Seven Myths about the Great Philanthropists

The turn of the 20th century was a golden age of American philanthropy. It deserves to be better understood.

“Nearly all Americans live comfortably,” marveled Alexis de Tocqueville, and yet “in America, there are few rich.” The wealthy, he continued, “are few and powerless; they have no privileges that attract public observation; even their wealth, as it is no longer incorporated and bound up with the soil, is impalpable and, as it were, invisible.” Tocqueville’s *Democracy in America* was published in January 1835. Later that year, Andrew Carnegie was born.

By the turn of the 20th century, Carnegie had achieved wealth on a scale almost unimaginable in Tocqueville’s America. He then dedicated his life to giving away as much of his fortune as he could. Carnegie and the other great business leaders of his generation inaugurated a golden age of American philanthropy. Their achievements, unfortunately, are often misunderstood, and their motivations are unfairly maligned. It is time to set the record straight.
As the Carnegie Corporation of New York celebrates its 100th anniversary, it is well worth our while to step back and reconsider the man, his peers, and their philanthropic legacy.

Myth 1: The great philanthropists were robber barons.

“Robber baron.” In the United States, Cornelius Vanderbilt was the first to earn the term of opprobrium. During the 1850s, the editorial page of the *New York Times* repeatedly blasted Vanderbilt for his aggressive business tactics. It was the *Times*, according to economic historian John Steele Gordon, that “first used the image, if not quite the words, of the medieval ‘robber barons.’” Although Vanderbilt was the first, he was hardly the last. More than a century later, the great industrialists, financiers, and entrepreneurs of late–19th century America are still presumed guilty of exploitation on an unprecedented scale. Their wealth and ease, this line of thinking goes, could only have been won through the poverty and toil of others. Titans of industry were essentially thieves—robber barons.

Despite its roots in the 1850s, it was not until the Great Depression that the term “robber barons” took hold and flourished. In 1934, Matthew Josephson published *The Robber Barons*, a scathing indictment of business in the Gilded Age. The book was instantly and massively influential, in large part because of its impeccably timed publication. A rising generation of historians, favorably disposed toward the New Deal, found in Josephson’s book exactly the evidence they needed to justify unprecedented governmental oversight of the economy. Richard Hofstadter wrote that he was “enlightened” by the book. Arthur Schlesinger Jr. called it “admirable.” The book served Josephson well. Largely on its strength, he won a Guggenheim fellowship and election into the National Institute of Arts and Letters.

Unfortunately, the book that popularized the term “robber barons” is deeply flawed. Josephson manipulated evidence, made unwarranted inferences, and relied on one-sided accounts. A failed Dadaist poet, he wrote it
while an avowed Marxist, an admirer of Stalin, and a defender of the Popular Front. But the problem is not just the book or its title. The deeper problem with the “robber barons” is the concept itself.

The original robber barons were medieval noblemen whose castles overlooked the Rhine. In theory, only the Holy Roman Emperor could set toll rates along Europe’s great commercial artery. But the Raubritter, the Robber Barons, exacted unauthorized payments from all passing vessels. In so doing, they added no value to the commerce; no wealth was created by their extortion. Merchants passed the costs on to customers in the form of higher prices. The Raubritter got rich, while everyone else was left a little poorer.

America’s great business leaders did no such thing. Whatever else may be said of them—and there is much to be said—they created real and enduring wealth. Moreover, the wealth they created benefited all Americans. They introduced new products. They discovered startling efficiencies. And they launched businesses that created millions of new jobs.

To this day, the sheer creativity of the late 19th century is striking. A quick trip to the grocery store testifies to the era’s ingenuity. Pillsbury flour products owe their existence to Charles Pillsbury, who revolutionized the milling process and opened vast new markets for the hard winter wheat of the Dakotas. Hershey chocolates came into existence because Milton Hershey discovered a way to mass-produce milk chocolate. Campbell’s soups are the result of the partnership between Joseph Campbell and John Dorrance, who slashed transportation costs by discovering a way to halve the amount of water in canned goods. Equally inventive were Gustavus Swift and the Armour brothers with meatpacking, Henry Heinz with pickling, and Adolphus Busch with brewing. The list goes on.

