

RAMSEY COUNTY
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A group of smiling youngsters at the Thomas-Dale Child Care Center, part of the Amherst H. Wilder Foundation's Child Care Services Program. Child care issues are one of the many concerns of the Saint Paul Foundation. See article beginning on page 4.

RAMSEY COUNTY HISTORY

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On the cover: Children at the Thomas-Dale Child Care Center attend one of the many needed child care centers operated by the Amherst H. Wilder Foundation in the East Metro area of St. Paul and Ramsey County.

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A Message from the Editorial Board

Ramsey County History welcomes the submission of manuscripts dealing with the history of St. Paul, Ramsey County, and their environs. In particular, the Editorial Board encourages writers to contact the editor with proposals for neighborhood histories, stories about local leaders and their families, accounts of prominent institutions, businesses or organizations and articles on the racial and ethnic diversity of Ramsey County.

The intent of the Editorial Board is to encourage and support writing about urban and local history relating to St. Paul and Ramsey County. Our quarterly magazine needs a continuing flow of well researched and thoughtfully written articles that reflect the richness of the people, places, and institutions of the county. The members of our society are enthusiastic about history. They deserve the best historical writing we can provide to them.

—John L. Lindley, chairman, Editorial Board

A Blur of Change

The Saint Paul Foundation and Its Past

Virginia Brainard Kunz

Fifty years ago, in October of 1940, a group of St. Paul business leaders set in motion a plan to create a new foundation that over time would take its place within the community foundation movement as one of the ten largest in the country and a major resource for the St. Paul area.

The Saint Paul Foundation had its beginnings within the St. Paul Association (now Chamber) of Commerce when attorney and Association president R. J. Faricy formed a committee to examine the city's welfare needs. Those he appointed represented St. Paul's leadership: attorneys William H. Oppenheimer and George W. Morgan; Louis S. Headley of First Trust Company; C. E. Johnson from Empire National Bank and Trust Company and H. B. Humason from American National Bank and Trust Company.

Scarred by memories of the jobless, the homeless, and the families on welfare during the Depression years, committee members were seeking a way to use private philanthropy to supplement the public funds that had been poured into government welfare programs in the 1930s and now were diminishing. At that time, St. Paul had several private foundations based on great fortunes. Among them were the Amherst H. Wilder Foundation, established before World War I, and Louis W. Hill's Lexington Foundation, created in 1934. Later it was called the Louis W. and Maud Hill Family Foundation and today, it is known as the Northwest Area Foundation.

Faricy's committee found in the community foundation concept a way to draw together many donors who could contribute money, often in their own names, to establish funds that would support a variety of community projects. Flexibility, committee members felt, was important since experience had taught that over the years community needs change.

A model for the plan they were drafting was at hand in The Cleveland Foundation, the first community foundation in the nation. Established in 1914, The Cleveland Foundation was a creative response to the concerns of Frederick Goff and other Cleveland bankers who were dismayed by the erosion of charitable trusts resulting from community changes that often made the original purpose of those endowments obsolete. By 1940, Boston, New York, Philadelphia and a number of other cities, including Minneapolis, already had followed Cleveland's lead.

The Saint Paul Foundation became a legal entity on October 11, 1940, when its Plan was filed with the Clerk of District Court in Ramsey County. Under the Plan, two committees were created. One committee, known as the Trustees Committee, consisted of representatives of St. Paul's trustee banks: First Trust Company of St. Paul, American National Bank and Trust Company and Empire National Bank and Trust Company (now Norwest Bank of St. Paul).

Members of the second committee, the Distribution Committee, were to be appointed by public officials: the mayor of St. Paul, the president of the University of Minnesota, the senior judge of the United States District Court for Minnesota, the president of the Ramsey County Medical Society and the Ramsey County Bar Association and the chairman of the St. Paul Association of Commerce. Together, the two committees were to receive, manage, administer and distribute Foundation



Annie Paper, the Foundation's first donor.

funds to charitable organizations following the wishes of the donors.

The list of the first members of the Trustees and Distribution Committees once again included representatives of St. Paul's leadership. At a time when it was badly needed, and when it required some courage for donors to entrust their estates to a little known and scarcely tried organization, these men stamped the new Foundation with their imprimatur.

Distribution Committee members were F. R. Bigelow of St. Paul Fire and Marine Insurance Company; Homer P. Clark of West Publishing Company; Rabbi H. S. Margolis of Mount Zion Temple; attorney Wilfred E. Rumble; oilman I. A. O'Shaughnessy; lumberman F. K. Weyerhaeuser; investment counselor Harold E. Wood; Professor W. S. Moscrip, Professor E. A. Roberts, Professor E. R. Reiff and Dr. H. E. Binger. Fred

Fifty Years

P. Fellows, secretary of the Association of Commerce, was committee secretary. Humason, Headley and Alex Highland, Empire Bank's president, were appointed to the Trustees Committee.

Not much happened during the next few years. In 1941, the nation marched off to World War II and the struggle drained community energy. The war-driven prosperity, with virtually full employment, wiped out the last vestiges of the Depression of the 1930s and somewhat obscured philanthropic issues. Almost unnoticed at the time was the event that marked the stepping-off point for the Foundation.

In 1944, Annie Paper died and, with the \$5,000 trust she established through her will, she became the first donor to the Foundation. It was a gift that was due in good part to the sage counsel of Wilfred E.

Rumble, her family's personal and legal advisor. Years later, other family members also would become donors.

Born in Russia in 1868, Annie Shapira had strong ties to St. Paul where she grew up and where she married Lewis Paper in 1890. Two years later her father, who had established a jewelry store in downtown St. Paul, loaned Paper the money to found, with two other men, the firm that became Paper Calmenson, a major steel supply company in the Northwest.

The company's origins were modest. According to family tradition, one of the partners provided the horse, another the wagon and the third the scale for weighing the scrap iron—the product in which they originally dealt. Operating first from a small building near St. Paul's Lower Landing, the firm later occupied a site on East Seventh Street before moving to its present location on Highway 280.

