Frederick Gates and Philanthropic Timeliness

by Benjamin Soskis
Urban Institute
© 2024 by Benjamin Soskis
An embrace of perpetuity is often assumed to be one of the founding principles of modern American philanthropy. Yet while some of the pioneering figures in the field, such as Andrew Carnegie, explicitly and unreservedly championed the cause of perpetuity, the views of many others toward time-based considerations in philanthropy were more fluid and complex. This was certainly the case with Frederick Gates, the Baptist minister who served as John D. Rockefeller’s chief philanthropic advisor, holding leadership positions in many of the Rockefeller foundations in their early, formative years. He can arguably claim to be more responsible than any other individual for crafting the animating theories that came to define 20th century American philanthropy.

An examination of the Frederick T. Gates Papers housed at the Rockefeller Archive Center (as well as Gates’s correspondence in some of the other Rockefeller philanthropy-related collections), illustrates how Gates’s thinking on endowments and the temporal responsibilities of philanthropy shifted over time. The Gates Papers document how the place of perpetuity within early Rockefeller philanthropy was never as secure as its status as default by the end of the century might suggest.

Gates’s early work with the American Baptist Educational Society (ABES), through which he first encountered Rockefeller, in an effort to raise funds for what would become the University of Chicago, instilled in him the legitimacy and value of educational endowments. As Gates explained in a 1906 memo submitted to an annual meeting of the Rockefeller-funded General Education Board (GEB), not long after the ABES was established, the GEB determined that it would give exclusively to endowments and would refuse to contribute to a college or school’s current expenses or to the payment of its debts. It announced this policy to every Baptist institution of learning in the US, and according to Gates, it never violated the rule in over one hundred appropriations, seeding scores of endowments in the process.

Gates brought this antipathy toward funding current expenses and partiality for funding educational endowments with him when he began officially advising Rockefeller in 1891. This was, in fact, a source of tension between him and another of Rockefeller’s leading educational advisors, Harvard President Charles Eliot, who sat on
the board of the GEB. “The difference between him and me is fundamental,” Gates wrote in a 1910 memo. As Gates characterized the disagreement, Eliot believed that the GEB’s funds should be largely used for current expenses, to support the education of men of the current generation. Gates, on the other hand, maintained a longer time-horizon and was committed to the principle of “permanence” in the funding of educational institutions (Gates complained that Eliot insisted on putting the term in quotation marks). “I am not content that Mr. Rockefeller’s money shall be frittered away on current expenses,” he wrote, noting that instead he preferred the funds go to support education endowments. Eliot, Gates quipped, wanted to buy apples and distribute them, while he wanted to plant apple trees.

An appreciation of educational endowments coexisted uneasily in Gates’s mind with an antipathy to church endowments. Gates’s critique of church endowments is a theme that runs through his papers and correspondence, extending back to his ABES days. He explained it in part as a product of the fear that endowments gave churches or schools too much financial independence from their denominations. But he also developed a more affirmative understanding of congregants’ temporal responsibility, one that would also shape his theories of philanthropy and that focused on the benefits that accrued to the giver. Gates addressed the topic, for instance, in a June 1912 memo to John D. Rockefeller in which he situated his own opinion within a much broader critical tradition. For more than a millennium, he wrote, “The great statesmen and orators of the most enlightened countries have pointed out the paralyzing effect of church endowments on true piety, on benevolence, on charity.”

In further clarifying his reasoning to Rockefeller, Gates espoused a principle that would be championed in the next decade by philanthropist Julius Rosenwald under the banner of “timeliness,” asserting a donor’s responsibility to the present.

The true principle is for each generation to support its own evangelistic agencies and leave their support in the next generation with entire confidence to the toils and sacrifices of the next generation. History justifies absolute confidence that each generation will not do worse but actually better for Christianity than the preceding one, and that our children will certainly be more zealous and more self-sacrificing than are we. The cause may safely be left to them, provided we do not, by endowing our churches, remove from them the full weight of responsibility for carrying on the work.
Endowments have a paralyzing effect upon Christian activities; they do not stimulate.8

Gates’s attitude toward church endowments colored his thinking about charitable endowments, which he often discussed in tandem; he subjected both to the imperative to promote the intrinsic value in the act of giving itself. Such giving did not merely reflect the desire to perform good acts, or enable and facilitate those acts, but actively kindled the desire which was the wellspring of action. For instance, he expounded on this shared principle in his 1906 memo to the annual meeting of the GEB:

