COVID-19: BEYOND TOMORROW

The Work of Philanthropy in Responding to COVID-19 and Addressing Inequality
A New Foundation

World history in the early 21st century will be divided into 2 distinct eras—before coronavirus disease 2019 (COVID-19) and after.1

The COVID-19 crisis is unlike anything the US and many countries have encountered. Previous crises have mostly occurred in one location or region, and others from elsewhere have been called upon to provide rescue assistance. This pandemic, however, is global, and has affected every country. This public health emergency has upended every aspect of life, and in the process, peeled back the layers of inequality and laid bare countless faulty systems that govern the world.

In the US, the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and its spread disproportionately affects people of color. In Washington, DC, Black residents comprise less than half the population and account for 76% of the district’s COVID-19–related deaths.2 Across the country, approximately 1 in 5 counties is predominantly Black, yet these areas account for 58% of the country’s COVID-19 deaths.3

At the root of these failures—in medicine, in the economy, in policing, and in the criminal justice system—is persistent, pervasive inequality. It is built into the history and fabric of the US. If some gaps have grown over recent years, others have never healed.

For the last 5 years, the Ford Foundation has been committed to addressing inequality in all of its forms. And yet, foundations exist because of this very inequality. Indeed, they have accumulated enormous wealth—US foundations alone represent billions of dollars, with many having more than $10 billion in assets. These foundations should and must make efforts to fix the very unequal system that created them.

Although human beings have long been generous toward one another in moments of need, the idea of US philanthropy and foundations goes back, in many ways, to Andrew Carnegie. In 1889, he wrote an essay that would later be known as his Gospel of Wealth.ś Devised during the Gilded Age, a time of excessive opulence, Carnegie’s essay fundamentally altered the way people in the United States thought about giving, and laid the foundation for modern philanthropy worldwide. His radical idea, of the moral importance of giving away wealth and privilege rather than holding on to it, inspired an entire field of institutional philanthropy. Iconic US families, from Rockefeller and Rosenwald to Mellon and MacArthur, endowed and expanded foundations that built schools and libraries, developed new vaccines, revolutionized agriculture, and advanced human freedom. More recent family fortunes, such as Hewlett, Packard, Moore, and Gates have launched new foundations.

As a result, foundations have enjoyed certain privileges, including the flexibility to operate independently, to have security and longevity, and to invest in individuals, institutions, and ideas over the long-term. All this has allowed some foundations to address and fund movements for social justice.

But as the direct outputs of privilege, foundations also are obligated by law to improve the economic and political systems that created the imbalance of wealth. Today, at this moment of unprecedented, intersecting crises, this obligation has never been greater, or more important. Foundations have the responsibility to take real and meaningful action.

Extraordinary times call for extraordinary measures. During the past few months, the world has been looking to foundations, as well as other powerful, privileged organizations, such as large corporations and well-established cultural institutions, to meet the demands of this moment.

Now is the time to abandon previous conceptions of what is possible and to move toward a world of promise.

A recent federal study of Medicare recipients found that hospitalization rates for COVID-19 are 4 times greater among Black beneficiaries than among White beneficiaries, with 465 cases and 123 cases per 100,000 beneficiaries, respectively.4

In addition to the public health crisis, the economic crisis the pandemic has caused is unlike any since the Great Depression. Approximately 25% of US workers have filed for unemployment. In a mere 2 months, workers have lost twice the number of jobs as in the Great Recession.5 In addition, countless essential workers, nurses and physicians, delivery drivers, postal workers, and others have been forced to place their health at risk to keep patients and the country alive and functioning.

More recently, the nation has finally been engaging with the white supremacy and anti-Black racism built into every structure of US society. The murders of George Floyd, Breonna Taylor, Ahmaud Arbery, and many others make painfully clear how much urgent work is left to be done. The unnecessary force used by police officers against Black Lives Matter protestors, from spraying tear gas to driving police cars through crowds, demonstrate why the police need to mimic what physicians pledge, first and foremost: Do no harm.