Less visible than the flood of new products were the efficiencies the era introduced. Consider John D. Rockefeller and the Standard Oil Company, often regarded as among the worst of the robber barons. For the first time in world history, inexpensive, reliable interior illumination became a reality, thanks to Standard Oil. “We are refining oil for the poor man,” John D. Rockefeller was fond of saying, “and he must have it good and cheap.” Standard Oil chemists found more than 300 uses for a barrel of oil. In 1896, when Standard Oil commanded nearly 90 percent of the global market, petroleum products reached their absolute lowest relative prices.

As American industry expanded and became more efficient, it provided a rapidly growing population with a steady stream of jobs. One study finds that real non-farm earnings rose more than 60 percent between 1870 and 1900. Another shows that wages grew, in real terms, from $1.00 daily in 1867 to $1.90 daily in 1893. But perhaps more striking evidence is found in the tens of millions of immigrants who swarmed to the United States in this period—sensing, as they did, that in America they could make more, live better, and rise faster than anywhere else on earth.

None of this is to say that businessmen in the Gilded Age were angels. They could be ruthless. They could be greedy. But they channeled their very real flaws into very productive channels, opening opportunity and creating real and lasting wealth. They did not simply inflict transaction costs. They were not robber barons.

**Myth 2: The great philanthropists were free market purists.**

The great industrialists of the Gilded Age are often pictured as champions of the free market. Certainly it is how they conceived of themselves. “I have supported and aided the Government more than it has supported and aided me,” claimed Joseph Wharton, the Philadelphia nickel and steel magnate. “I am one of the men who create and maintain the property of the nation and who enable it to survive even the affliction of wrong-headed and cranky legislators.”

Wharton was a sober and intelligent man, and there is no reason to question his sincerity — which makes it interesting to note the occasion of his statement. He was responding to an insinuation that his enterprises were dependent on “tariff favors.” Wharton was indeed a staunch advocate of the protective tariff. (In fact, in
his deed of gift to the University of Pennsylvania for the business school that bears his name, he stipulated that the “right and duty of national self-protection must be firmly asserted and demonstrated” and that “forfeiture shall occur upon failure or unwillingness” of the school to teach a protectionist curriculum.) Like Wharton, most of the nation’s late-19th century business leaders were vigorous opponents of free trade. And few were averse to using public institutions to advance private interests.

A distinction is sometimes made between market entrepreneurs and political entrepreneurs. Market entrepreneurs create wealth by selling goods and services to consumers at a profit. Political entrepreneurs, by contrast, enrich themselves by securing preferential treatment from the government.

Compare the cases of two railroad tycoons. The first is James J. Hill, a good example of a market entrepreneur. Hill was the driving force behind the creation of the Great Northern Railway—a feat he accomplished, uniquely among the great railroad builders, without any government aid, not even the right of way, across thousands of miles of public lands. The second is Leland Stanford, a good example of a political entrepreneur. Stanford was governor of California when his Central Pacific Railroad secured a federal monopoly—along with enormous land grants and generous loans—for the eastbound line of the transcontinental railroad.

Most of the era’s leading industrialists fell somewhere between Hill and Stanford—creating real value in the market, but also seeking government favors whenever possible. For example, Andrew Carnegie indisputably created real wealth. Almost entirely because of him, the price per ton of steel rails dropped from $160 in 1875 to $17 in 1898. Throughout the period, however, Carnegie benefited from a series of protective tariffs; in 1890, he spoke glowingly of the McKinley Tariff, which the steel industry welcomed and regarded as its greatest legislative feat. In 1907, however, Carnegie suddenly reversed course, loudly proclaiming the urgent need for free trade. Biographers continue to debate what inspired his change of heart, but one frequently aired speculation is that the steel tariff had ceased to be useful to him. By then, his prices were so low that he—unlike new entrants into the market—no longer needed the help.