The generations of the future may be trusted to take care of their own defective and submerged classes and likewise the propagation of their own religion in all the activities and agencies of evangelization. Endowment of charities tends to sterilize the charities and to quench the charitable instincts of the generations which inherit such endowed charities. The endowment of religion, of churches, of missionary societies, home and foreign, and all other direct and indirect evangelizing agencies, tends to sterilize the agencies so endowed and to quench the spirit of religion in the community by rendering unnecessary, or at least less urgent, one of its principal exercises.9

And yet, in that 1906 memo, Gates makes a crucial distinction: he differentiated charitable endowments from those attached to institutions of higher education. Gates recounts that the GEB maintained as a principle that it would fund endowments whose income covered between 40% to 60% of the annual expenditures of colleges or universities. Endowments were necessary (and therefore a legitimate object for philanthropy) in higher education, Gates explained, because student fees would never be adequate to cover the costs of colleges. Without an endowment, every single Baptist college and university in the North, he insisted, would be required to close or would be ruined by debt within a year, since the Baptists did not raise adequate funds themselves. And so, it came down to the choice: “endow or die.”10

Unlike his attitude toward the support of churches, Gates argued that it did not make sense to require future generations “to pay by annual contributions the current expenses of its institutions of higher learning.” (He also added another rationale, citing John Stuart Mill, that endowments place educational institutions “above dependence on the immediate pleasure of the very multitude which they are designed to elevate,”
insulating them from the “clamor of the multitude,” and leaving them to the “fearless
pursuit and promulgation of truth.” The independence that he feared in churches, he
favored in colleges.) In other words, for colleges and universities, Gates put aside
ethical imperatives surrounding timeliness, and especially the call for current
generations to support their own charitable institutions, out of largely prudential
considerations.11

For much of his tenure as a philanthropic advisor, Gates combined elements of his
thinking on higher education and ecclesiastical endowments as he developed his
posture toward foundation lifespan. He accepted the legitimacy of foundation
endowments, but also insisted that they maintain a firm commitment to “timeliness.”

As the archives make clear, in his early counsel to John D. Rockefeller about
establishing a general-purpose foundation, he advocated for perpetuity, urging
Rockefeller “to provide funds in perpetuity, under competent management, with
proper provision for succession, which shall be specifically devoted to the ends of
human progress.”12 The effort to secure a federal charter for the Rockefeller Foundation
and to determine its policies provided an opportunity to hone and articulate more
precisely Gates’s attitude toward the temporal responsibilities of philanthropy.13 In
outlining the details of the charter to President Roosevelt, Gates remarked that “an
essential feature of the fund is always to be timely and in the highest degree useful.”14
In his correspondence and in internal memos helping to design policy for the
Rockefeller Foundation, Gates elaborated on this quality of philanthropic timeliness,
yet made use of a contrast with church endowments to do so. “It is generally held by
students of civilization that endowments of charitable and religious agencies early
outlive their usefulness and then tend to become hindrances rather than helps in the
progress of civilization,” he noted in responding to a memo prepared by Rockefeller
advisor Jerome Greene:

The charities of one generation are not the proper charities of the next
generation. Every decade, almost every year of human progress develops
new needs, new methods and new objects, often revolutionary, and
destruction is often antecedent to replacement. The progress of the last three
hundred years in Italy, Germany, France, [and] England has been possible
only by wholesale legislative confiscation of endowments, which, beneficent and desirable perhaps when made, came at last to retard and enslave only.\textsuperscript{15}

How, then, could Gates justify an endowment for the Rockefeller Foundation, which, though if not explicitly dedicated in perpetuity by the proposed charter, had no fixed terminal point? This was an especially pressing question because critics of the foundation themselves raised the specter of the “dead hand” that had plagued charitable endowments for centuries and even invoked those same English oversized ecclesiastical foundations as a precedent, warning against the establishment of the Rockefeller Foundation.\textsuperscript{16}

Gates had a ready answer, inherent in the foundation’s general-purpose form. The foundation’s commitment to timeliness, he argued, was developed as an antidote to the dangers of the “dead hand.”

[T]he unique distinction and the peculiar value of the Rockefeller Foundation may prove to be in two qualities—its universality and its deathlessness. It may adapt itself from decade to decade and from century to century to the changing needs of the time. It is wholly released from those limitations which compel mortals by the certainty to death to give permanent and fixed direction to the charities which they must leave behind them. Endowments are at best a last resource to the dying. But ours is a living, not a dead hand. We are released from compulsion of mortality. Ours is a privilege denied to individuals of giving always and only to current needs, to adjust the giving annually to timeliness, to merit, to efficiency, closely to fit our work to existing or prospective facts, and to withdraw our gifts from any recipient when good sense directs.\textsuperscript{17}

