

1848

1886

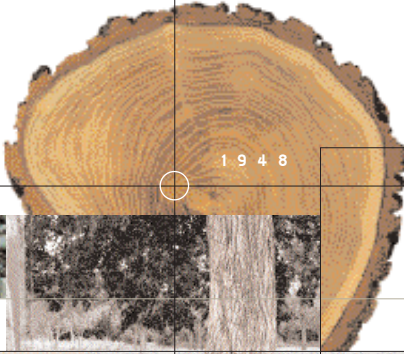
1901

1912

1915

1925

1947



1948

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1982

1987

1994

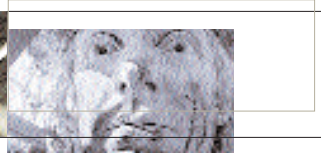
1996

2001

>



J. N. PEW.
REAL ESTATE
BROKER.



Sustaining the legacy >

A HISTORY OF THE PEW CHARITABLE TRUSTS

THE PEW CHARITABLE TRUSTS >

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www.pewtrusts.com

Viewed from the perspective of a new century, the events and issues of the year 1948, when the first of the seven philanthropies that today compose The Pew Charitable Trusts was formed, are quite remarkable. America's will to protect democracy in Europe and around the world was challenged, and proven, in West Berlin. The President ordered the Armed Forces to integrate, and the nation, driven by controversy at a political convention in the Trusts' hometown of Philadelphia, focused on civil rights. The Nobel Prize in Physiology or Medicine was awarded for research on the toxic properties of DDT and its role, as an insecticide, in eradicating such diseases as typhus and malaria. A seminal report on journalism addressed the rights and responsibilities of a free press.

Introduction > >

These events, and many others, reverberated through the subsequent decades. The cold war, and its aftermath in Russia and Eastern Europe, dominated international affairs. Civil rights and equal opportunity for all Americans became and remains a paramount social policy concern. The environmental harm of insecticides and pollutants has shown us that society has a vital stake in determining how to apply the products of scientific and medical progress. The media continue to take stock of their place in our American democracy, especially in the current era of expanding means of communication.

As these and other crucial issues have evolved, The Pew Charitable Trusts have chosen not to be a bystander, but instead have participated in fostering their consideration and resolution. In fact and in deed, the Trusts' history as a family foundation has been one of consistency, continuity and responsiveness to current conditions and unfolding needs.

A central responsibility of The Pew Charitable Trusts is to remain true to the wishes and values of the donors, those four brothers and sisters who more than half a century ago established a memorial foundation to meet pressing social needs. The charge to reflect the founders' fundamental values remains especially vivid for this foundation, where, into the early years of the 21st century, more than half of the board are family members, with a rich legacy of direct connection to J. Howard Pew, Mary Ethel Pew, J. N. Pew Jr. and Mabel Pew Myrin. So the Trusts continue firmly grounded in the founders' intent to nurture American democratic traditions, promote an educated and engaged citizenry, protect religious freedom, improve the quality of life in U.S. communities and assist those in need.

introduction

External realities do change, however. Today the problems facing the United States are complex and often seem impervious to solution. At the same time, the challenge to foundations to step into the breach on many fronts is great. Given these realities, the Trusts must ponder more intensively than ever before how their seemingly abundant but ultimately limited resources can be best applied. Which investments, they must ask, will most effectively address the problem at hand? To answer that question, the philanthropic principle that advises teaching a hungry man to fish instead of merely giving him a fish is regularly put to work at the Trusts. Which important human problems should be addressed earlier, and nearer the point of origin rather than later, when people are struggling with the effects? Which can be lessened, perhaps even avoided, by being tackled closer to the source? In short, how can the best results be achieved?

In the for-profit world beyond philanthropy, highly focused, results-oriented undertakings are far from new. In fact, such efforts preceded and made possible this foundation itself. The Trusts of today look to the founding Pews for guidance not only in terms of values and charitable intent but in their entrepreneurship as well. The most successful of the Trusts' grantmaking efforts have many of the characteristics of an effective business and bear the same responsibility to return lasting results.

The founders funded education, medical research, health-care facilities, religious organizations and recovery efforts from natural disasters. But the extent of their philanthropy would have been a small fraction of what it has become, and it would have been less effective, had they not previously:

- > > envisioned what a deep-water terminal in Texas and a refinery on the Delaware River could do for the young Sun Oil Line Company of western Pennsylvania;
- > > invented tools for drilling and refining the crude oil; improved their products and created valuable uses for byproducts;
- > > built new and essential means of transport, including ports and ships;
- > > leveraged assets and expertise, and those of partner companies, into expanded ventures;
- > > caught the wave of a transportation revolution as, after World War I, a great multitude of cars, thirsty for gas, rolled onto American roads;
- > > recognized the potential benefits of building a vast interstate pipeline and then obtained the thousands of permits and easements necessary to create it.

The first sections in this history set out some of the ideas—both commercial and philanthropic—in which the founders invested, and recount the growth of their foundation. The later chapters show how the more recent stewards of their generosity have sought to expand its reach by returning to entrepreneurial strategies, including many of those reflected above. Attempting to broadly envision what is possible, to bring creativity to bear on seemingly intractable problems, to leverage assets and expertise into new capability, to recognize and seize ripe opportunities—in these efforts, as well as in values and ideals, the evolution of the Trusts from their origins reflects their continued rootedness in lessons from the founders.

1882

1884

1886

1889

1947

1948

1956

1970

1971

1979

V EARLY ADVERTISEMENT FOR J.N. PEW'S REAL ESTATE BUSINESS IN TITUSVILLE, PENNSYLVANIA.



< J. HOWARD PEW.

The origins of the enterprise >>

1848 - 1912

J. N. PEW.
REAL ESTATE
BROKER.

OFFICE:

Cor. Pine and Franklin Sts.

I am always prepared to sell the best

Business Property,
Building Lots,
Dwellings,

OIL LANDS, OIL WELLS,
AND

Unimproved Lands,

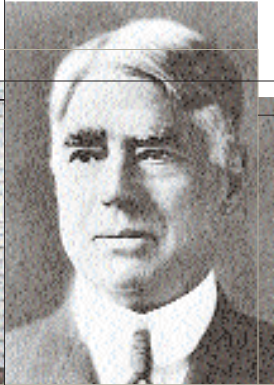
In Crawford, Warren, Venango and Forest counties.

J. N. PEW.

FOR SALE OR EXCHANGE.



A STUDENTS OF J.N. PEW, EARLY BENEFICIARIES OF THE FAMILY'S COMMITMENT TO EDUCATION, IN FRONT OF THEIR ONE-ROOM SCHOOLHOUSE IN LONDON, PENNSYLVANIA.



A JOSEPH NEWTON PEW.

The origins of the enterprise >

The story of The Pew Charitable Trusts begins with Joseph Newton Pew, a man raised on a farm in western Pennsylvania who created one of America's leading corporations and laid the groundwork for its success. He was the father of the four founders of The Pew Charitable Trusts, and he was also the source of the spirit and ideals that guided them in the development of their philanthropy. The values that inspired him—education, religion, entrepreneurship and social responsibility—gave direction to his children and continue to guide the charitable institution that they developed.

J. N. Pew was born in 1848, the youngest of ten children of John and Nancy Glenn Pew.

He grew up on the family's farm in Mercer, 55 miles from Pittsburgh, Pennsylvania, attended Edinboro Normal School and taught for a time before he tried his hand at business.

When J. N. Pew was 11, America's first oil well gushed forth in Titusville, not far from his home, and it was to Titusville that he went to seek his fortune in real estate and insurance in the 1870s.

There, he met and married Mary Catharine Anderson. His enterprise and hard work began to reap rewards in 1881 when he developed the Keystone Gas Company, which used the byproducts of oil, such as natural gas, to provide heat and light for the community of Bradford, 60 miles away.

By the following year, he owned the Haymaker gas well in Murrysville, then the largest in the world, and was delivering gas to Pittsburgh. In the late 1880s, the growth of his enterprise led to the founding of the Sun Oil Line Company, which he named for the largest of the heavenly bodies. That company, along with his Ohio-based Diamond Oil Company, provided transportation services and delivered oil products throughout the Midwest.

During this period, J. N. Pew and his wife began to raise a family and to pass along the values they believed essential to leading a productive and faithful life. They sought the finest education for their children, so that they would be informed, responsible citizens. They guided their religious training, so that they would follow Christian ideals. And they pointed the way to business success through J. N. Pew's own example of honorable and conscientious work.