Manipulating the tariff was just one way to secure advantages from the government. Others took advantage of weak-to-nonexistent securities regulation to defraud investors on a massive scale. Daniel Drew—the patron of Drew University and sponsor of several churches in New York—specialized in stock watering. (Drew, a onetime cowboy who made high art of salting and then watering his cattle shortly before market, is credited with bringing the term “watered stock” to Wall Street.) The practice soon became ubiquitous, making Wall Street appear like a game rigged for insiders. Even Andrew Carnegie, in his early years, took
advantage of the lax regulatory environment to enrich himself with watered stock.

Perhaps the most egregious—and, alas, the most common—form of rent-seeking involved bribery. The Gilded Age was the golden age of American kickbacks. “If a man has the power to do great evil and won’t do right unless he is bribed to do it,” said Collis P. Huntington, one of California’s “Big Four” owners of the Central Pacific, “it is a man’s duty to go up and bribe the judge.” Nor was Huntington alone in acting on his conviction. Standard Oil, wrote H. D. Lloyd in a blistering 1881 article in the Atlantic Monthly, “has done everything with the Pennsylvania legislature, except refine it.”

The era witnessed countless other examples of the collusion of big business and friendly government. Again, this is not to say that the great industrialists were robber barons—with very few exceptions (such as, for instance, Jay Gould’s infamous attempt to corner the gold market), their actions produced real wealth. Nevertheless, it does render problematic any attempt to depict the great industrialists as champions of the free market.

**Myth 3: The great philanthropists were simplistic businessmen, not serious thinkers.**

“For the most part,” wrote Richard Hofstadter, the great industrialists “were parvenus, and they behaved with becoming vulgarity.” Hofstadter’s claim neatly illustrates a familiar prejudice. Great businessmen, holds this line of thinking, are absorbed in the grubby world of getting and gaining. They lack the refinement necessary to participate in the life of the mind.

The charge has a measure of truth to it. Cornelius Vanderbilt was said to have the loudest voice on the Atlantic seaboard, and never quite lost the vulgar manners of a Staten Island ferry captain. (That said, T. J. Stiles—author of a 2010 Pulitzer-winning biography of Vanderbilt—believes that his boorish reputation has been exaggerated.) But it certainly cannot be applied to all of the great philanthropists.

To take just a few brief examples: Carnegie was an intimate of Matthew Arnold, perhaps the era’s greatest man of letters, and he published eight books, including a biography of inventor James Watt, a travel book, and, of course, a seminal volume on the responsibilities of wealth. Henry Huttleson (“Hell Hound”) Rogers supported Mark Twain in his final years; without Rogers, Twain acknowledged, he would likely have gone bankrupt. Henry Clay Frick built up a world-class collection of Old Masters paintings, which he donated, with a $15 million endowment, upon his death to the city of New York.
Or consider John Pierpont Morgan. He is generally remembered as a beefy, red-faced bully, fierce and lonely, possessed of small ideas and consumed by enormous greed. In his novelistic trilogy U.S.A., John Dos Passos described Morgan as “a bullnecked irascible man with small black magpie’s eyes,” known for “blowing up in a visitor’s face and for that special gesture of the arm that meant, What do I get out of it?” That image endures. Rich Uncle Pennybags, the Monopoly mascot—a board game in which winning involves bankrupting the other players—is said to be based on Morgan. In Ragtime, E. L. Doctorow depicted Morgan as “a burly six-footer with a large head of sparse white hair, a white moustache and fierce intolerant eyes set just close enough to suggest the psychopathology of his own will.”