Both Lewis and Annie Paper were intensely religious orthodox Jews and members of one of St. Paul's early Hebrew congregations, the Sons of Jacob (B'nai Jacob), organized in 1875. They lived on Capitol Boulevard on the hill a few blocks north and east of the present state capitol and close enough to the synagogue, on College Avenue between Wabasha and St. Peter Streets, that they could walk to ser-

vices.

The Papers had six children and Annie Paper's interests centered chiefly around them. She was, a daughter-in-law once recalled, "a woman of the old school" who dressed simply and honored old world values. Yet her interests were varied; she was active in St. Paul's Jewish organizations, she instilled in her children a love of music, she liked to travel, and she was known for her personal generosity.

Her gift to the Foundation, as Louis Headley noted in a letter to Rumble, had "done far more than supply income, for it has given us a beginning and a sense of being on the way." Still, the Foundation simmered along during the 1940s with no more money coming in, no grants being made, no real organization to manage it and few knowing of its existence. Help was needed, and it came from within St. Paul's own foundation community.

In July, 1952, A. A. Heckman, executive director of the Louis W. and Maud Hill Family Foundation, was temporary chairman of a joint meeting of The Saint Paul Foundation's Trustees Committee and the Distribution Committee. The Hill Foundation, Heckman announced, believed that there was a place and a need for a community trust type of foundation in St. Paul but realized that The Saint Paul Foun-



St. Paul as it looked in the 1940s, The Saint Paul Foundation's first decade. This is a view from the West Side bluff looking north toward the loop from South Wabasha and the Wabasha Street bridge. St. Paul Dispatch-Pioneer Press photo.

dation wasn't growing because it had no one to promote it. Therefore, he told his rather startled audience, the Hill Foundation would commit \$6,000 a year, for three years, to hire a part-time executive to develop the Foundation and to pay for promotional expenses.

"They had to have someone in charge," Heckman recalled recently. "The Foundation couldn't afford to pay much but we knew Lou Headley, who was an attorney and who had retired from the First Trust Company, would take on the job, so he was hired."

A new era was about to begin. Six months later, Headley reported on his program to publicize the Foundation, through speeches to luncheon clubs, civic groups and the public, and letters to lawyers and trust officers handling estates. At the same time, Bernard Ridder, publisher of the *St. Paul Pioneer Press and Dispatch*, offered to contribute \$2,500 in advertising space each year for three years.

The Foundation's efforts during its first twenty years or so were directed for the most part toward accumulating assets in the form of trusts and bequests. As these bequests were received, the Distribution Committee began making a few grants. The first, in 1952, was a \$400 grant to the International Institute to buy materials for use in teaching English to prospective citizens, and acquire speech records, a playing machine and practice books. It came, appropriately enough, from Annie Paper's trust.

A year later, Children's Hospital received \$240 to buy modern metal wheelchairs and \$200 went to the Hallie Q. Brown Community House "for tools, etc., after a fire." There was little pattern to the Foundation's grants during its early years, other than that they were small and aimed mainly at supplying agencies with equipment.

A check for \$200 went to the Saint Paul Rehabilitation Center to buy a slide, a sandbox with toys for children and a record player for music "of therapeutic value." Booth Memorial Hospital received \$250 to air condition the children's nursery; the St. Paul Cooperative Camp Association received \$95 to buy two new tents; Children's Hospital received \$485 for a cast cart and \$500 went to Children's



Louis Headley

Service for blacktopping a play area at the Bremer House. The Marshall Day Nursery received \$153 to buy a jungle gym.

Reuel Harmon, who was appointed to the Distribution Committee in 1962 by the University of Minnesota president, remembers the meetings of the Trustees Committee and the Distribution Committee as informal luncheons held twice a year at the Minnesota Club.

"Headley would arrive with a list of grants to be made," Harmon recalled recently. "We never saw the actual requests, but we'd usually approve them without many questions. He'd investigated and separated the 'real need' from the 'nice to have'. Headley was great on advocating the kinds of grants that were very helpful and at the same time would be visible in the community and attract the attention of possible donors."

Under Headley's direction, the Foundation maintained a growing file of St. Paul charities for use by Distribution Committee members, lawyers and others interested in advising people on charitable contributions. In a lively discussion during a 1953 meeting, Committee members also decided to offer the Foundation's services to other foundations to screen grant applications and to private charities to advise them on the use of their funds.

By 1959, the Foundation had moved into the nationwide network of community foundations, as Headley became active in

the National Council on Community Foundations. That year, The Saint Foundation invited the National Council to hold its annual conference in St. Paul in the spring of 1961 and also co-sponsored the second Conference of Minnesota Foundations.

By 1960, Headley was able to report to the Trustees Committee and to the Distribution Committee that he was aware of several wills that included bequests to the Foundation, totaling \$6 million. More to the point was that, by its annual meeting on July 27, 1962, the Foundation had eight active funds with a total book value of \$243,067, and \$4,003 was paid out in grants.

The active funds came from a number of sources. Some were funds turned over to the Foundation by charities that had fulfilled their purpose or whose work had been taken over by other agencies. The handling of these various funds demonstrated the need for the flexibility the Foundation had been set up to provide.

"The Foundation had to have the ability to move with the times, to see public needs as they emerged," J. Neil Morton, former Distribution Committee chairman and senior partner in the Briggs and Morgan law firm, observed recently. "The Foundation retains the right to rechannel an endowment, in keeping, always, with the donor's original intent. This balances continuity with flexibility."

In 1961, the Society for the Relief of the Poor, its work paralleled by other agencies, decided to disband. Organized on March 16, 1876, as the Society for Improving the Condition of the Poor, it was the first private charitable relief agency in St. Paul and one of the oldest of all of the city's charitable institutions.

Its officers included Henry A. Rice as president; Alexander Ramsey, Henry H. Sibley, William Marshall, Cushman K. Davis, Daniel R. Noyes and E. W. Chase. It was, according to historian Henry A. Castle, "undenominational in character and catholic in purposes" and it gave "timely aid as seems most imperative, whether food, fuel. . . clothing and temporary financial assistance."