His most important philanthropic contribution was inspired by one of his former pupils, who sought to establish a college in western Pennsylvania with high academic standards and religious commitment. The institution, Grove City College, founded with the financial support of J. N. Pew, continues to flourish.

Curiously, an event in Texas was to turn J. N. Pew's attention eastward and lead him to Philadelphia. In 1901, a gusher called Spindletop burst forth near Beaumont, Texas. Immediately, Pew dispatched his nephew Robert to assess the new fields and explore the feasibility of acquiring leases there. Robert Pew was enthusiastic about what he found and sent his younger

brother, J. Edgar Pew, to Sabine Pass, Texas, where he developed a deep-water terminal.

J. N. Pew then demonstrated his ingenuity for integrating products and systems on a grand scale. He entered into a partnership with United Gas Improvement Company of Philadelphia to build a refinery along the Delaware River, and he purchased an 82-acre site at Marcus Hook, near Chester. The first ocean-borne shipment of Texas crude arrived at Marcus Hook in 1902 on the S.S. *Paraguay*, a converted Great Lakes ore carrier.

By this time, J. N. Pew was the father of five children. Arthur, the eldest, had graduated from Princeton. J. Howard, the second son, had completed an undergraduate degree at 18 from Grove City College and was attending the Massachusetts Institute of Technology, where he studied engineering with course work in thermodynamics and structural design. J. N. Pew recruited both sons into the company, naming Arthur vice president and assigning J. Howard the task of finding a use for the black residuum that remained when Texas crude was refined.

The young scientist didn't disappoint his father. He developed a lubricating oil with an extremely low cooling point; it became an international success under the name Sun Red Stock. J. Howard's laboratory work also yielded the first commercially successful petroleum asphalt, called Hydrolene, in 1904. By 1910, Sun Company boasted more than 100 trade items.

Pew's third son, J. N. Pew Jr., graduated from Cornell with an engineering degree in 1908. He, too, joined Sun Oil, setting out to learn about and participate in the company's activities.

J. N. Pew died in 1912. He had traveled far from the Mercer farmhouse and built a national enterprise that would continue to grow, under the leadership of his sons, to worldwide scope and influence.

Upon his death, his family met to determine the future of the Sun Oil Company. Arthur was in ill health, so they chose J. Howard as president and J.N. Jr. as vice president.

The two young men, only 30 and 26 years old, took responsibility for a growing company in a developing and competitive industry. They would prove themselves in many ways over the coming years, fulfilling their father's entrepreneurial dreams and nourishing the values they had learned as children.

> J. HOWARD PEW WITH
ALBERT DAILY, OLDEST
EMPLOYEE OF SUN OIL CO.
IN POINT OF SERVICE-53
YEARS, CIRCA 1950.



1912 - 1947



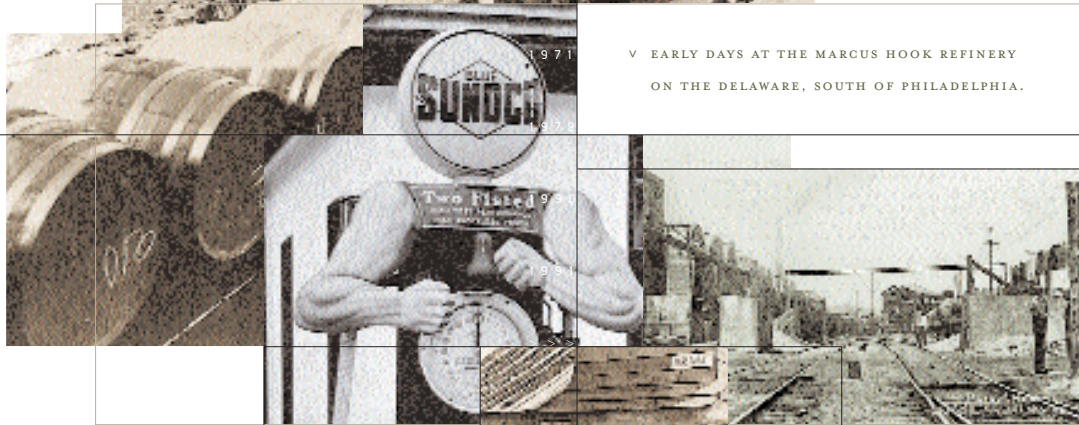
1955

1970

Free markets, free people:
The growth of Sun Oil >>

1971

> EARLY DAYS AT THE MARCUS HOOK REFINERY
ON THE DELAWARE, SOUTH OF PHILADELPHIA.



1912 - 1947

1912 - 1947

> TWO-FISTED GAS PUMP PROMOTING BLUE
SUNOCO GASOLINE FROM THE 1930S,
ADVERTISED AS "THE HIGH-POWERED
KNOCKLESS FUEL AT NO EXTRA PRICE."



< THE 90-YEAR ANNIVERSARY CELEBRATION OF THE DRAKE WELL,
IN TITUSVILLE, PENNSYLVANIA, IN 1949. THE WELL WAS THE
FIRST DRILLED FOR THE EXPRESS USE OF PRODUCING OIL,
INITIATING THE INDUSTRY IN WHICH SUN WOULD BECOME A
MAJOR PLAYER.

Free markets, free people:
The growth of Sun Oil >

	<p>Guided by their parents' philosophy and their upbringing, as well as their own talents, the young brothers moved quickly to define their business relationship and the direction of their company.</p>		
<p>When the two sons of J. N. Pew assumed the leadership of the Sun Oil Company, they did so in an environment that was radically different from the one in which their father had developed his independent oil company. In 1911, a year before J. N. Pew's death,</p>	<p>They specified equal salaries for themselves, so that neither could be said to dominate, and they continued their father's financial conservatism, returning a small dividend so that earnings could be reinvested in the company. At the time, Sun Oil Company was capitalized at \$6 million.</p>	<p>transatlantic shipping routes would be in danger and that many more tankers would be needed</p>	<p>Following World War I, American society entered a period of explosive change. Cars took to roads in ever-increasing numbers and with ever-greater power. Sun opened its first service station in Ardmore, Pa., in 1920; within a decade the company owned or controlled 500 filling stations nationwide.</p>
<p>the United States Supreme Court enforced the dissolution of the Standard Oil Company under the Sherman Anti-Trust Act.</p> <p>The court's action was significant for its effect on the industry, and it was equally important for the Pew family. It reinforced their conviction that industry thrives best when markets and competition are free.</p>	<p>One investment was Sun Shipbuilding. When J. Howard Pew learned of the German U-boat program on a visit to Europe in 1915, he concluded that</p>	<p>to ensure a continued flow of oil across the Atlantic.</p> <p>His solution was to establish a shipyard, and it contributed strongly to the Allied effort in World War I, building tankers and minesweepers and employing 10,000 men. By World War II, Sun Shipbuilding would be the largest private shipyard and the biggest producer of oil tankers in America.</p>	<p>To meet the need for higher-octane gasoline, General Motors and Jersey Standard collaborated to form the Ethyl Corporation. The Pew brothers declined an invitation to participate, so strong was their sense of independence and their hostility to monopolies.</p>



V J. HOWARD PEW AT AGE 18,
ON HIS GRADUATION FROM
GROVE CITY COLLEGE.



1882 - 1971

J. Howard Pew >

John Howard Pew, born in Bradford, Pennsylvania, on January 27, 1882, as the second son of Joseph N. and Mary Anderson Pew, graduated from Grove City College at the age of 18 and went to work for the Sun Company. He was so diligent in the company laboratories that he sometimes slept there at night, in order to get right back to work in the morning at the formulas and processes he was developing. Among his research credits are the first commercially successful petroleum asphalt (which was also Sun's first trademarked product) and a lubricating oil superior to its competitors.

J. Howard Pew succeeded his father as president of the Sun Company in 1912, when he was only 30 years old. He took a broad view of its business, ranging from producing, refining, marketing and transporting the company's products. When automobiles became important, he made the company a world leader in gasoline production. He was instrumental in expanding the company into shipbuilding, which proved vital in supporting American forces through two world wars and in extending the national and international enterprises. Sun's prosperity also provided the underpinnings for the family philanthropy.