All of this is deeply unfair to Morgan. Recent biographers—most notably Jean Strouse—have looked at Morgan with fresh eyes, finding a much more subtle and interesting character than his caricature would allow. He was a genuine polymath, fluent in French and German, steeped in literature and the arts, whose aptitude for mathematics prompted one of his professors at the University of Göttingen to encourage him to consider an academic appointment.

Morgan began collecting art while touring Rome, not long after finishing at Göttingen at the age of 19. It was the start of a lifelong love affair with the fine arts. He was the driving force behind the rise of the Metropolitan Museum of Art, serving as president and donating extensively from his personal acquisitions. His reputation, however, was established by a bitter enemy, the artist and critic Roger Fry. Fry belonged to the Bloomsbury Set, and had once been a curator of paintings at the Met. He suspected—not without reason—that Morgan was behind his firing. “A crude historical imagination,” Fry icily pronounced, “was the only flaw in his otherwise perfect insensibility.”

As Strouse notes, the letters Fry wrote to his wife during a purchasing tour of Europe in 1907 tell a rather
different story. They praise at surprising length the artistic sensibilities of the “Big Man.” Contemporary critics increasingly agree with Fry’s earlier assessment. “Almost single-handed, Morgan turned the Metropolitan from a merely notable collection into one of the three or four finest anywhere,” writes historian and art critic Paul Johnson. “Morgan obviously employed experts . . . but it is astonishing how few mistakes he allowed them to make on his behalf.”

The Morgan Library

Morgan was a man of truly catholic interests. In addition to his lifelong engagement with the arts, he was deeply interested in the natural sciences. A trustee of the American Museum of Natural History for 44 years, Morgan served on the board from the museum’s opening in 1869 until his death in 1913. He was often the museum’s lead donor—frequently giving under condition of anonymity—and he served as vice president, treasurer, and finance committee chairman. Among his many contributions to the museum, notes Strouse, were “collections of minerals, gems, meteorites, amber, books, prehistoric South American relics, American Indian costumes, fossil vertebrates, skeletons, and the mummy of a pre-Columbian miner preserved in copper salts.”

Third among Morgan’s intellectual interests was Christianity. Throughout his working life, he set aside three weeks every third year to meet with Episcopalian bishops and discuss theology. In 1886, he was appointed to a committee responsible for revising the Book of Common Prayer, which, writes Strouse, “he knew practically by heart.” He served as treasurer and senior warden at St. George’s Episcopal Church. He quietly underwrote the salaries of scores of Manhattan clergymen and contributed hundreds of thousands of dollars—$500,000 in 1892 alone—to the construction of Manhattan’s (as-yet unfinished) Cathedral of St. John the Divine.

This hardly exhausts Morgan’s intellectual interests or his philanthropy. The point, rather, is that he was a man of considerable curiosity and sophistication, hardly the bullnecked simpleton he is sometimes imagined
Myth 4: The great philanthropists used charity to control the working class.

“Part of the bourgeoisie is desirous of redressing social grievances, in order to secure the continued existence of bourgeois society,” wrote Karl Marx and Friedrick Engels in *The Communist Manifesto*. This part, they believed, consists of “economists, philanthropists, humanitarians, improvers of the condition of the working class, organizers of charity, members of societies for the prevention of cruelty to animals, temperance fanatics, hole-and-corner reformers of every imaginable kind.”

Marxism holds private charity in contempt. Philanthropy, the theory holds, represents a bourgeois solution to the proletarian problem. It is considered, like religion, an instrument of capitalist manipulation, an opiate intended to numb and ultimately incapacitate the working class. With the inevitable triumph of labor—and the common ownership of the means of production within a truly communist society—philanthropy would necessarily cease to exist.

Strict Marxist dogma never gained much traction in the United States. Nevertheless, at the turn of the 20th century, there was a widespread suspicion, particularly among labor unions, that philanthropy was intended to bolster the interests of the wealthy. That suspicion found expression not in the turgid philosophy of Marx and Engels, but rather in the white-hot rhetoric of labor leaders.

