Childhood Education, where one of the people I chatted with turned out to be Terry Peterson, counselor to then-Secretary of Education Dick Riley. Out of that chat came the partnership. Riley said there were things they couldn't do for the schools—train them, teach them how to write for grants, provide quality control, and do the evaluations. He said it would be great to begin a partnership. He said they'd need about \$2 million. I said, "You'll get it." I chatted with the board and they approved it.

What do after-school programs contribute to the educational system?

They're fundamentally about education reform. If you look at juvenile justice statistics, you'll find out more kids become pregnant, more kids commit crimes, more kids do all sorts of goofy things after school—between 3:00 p.m. and 7:00 p.m.

A study done by the Census Bureau showed that kids engaged in any type of productive extracurricular activity had a 75 percent chance of being on grade level and achieving. If they did not engage in an extracurricular activity, the chance was only 60 percent. And it just made so much good sense.

If we look through the rear-view mirror, we see a family with a mother and a father. If we look through the front windshield, we see a family perhaps with one parent, and who's watching the kid while that parent is still at work? There's a tremendous demand for these programs. We're not reaching all of the kids we ought to reach, but, you know, you don't reach Mars overnight.

What's been behind Mott's efforts to build community philanthropy?

A lot of people wish to exercise formally their charitable impulse through the giving of money as opposed to voluntary services. Community foundations meet that need. And, if you help a community foundation build up that philanthropic muscle and strength, then you'll leave something lasting behind.

Even with the Mott foundation, which is one of the larger foundations in the country, we just don't have the resources to be able to mount multiple programs all over the country. But if you can partner with community foundations and local philanthropic outfits to work on common problems, overnight you can get a program going in ten different communities. And what you end up with is not just one foundation-directed program dictated from someone located in Flint. You've gotten ten different approaches to a problem—and to me, that is a far richer way to proceed.

How did you branch off into supporting international community foundations?

We started out a program way back in the mid-80s with Eugene Struckoff to provide technical assistance to, and to grow, the community foundation field in this country. Based on that, Michael Brophy of the Charities Aid Foundation came over and asked would we work with Charities Aid to do it in the United Kingdom. We did.

When we started off, the U.K. had only a handful of what we would call community foundations or trusts. Today they probably have 50 or 60, with assets of about £100 billion—from nothing. And now you're seeing them grow up in Germany, Italy, parts of central and Eastern Europe, and Mexico. This is empowering local people to address local problems, as defined by them. And if that is our only contribution, it will be a great one. That's why I'm so passionate about the field.

How has September 11 affected the foundation's dedication to support international philanthropy?

We don't know yet. Our immediate reaction was to give over \$1 million to the September 11th Fund as well as some other local charities to replace some of the money they would have lost here, because the Flint people—particularly some of the firefighters—came up with a lot of money for the victims.

I now realize, in the time since September 11, that wherever we have an opportunity to bring international awareness into our grantmaking, we should. Why can't we bring more international education? Why can't we bring more cultural understanding between peoples? And even though we already knew the people as friends, we began to reach out in an organized fashion to some of the Arab-American groups in this community.

We are spread very thin, so we have to remain focused. But all of our program areas are beginning to look and see what September 11 means. And at the bottom line, I think the message of September 11 to any foundation is to return to and reexamine your values.

Prior to September 11, the vast majority of Americans couldn't even tell you where Afghanistan is. What happened? We've learned a lot about Islam, we've learned a lot about Afghanistan, we've learned a lot about what U.S. foreign policy has and hasn't done. We ought to seize this opportunity, this new understanding and new learning, and put them into practice.

What are your predictions for the future of the sector?

In this country we take for granted our fundamental rights of assembly, religion, multiple political parties, association, speech, etc. But, as you go into central and Eastern Europe and other countries where those fundamental rights were repressed, generally you find that the charitable impulse, the right of giving charitable dollars, was also repressed. That charitable impulse is fundamental to human nature—trying to help neighbor help neighbor—and we need to do everything we can to nurture and develop it.

In the wake of September 11, we're going to need a very vibrant sector as a balance to strong government and big business. If this sector fails, for whatever reason, then the entire American experiment fails. We can't let that happen. ■

You need people every so often who will tell you that you're doing things wrong, because with all of the money on your side, it's very easy to forget who you are.