J. Howard Pew's business and personal philosophies were closely linked, based on a strong Christian faith and a commitment to democratic ideals. He bitterly opposed the cartelization of the oil industry as well as all attempts at price fixing. He strongly supported the political freedoms that encouraged free competition in enterprise and promoted individual involvement in civic affairs. He chaired the board of Grove City College for decades and was a generous, though anonymous, donor. He was a faithful Presbyterian who participated in the affairs of his church, both locally and nationally. He believed fiercely in the rights and freedom of the individual.

When J. Howard Pew died, in 1971, the Rev. Billy Graham assisted the Rev. William Faulds, pastor of the First Presbyterian Church of Ardmore, in the funeral service. In the words of Dr. Faulds, "His generosity has been felt by many. Because of his foresightedness it will be felt for generations to come."



A J. HOWARD PEW AND HIS WIFE,
HELEN THOMPSON PEW.

Sun resolved to develop a gasoline without tetraethyl lead, a powerful but dangerous additive. The result was Blue Sunoco, colored to match tile seen by J. N. Pew Jr. and his wife on their honeymoon trip to China. Blue Sunoco provided Sun with a single-grade gasoline that was as powerful as the Ethyl products, and cheaper.

The company began to issue common stock through the New York Stock Exchange in 1925. The following year, it put forward one of the first stock-sharing plans for employees. The Pews believed that such ownership would heighten workers' interest and involvement in the company's success.

The Pews expressed their commitment to their employees in other ways as well. No Sun employee was laid off or suffered a pay cut during the Great Depression. J. Howard Pew blamed that economic tragedy on employers who paid inadequate wages and thus drove down demand. A free market, he felt, required responsible, active leadership from the business sector. Indeed, the Sun Oil Company flourished during the 1930s, as it strove to meet the needs of consumers in the automobile and aircraft industries, with products to serve the higher compression ratios of new cars.

In the same period, J. N. Pew Jr. set out to expand the company's market area by building pipelines to Pittsburgh, Cleveland and Syracuse. The pipelines vastly increased the scope of Sun Oil's services. In the course of gaining some 2,000 permits to cross highways, railways, electric lines and navigable waters, not to mention 3,300 easements, the younger Pew also gained a bit of political experience.

To implement the New Deal and the National Recovery Act, President Franklin D. Roosevelt invited the oil industry to develop guidelines that would help Americans cope with the Depression. The Pews were instrumental in drafting these guidelines, but they were stunned when the government rewrote them to include a provision for fixing the price of oil.

V J. HOWARD AND ETHEL PEW.



> FIRST SUN HEADQUARTERS AND FIRST OFFICES OF THE PEW MEMORIAL FOUNDATION, WALNUT STREET, PHILADELPHIA.



Consistent with the free-market philosophy inherited from their father, the Pews reacted instinctively to the plan. Their vocal opposition helped to hold back the Roosevelt proposal and set them firmly against the President. During FDR's subsequent terms, J. N. Pew Jr. became one of the major forces in what he described as the battle to ensure a two-party system.

When World War II broke out, the Pews rallied to support government actions to mobilize industry in the war effort. Sun companies provided petroleum products that helped lead to Allied victory, and the ships to carry it.

Following the war, the Pews stood firmly for markets free of government or monopoly control. They held out against the continuation of wartime regulations, and they fought the proposed cartelization of the Anglo-American oil industry.

Although Sun Oil Company was one of the world's largest, the Pews continued to see themselves as independents and to believe that economic independence was the bedrock of success for all corporations and individuals. Their independence was not exclusively a business matter. It was embedded in their personal principles, which they strongly believed should not be limited or excised by government or any monopoly.



> BLUE SUNOCO FUEL PUMP, 1958.

▲ YOUNG J. N. PEW JR., SECOND FROM RIGHT, LEARNING THE OIL BUSINESS FROM THE GROUND UP IN THE VENEZUELAN JUNGLE.



V J.N. PEW JR., NATIONAL COLLEGIATE CHAMPION IN THE HAMMER THROW AT CORNELL UNIVERSITY.



A JOSEPH N. PEW JR., J. EDGAR PEW AFTER A HARD DAY AT HERNANDEZ, VENEZUELA.



1886 - 1963

J.N. Pew Jr. >

Joseph Newton Pew Jr., the youngest son of Joseph N. and Mary Anderson Pew, was the most visible family member of his generation. His portrait graced the cover of *Time* in 1940, and his participation in the affairs of the Republican party placed him at the center of American political life for nearly three decades.

J. N. Pew Jr., known as “Joe” to his innumerable business and political acquaintances, was friendly and outgoing. His country home, Warwick Furnace, in Glenmoore, Pennsylvania, was the site of social events for hundreds of associates; it was also a sportsman’s retreat for him, his family and close friends.

Born November 12, 1886, in Pittsburgh, he graduated from Cornell University with a degree in mechanical engineering. He passed up an opportunity to compete in the 1908 Olympic Games (in the hammer throw, in which he held the national collegiate championship) to join the Sun Oil Company in Philadelphia. But he grew restless behind a desk and went into the field to learn the business from the ground up, drilling oil wells in Illinois and laying roads in South America. Upon his father’s death, he became vice president of the company.

J. N. Pew Jr. was a visionary in both science and commerce. In the early 1920s, he became concerned with the problem of crooked holes in the drilling of oil wells and developed a gyroscopic instrument combined with a high-speed camera and a timing device to measure the angle and direction of deviation. Patented in 1926, the instrument proved essential in attaining drilling depths never reached before.

His experiences profoundly influenced his values. The first grant in the field of education given by The Pew Memorial Foundation was to Cornell University to ease the transition for engineering students between high school and college. He was responsible for recruiting a consultant to help the foundation identify the needs of historically black colleges. To the end of his life, he supported rigorous and high-quality education for all and maintained a commitment to community service and, above all, to the concept of free competition in the marketplace.

1848

1882

1884

1886

V AN EARLY DISPLAY ECHOING THE PEWS' CONCERN WITH GOVERNMENT GROWTH AND EXPENDITURE.

V GRADUATION PROCESSIONAL AT GROVE CITY COLLEGE, LED BY J. HOWARD PEW AND OTHER DIGNITARIES.



1883

1948 - 1956

1977

1977

1978

1990

1991



A J.N. PEW JR., TALKING WITH REPORTERS AT A SUN COMPANY PRESS BRIEFING.

Family traditions in quiet philanthropy:
The Pew Memorial Foundation >>

1948 - 1956 1948 - 1956

Family traditions in quiet philanthropy:
The Pew Memorial Foundation >

The Pew Charitable Trusts came into existence in 1948 as The Pew Memorial Foundation. The four living children of Joseph Newton and Mary Anderson Pew chose to honor their parents' memory by contributing to causes that would represent and support the ideals and values that guided their upbringing.

The four, who are remembered today as the founders, formed the core of the foundation's board. They were J. Howard Pew, Mary Ethel Pew, J. N. Pew Jr. and Mabel Pew Myrin. Three other family members joined them: Jno. G. Pew Sr., cousin of the founders and Sun Oil's vice

president in charge of production; Frederick B. Hufnagel Jr., nephew to J. Howard Pew's wife, Helen; and Joseph Newton Pew 3rd, son of J. N. Pew Jr. The founders capitalized the foundation with 880,000 shares of Sun Oil Company stock, which returned an annual dividend of \$880,000. They met for the first time on April 3, 1948, in J. Howard Pew's offices in the Sun Oil Building at 1608 Walnut Street, Philadelphia.

At that first meeting, the board stressed the four general areas of giving designated in the trust document: scientific, charitable, religious and educational.

The early grants reflected these priorities. The first check written by The Pew Memorial Foundation was for \$30,000 to the American Red Cross, for flood relief in Pennsylvania. The second was for \$95,000 to the Institute for Cancer Research to cover the cost of building a research laboratory. (The institute is now part of the Fox Chase Cancer Center in Northeast Philadelphia.) In 1948, the board awarded six grants totaling \$582,500, including \$449,000 for the building fund of the Institute for Cancer Research. In its first year the foundation also gave generously to the American Bible Society and Grove City College, J. Howard Pew's alma mater.

Even in its earliest years, the board took an entrepreneurial approach to grantmaking and sought new and innovative opportunities for foundation support. In 1949, J. N. Pew Jr. suggested that the foundation undertake a program to assist black colleges. Two years later, he hired Jerome H. Holland to serve as a consultant on interracial matters and as a field representative for the foundation. Like J. N. Pew Jr., Holland was a graduate of Cornell University who excelled in academics as well as athletics there.