Gates made a similar point in a 1912 memo to Rockefeller, explaining why he opposed Rockefeller’s wife’s gift to grow the endowments of two Baptist churches in Cleveland. Why did this opposition not extend to philanthropic foundations as well, Gates asked? “The answer is that the Foundation is a great and undesignated fund, which endows no one thing but may be enlisted in the service of things which seem at any particular time to be most important just then,” he wrote. “The elasticity of the fund, its accurate adaptation every moment to the varying needs of humanity, the fact that it will be on tap, so to speak, and ready for the crises as they occur, here, there, yon and everywhere, are what gives it its value.”\textsuperscript{18}
Church endowments, because of denominational and doctrinal constraints, lacked this elasticity, and because of the vicissitudes of membership changes, could not reliably assume the responsible stewardship of their funds. Gates noted:

> When one considers how rapidly the personnel and membership of churches change, it is easy to see that in the course of ten, twenty, one hundred years such a fund...might oftentimes have unworthy guardianship or unworthy administration, and one such misuse would bring more scandal on the cause than many years of usefulness could counter-balance.\(^{19}\)

In the final years of his life (as his influence within the orbit of Rockefeller philanthropy waned), Gates reaffirmed this crucial distinction between church and foundation endowments. In a May 1924 letter to John D. Rockefeller, Jr., for instance, he argued against funding church endowments that could support Southern Baptists ministers. “The worst possible use to which money can be put is the endowment of churches,” he informed Rockefeller, Jr., rehearsing the history of Christianity as a cautionary tale.

> The Apostolic church had once been as perfect as Southern Baptists, but then began to strike out for endowments on every hand. They got them, and they built up their Ecclesiastical organizations with them, with consequent tyranny, spiritual and temporal, impoverishment of the people, gross ignorance of all classes, persecutions and martyrdoms, international wars and blood in torrents, and we had the dark ages for fifteen hundred years.\(^{20}\)

The result, Gates concludes, was that the Church amassed three-fifths of all property in Europe and only the confiscation of its property by Henry VIII saved it. He then suggested that the American Church might be entering a similarly dark period.

> For the last fifty years, the most sinister sign for the future known to me has been the very rapid tendency to endow all sorts of ecclesiastical organizations. The process has only to continue, reckless of the teachings of history, and a few generations will land us into church organizations utterly destitute of religion at all, and our own country will degenerate into the situation of medieval Europe, or at least Europe of today.

The lesson provided by this history underscored for Gates the principle of timeliness. “Each generation,” he insists, “should...in the future as in the past, take care of its own
poor.” This included Baptists in the US, who he maintained should be compelled to support their own ministers—in their own lifetimes. In fact, Gates argued that until recently, all churches in the US had been able to do so; it was only with the introduction of endowments that their charitable will had been sapped. Gates went on to conclude:

Our children will not be less liberal than we, not less wise but more wise. Why, then, are the friends in the South seeking to establish an endowment of two and a half millions of dollars for this cause, as if they had lost all faith in God and man? Our children will indeed take care of their poor, as we of ours, but not if we take from them all responsibility, all proper Christian incitements, endow in advance their poor and leave them with nothing to do but squander their money.  

But as Gates placed even more weight on that distinction between ecclesiastical and philanthropic endowments, it began to show the strain. Just two years after his letter to Rockefeller, Jr., Gates composed a memo, “Thoughts on the Rockefeller Public and Private Benefactions,” in which he seemed to abandon it. “I no longer believe that the endowments of the Rockefeller Philanthropies should be permanently maintained. They should all be disendowed by distribution of assets as rapidly as convenient,” he wrote. In other words, his attitude toward foundation endowments shifted from bearing closer resemblance to his thinking about higher education endowments to his antipathy to church endowments.

Before explaining his grounds for opposing permanently endowed philanthropic foundations, Gates first articulated his objection to the “popular craze” of endowing charities, which he attributed to fundraisers who sought to free themselves from the need to make personal appeals. Here he echoed the apologias for charity that were frequently advanced by Catholic leaders in response to the challenge posed by the scientific charity movement, a movement with which Rockefeller was closely associated. Endowments robbed charitable giving of its “chief human service—the service to the giver.” He also insisted on a sort of natural life cycle of charitable organizations, which should arise from a clear public need and then die out when that need has been met, or new more urgent needs emerged. “Endowed charities, on the other hand, tend to bureaucracy, mal-administration and ultimate scandal.”
Gates instead suggested that the endowments of the Rockefeller philanthropies should be disbursed and directed to higher education endowments, which, for the reasons he had articulated in the past, he considered legitimate. For the “speedy disendowment of the Rockefeller Philanthropies,” he wrote, “no field is so safe, so promising, so simple, so timely, so popular, so grateful, as unconditional endowment gifts to the colleges and universities of the United States.” University endowments could safely and productively absorb every dollar directed to them. “Never will the country need it more than now.”