“Will the workingmen of this country accept any gift from the hands of Andrew Carnegie, red with the blood of their slain comrades?” railed Eugene V. Debs in 1901. “They may have to work for Carnegie, but they are not compelled to recognize as a gift the pennies he throws at them in return for the dollars he stole from them.” It was a theme Debs revisited time and again, often culminating in the same warning: “Let honest workingmen everywhere protest against the acceptance of a gift which condones crime in the name of philanthropy.”

Debs was a seminal leader in the American labor movement; he took 6 percent of the popular vote in the presidential election of 1912. Eventually, Debs and his generation faded from the scene, and organized labor became steadily less radical. In their place, academic historians in the late 1960s began to pick up the idea that the great philanthropists—indeed, all of America’s major charitable movements—were subtly looking for ways to control deviant populations, ethnic minorities, and the lower classes. Influenced by Antonio Gramsci and Michel Foucault, historians like Clifford Griffin and David Rothman sought to portray humanitarian work as a thinly veiled effort to preserve the cultural hegemony of the wealthy.

In a sense, the critique is not entirely wrong. After all, to borrow the language of the Marxists, the great philanthropists did hope to find a bourgeois solution to the proletarian problem. Some of them were quite explicit about their desire to use philanthropy to undercut communist influences in the labor movement. But at a more profound level, the great philanthropists hoped to use their resources to turn the working class into the middle class.

Nor is it particularly surprising that they would do so. After all, a good many of the great industrialists had started life in the working class. Carnegie himself was born to a painfully poor Scottish weaver, and took his first job at age 13, working in a cotton mill, putting in 12-hour days, 6 days per week. John D. Rockefeller and Jim Fisk had been born to peddlers, while financiers Daniel Drew and Jay Gould were raised on hardscrabble farms. One study has found that the generation with the largest percentage of its “business elite” to have emerged from the ranks of the “lower” or “lower middle” classes was the generation born between 1820 and 1849.

Were the Marxists right about the great philanthropists? Yes, insofar as their philanthropy was an effort to expand the bourgeoisie, which Americans have long called the middle class. But the Marxists were wrong to
see such philanthropy as an instrument of exploitation. It was an invitation to opportunity—placing, as Carnegie famously put it, within its reach the ladders upon which the aspiring could rise.

**Myth 5: The great philanthropists turned to charity out of vanity.**

“Many ostensible works of disinterested public spirit are no doubt initiated and carried on with a view primarily to the enhanced repute, or even to the pecuniary gain, of their promoters,” wrote Thorstein Veblen in 1899. “This last remark would hold true especially with respect to such works as lend distinction to their doer through large and conspicuous expenditure; as, for example, the foundation of a university or of a public library or museum.”

The last remark was particularly pointed. When Veblen published *The Theory of the Leisure Class*, he was serving as an instructor at the University of Chicago. The school was then seven years old, and had only come into existence through John D. Rockefeller’s “large and conspicuous expenditure.” Regardless, The Theory of the Leisure Class was an instant sensation and remains influential to this day; John Kenneth Galbraith famously described it as “one of only two books by American economists of the 19th century [that is] still read.”

Veblen’s notion that the wealthiest Americans constitute a “leisure class” has not withstood the test of time. It would be difficult to find a more relentlessly driven group of individuals than the self-made entrepreneurs at the top of the nation’s income brackets. Faring better, however, is his notion that conspicuous consumption, including conspicuous philanthropy, is intended to signal elevated social status.

Veblen was hardly alone in his suspicions. “He has bought fame and paid cash for it,” said Mark Twain of Andrew Carnegie’s libraries. “He has deliberately projected and planned out his fame for himself; he has arranged that his name shall be famous in the mouths of men for centuries to come.” Curiously, neither Veblen nor Twain ever bothered to explain why philanthropy born of vanity would be any less effective or desirable than that born of perfect altruism. Nevertheless, to this day, there remains a widespread suspicion that the great philanthropists were inspired by a consuming desire to immortalize their names.