During his tenure with the foundation, Holland visited numerous college campuses. Out of his early work grew a program of support to promote equal opportunity through historically

black colleges that continued through the 1990s. Holland later became president of Delaware State College and Hampton Institute.

Reflecting the board's preference, the Pew Memorial Foundation was not well known in its early days. The founders chose anonymity in their giving because they expressly sought no earthly reward for their deeds. Instead, they followed the admonition of Jesus in Matthew 6:3: "... when thou doest alms, let not thy left hand know what thy right hand doeth: / That thine alms may be in secret: and thy Father which seeth in secret himself shall reward thee openly."

Accordingly, most grants came about because of the Pews' direct knowledge of, or familiarity with, organizations and individuals. Even in anonymity, however, their philanthropy touched nearly every aspect of life in Philadelphia and reached beyond to institutions and organizations worldwide.

In education, the foundation supported private colleges, choosing to meet needs that could not or should not be addressed by state or federal governments.

In addition to Grove City College, the foundation reached out in secondary education, to libraries and to seminaries. It also supported schools, especially the Kimberton Farm School, that

followed the Waldorf method, an educational system that engages students' psychological and social as well as their thinking skills; the system was propounded by the Austrian educator Rudolf Steiner and strongly supported by Mabel Pew Myrin.

Aid to hospitals, favored by all of the founders but a particular interest of Mary Ethel Pew, contributed to the building and development of medical facilities in Philadelphia, especially at Lankenau Hospital on Philadelphia's Main Line.

The foundation's charitable donations included grant assistance for emergencies, such as flood relief, and ongoing support to the American Red Cross and Community Chest drives in Philadelphia and the nearby cities of Chester and Phoenixville. Religious contributions focused on the Presbyterian Church as well as individual houses of worship and extended to the National Council of Churches and the Archdiocese of Philadelphia.

Between 1948 and 1956, The Pew Memorial Foundation made 181 grants totaling \$12.5 million. Despite its anonymity, as the foundation's giving increased,

so did requests for grants.

The founders and their board colleagues realized that the proper disposition of their philanthropy required, in the long term, a staff capable of managing their assets as well as administering the grantmaking.

At the same time, John D. M. Hamilton, their legal counsel, expressed concern about what he perceived to be an anti-foundation attitude on the part of the federal government and suggested that the board reshape The Pew Memorial Foundation. The result was the creation of The Pew Memorial Trust and the founding of The Glenmede Trust Company.

V JEROME H. HOLLAND, EARLY AND LONG-TERM
CONSULTANT TO THE PEW MEMORIAL FOUNDATION.



^ MARY ETHEL PEW AND MABEL PEW MYRIN ENJOYING
A RELAXED MOMENT WITH A FAMILY FRIEND.

V J.N. PEW JR. AND FAMILY ON VACATION
IN THE SOUTHWESTERN U.S.



1848

1882

1884

1886

1889

1947

1948

1956 - 1970

1971

1979

1990

V J. HOWARD (STRAW HAT) AND HELEN THOMPSON PEW (NEAREST CAMERA ON BUGGY SEAT).



^ THE AMERICAN RED CROSS, THE FIRST GRANT RECIPIENT, RESPONDING TO AN EMERGENCY.



^ MABEL PEW MYRIN PARTICIPATING IN THE GROUNDBREAKING FOR THE SCHEIE EYE INSTITUTE.

The Glenmede Trust Company >>

1956 - 1970

The Glenmede Trust Company >

The Glenmede Trust Company, named by the founders for the Pew family estate in Bryn Mawr, was chartered to undertake a wide variety of trust activities under the banking statutes of the Commonwealth of Pennsylvania in 1956.

In its first years of operation, the company's primary responsibility was to administer the newly formed

Pew Memorial Trust and the two additional trusts established by the founders in 1957: The Mary Anderson Trust, named for their mother, and The J. Howard Pew Freedom Trust, created to support organizations and projects that shared J. Howard Pew's religious beliefs, political and economic philosophies and broader philanthropic interests.

The structure of The Glenmede Trust Company enabled the Pews to establish individual trusts with specific missions and to participate jointly in the grantmaking process for all these trusts. The Glenmede Trust Company began operations in offices in the Sun Oil Building with a staff of two, one of whom was its first president, Allyn R. Bell Jr.

A board of directors of 12 members took charge of the affairs of Glenmede. Nine of those 12, the major shareholders in the company, became the members of the board committee with primary responsibility for the grantmaking of the charitable trusts—the Committee on Grants, Donations and Contributions.

The nine major stockholders also entered into a "stock succession agreement," which provided that (except for a small number of unrestricted shares) the stock of a major shareholder could be transferred only to a person who had been approved by vote of two-thirds of the other major shareholders.

The continuity provided by the succession agreement is often cited as a primary reason for the consistency of giving by The Pew Charitable Trusts over the years, for it has permitted the Trusts to adapt to new needs while maintaining a direct line to the family's traditions and legacy.

The Committee on Grants maintained the direction and the interests of the Pew family that had guided The Pew Memorial Foundation. Areas of interest included education, hospitals, medical research, religion and other charitable causes.

Following the founders' religious conviction that philanthropy should be private, the committee maintained a careful policy of anonymity, insisting that no mention be made of the Trusts' contributions and declining grantees' requests to publicize the gifts.

Many of the large grants in the early years provided assistance for buildings or campus development. Such institutions as Lankenau Hospital, Grove City College and the University of Pennsylvania were able to add major facilities with the Trusts' support.

The founders insisted, too, on a large number of small grants that offered operating or project assistance in a wide range of subject and geographical areas. The Allied Jewish Appeal and Catholic Charities took their place alongside the Presbyterian Fund. Missionary colleges as far away as Asia joined Conwell Theological Seminary of Philadelphia, the Moody Bible Institute of Chicago and Fuller Theological Seminary in Pasadena, California, as grantees.

The concerns of historically black colleges continued to have the committee's attention. It appointed J. N. Pew Jr., Jno. G. Pew and J. N. Pew 3rd to oversee grantmaking in this area. From an electron microscope for the Institute for Cancer Research to capital funds for veterinary medicine at the University of Pennsylvania, the committee maintained its interest in the sciences.

Between 1957, when The Glenmede Trust Company began to administer the Trusts, and 1969, The Pew Charitable Trusts awarded 2,565 grants totaling \$64.6 million. The yearly average allocation of \$5 million represented a fourfold increase over the average grantmaking between 1948 and 1956.

J. N. Pew Jr. died in 1963. His will provided for the establishment of The J. N. Pew Jr. Charitable Trust, which became the fourth trust under the administration of Glenmede. In 1965, the remaining founders established the fifth family trust, The Knollbrook Trust, named for the home of J. Howard Pew. As a further tribute to J. N. Pew Jr., the committee permitted the first public mention of one of its gifts in 1967. The occasion was the opening of the Lou Henry Hoover Building at Stanford University. The J. N. Pew Jr. Charitable Trust was included among the donors listed on a bronze plaque in the lobby.

The death of J. N. Pew Jr. brought the succession agreement into play for the first time, and the parties selected Thomas S. Horrocks, a Sun Oil Company executive. Four years later, Frederick Hufnagel died, and he was succeeded by R. Anderson Pew, the grandson of Arthur E. Pew, eldest child of J. N. Pew. Through the succession agreement, the philosophy of the founders was maintained as the years passed, and organizations and ideas they cherished remained central to the grantmaking of the Trusts.

> BILLY GRAHAM, A LONGTIME FAMILY FRIEND AND EVANGELICAL LEADER.





< MABEL PEW MYRIN RECEIVING AN AWARD FROM PRESBYTERIAN-UNIVERSITY OF PENNSYLVANIA MEDICAL CENTER.

1889 - 1972



▲ MABEL PEW MYRIN AND HER NIECE MRS. ROBERTS PEW.

Mabel Pew Myrin >

Mabel Pew Myrin, born Mabel Anderson Pew, was the youngest child of Joseph N. and Mary Anderson Pew. Throughout her life, she sought to address what she called "issues of survival": the decline of education, the problems of caring for and educating the handicapped, and the increasing loss of soil fertility.

She was born June 11, 1889, in Pittsburgh, and moved with her family to Bryn Mawr following the development of Sun Oil's Marcus Hook refinery. She married H. Alarik W. Myrin, to whom she had been introduced by her brother Howard in 1919. The newlyweds moved to Argentina, where Alarik Myrin managed ranch properties and worked in the development of mineral resources.