With the general aim of "aiding self-help, which we think is the truest charity," the Society's aid ranged from recovering



Headquarters for the Society for the Relief of the Poor, as it looked in the 1920s. The building at 141 E. Ninth Street was still there as recently as 1980 but since has been demolished.

runaway children to donating an artificial limb to a Civil War veteran. In 1892, the Society became part of the newly formed Associated Charities of St. Paul which, in turn, became United Charities, the predecessor of Family Service of St. Paul. When the Society ceased to function, its remaining funds were transferred to the Society for the Relief of the Poor Fund of The Saint Paul Foundation. Grants from this fund continue to be made to Family Service of St. Paul.

The Children's Preventorium found itself caught up in changes in health care. Organized in 1915, the Preventorium was an early successful program intended to cope with "the white plague," as tuberculosis often was called. Its founder, Dr. H. Langstreet Taylor of St. Paul, was in charge of Minnesota's anti-tuberculosis movement for many years.

Taylor created the aptly-named Preventorium to house and treat children whose tubercular parents could not care for them. He believed that if children already exposed to tuberculosis could be moved to a new and healthy environment, they would be spared the disease itself.

The Preventorium, which he built on the northeast shore of Lake Owasso, was designed for about eighty children. However, over the years antibiotics were introduced and new surgical techniques de-

veloped and the tuberculosis rate among children dropped precipitously. By the mid-1950s, the Preventorium had closed and its funds had been transferred to The Saint Paul Foundation. Today, the Children's Preventorium Fund is a source of funds for grants for the "benefit of children sick in mind or in body."

While funds such as these helped to increase the Foundation's asset base and demonstrate its flexibility as well as its importance as a community resource, the Foundation's main thrust was toward attracting trusts and bequests from individuals. Headley and the members of the Trustee and Distribution Committees actively sought to encourage as many St. Paul citizens as possible to include the Foundation in their wills.

Many of the early donors who made testamentary gifts to the Foundation had roots extending deep into the city's past. Donald D. Culver and his wife, Bertha Constans Merriam Culver, together represented an important segment of St. Paul history. Culver was a banker whose career spanned the growth and eventual merging of three of the city's major banking institutions. He arrived in St. Paul in the early 1900s and joined the National German American Bank. Vice president when it merged with the Merchants National Bank in 1912, Culver became president of the

new bank, one of the largest in St. Paul.

In 1915, the bank built a new sixteen-story building on the site of the old German bank. Following a merger with First National Bank of St. Paul in 1929, the original building became the bank's east wing, but Culver's legacy lives on in the doorknobs in the eastern wing that still bear the engraved "MNB."

Bertha C. M. Culver was a descendant of a pioneer Minnesota family. Her father was William Constans whose business interests included transportation, wholesale grocery and brewing. A Constans block once stood on East Seventh Street in Lowertown. Bertha Culver's first husband, a son of John L. Merriam, died within a few years of their marriage. During her second marriage to Donald Culver, they lived in quiet elegance on Summit Avenue, traveling widely and entertaining frequently. Charming and sophisticated people, they both left trust estates to the Foundation.

The daughter of one of Minnesota's most distinguished pioneers, Alice E. Andrews, set aside \$5,000 from her estate for the Foundation to administer as a memorial to her father, Christopher C. Andrews. Seeking to make a more substantial gift than her slender resources permitted, she directed that income from her bequest be allowed to accumulate for 200 years after her death, thereby growing to an estimated amount of \$12.8 million by the middle of the twenty-second century.

Her instructions were similar to two famous trusts created by Benjamin Franklin in 1791, also calling for interest to accumulate for the next 200 years. While Franklin's bequest survived a number of legal challenges before being redirected by the courts, Alice Andrews thoughtfully added an escape clause permitting current distribution of income "if literal compliance was undesirable." The Foundation decided that it was undesirable and grants soon were being made from the fund's income.

Alice Andrews, a St. Paul English teacher for twenty-two years, was a devoted daughter who never married but made her home with her father until his death in St. Paul in 1922. A state senator and a Civil War officer, Andrews was United States minister to Sweden and Norway. Alice

was born in Sweden in 1870. Andrews also was consul-general to Brazil from 1882 to 1885, editor and owner of the *St. Paul Daily Dispatch*, the author of a history of Minnesota and leader of the movement to create the forest reserves in Minnesota. He served for sixteen years as the state's fire warden and forest commissioner and he was considered one of the initiators of forestry conservation in the United States.

Both Alice Andrews and her father lived long lives. She was 91 when she died in 1961.

THE TURNING POINT

As the first twenty-five years of The Saint Paul Foundation drew to a close, a fund established by Laura and Anna E. R. Furness, granddaughters of Alexander Ramsey, Minnesota's first territorial governor, gave the Foundation a major boost and turned it toward a path of real growth.

In a tribute to Anna Furness after her 1964 death in a traffic accident at the age of 88, Theodore C. Blegen, the distinguished Minnesota historian, wrote:

"Bred in the best tradition, she did honor to old and cherished ways while adapting herself with ease, grace and nicety of understanding to modern ways. She carried from an older to a newer era the high standards that marked both her mother and her grandmother as great ladies of Minnesota's past—and she herself, by virtue of character, swift intelligence and vigor of service, achieved distinction as the great lady of Minnesota's present, the generation of yesterday and today." He could well have written the same words about Laura Furness at her death in 1959.

For both of the Furness sisters, the world revolved around St. Paul and their beloved home, their grandfather's gray limestone "mansion house" in the Irvine Park neighborhood, where they grew up. Here as adults they joined with their mother, Marion Ramsey Furness, in entertaining frequently and lavishly. True to the tradition of "the Democratic nobility," they took on responsible roles in the charitable and cultural life of their city.

Neither Laura nor Anna Furness married. As active members of Unity Unitarian Church, they knew both Louis Headley



Laura, right, and Anna E. R. Furness, the granddaughters of Alexander Ramsey, and their home, the governor's "mansion house" in the Irvine Park neighborhood.

and Harold Wood, a one-time Distribution Committee chairman. When they drew their wills, the Furness sisters established funds within the Foundation to benefit, at the discretion of the Distribution Committee, the Minnesota Historical Society, Unity Church, the Saint Paul Neighborhood House and "other educational, charitable and social agencies. . . ."