The opposite of conspicuous philanthropy is anonymous philanthropy. Even Veblen would have difficulty imputing a desire for “enhanced repute” and “pecuniary gain” to donors who withhold their names from their gifts. Collecting data on anonymous giving is notoriously difficult, and the amounts given can only be crudely estimated. Nevertheless, some of the most impressive philanthropy of the Gilded Age was done quietly. During his lifetime, Rockefeller provided some $70 million to the University of Chicago, all the while insisting that not a single building bear his name—even rejecting an image of a lamp on the university seal, worried that it would be seen as a nod to Standard Oil.

Perhaps the greatest anonymous donor of the era was George Eastman. Eastman was the founder of Eastman Kodak, the entrepreneur who turned photography from a profession with prohibitively high startup costs into an affordable hobby for the middle class. He was also one of the most accomplished philanthropists of early–20th century America. Biographer Elizabeth Brayer estimates that Eastman gave away about $125 million, almost all within his lifetime. “Men who leave their money to be distributed by others are pie-faced mutts,” he said in 1924. “I want to see the action during my lifetime.” He ranks as the third-most-generous philanthropist of the era, behind only Rockefeller and Carnegie.

Between 1912 and 1920, Eastman gave nearly $20 million to the Massachusetts Institute of Technology—all of it pseudonymously, under the name “Mr. Smith.” Without his crucial intervention, Boston Tech (as the school was commonly known) would likely have remained a small land-grant school serving commuter students.
George Eastman

He spent eight years working closely with hard-charging university president Richard Maclaurin, and only revealed his identity after Maclaurin literally worked himself to death trying to meet the fundraising deadline of an Eastman challenge grant. For the remaining 12 years of his life, Eastman dedicated himself to quiet (but not anonymous or pseudonymous) philanthropy, supporting dental clinics, musical conservatories, and, especially, MIT, the University of Rochester, the Hampton Institute, and the Tuskegee Institute.

None of which is to suggest that non-anonymous philanthropy is inspired by vanity. There are good reasons for donors to add their names to their gifts. Julius Rosenwald was perhaps the most audacious philanthropist of the early 20th century. The driving force behind the rise of Sears, Roebuck & Co., Rosenwald gave nearly $70 million over the course of his lifetime for the education and advancement of African Americans throughout the rural South. He led the construction of 5,357 primary schools, shops, and teachers’ homes throughout 15 states. Through it all, he declined to give anonymously, for reasons he outlined in November 1912, in a speech he gave in Philadelphia to the American Academy of Political and Social Sciences. In his lecture, Rosenwald urged his fellow donors to avoid anonymous gifts, arguing, as biographer Peter Ascoli put it, that “the name of the donor often carried as much weight as the gift itself and might encourage others to give.”

The personal motivations for philanthropy are necessarily complicated. Were the great philanthropists, as Veblen would have it, motivated “primarily to the enhanced repute, or even to the pecuniary gain, of their promoters”? There is little evidence for the proposition, and much against.

**Myth 6: The great philanthropists turned to charity out of guilt.**

Andrew Carnegie “never quite washed away the bloodstains from the Homestead debacle, although the $350 million he gave to literacy, world peace, and numerous other worthy causes bought him as much earthly forgiveness as a man could ask,” writes historian H. W. Brands in his 2010 book *American Colossus: The*
Triumph of Capitalism. “Like Carnegie, Rockefeller sought absolution by lavish philanthropy.”

The imputation would likely have confounded either man. For one thing, it was not an era when businessmen either felt or were expected to feel remorse for their success. They saw themselves as self-made men, conquering a continent and propelling the United States into the forefront of nations. “To imagine that such men did not sleep the sleep of the just would be romantic sentimentalism,” wrote Richard Hofstadter. “In the Gilded Age, even the angels sang for them.”