The Myrins were interested in the experimental education afforded by the Waldorf method, which, based on the principles of Rudolf Steiner, makes imagination and hands-on skills integral to learning academic subjects. They founded Waldorf schools in 1947 at Adelphi University on Long Island and created the Waldorf Educational Foundation four years later to carry on their interest in the method. They also helped to develop the Camphill movement in the United States, which applies Steiner's ideas to the care and teaching of mentally disabled children and adults.

Mabel Pew Myrin's charitable concerns reached beyond education. Like her brothers and sister, she was deeply involved in the support of health service institutions. She was instrumental in the development of the Scheie Eye Institute and was an active trustee of the Presbyterian-University of Pennsylvania Medical Center.

Her support also reached into higher education and the cultural community. She was a trustee of Adelphi University and a member of the board of Ursinus College. She served as president of the Lyric Opera Company of Philadelphia and was known not only for her personal generosity toward the region's cultural organizations but also for her effective fund-raising on their behalf.

1848

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1947

1966

1971

1979

1990

V FROM AN EXHIBITION OF PHOTOS
AT THE AFRICAN AMERICAN MUSEUM
IN PHILADELPHIA.



V THE HOOVER INSTITUTION, AN
INTEREST OF J. HOWARD PEW, BUILT
AND SUPPORTED WITH GRANTS FROM
THE TRUSTS.

1971 - 1979



The changing of the guard >>

1971 - 1979



A MARY ETHEL PEW GREETING A STAFF
NURSE AT LANKENAU HOSPITAL.

The changing of the guard >

Within two months in late 1971 and early 1972, J. Howard Pew and Mabel Pew Myrin died. Their deaths marked the passing of an era. For 23 years, first at The Pew Memorial Foundation and then at The Glenmede Trust Company and its Committee on Grants, J. Howard Pew chaired the meetings and helped to guide their direction.

During all those years, too, Mabel Pew Myrin served the family trusts as a member of the Committee on Grants. Her interests continued to be expressed through The Mabel Pew Myrin Trust, established in 1957 and activated after her death. It became the sixth family fund administered by The Glenmede Trust Company.

As the new chairman, the Committee on Grants selected Robert G. Dunlop, who in 1947 had succeeded J. Howard Pew as president of the Sun Oil Company. Dunlop served for six years before passing the gavel to R. Anderson Pew.

The new Committee on Grants carried on the spirit and the ideals of the founders, and it did so in a changing environment. On the eve of the 1970s, the United States Congress revised the federal tax code, requiring private philanthropies to give in grants either a percentage of a moving monthly average of the market value of investments or the total income on the investments. The actual percentage was not prescribed at the time, though ultimately the distribution requirement was fixed at 5 percent.

The effect on The Pew Charitable Trusts was profound. The Trusts had major holdings in the stock of the Sun Oil Company, whose dividends were paid partially in stock. In order to achieve the earnings necessary to meet the new federal requirements, Glenmede sold some of the Trusts' non-Sun holdings and invested the capital at a higher rate of return. The sale of The Pew Memorial Trust's large holdings in the General Crude Oil Company greatly increased the amount of funds ultimately available for philanthropic purposes.

The resulting sale changed the nature of The Glenmede Trust

Company and the philanthropy of the Committee on Grants. Suddenly, Glenmede, as trustee, had more funds to invest, and investments increased the amount of available grant funds. In 1970, the committee approved \$9.4 million in grants; by 1974, giving had increased to \$22 million, and it rose to \$33 million for 1975.

The physical environment was changing as well. Awareness of ecological imperatives was growing worldwide, and conservation issues and responsibilities attracted the attention of the committee,

which awarded grants for regional nature conservancies as well as the Woods Hole Oceanographic Institute and the International

Oceanographic Foundation.

Concerns for America's economic and political well-being were always critical to the founders, for their philosophy rested upon individual freedom and free markets. The committee continued to support these values through grants to the Hoover Institution, and it broadened its interest by contributing to the American Enterprise Institute, the

Georgetown University Center for Strategic and International Studies and the Commission on Private Philanthropy and Public Needs.

The 1970s were a time of geographical expansion in the Trusts' grantmaking, particularly in education and medical research. While continuing to support local colleges, universities and medical centers associated with the founders, the committee also reached out to such institutions as the Baylor Medical Center in Houston, Miami Heart Institute and the New York University Medical Center.



▼ MARY ETHEL PEW, A REGULAR
VOLUNTEER AT LANKENAU,
IN HER RED CROSS UNIFORM.



1884 - 1979

Mary Ethel Pew >

Mary Ethel Pew, the third child and elder daughter of Joseph N. and Mary Anderson Pew, dedicated her life to helping others, particularly through her support of health care organizations. “Miss Ethel,” as she was known by her family and friends, is remembered for her dedication as well as her intellect and sense of humor.

She was born in Pittsburgh on April 22, 1884. When her father moved the family to Philadelphia in 1901, she enrolled at Bryn Mawr College, where she graduated with honors in 1906.

The death of her mother from cancer in 1935 led to her determination to devote her personal life and inheritance to the support of cancer research and care. Along with her brother Howard, she identified Dr. Stanley P. Reimann, a noted oncologist, and their work together helped lead to the establishment of the Institute for Cancer Research.

Her interest in health care also prompted her to volunteer at a small hospital, called Lankenau, which was directed by Lutheran sisters. With her support and that of the family, Lankenau grew and developed into one of the most important medical institutions in the Delaware Valley.

Mary Ethel Pew made her home at Glenmede, the family home in Bryn Mawr that was built by her parents when they moved to the Philadelphia area. The name Glenmede derives from the maiden name of J. N. Pew’s mother—Glenn—and the beautiful meadow, or mede, that was part of the estate. Upon her death in 1979, the estate was given to Bryn Mawr College.

Miss Ethel spent her last eight years as the only living member of the founding generation of The Pew Charitable Trusts. When she died at the age of 95, she left a legacy that is carried forward not only in The Medical Trust, which was her gift, but also throughout the hospitals and health care agencies of Philadelphia.

Still, the largest grants, particularly in health and education, supported capital construction and research. Lankenau Hospital, Jefferson Hospital and the Scheie Eye Institute were among local facilities attracting substantial awards during this period. Grove City College requested \$2 million to construct a Fine Arts Building in memory of J. Howard Pew; today, that building presents the performing arts to residents of northwestern Pennsylvania.

During this period the committee gave increased attention to Philadelphia's growing cultural institutions. Following the spirit of Mabel Pew Myrin, who had served as president of the Lyric Opera (now the Opera Company of Philadelphia), the Trusts assisted a wide range of artistic endeavors.

The Franklin Institute and the Philadelphia Museum of Art as well as the Print Club and the Philadelphia Drama Guild were among new grantees, and a large award enabled the Afro-American Historical and Cultural Museum (now the African American Museum in Philadelphia) to initiate its exhibition program.

Meanwhile, the veil of the Trusts' anonymity was gradually being lifted, spurred by new federal reporting requirements and the Committee on Grants' approval of grantee requests to acknowledge gifts. In addition, the committee in 1980 released its first annual report, for activities of The Pew Memorial Trust in 1979.

In 1979 Mary Ethel Pew, the last of the four founders, died. She left as her legacy many monuments to her concern for medical research and hospital services. The last of these was The Medical Trust, which became the seventh and final family fund to make up what is now known as The Pew Charitable Trusts. Her place on the Committee on

Grants was taken by Thomas W. Langfitt, M.D., vice president for health affairs and chairman of neurosurgery at the University of Pennsylvania.

The Glenmede Trust Company at the end of the 1970s was remarkably different from the institution that began the decade.

The Committee on Grants extended its focus on the Philadelphia area and its needs to national concerns, issues and institutions. In 1978 alone, The Pew Charitable Trusts gave \$49.6 million in grants, nearly as much as the sum of all ten years of the 1960s. Between 1970 and 1979, 3,552 grantees received \$296 million, about five times the total given in the previous decade. To manage this rapid growth, Glenmede staff grew during the 1970s to 51 employees.

The composition of the Glenmede board was different as well.

Although the last three of the founders had died, family continuity was preserved, since one child and two grandchildren of J. N. Pew Jr. had joined the board. The city of Philadelphia, the Commonwealth of Pennsylvania, the nation and the world were all changing demonstrably. The Pew Charitable Trusts—with Robert I. Smith as president as of 1977—were evolving with them.

It remained for the successors to continue the legacy of the founders and to guide their philanthropy, in the founders' spirit, to address the emerging challenges.



