



Foundation Drift

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Over at the Volokh Conspiracy, there is much discussion about the struggle for control of the Cato Institute, originally named the Charles Koch Foundation. The Koch brothers are seeking to enforce a shareholder agreement that effectively gives the existing shareholders continued control when one dies (which happened).

The commentary at VC is almost uniformly against the Koch brothers and for the present Cato management. Personally, I would like to see Cato devote its resources more to economic libertarianism and spend less (or nothing) duplicating the ACLU's work of enabling terrorism and helping murderers go free when constables blunder. I don't know if that would be the result of the Koch brothers prevailing, but I hope so.

The underlying problem of foundation drift (mostly ignored in the VC commentary) is discussed in [this op-ed](#) in the WSJ by Adam Meyerson, president of the Philanthropy Roundtable. Meyerson doesn't mention Cato, but he discusses the disastrous drift of the Ford, Pew, and MacArthur organizations.

Consider oil magnate J. Howard Pew (1882-1971). As Waldemar A. Nielsen noted in "The Golden Donors," the charter of the J. Howard Pew Freedom Trust (one of seven trusts making up the Pew Charitable Trusts) in 1957 spelled out that Pew intended to "acquaint the American people" with "the evils of bureaucracy," "the values of a free market," and "the paralyzing effects of government controls on the lives and activities of people." Pew also wanted to "inform our people of the struggle, persecution, hardship, sacrifice and death by which freedom of the individual was won."

Admirers and critics alike of Pew's recent signature initiatives--such as its crusades for campaign finance regulation, universal early childhood education, and recognition of the dangers of global climate change--can agree that in the past two decades--with the exception of its emphasis on religion in public life--J. Howard's worldview and philanthropic goals have played little role in Pew's charitable giving.

Pew is active in the criminal justice arena, and it monotonically supports being softer on criminals. Would J. Howard Pew have approved? I don't know. I do know that foundation drift is a very real and very serious problem. Founders and donors of nonprofit organizations can and should take steps to avoid it, lest the money they donated to do good is diverted to hasten America's downward spiral.