But even leaving aside the spirit of the age, the idea that the great philanthropists were motivated by guilt ignores an important piece of historical evidence. Neither Carnegie nor Rockefeller—or, for that matter, a number of others—turned to philanthropy after making their fortunes. Some did, of course, although that need not mean they did so out of guilt. Many others, however, including both Carnegie and Rockefeller, took up charity early in their lives, increasing their giving as their fortunes grew.

In December 1868, a 33-year-old Carnegie sat down with a stub-nosed pencil and a scrap of paper. He and his mother had just moved into the posh St. Nicholas Hotel on lower Broadway, but a certain melancholy seemed to have settled over him. He itemized all of his investments and calculated his net worth and annual income. With assets of roughly $400,000—about $75 million today, estimates biographer David Nasaw—and an income over $56,000, he seemed to have become dissatisfied with his life.

Carnegie proceeded to write a letter to himself. In two years, he decided, “I can so arrange my business as to secure at least 50,000$ per annum. Beyond this never earn—make no effort to increase fortune, but spend the surplus each year for benevolent purposes. Cast aside business forever except for others.” He intended to “settle in London” and take “part in public matters especially those connected with education & improvement of the poorer classes.” After all, he concluded, “Man must have an idol—The amassing of wealth is one of the worst species of idolatry.”

Rockefeller was committed to philanthropy from an even younger age. His pious and frugal mother had encouraged her children to drop pennies in the Sunday collection plate. Her lessons obviously stuck; years later, Rockefeller would credit her as the inspiration for his philanthropy. From the time he started working, he kept a small, red account book—Ledger A—in which he detailed his every expense. Even as a teenager, he was remarkably generous. As a first-year clerk, he regularly donated 6 percent of his wages to charity, and some weeks he gave considerably more.

Perhaps the most telling evidence comes from muckraker Ida Tarbell, whose 1902 History of the Standard Oil Company made Rockefeller one of the most hated men in America. Tarbell was willing to attribute all manner of evil to Rockefeller, but she never doubted the sincerity of his philanthropy. “There was no more faithful Baptist in Cleveland than he,” she wrote. “Every enterprise of that church he had supported liberally from his youth. He gave to its poor. He visited its sick. He wept with its suffering. Moreover, he gave unostentatiously to many outside charities of whose worthiness he was satisfied.”

What is true of Carnegie and Rockefeller is true of other Gilded Age philanthropists as well. Like Rockefeller, George Eastman kept a strict accounting of his expenses from an early age. In his early teens, he began making regular contributions to St. Luke’s (and, later, Trinity) Episcopal Church; before his 18th birthday, he recorded a donation of $1 to a crippled boy. In his late 20s, while struggling to keep up a growing family, Julius Rosenwald made small but regular contributions to the Hyde Park Protective Association and the Associated Jewish Charities. By the age of 32, J. Pierpont Morgan was already an established presence within New York City. He helped launch the American Museum of Natural History in 1869, and was a founding patron of the Metropolitan Museum of Art with a $1,000 donation in 1871.

Again, the motivations for philanthropy are complex, but there is very little evidence that the Gilded Age industrialists ever considered their philanthropy as expiation for the sin of their success. The great philanthropists had many motivations, but guilt does not appear high among them. As Winston Churchill
once put it, “The founder of the Standard Oil Company would not have felt the need of paying hush money to heaven.”

**Myth 7: The greatest achievement of the great philanthropists was to establish perpetual foundations with professional staffs.**

“Rockefeller’s and Carnegie’s chief contribution to philanthropy,” wrote Robert Bremner in American Philanthropy, “was to found institutions capable of distributing private wealth with greater intelligence and vision than the donors themselves could hope to possess.”

American Philanthropy was published in 1960. It belonged to the Chicago History of American Civilization, a series published by the University of Chicago and edited by Daniel Boorstin. Half a century later, its author’s influence on American historians remains profound. Bremner is, to this day, the author of the only accessible, narrative history of the nation’s generosity. Indeed, historians in the field sometimes refer to his oversized presence as the “Bremner problem.”