< N.C. WYETH STUDIO WITH WILLIAM PENN MURAL, THE BRANDYWINE RIVER MUSEUM, A GRANTEE SINCE 1977. >

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V ONE AREA OF CONCENTRATION FOR THE PEW FUND FOR HEALTH AND HUMAN SERVICES IN PHILADELPHIA IS CHILDREN, YOUTH AND THEIR FAMILIES.



V THE PRESERVATION OF THE ALEXANDER CALDER STATUE OF WILLIAM PENN ATOP CITY HALL IN PHILADELPHIA REFLECTS THE TRUSTS' ROLE IN ITS HOMETOWN.



Meeting the needs of a changing world >>

1979 - 1990



A A PEW SCHOLAR IN THE BIOMEDICAL SCIENCES.

< STRENGTHENING NURSING TO IMPROVE THE QUALITY OF PATIENT CARE, THE FOCUS OF A MAJOR TRUST-INITIATED PROGRAM.



Meeting the needs of a changing world >

The Committee on Grants met in a special session in March 1979 to determine the ways in which it could best address the needs of a changing and increasingly complex society. Its decision was to become more proactive—that is, to initiate projects and programs and then find agencies capable of implementing them—while continuing to respond to the priorities of worthy organizations. At the same time, the committee reaffirmed the philanthropic aims and goals of the founders.

At this meeting, too, the committee separated grants into categories, to be analyzed by staff specialists in each area. They first considered seven: American policy and values, conservation, culture, education, health, religion and social welfare. During the next few years, they added federated giving and emergency needs.

Finally, the committee decided to employ consultants with professional backgrounds in relevant fields to assist in determining the direction of the Trusts' giving. As a first step, the committee proposed to convene a group of consultants in the health field.

Under the leadership of Dr. Langfitt and Dr. Timothy Talbot of the Fox Chase Cancer Center, the consulting team made a series of recommendations. They suggested that the Trusts turn away from bricks-and-mortar grants to hospitals and from disease-specific biomedical research. They urged the committee to choose specific subject areas to study and then to solicit proposals from institutions nationwide.

The first outcome of the consultants' recommendations was the development of the Health Policy program, approved by the committee in 1981 and funded in 1982.

The Health Policy program was the predecessor of the Trusts-initiated programs, or TIPs, and marked the beginning of the Trusts' current practice of strategic philanthropy. These competitive national programs gave the Trusts the ability to address issues affecting broad constituencies or disciplines. The first TIP, which provided the model for those that followed, was the Pew Scholars Program in the Biomedical Sciences, which continues today.

The Biomedical Scholars Program undertook to identify outstanding scientists from quality institutions and help support their research with multiple-year grants. Scholars

are selected from a pool of candidates nominated by their respective institutions. The 20 individuals selected each year form a cohort that meets annually with scholars from previous years to share information and explore common areas of interest.

The Scholars Program provided the format for future TIPs: identification of an issue, selection of an advisory panel, solicitation of proposals and finally implementation of a program under the auspices of an outside administrative office.

Over the years, TIPs became an integral part of each program area, affording staff and the board a vehicle for making sustained and

focused investments to address significant issues or problems. For example, the 1986 Program for Integrating Economics and National Security sought to strengthen the linkages between two academic disciplines in order to improve policy research and decision-making. The 1986 Pew Science Program in Undergraduate Education encouraged collaboration and resource-sharing among clusters of colleges and universities to reverse the decline of interest in science at all levels of higher education. The 1988 Philadelphia Cultural Community Marketing Initiative addressed the need of local cultural agencies to broaden and diversify their audiences.

In addition, TIPs provided a vehicle for connecting the Trusts' past and present. For example, education TIPs have funded historically black colleges and Appalachian colleges, two components of the academic sector that were of great concern to the founders.

The Pew Scholars Program in Biomedical Sciences was the prototype, too, for similar national scholarship programs in conservation, which grew out of concern for the environment, and in religion. Although the founders gave no grants to individuals, they supported talented researchers within

institutions; thus, the scholars programs represented another effective way of adapting tradition to fit changing needs.

The Trusts also rewarded innovative ideas that offered practical approaches to solving problems. The 1985 Philadelphia Greening Initiative spawned urban gardens in previously abandoned spaces, and the 1988 Philadelphia Schools Collaborative helped restructure the city's comprehensive high schools to provide a more supportive learning experience.

At the same time, the committee continued to support the principles and philosophies of the founders, as they applied to contemporary contexts. A program developed in 1987 by the Joint Council for Economic Education provided disadvantaged students with classroom training in economics and access to business mentors to help them understand economic principles and entrepreneurial opportunities that exist in open markets.

The Trusts continued to respond to emergencies, offering assistance through support agencies—in 1985, for example, to the neighborhood destroyed by the MOVE fire in West Philadelphia and to victims of African droughts. The founders demonstrated their confidence in organizations by responding to their institutional priorities. Evolving with the times, the Trusts provided support in the founders' original spirit, balancing responsive grantmaking with new strategic initiatives.

> NORTH CAMDEN COMMUNITY DEVELOPMENT.



^ PENNSYLVANIA BALLET,
CONCERTO 622/LAR LUBOVICH.



v MEALS FOR MILLIONS/FREEDOM
FROM HUNGER.



< A NEIGHBORHOOD RESIDENT
CARING FOR ONE OF THE MANY
COMMUNITY GARDENS ASSISTED
THROUGH THE PHILADELPHIA
GREENING INITIATIVE.

V AFRICARE, ROSS-BETHIS IRRIGATED
RICE PRODUCTION PROJECT IN KASSACK
SUD, SENEGAL.



V TERRY BECK TROUPE, A PERFORMANCE COMPANY THAT
COMBINED DANCE, THEATER, MUSIC AND VISUAL ARTS
IN EDUCATIONAL AND PERFORMANCE PROGRAMS.



< AN EVENT AT THE PHILADELPHIA
MUSEUM OF ART, ONE OF THE CITY'S
RENOWNED CULTURAL RESOURCES.



As the level and impact of the Trusts' giving continued to grow, the philanthropic and investment services activities of The Glenmede Trust Company began to develop separate identities. Each required its own professional staff, and as both institutions' needs continued to expand and specialize, their two functions became increasingly dissimilar, requiring different administrative structures.

The philanthropies' annual reports helped to establish a separate and more independent identity for The Pew Charitable Trusts. The 1979 annual report covered only the activities of The Pew Memorial Trust, but by 1984 the Trusts were issuing five reports, one for each of the largest trusts. In 1986, these documents were consolidated into a single report covering the combined activities of all seven trusts. In that year, too, Robert I. Smith stepped down as president, and the Glenmede board selected Dr. Langfitt to succeed him. Two years later, Rebecca W. Rimel was appointed executive director of The Pew Charitable Trusts.

The Pew Trusts moved in 1987 to separate offices on the Benjamin Franklin Parkway, following a reorganization of The Glenmede Trust Company that more fully delineated its two functions—the Trusts' philanthropy and its growing investment-management business. Today The Glenmede Trust Company is the largest of four subsidiaries of The Glenmede Corporation; the trust company has several business divisions and The Pew Charitable Trusts. Glenmede's Committee on Grants became the board of The Pew Charitable Trusts.

By 1988, The Pew Charitable Trusts had become the nation's second-largest private foundation in terms of giving. In 1989, the committee approved \$146 million in grants to 448 organizations. That sum equaled the total grantmaking of the Trusts' first 25 years.

As the 1980s ended, the Trusts had a new organizational structure and an expanding staff and would soon have a new address, at 21st and Market Streets in Philadelphia. The assets, now diversified, were growing as well; their continued growth led the board to several critical decisions. It adopted four

operating principles to guide it into and through the 1990s: the service concept of philanthropy, accountability in grantmaking, open communication and interdisciplinary programming. Recognizing that social issues do not respect boundaries, the board further widened the interdisciplinary and geographic scope of the foundation to include grants with national and international impact while maintaining its strong local commitment. The board also decided to refine the Trusts' approach to grantmaking, which over time had spread to a wide

array of interests. In the mid-1980s funding guidelines were introduced, to reflect the new focus of the Trusts' philanthropic investments.

In their endeavor to establish a solid national reputation for high-quality, effective grantmaking, the Trusts recruited program staff through nationwide searches in their respective fields. They also determined that they needed a structured way to gauge the effectiveness of their grantmaking; accordingly they created an evaluation unit to measure the results of the grantees' projects and the Trusts' strategies.