They also willed their home to the Minnesota Historical Society, so strongly did they feel that it should remain as a tangible reminder of a great link in the state's history. They asked that the house be given "the same care and maintained in the same condition in which an owner having ample means would maintain a home for which he had affection. It should be open to the public and used for no other purpose," and if this could not be done, they stated in separate but identical wills, the house was to be torn down.

The Laura and Anna E. R. Furness Fund was established in 1968, with a book value of about \$1.7 million. By the end of the 1960s, its importance to the Founda-

tion was beginning to be seen. On January 31, 1969, Headley told the Distribution Committee that the Foundation had ten funds with a book value of \$2,218,525 and a market value of more than \$3 million. Headley's report also showed that grants authorized in 1968 totaled \$81,104. The grants had become more substantial—\$2,463 to the St. Paul Art Center for exhibits on loan; \$2,200 to The Loft for an audio-visual set; \$2,164 to the Salvation Army for camp equipment; and, over a two-year period, \$17,225 to the Minnesota Historical Society for repairs to the Ramsey House.

Then, early in the spring of 1969, Louis Headley died and Charles Birt, who had just retired after serving for many years as executive director of the Greater St. Paul United Fund, was appointed to succeed him. Birt brought all of his considerable administrative skills, plus his many community contacts, to his new task. He consolidated Louis Headley's achievements and he prepared the Foundation to move toward compliance with new regulations

stemming from the Tax Act of 1969. By the late 1970s, the regulations would become a real issue and, with the required Public Support Test, create an increasingly complex environment for community foundations throughout the country.

During the early 1970s, trusts, funds, contributions, and bequests flowed into the Foundation in increasing numbers and amounts. In 1970, Joseph A. Duke, a 3M executive, and his wife, Lillian, established an unrestricted fund, the Joseph C. and Lillian A. Duke Fund, with an initial gift of \$38,000.

Duke, a native of Philadelphia, was a salesman who arrived in St. Paul in 1940 and throughout the next forty-two years quickly climbed 3M's ranks. He served as Sales Manager for New Products, Vice President for Coated Abrasives and Related Products and Executive Vice President and Director for Sales Administration, a position he held when he retired in 1959.

The Dukes, who had no children of their own, shared an abiding interest in the International Foster Parent Program, visiting children throughout the world and helping some of them with their college educations. At the same time, they continued to contribute to their Saint Paul Foundation fund.

When Joseph Duke died in 1982, his estate provided for distribution of particular assets for three purposes: 50 percent was allocated to meet general community needs; 25 percent supported The J. C. and L. A. Duke Scholarship Fund for children of 3M USA employees; and 25 percent supported The J. C. and L. A. Duke Employees' Assistance Fund, a fund to help 3M employees faced with financial problems resulting from catastrophic illness or accident beyond the scope of 3M USA's own special benefits program.

At the end of 1989, the combined Duke funds totaled almost \$7 million. Lillian Duke died in 1989 and Foundation staff members retain a heart-warming memory of her delight and pleasure as she personally signed each of the certificates for scholarships the Duke Fund had made possible.

One of the most colorful women in St. Paul's past also remembered The Saint Paul Foundation in her will. Grace Hodgson Flandrau, the daughter of St. Paul law-



Grace Flandrau

yer Edward Hodgson, was a writer whose fame grew as she published short stories, travel essays, and articles and novels. Her marriage to William Blair Flandrau, the son of pioneer jurist Charles E. Flandrau and a brother of writer Charles M. Flandrau, linked two prominent St. Paul families. A professional traveler, William Blair Flandrau owned a coffee plantation in Mexico where he and Grace lived from 1909 until the outbreak of the Mexican Revolution in 1914.

After their return to St. Paul, Grace Flandrau published two novels, *Cousin Julia*, in 1917 and *Being Respectable*, a witty and perceptive account of Minnesota social conventions, in 1923. When her husband died in 1938, she began to spend less time in St. Paul. Finally, she bought a permanent home in Connecticut and lived both there and in Arizona until her death in 1971. At that time, the Grace H. Flandrau Trust was one of the largest of the Foundation's funds. In 1989, its market value was \$1.5 million.

Other bequests represented deeply felt concerns on the part of the donors. Rae Berman Druck, who had emigrated from Lithuania as a child, arrived in St. Paul in 1904, shortly before her marriage to garment manufacturer Bernard Druck.

Like many immigrants, she was intensely patriotic. In 1916, disturbed by what she saw as over-commercialism of the Thanksgiving celebration, she founded the National Thanksgiving Association to

remind the nation that Thanksgiving is "a day set apart for religious and patriotic consecration." As a result, by the 1940s most state governments were urging that the flag be displayed on Thanksgiving Day.

Rae Druck had other concerns revolving around her eight children. In 1924, she founded the Child Psychology Study Circle which brought in experts in medicine, education and religion to discuss child-rearing problems. She also helped organize the Minnesota Parent-Teacher Association. When she died in 1969, she left \$5,000 to the Foundation for the Thanksgiving Association, but because the Association is no longer active, the Trust now is used to help other organizations commemorate Thanksgiving.

Mary Lou and Adelaide E. Diether were sisters who never married and who lived all of their lives in the home in which they had grown up. The daughters of Samuel and Anna Knauff Diether, they were markedly different. Mary Lou was outgoing and known as a strict, demanding disciplinarian at Summit School where she taught Latin for seventeen years. Adelaide was a quiet, reserved homemaker. Mary Lou, who outlived all of her family, created a trust for the bulk of her estate at First Trust, which distributes its income to the Foundation and other institutions.

Among other Foundation donors during the 1960s and early 1970s were William H. Miller and his sister, Elizabeth. Neither married but lived out their lives together in their home at White Bear Lake. Their father was St. Paul banker William A. Miller and William H. followed him into banking before becoming an agent for Aetna Life Insurance Company.