To bolster his point, Bremner might well have called upon the testimony of Rockefeller himself. “The Benevolent Trusts, when they come,” wrote Rockefeller in his 1908 memoirs, “will look the facts in the face; they will applaud and sustain the effective workers and institutions; and they will uplift the intelligent standard of good work in helping all the people chiefly to help themselves.” Rockefeller was clearly thrilled by the prospect. “When it is eventually worked out, as it will be in some form, and probably in a better one than we can now forecast, how worthy it will be of the efforts of our ablest men!”

Rockefeller’s chief entrepreneurial genius, his great contribution to American business, lay in corporate organization. Well before state incorporation laws could conceive such a thing, he created a massive, complex, and efficient enterprise that spanned state lines and international boundaries. It is no surprise, then, that Rockefeller would welcome the opportunity to institutionalize his charity, to apply the principles that had created his wealth to its distribution.

But does that enthusiasm justify Bremner’s conclusion? Is it really the case that Rockefeller’s chief contribution to philanthropy was to found an institution capable of distributing private wealth with greater intelligence and vision than the donor himself could hope to possess?

Consider the evidence. During Rockefeller’s life, he helped launched the field of biomedical research, developing vaccines for cerebrospinal meningitis and yellow fever. He championed the cause of public sanitation, creating schools of public health at Harvard and Johns Hopkins, and helped lead major international public health efforts against hookworm, malaria, and yellow fever. He revolutionized medical training in the United States, and built China’s first proper medical school. He revolutionized medical training in the United States, and built China’s first proper medical school. He promoted the cause of education nationwide, without distinction of sex, race, or creed. He created the University of Chicago, virtually from scratch, and within a decade, turned it into one of the world’s leading universities.

It is, to say the least, an impressive legacy. It is also a legacy that the Rockefeller Foundation has struggled to live up to. To be sure, the foundation has enjoyed major—even epochal—successes. It was a pioneer funder of the Green Revolution, for example, which may have saved as many as one billion lives. It helped create Manhattan’s Museum of Modern Art, the Council on Foreign Relations, and the Brookings Institution. It led preservation efforts at Colonial Williamsburg, the Palace of Versailles, the Embarcadero, and the Cathedral of Reims, as well as conservation efforts in the Grand Tetons, on the Maine coast, and among the California Redwoods.

“John D. Rockefeller Sr. [was] the most generous, creative, and effective philanthropist in American history,” concluded Waldemar Nielsen in his 1985 book, Golden Donors. Nielsen, like Bremner, was a historian of American philanthropy, but, unlike Bremner, he was ambivalent about the Rockefeller Foundation’s performance since its founder’s death in 1937. “[A]s the Rockefeller Foundation
demonstrates,” concluded Nielsen, “there is no greater burden than a great past.”

Surely it cannot be an accident that the Rockefeller Foundation achieved so much during its namesake’s lifetime. Leadership, it seems, accounts for much of the difference. “To his philanthropic causes,” wrote Nielsen in *Inside American Philanthropy*, Rockefeller “applied qualities that had brought him success in the business world: single-mindedness, a talent for selecting strong associates, and a readiness to entertain big, bold ideas and to make major financial commitments in behalf of them. Perhaps above all, Rockefeller was a strategic or executive donor, not a hands-on or meddling type.” Much the same could be said of Carnegie, of course. He too was a bold and visionary leader, with a special gift for spotting and seizing promising opportunities.

Did Rockefeller and Carnegie change the course of American philanthropy by creating their foundations? Undeniably yes. Their efforts helped launch the field of professional philanthropy. Is it the case, as Bremner asserts, that their foundations have distributed their wealth with “greater intelligence and vision than the donors themselves could hope to possess”? That is much less clear. The great philanthropists, it turns out, were truly great at philanthropy.

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