1848

1882

1884

1886

V PARENTS WATCH AS THEIR CHILDREN PARTICIPATE IN MORNING ASSEMBLY AT FELTONVILLE ELEMENTARY SCHOOL IN PHILADELPHIA.

1889

1947

1956

< EASTERN STATE PENITENTIARY IN PHILADELPHIA, A UNIQUE HISTORIC PRESERVATION EFFORT.

1948

1970

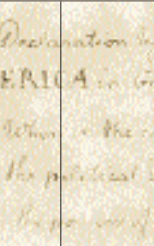
1971

1979



1991 - Beyond

>>>



> DECLARATION OF INDEPENDENCE THAT JEFFERSON HAND-WROTE.



^ PART OF THE ENVIRONMENT PROGRAM SUPPORTS WAYS TO RESTORE AND PROTECT ESTUARINE HABITAT AND IMPROVE MANAGEMENT OF CRITICAL MARINE FISHERIES.

1991 and Beyond:
Strategic philanthropy >>

1991 - Beyond 1991 - Beyond

1991 and Beyond:
Strategic philanthropy >

As the Trusts entered the last decade of the twentieth century, the principles and determination that guided the founding Pews and their grantmaking continued. They sought to promote the benefits of a free market system and encourage its adoption throughout the world. They sought to spread religious faith where it appeared lost, and charity where despair ruled. They sought to improve institutions of higher education in order to assure the intelligent democracy that Thomas Jefferson postulated, and to build institutions of medical research and service to heal and succor. They demonstrated their will to change society by means of the grants they bestowed.

The new era posed different problems and different challenges from those that confronted the founders. The 1980s brought changes for which no one was prepared, as the world was wrenched by unexpected pressures that required quick and creative solutions, often across conventional disciplines. History, though, permits an understanding of the past that can illuminate the process of planning for the future—and history tells us that the founders sought to improve the world they lived in. The stewards of their philanthropy carry on in that tradition. With each new problem, the Trusts' board and professional staff seek to support approaches that offer the best hope of fostering change in an innovative, effective and strategic manner.

During the last decade of the 20th century, the values of the founders continued to guide the Trusts through that period of rapid change. While maintaining their commitment to the residents and institutions of the Philadelphia area, the Trusts turned increased attention to national concerns. The Venture Fund—which emphasizes interdisciplinary efforts and innovative projects of possibly high risk but definitely high potential—joined the existing programs of Culture, Education, Environment, Health and Human Services, Public Policy and Religion. A greater emphasis on

increasing public awareness of the activities and objectives of the Trusts' grantees resulted in the formation of a Public Affairs department. And a heightened commitment to accountability in grantmaking spurred the further development of the Planning and Evaluation unit, which was charged with examining project design as well as results. These changes were due in part to the growth of the Trusts' assets and grantmaking. In 1989, the total value of grants awarded was \$146 million; in 2000, the total was more than \$236 million.

But structural changes and increased philanthropic investments only hint at the larger story. A look at the Trusts' grantcrafting itself can open a wider window onto the period. During this decade the Trusts increasingly emphasized results-oriented philanthropy, as the board and the professional staff sought to refine their stewardship of the founders' gifts. Results-oriented, strategic philanthropy uses lessons from the business world—reflecting the strategic vision and entrepreneurship of the early Pews—to conduct more

effective grantmaking. Using this approach, the Trusts seek results that are measured as specific social benefits: not simply charitable activities but well-defined social goals: for example, a greater proportion of eligible voters casting ballots, greater numbers of school children learning demonstrably more, or increased acres of pristine wilderness preserved for future generations.

Movement toward a results-focused orientation had begun in the late 1970s and 1980s, under R. Anderson Pew, who led the board from 1977 to 1995. The Trusts recruited program directors who were recognized experts in their fields; undertook in-house initiation and development of projects; published specific

guidelines for grant-seekers; and began to include outside experts in project planning. That approach continued to evolve with the appointment of Rebecca W. Rimel as president and a member of the board in 1994, and, in 1996, with the board leadership of J. Howard Pew II. The board determined that the Trusts should adopt a more innovative brand of grantmaking characterized by depth rather than breadth.

Further, they wanted to focus efforts on a few key issues of importance to the American people and use the panoply of resources at their disposal—talent, intellect and dollars—to tackle those issues. On some issues, the Trusts would serve, through their grantees, as an advocate. On other issues, their investments would support work of a neutral expert or honest broker, disseminating nonpartisan, fact-based, scrupulously unbiased information on major public and social policy concerns. The Trusts have meticulously maintained that distinction so that their work, using either approach, would be clear, focused and reliable.

V BRANDYWINE WORKSHOP FIREHOUSE
ART CENTER, PHILADELPHIA.



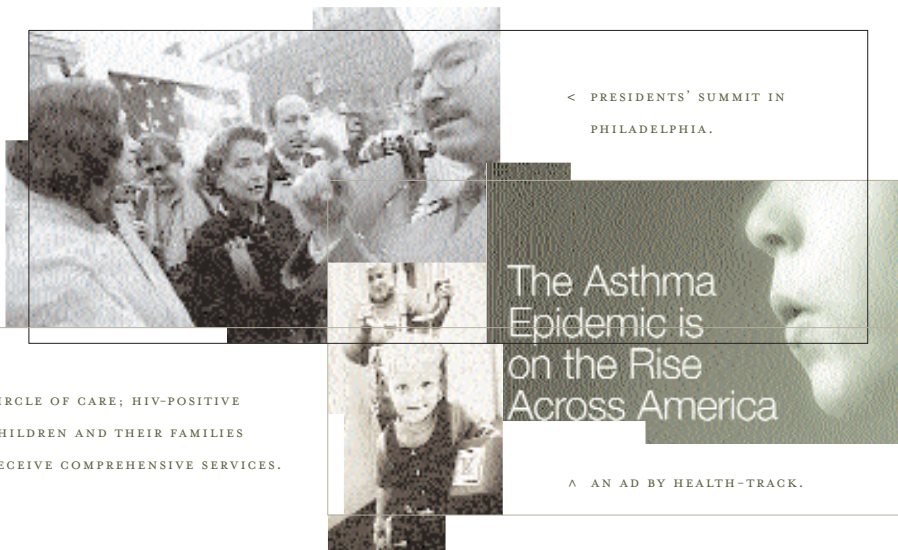
^ ENVIRONMENTAL RESEARCHERS
MEASURING THE IMPACT OF SEA-
LEVEL RISE ON LOCAL ECOLOGY.

^ HUNGARIANS CELEBRATING AS PART OF EASTERN
EUROPE'S NEW WAVE OF DEMOCRATIC REFORMS.

Picking a select set of difficult but surmountable challenges, using all available resources, serving as an honest broker and seeking to make the greatest possible impact on a problem are hallmarks of the Trusts' results-oriented, strategic philanthropy. In the 1990s and into the new millennium, the Trusts chose to focus on such key issues as decreasing the emissions that contribute to global warming; improving the financing, substance and tone of electoral campaigns; strengthening recognition of the contributions of religion to public life; modernizing and empowering a moribund public health system; enhancing modern standards and practices of journalism; maximizing public

and private support for America's cultural resources; and encouraging standards-based reform in education.

Differences between the Trusts' strategic efforts and more conventional approaches can be readily illustrated. Both are important philanthropic thrusts. For example, a traditional conservation grant might help protect a certain section of unspoiled forest, either by purchase or through use restrictions. With sufficient financial resources, favorable local conditions, strong project leadership and sympathetic policymakers, the project might yield significant acreage of protected land.



In comparison, a results-oriented program launched by the Trusts and funding partners in 1992 developed regional and national coalitions involving more than 500 conservation organizations aimed at protecting old-growth forest and wilderness areas in key regions of the United States and Canada. Trusts staff worked closely with the environmentalists to design regional public education campaigns, which identified specific results in terms of protected acreage. All used state-of-the-art communication tools to elicit public participation.

Adjustments of strategy were made as necessary. As of September 2000, more than 100 million acres of the targeted land, a total area approximately the size of California, had been protected.

A second example concerns the Trusts' national program in health and human services. A traditional grant might be awarded to an urban hospital to support the operation of a center for the diagnosis and treatment of certain chronic diseases in children. Several thousand children a year might be seen there and treated—clearly a significant benefit. But such grants would not likely create systemic change in the public health system, improve understanding of these diseases or extend better treatment to children elsewhere.