William and Elizabeth Miller shared a wide range of interests. Elizabeth, who had suffered a hearing loss as a child, taught lip reading in their home. William was a history buff, a stamp collector and interested in photography, science and music. The trusts they set up were restricted to help the handicapped.

In 1972, Richard A. Moore, senior partner in Moore, Costello & Hart law firm, joined the Foundation's Distribution Committee as the St. Paul Chamber of Commerce's appointee. The next year, he was named chairman, following in the



Joseph Duke

footsteps of former chairmen Harold Wood, Wilfrid Rumble and Neil Morton.

Moore recalls his early years on the Committee as relatively quiet. "We didn't have much to do," he remembered. "There wasn't much money to give away. The assets weren't large."

Morton expressed it succinctly: "We didn't have enough money to wad a shotgun. On the Distribution Committee, we passed the hat to cover even our minor expenses."

All that was about to change. Early in the 1970s, Morton and Charles J. Curley, president of First Trust Company, brought some exciting news to a Distribution Committee that had been accustomed for years to approving a list of small grants and distributing what money was available among the requests on the list.

Morton, then Distribution Committee chairman, and Curley, a member of the Trustees Committee, knew that major portions of two estates would be coming into the Foundation—those of Chevrolet dealer Ralph Kriesel and sugar broker Harold Bend. At about the same time, Charles Birt, who already had retired once, from the United Way, announced to the Committee that he wanted to retire from the Foundation as well.

"Clearly, a change in staffing and leadership was needed," Moore said. With a dramatic growth in assets looming, the staffing issue was particularly critical, but



Harold Bend

fortunately a solution was at hand. The Distribution Committee decided to buy administrative services from Minnesota Foundation until The Saint Foundation could decide the type and level of staff it needed. Both foundations had offices in the Wilder Building (since torn down to make way for the Ordway Music Theatre).

Paul A. Verret, who was Associate Executive Director of Minnesota Foundation, became Executive Director of The Saint Paul Foundation upon Charles Birt's retirement in 1975. A.A.Heckman also remembers this turning point in the Foundation's fortunes.

"I was active in finding a replacement for Charlie Birt," he recalled. "We interviewed and we read the resumes of several possible candidates and I think I was the one who was very vocal about the fact that, of all the candidates we'd heard about, Paul seemed to be the one who had the best qualifications. So we recommended him."

Verret was a native of Vermont who had moved to St. Paul in 1970. A lobbyist for several years, he had been employed by the Amherst H. Wilder Foundation in 1972 to manage Minnesota Foundation.

"The Kriesel and Bend estates made a terrific impact on The Saint Paul Foundation," Moore said. "They boosted the Foundation's assets by close to \$32 million. When that happens, you face the fact that you have a completely different organization." At the end of 1974, the Foun-



Ralph Kriesel

dation had twenty-five funds with a market value of \$4.2 million and awarded \$200,000 in grants. A year later, more than \$2.5 million was distributed in grants.

The men whose estates made the Foundation's dramatic growth possible were both self-made millionaires in the best sense of the word. Ralph Kriesel rose from humble beginnings to develop a multi-million dollar financial empire involving automobile dealerships, banks and credit companies. St. Paul knew him best as the man who owned Midway Chevrolet.

Kriesel was born in southeast Minneapolis in 1899, the son of a tool-and-die maker. In 1922, he and a partner, Fred Kemper, put up \$5,000 to establish the first Chevrolet dealership in St. Paul. It was a gamble. Fords, at that time, were dominating the market but the two men sold 300 cars during their first year in business and this encouraged Kriesel to buy out his partner and go into business for himself. In 1929, he established his own credit company, A and A Credit. Ten years later, he bought Downtown Chevrolet in Minneapolis.

As it did for many other businessmen at that time, Kriesel's greatest expansion came after World War II when he acquired three more dealerships, Duluth-Superior Chevrolet and West Arrow Chevrolet in Duluth and Larson Chevrolet in Superior, Wisconsin. Next he developed and expanded four more credit companies, in-

cluding Midway Loan and Consumer Credit in St. Paul, and he acquired controlling interest in eight banks, all but one of them in the Twin Cities and its suburbs.

Kriesel was a stocky man with formidable energy and an abiding interest in his work. He oversaw his array of businesses from a modest upstairs office in the Midway Chevrolet building on University Avenue.

"He ran everything from the phone," an associate recalled, and he relayed instructions in memos, "always in red pencil," to assistants in another room. Generous to his associates, he eventually helped his managers buy most of his businesses. His private life was scarcely ostentatious. He had two children and, while he owned a condominium in Florida, when in St. Paul he and his wife lived in an apartment within a building he owned. He was noted for always driving a white Chevrolet. His only extravagance may have been his boats and his cruiser in Florida.

It was Kriesel's attorney, Carl Cummins, Jr., and his close financial advisor, Charles J. Curley, who encouraged Kriesel to include the Foundation in his will, which he drew in 1964. Kriesel left part of the residue of his estate to establish a trust benefitting the Foundation, designating it the "Ralph R. Kriesel Foundation." Up to the middle 1970s, it was the second largest bequest in the Foundation's history. In 1989, its book value was almost \$12 million.

Harold Bend also was a man of enormous energy whose active engagement in community affairs almost to the end of his long life argues against compulsory retirement. He became a director of First National Bank in St. Paul when he was 52 and served for the next thirty-two years; he joined the Children's Hospital board when he was 74. When he was 90, he still walked two-and-a-half miles to work every day and, when he was 96, he and his wife, Glen, then 82, played nine holes of golf daily throughout three-day weekends.

Bend was distinctive among the Foundation's donors for two reasons. He gave the Foundation its largest donation to date, a bequest of more than \$32 million, and he lived longer than any other donor to the Foundation. He died in 1974 at the age of 103.

Harold Bend rose from financial reverses to financial success. Born on Staten Island, New York, in 1870, he was about seven when he moved to St. Paul with his family. His father had lost his money in a Wall Street crash and came west to start over. In 1895, Harold Bend helped found the St. Paul-based sugar brokerage firm of Earle-Bend, later Bend, Southall-Sleepack, and he remained with the firm for the next seventy years.