There is little evidence that Gates’s proposal found favor with other senior Rockefeller philanthropy officials. Raymond Fosdick, who at the time sat on the board of the Rockefeller Foundation, and would later serve as its president, explicitly disavowed Gates’s proposal of “disendowment” to Rockefeller, Jr. in a February 1927 letter, maintaining the open-ended or indeterminate stance regarding foundation lifespan that would characterize the foundation’s thinking for the next several decades. (“With the desirability of spending from principal whenever worthy objects appear—regardless of whether any sums remain for the next generation—no one can quarrel,” he wrote). Fosdick thereby signaled some allegiance to an ethic of timeliness without subscribing to Gates’s absolute fidelity to it, which would insist that the donor had an all-consuming obligation to direct funds to his or her own generation.

This open-endedness became characteristic of the thinking of Rockefeller philanthropic leaders towards questions of timespan over the next few decades, as they periodically considered the possibility of spending foundations’ principal and drawing down the endowment. Although in the above case, Fosdick and Gates came down on different sides of the issue in question, the disagreement itself, and its stakes, highlight important features of Rockefeller philanthropy in its early decades which both had a hand in crafting: the centrality of temporal considerations to core issues of philanthropic purpose and identity, and the unsettled, fluid nature of debates around them.


Gates argued that the only reason why Eliot could focus his attention on the present at Harvard was that leaders before him had already thought about the future and established an endowment. Gates, “Some Reflections on the Question of Policy.”

Frederick Gates to Stephens, January 20, [1891], John D. Rockefeller Letterbook, RAC.

Frederick T. Gates, “In Opposition to Church Endowments,” June 22, 1912, Folder 57, Box 3, Frederick T. Gates Papers, RAC.


Gates, “In Opposition to Church Endowments.”


Elsewhere, however, Gates claimed that colleges and universities were “passionately loved” by the public; no other institution inspired such “devotion,” he stated, making clear that he believed the failure of current generations to fund them did not signal a general lack of support or mismatch between supply and demand. “Frederick Gates, “Thoughts on the Rockefeller Public and Private Benefactions,” December 31, 1926, Folder 57, Box 3, Gates Papers, RAC. Gates, “Some Reflections on the Question of Policy.”

Frederick T. Gates to John D. Rockefeller, June 3, 1905, Folder 57, Box 3, Gates Papers, RAC.

In order to secure a federal charter, Gates supported the concessions Rockefeller offered to Congress, including providing for the voluntary distribution of part or the entirety of the foundation’s principal at the end of fifty years and the dissolution of the Foundation after one hundred years, subject to Congressional direction. Gates to President [Roosevelt], January 25, 1911, Folder 28, Box 2, Gates Papers, RAC; Benjamin Soskis, “Philanthropy and the Quest for Civic Competence,” HistPhil, December 11, 2015; Eric John Abrahamson, Beyond Charity: A Century of Philanthropic Innovation (New York: Rockefeller Foundation, 2013), 71, 280.

Frederick Gates to President [Roosevelt], January 25, 1911.

Frederick Gates, “Notes by F.T. Gates on J.E. Greene’s Memo of October 22, 1913,” Folder 14, Box 1C, Series 900, RG 3.1, Rockefeller Foundation Records, RAC.


Gates, “Notes by F.T. Gates on J.E. Greene’s Memo of October 22, 1913.”

Gates, “In Opposition to Church Endowments.”

Gates, “In Opposition to Church Endowments.”

Frederick T. Gates to John D. Rockefeller, Jr., May 7, 1924, Folder 58, Box 3, Gates Papers, RAC.

Gates to Rockefeller, Jr., May 7, 1924.
Here Gates was reflecting some of Rockefeller, Jr.’s own thinking back to him. In a 1910 letter to Gates, Rockefeller Jr. had asked, “Why should not each generation support its own philanthropies and education to the extent that the money of philanthropic people can be wisely given away? Beyond that it would better be passed on to the next generation to distribute.” John D. Rockefeller, Jr. to Frederick Gates, July 15, 1910, Folder 13, Box 1C, RG 3.1 Rockefeller Foundation Records, RAC. “Gates, “Thoughts on the Rockefeller Public and Private Benefactions.”


Gates, “Thoughts on the Rockefeller Public and Private Benefactions.”

Raymond B. Fosdick, “In re: Mr. Gates’ Memoranda,” February 15, 1927, Folder 123, Box 17, RG 3.1, Rockefeller Foundation Records, RAC.

See Abrahamson, *Beyond Charity*, 278-299.