In 1998, the Trusts launched a major initiative designed to strengthen the nation's public-health system. The strategy emphasizes the understanding and prevention as well as the improved treatment of chronic diseases—including environ-

mentally related diseases, which are known to affect children disproportionately. In spite of the soaring rates of childhood asthma and the increase in childhood leukemia and malignant brain tumors (all of which have been associated with environmental pollutants), at the turn of the new century it remains a formidable challenge to prove the suspected links between

environmental factors and chronic disease in the general population. Because of the serious inadequacy of the local, state and national infrastructure, the U.S. public health system has no means of monitoring such data, and states have limited capacity to gather them. Nor does the public seem to be cognizant of the causes and possibilities for prevention of chronic disease.

To address these problems, the Trusts seek a coordinated national system of tracking and monitoring that can begin to report and explain the apparent increase of chronic disease. Initial studies documenting the need for a

comprehensive system set the stage for a multifaceted public education campaign and other strategies to follow. The ultimate benefits, if successful, are expected to extend to millions of children and adults throughout the United States and beyond.

At the turn of the millennium, both traditional philanthropy and results-oriented approaches remain important aspects of the Trusts' work, and the Trusts continue to support both, as circumstances dictate. Because resources are limited and increased scale offers the chance of greater overall benefit, considerable emphasis is placed on the more strategic approach.

While this kind of grantmaking increases potential benefits, it also increases risk—both because larger investments are involved and because the results achieved may fall short of expectations. During the planning stage, the Trusts seek to identify and reduce risks; during project implementation, on-going study of the risk-to-benefit ratio—quantitative and qualitative—provides opportunities to modify the strategy and approaches as necessary.

The Trusts' results-oriented philanthropy has the following general characteristics:

1 > Each of the ideas selected for investment must fall within the core competencies of the Trusts. This kind of grantmaking is not intended to confront all of the nation's most significant problems; it addresses issues through which the Trusts' investment can make a measurable difference.

2 > A key idea must be focused into an ambitious but feasible goal that is larger than can be achieved with a single grant. Over time, the goal becomes the target of a cluster or portfolio of grants that address the problem from

different angles. As with individual grants, the goal of the portfolio must be one toward which progress can be measured; and measurable progress should reasonably be expected within three to five years.

3 > Progress toward an ambitious goal is not likely unless the key idea itself represents a ripe

opportunity—meaning it is an issue on which important constituencies are prepared and willing to move. The despoiling of forests and the health hazards of pollutants, for example, continue to be important matters for many Americans. And in 2000 the Trusts' board approved the first grant in a program to

enhance the nation's regulatory system for addressing the potential risks and benefits, to human health and to the environment, of genetically modified foods.

This issue is another about which significant improvement in Americans' understanding may be gained by identifying and acting upon nascent public interest.

Ripeness, like many of the other characteristics mentioned, is a pragmatic consideration. Although the Trusts are sometimes tempted to undertake major struggles for important causes against seemingly insurmountable odds, their emphasis on results—based on a commitment to effective stewardship—typically argues against doing so.

4 > A results-oriented program is designed to broker informed dialogue among players who are critical to effecting change on the issue: the experts as well as various interest groups whose input will be important for wise, informed decision-making, and the influential leaders in both the public and private sectors who are most able to affect the making of policy. When these parties interact effectively, their varied points of view enrich the dialogue; the public gains access to the information it needs for informed opinions, and policymakers are provided with credible research

and analysis upon which to act. For example, the Pew Center on Global Climate Change brings together business leaders, environmentalists, scientists, policymakers and the public to foster pragmatic and evidence-based deliberation about global warming, through a structure that refuses to yield to the false dichotomy between preserving the environment and maintaining a healthy national economy.

A key element of serving as an honest broker is to engage and inform the public and make sure their voices are heard. In all program areas during the 1990s, the Trusts initiated grants that sought increased public involvement in the making of important policy choices. This

emphasis on civic engagement is and has always been an enduring hallmark of the Trusts' activities. It harks back to a speech given by J. Howard Pew to the Boy Scouts in 1953, during a hot period of the Cold War:

"We are constantly being alerted to the dangers of subversive activity at work in our land, but a far greater danger lurks in what has been called 'subversive inactivity.' No subversive forces can ever conquer a nation that has not first been conquered by 'subversive inactivity' on the part of the citizenry who have failed in their civic duty and in service to their country."

5 > Successful portfolio design and implementation, by the Trusts and their partners, should provide leverage. In the Trusts' lexicon, leverage means enhancing a project portfolio's effectiveness through increased interest from the public, the media and policymakers, as well as support from additional organizations, including other philanthropies, and individuals. The Trusts consistently seek opportunities for leverage, which can dramatically increase the reach of a grant portfolio and the likelihood of achieving results.



V CARTONNAGE MUMMY MASK OF
A LADY OF THE ROMAN ERA,
EGYPTIAN, 3RD-4TH CENTURY, PART
OF THE MUSEUM LOAN NETWORK.

^ THE TRUSTS' EDUCATION PROGRAM
SEEKS TO RAISE THE PERFORMANCE OF
STUDENTS AT ALL LEVELS OF EDUCATION.

6 > An emphasis on results requires accountability. During the second half of the decade, the Trusts initiated new mechanisms for strengthening internal accountability for results. Directors of the program areas broadly describe their ideas and their purpose. They then specify the results expected, the strategies and means that will be used to achieve them and the benchmarks to be applied to measure progress. Extensive review by outside consultants and experts shines the light of objective critique onto project design. The board annually reviews each program area's progress and sets

benchmarks and expected results for the succeeding year. These steps improve the chances for achieving significant and measurable results and permit essential refinements in strategy.

The Trusts' Planning and Evaluation department takes part in program design, to check the clarity and measurability of goals and the logic in plans. Once projects are under way, Planning and Evaluation provides the program staff with information needed to manage their portfolios and make mid-course corrections. When a portfolio of projects reaches the point at which significant progress should be

measurable, Planning and Evaluation engages outside evaluators to perform a “cluster review”—an assessment of the portfolio as a whole. Results are reported to the board, which hears the staff’s proposals about the future of the portfolio and includes learning from and communicating about miscalculations in project design or implementation, as well as capitalizing on and replicating what has worked well. Thorough evaluation is necessary for recognizing and understanding both kinds of results.

The Trusts’ partners—the grantees who do the essential work in the field—are partners in accountability as well. They are responsible for rigorously implementing projects and returning results. For the Trusts’ part, investments in results-oriented undertakings do not end with the awarding of grants; they carry an obligation to be a helpful and engaged resource to these partners throughout the life spans of the projects.

New communications approaches help deepen and sharpen the roles and responsibilities of a mutual undertaking and promote accountability. The quarterly magazine *Trust*, launched in 1998, spreads the word about current initiatives to many of the Trusts’ grantees, colleagues and contacts. Its regular “Lessons Learned” column disseminates important insights from project evaluations. The Trusts’ Web site, www.pewtrusts.com, makes current project information available to an even wider audience.

The Trusts are also accountable to grantees and applicants alike for good service: prompt, responsive and careful consideration of ideas offered; clear communication of the Trusts’ own goals and objectives; and considerate feedback. This service aspect of accountability is incumbent on all charitable foundations in managing the inherent tensions and challenges with a broad range of constituencies and in most effectively and thoughtfully exercising wise stewardship.

Such service is a special obligation of a foundation, like the Trusts, which has been charged from its inception to follow the example of humility shown by its founding family. The Trusts recognize and seek to meet this responsibility.

“Investing in ideas. Returning results.” In the Trusts’ application of strategic philanthropy, as in a commercial enterprise like that launched long ago by Joseph Newton Pew, the first task is selecting the right ideas for investment—ideas that are visionary, significant and feasible. The next task is finding the right

organizations and people to carry them out—and designing projects that will most effectively execute those ideas to produce the best possible results. As the Trusts proceed through their sixth decade, the six characteristics described in this chapter will guide much of their philanthropy. As good and wise stewards of this philanthropy, the current board aims to return lasting social benefits that reflect the values and principles of the Trusts’ founders—results that constitute worthy contributions to the strength and prosperity of the nation they loved.

V MOSAIC WALL IN MEDITATION PARK, THE VILLAGE OF THE ARTS AND HUMANITIES, PHILADELPHIA.



^ WORSHIP AT ST. VINCENT CATHOLIC CHURCH IN LOS ANGELES.

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