"People think Bend made his money in the sugar business," Reuel Harmon said. "He didn't. He made it as an early investor in 3M."

The story behind that seemingly chance investment has embedded itself in the lore of St. Paul's business community. Sometime before World War I, Bend had amassed \$5,000, intending to buy a car. Pursuing this mission, he fell into conversation with Edgar Ober, freight agent for the Chicago, St. Paul, Minneapolis and Omaha Railroad.

Ober himself had invested \$5,000 in a young, struggling 3M, and at that precise moment he was wondering how 3M would

meet its latest payroll. He persuaded Bend to forget about the car and loan him the money for 3M instead.

Bend did so, but when time came for repayment, 3M lacked the cash and gave him stock instead. During the course of his long life, Bend's 3M stock passed through 192 stock splits. At his death, he was one of the last of 3M's early stockholders.

Bend had many interests, including a passion for golf. This dated back to 1898 when he decided to forsake an active career as a member of the Minnesota Boat Club, then a fashionable activity for St. Paul's young men, in favor of golf.

With James J. Hill, Lucius P. Ordway, M. J. O'Shaughnessy and others, Bend was a charter member of the Town and Country Club. In 1904, he won the Trans-Mississippi Amateur Golf championship. In 1902 and 1904, he won the state amateur championships and in 1905 the Town and Country Open.

Harold and Glen Bend had no children. After bequests to his wife, friends and relatives, his will, drawn in 1964, left the residue of his estate, designated the Glen and



Landmark Center, the former Old Federal Courts Building, now restored as a cultural center with the help of The Saint Paul Foundation.

Harold Bend Foundation, with the First Trust Company for administration by The Saint Paul Foundation.

"The Kriesel and Bend money really made the Foundation and pushed it into the public eye," Moore has said. "After that we went out and marketed it. Paul Verret visited everyone who'd given money who was still alive. Our marketing plan included making grants to meet important community needs."

One of these grants (\$750,000 in 1975) went toward the restoration of Landmark Center, the Old Federal Courts Building in downtown St. Paul, that was reopened as an arts and cultural center in 1978. Another (\$750,000 in 1976) helped the William Mitchell College of Law acquire Our Lady of Peace High School on Summit Avenue and renovate it as the College's new quarters.

Still another (\$15,000 in 1976) went toward the restoration of the historic St. Peter's Church in Mendota. Work on repairs to the Alexander Ramsey House (\$37,500 in 1977) continued. Also, in 1975, a grant of \$750,000 helped finance construction of the new Science Museum of Minnesota.

The impact of the Kriesel and Bend money was apparent not only in the major grants which were of far greater size but even in the smaller grants which were larger than in earlier years. In 1977, \$15,000 went to the Ramsey County Corrections Department to help finance a nature trail at Boys' Totem Town; another \$10,150 supported a year-round camping program for delinquent youth. The Jewish Family Service of St. Paul received \$6,660 to conduct a language training program for Russian immigrants, in cooperation with the International Institute.

With much more money available, the Foundation was moving away from providing small pieces of equipment to helping to build or renovate entire buildings (\$25,000 to Jamestown at Stillwater to help with the construction of a boys' dormitory). It was beginning to help nonprofit agencies help themselves through supporting fund raising efforts (\$8,350 to the Indianhead Council Boy Scouts of America, to finance a development officer position); through adding key staff (\$13,138 to The Phoenix Residence, Inc., to help finance

the salary of an executive director); and through helping to strengthen membership programs (\$30,000 to the Citizens League to enroll more members in St. Paul).

As the 1970s drew to a close, federal regulations for portions of the Tax Act of 1969 finally were issued and The Saint Paul Foundation began the process of compliance. One regulation required each community foundation to demonstrate public support by raising one-tenth of its total income from new gifts. This regulation has had a dramatic effect on the whole community foundation movement. It set the stage for a more systematic, professional approach to fund raising or development.

In looking back over a decade or more, Verret sees the new interest in development by community foundations as "the ugly duckling that may become a swan," as he expressed it in an article published by the Council on Foundations. The result of the Public Support Test, he wrote, has been to force community foundations, their staffs and boards, to learn how to raise money in new ways, including both bequests and gifts from living donors, and how to encourage new attitudes about development.

As The Saint Paul Foundation observed its 40th anniversary in 1980, the need to initiate new development efforts, the tremendous boost the Kriesel and Bend

fortunes gave to the Foundation's grantmaking capacity, and the urgent needs of a fast changing St. Paul community where agencies were beginning to see diminishing federal, state and local support would all come to a head. The result, during the very crowded decade of the 1980s, would be a marked growth in programs, assets and new community involvements for The Saint Paul Foundation.

WATERSHED

The growth The Saint Paul Foundation experienced after 1979 was driven by two major factors. The first was the cumulative boost of the Kriesel and Bend money which made funds available almost immediately to distribute as grants. The second was the Public Support Test which forced the Foundation, along with other community foundations throughout the United States, to learn how to raise funds in new ways and to develop new kinds of funds.

Growth in grantmaking dollars created the need for a full-time professional grantmaking staff. In turn, the addition of this staff gave the Foundation the ability to become actively involved in community issues. Over the decade, the Foundation's grantmaking program continued to grow as additional funds were contributed to the Foundation.

As the decade of the 1980s got under



New Connections, created in 1970 to meet the needs of chemically dependent adolescents and their families in the Twin Cities area. The program provides group and family therapy, seminars, one-to-one counseling and after-care for six months.



A shopping trip, despite icy weather. This is one of the services provided by Catholic Social Services of Saint Paul for older persons living at home.

way, The Saint Paul Foundation became, in effect, its own person. The agreement with Minnesota Foundation for the purchase of staffing services ended and The Saint Paul Foundation's own permanent, full-time staff came on board in January of 1980.