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During the Great Depression, President Franklin Delano Roosevelt affirmed the need for relief, recovery, and reform, in that order. Philanthropy should embrace this maxim and take it one step further, beyond reform to a broader, deeper reimagining of US society.

To provide relief and recovery, philanthropy must use its unique flexibility to act quickly. In a matter of weeks after the COVID-19 outbreak began, a group of foundations across the country have banded together to launch emergency relief funds to support local communities and nonprofit organizations. This consortium of foundations and funders created the NYC COVID-19 Response & Impact Fund. The initiative, which has raised more than $100 million to date, has issued grants to hundreds of NYC-based arts, social service, and cultural nonprofit organizations.

To institute reform, and reimagine society, foundations and institutions like them, including health care professionals and the medical sector, have an obligation, and an opportunity, to fund, model, and scale the resources and interventions society needs.

For example, the board of trustees of the Ford Foundation has, for the first time, authorized up to $1 billion (financed through the sale of bonds) to support individuals and organizations fighting against inequality and injustice and are preparing to lead communities and the nation through a postcoronavirus recovery. This is a once-in-a-generation response to a once-in-a-generation crisis. Historically, foundations have issued debt for building acquisitions or construction projects. But never has debt been used to expand opportunities and nonprofit organizations. This consortium of foundations and funders created the NYC COVID-19 Response & Impact Fund. The initiative, which has raised more than $100 million to date, has issued grants to hundreds of NYC-based arts, social service, and cultural nonprofit organizations.

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The Ford Foundation is not alone in taking this unprecedented step. Several other major US foundations, including the Doris Duke Charitable Foundation, John D. & Catherine T. MacArthur Foundation, Bill & Melinda Gates Foundation, and Andrew W. Mellon Foundation have created their own historic plans to significantly increase their philanthropic grant making, until now.

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This is only the beginning. If the ultimate goal is to build a better, fairer society for all, other industries and sectors also must think and act creatively. Influential individual and institutions in other systems and arenas must take their own bold steps forward toward justice.

In the field of higher education, for example, campus shutdowns and thwarted admissions cycles have pushed colleges and universities toward bankruptcy, and perhaps some to the edge of extinction. Every higher education institution has been affected, but not all are experiencing the same consequences. Universities with large endowments are better positioned to weather the current crises and adapt to the ever-changing landscape of higher education.

But smaller institutions with little to no endowment, such as historically black colleges and universities (HBCUs), do not have this luxury. Despite their outsized importance to the Black community, the total endowment of all 107 HBCUs combined is less than $3 billion, which is less than 10% of Yale’s $30 billion endowment, and 7% of Harvard’s $40 billion endowment. The scales are clearly unbalanced. Even though the federal CARES Act is providing some assistance, the funding is not enough to save these vital institutions; bolder, more sustained support is needed.

As one possible bold approach, imagine what could happen if well-endowed universities took immediate steps to preserve their underfunded colleagues. For instance, what if Harvard issued debt, using bonds to generate revenue to build Howard’s endowment? What if Princeton funded Prairie View, and Stanford funded Spelman? To make this idea even more appealing, perhaps major foundations (like the Ford Foundation) could step up to cover debt service and closing costs, to make it even easier for more universities to do the right thing.

This vision of radical relief can be applied, and executed, in every sector. What if substantially resource private hospitals could consistently dispatch physicians, other clinicians, protective gear, and medical equipment to cash-strapped clinics in rural areas? What if thriving, affluent school districts redistributed classroom resources to neighboring schools desperate for funds? What if global corporations with large profit margins injected capital directly into locally owned shops and restaurants, particularly in communities of color? Now is the time to abandon previous conceptions of what is possible and to move toward a world of promise. All who work in industries that serve others and the greater good, from philanthropy to education, health care to social services, can, should, and must envision new ways of working and operating in the world.

How US foundations, businesses, and private institutions respond to this moment will have a major lasting influence on generations to come. Let them remember that, in the times of these cascading crises, philanthropy took collective and effective action. Such action will ensure that the post–COVID-19 era is known as the moment that started the necessary building—and rebuilding—of a world filled with equity and justice for all.

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REFERENCES

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