Because of the impact of the Bend and Kriesel bequests, and those aspects of the 1969 Tax Reform Act affecting community foundations' compliance with the Public Support Test and its mandate that they actively raise money, the Foundation's reliance solely on bequests for growth had to change. Other Tax Act regulations required the Foundation to assume control over the investment performance of funds held in trust for them by their corporate trustees. The net result of both was an increase in the role and function of the Distribution Committee. The law required that the Committee take a more active role in overseeing the Foundation's investments and a more active role in obtaining public support for the Foundation.

In 1984, the name of the Distribution Committee was changed to Board of Directors to reflect this change. Directors' terms were limited to two consecutive terms of five years each. A few years later, steps were taken to phase out appointments to the Board by the Foundation's corporate trustees.

There were other changes. The executive director's title was changed to presi-

dent, reflecting changes in the profession nationally. The Board of Director's president became its chair and the Foundation began to effectively operate in the East Metro area, including Ramsey, Washington and Dakota counties and beyond.

Staffing of the Foundation evolved during the 1980s into teams of specialists in five separate areas: Grantmaking, administered by the Foundation's vice president and deputy director, with four program officers, several other positions and consultants; Financial Services, headed by a controller, with an assistant controller and additional staff; a director of office administration, with a support staff; a vice president of development, with additional full-time and part-time positions; and an executive staff consisting of the president and assistant to the president.

In the early 1980s, in a revision of its Mission Statement, the Foundation outlined two development goals: one was to raise permanent unrestricted and restricted funds that will enable the Foundation to help the community meet future charitable needs; the other, to raise funds that would benefit other charities more directly. Both goals were to be achieved by helping donors meet their own individual charitable needs.

The shift from a "bequests only" to a "bequests and living donors" program, to help meet the Public Support Test produced a marked increase in the Foundation's efforts to tell the community about the usefulness of giving through the Foundation to the community.

The community responded favorably. From 1978 to mid-1990, the Foundation received contributions of \$148 million. The rise in the number of donors to the Foundation is significant. Between 1978 and mid-1990, 12,289 donors contributed to the Foundation, but only 600 of these predate 1980. By mid-1990, unrestricted funds had grown to \$76.7 million; restricted funds to \$16.7 million; designated funds to \$20 million; and donor advisor funds to \$33.2 million.

In 1984, Minnesota Foundation, created by the Amherst H. Wilder Foundation in 1949, merged with The Saint Paul Foundation. As an affiliated corporation of The Saint Paul Foundation, Minnesota Foundation has grown to forty-six funds, total-

ing \$17 million. Through Minnesota Foundation, The Saint Paul Foundation offers community foundation services to interested parties throughout the state of Minnesota.

"This opened another door," Moore has said. "Now The Saint Paul Foundation can go to communities out in the state and talk to them about creating community funds within Minnesota Foundation."

In 1980, The Saint Paul Foundation began providing a full range of services to other foundations and nonprofit corporations. Many of these organizations represent deep and long-standing commitments on the part of their founders to the St. Paul community. Foundation clients include the F. R. Bigelow Foundation, established as a trust in 1934 by Frederic R. Bigelow, board chairman and president of St. Paul Fire and Marine Insurance Company and a member of the Foundation's first Distribution Committee; the Mardag Foundation, known first as the Ober Charitable Foundation and created by Agnes Elmer Ober who died in 1969; the Friends of the Saint Paul Public Library, formed in 1945 to strengthen public support for the library; and the Hamm Foundation, established in 1952 by the descendants of Theodore Hamm, founder of the Hamm Brewing Company. In December, 1989, the Hamm Foundation was merged into The Saint Paul Foundation to become the Hamm Foundation Fund of The Saint Paul Foundation.

The Foundation also added three other support organizations, the J. Paper and the L. and A. F. Paper Foundations, both created by descendants of Annie Paper who had helped set The Saint Paul Foundation in motion forty years earlier, and the Blomquist Family Foundation. For each of its clients and support organizations, The Saint Paul Foundation provides a range of services, from accounting to researching grant applications to evaluating past grants to preparing minutes of and agendas for Board and committee meetings.

That a community foundation, with all its built-in flexibility, is designed to deal with change is vividly illustrated by the grantmaking program of the Foundation. The capacity of The Saint Paul Foundation to operate such a program in response to the emerging needs of the 1980s is the re-

sult of continued growth in contributions.

Gradually, the Foundation began to focus some of its grantmaking efforts. Through a series of special projects, the Foundation was able to interact with the broader community to think out and act on critical community issues. These special projects were based on the early vision of the Board or other community representatives which clearly identified an issue of importance. Each project was a proactive effort in which Foundation money and staff time, often together with contributions from other donors, were applied, over time, to specific issues.

Early projects assessed the needs of Southeast Asian emigrants to St. Paul; minority students; functionally illiterate adults; the Saint Paul Public Library; and private secondary schools. In addition, a hard look was taken at Pacific Rim economics and its relationship to the Upper Midwest.

The study of the needs of Southeast Asian refugees in the St. Paul area resulted in the publication of several editions of *People in Flight*, an analysis of refugee numbers, their needs and the services available, which has been issued by the Foundation. This information provided background for the Foundation's own grantmaking and is a resource for policymakers, researchers and other funders, including the refugee groups themselves.

During the past ten years, the Foundation has provided \$810,332 in grants for programs for Southeast Asian refugees, who make up 95 percent of the refugees in the East Metro region. Another \$31,682 has gone to programs serving Cuban and Russian refugees. *Hispanos en Minnesota* received Foundation support to develop moderately priced housing for families who are being helped by the agency to resettle in the St. Paul area. The issue of emigres will continue to be a focus of the Foundation which is currently developing a plan to help improve the capacities of the self-help groups organized within these communities and the Southeast Asian leadership.

The Literacy '85 program was launched in 1980 with the help of the F. R. Bigelow Foundation, after reports from the University of Minnesota and elsewhere began to

forecast the magnitude and impact of adult illiteracy both nationally and in Minnesota. These reports coined the term "functionally illiterate" and estimated that one out of every five adults was unable to read, write and/or figure well enough to hold the technical jobs towards which society was turning.

The Foundation initiated the first collaborative response to the issue of adult literacy in the region by seeking out vendors of literacy programs and inviting them to a recognition breakfast to talk about the importance of their work. From this beginning, Literacy '85 went on to develop a comprehensive program to help improve literacy services and to provide assistance and support to literacy programs established by both public and private sectors. Fortunately, at precisely this point in time, the Dayton Hudson Foundation and B. Dalton Bookseller began to promote adult literacy and joined with the Foundation as a strong working force.

Growing out of the work of Literacy '85, a three-county program, were two new ventures, Literacy Resources, Inc., a Twin City-wide program, and the Minnesota Adult Literacy Campaign (MALC), a statewide program aimed at reducing illiteracy by helping to develop 200,000 "new" readers in ten years. Again, in collaboration with the F. R. Bigelow Foundation, an experimental program, the Technology for Literacy Center (TLC), was established. It was designed to find a new and better way to teach literacy skills to adults by using computers and other forms of technology as part of the instructional process. TLC was a four-year, \$1.6 million program with a constellation of funders joining with the Foundation. TLC has since been turned over to the St. Paul Public School system and continues to operate successfully in a shopping mall which allows easy and anonymous access for its adult learners.

Ronald M. Hubbs, a former Foundation Board member who helped initiate the program, remembered a visit to the Center:

"I asked a young man there what he was doing. He said, 'I'm learning to run a computer.' What he really was doing was learning to read."

Reports on the program have been

translated into eight languages and have attracted visitors to the Center from all over the world. The philosophy underlying TLC has spread out to the public schools in Burnsville, Hastings, South St. Paul and Robbinsdale and to the Learning Disability Association Clinic and the Loring Nicollet-Bethlehem Community Center. In addition, the United Way of the Saint Paul Area has recently adopted the TLC model and is helping to expand literacy services to five of its agencies with the assistance of the United Way of America, United Parcel Service, The Saint Paul Foundation and other local funding sources.

The Minority Student Needs Assessment led to a \$1.2 million Minority Student Education Program (MSEP). Completed in 1986, MSEP was designed to help minority students improve their academic skills and stay in school long enough to complete a degree program. In the changing East Metro demographics, projections indicate that by the end of the century, more than one-third of the region's residents will be people-of-color. The K-12 enrollment of students-of-color is now more than 40 percent in the St. Paul Public Schools—and growing.

Several programs initiated by MSEP continue to operate almost a decade after initial support. These include recruitment and retention efforts at Inver Hills Community College and Metropolitan State University; educational counseling at Lao Family Community of Minnesota; academic and cultural instruction of young women through *Un Primer Paso*, in cooperation with the College of St. Catherine and the St. Paul Public Schools; and use of a computer assisted curriculum at the Red School House.

Following completion of MSEP and two years of continued evaluation and study about the needs of people-of-color, including both the newcomers and those who were born here, the Foundation initiated a program focused on cultural diversity in the schools. Supporting Diversity in Schools Through Family and Community Involvement (SDS) is a five-year, \$1.7 million program that focuses on parental involvement in the child's early educational experiences which research indicates is the most influential factor in

school success. In addition, it links elementary schools, community centers and minority parents to help improve the school environment for students-of-color and thereby help them to achieve success.

The Citizens Task Force for the Library was appointed by former mayor George Latimer in 1978-79 to study the St. Paul Public Library system, document its needs, estimate its strengths and weaknesses and plan for its future. The Foundation staffed the Task Force and provided some of its funding. The result was that, as the library celebrated its 100th anniversary in 1982, \$2.25 million was raised by the Friends of the Saint Paul Public Library, with the assistance of the Foundation, to help the library meet Task Force identified objectives and establish a growing permanent designated fund within the Foundation. Since that time, the Foundation has maintained a strong interest in library-related matters, particularly through the Friends of the Saint Paul Public Library and the Perry Jones Library Fund of Minnesota Foundation.

A study of the needs of independent secondary schools in the Twin Cities area, in conjunction with the Northwest Area Foundation, plus a similar study by the Mardag Foundation of independent schools throughout the state, resulted in the establishment of the Minnesota Independent School Fund (MISF). MISF represented a coalition of all independent secondary schools in Minnesota. Out of this came two new three-year ventures for the Foundation: the Independent Secondary School Management and Development Consultation Project (ISSMDCP) and the Continuing Assistance for Independent Secondary Schools (CAISS).

The first—ISSMDCP—drew together for the first time the headmasters and key Board members of all independent schools in the state to discuss common problems related to their management and development capabilities and to find solutions. This project was so successful that CAISS was undertaken to further expand the schools' fund raising capacities, particularly in building endowments and developing deferred giving programs, and to improve curriculum design, including the role of computer-assisted instruction. In addition, these two projects resulted in ten



Students in the Chinese Language and Culture program in Highland Park Junior and Senior High Schools, St. Paul.

years of research regarding the trends of independent secondary education which has been published and distributed widely. Both ISSMDCP and CAISS were supported by the Mardag Foundation and the F. R. Bigelow Foundation, in addition to The Saint Paul Foundation.

The Chinese Language and Culture Project was established by the F. R. Bigelow Foundation, with the help of The Saint Paul Foundation, as a result of a study of the impact of Pacific Rim economics on the educational needs of the St. Paul area which the F. R. Bigelow Foundation had commissioned in 1984. Action based on the study led to development of a Chinese language and culture curriculum for junior and senior high school students to stimulate interest in China and train Chinese language teachers for Minnesota. The project has become one of the largest public junior and senior high school Chinese

language programs in the United States. In addition, its work in development of curriculum design and workbook materials has been shared with Chinese Language Programs and teachers throughout the country.

These special projects and others have required time for planning, for researching, for implementation and for evaluation. But they have broadened the Foundation's perspective and involvement with the community by drawing in outside consultants and creating advisory committees of people active in various fields to guide and advise Foundation staff. Since their early years, the number of advisory committees has more than tripled, expanding from six committees with seventy-four members in 1980 to twenty-one committees with 139 members in 1989.

Other factors also helped to influence the Foundation's perspective. As the 1970s

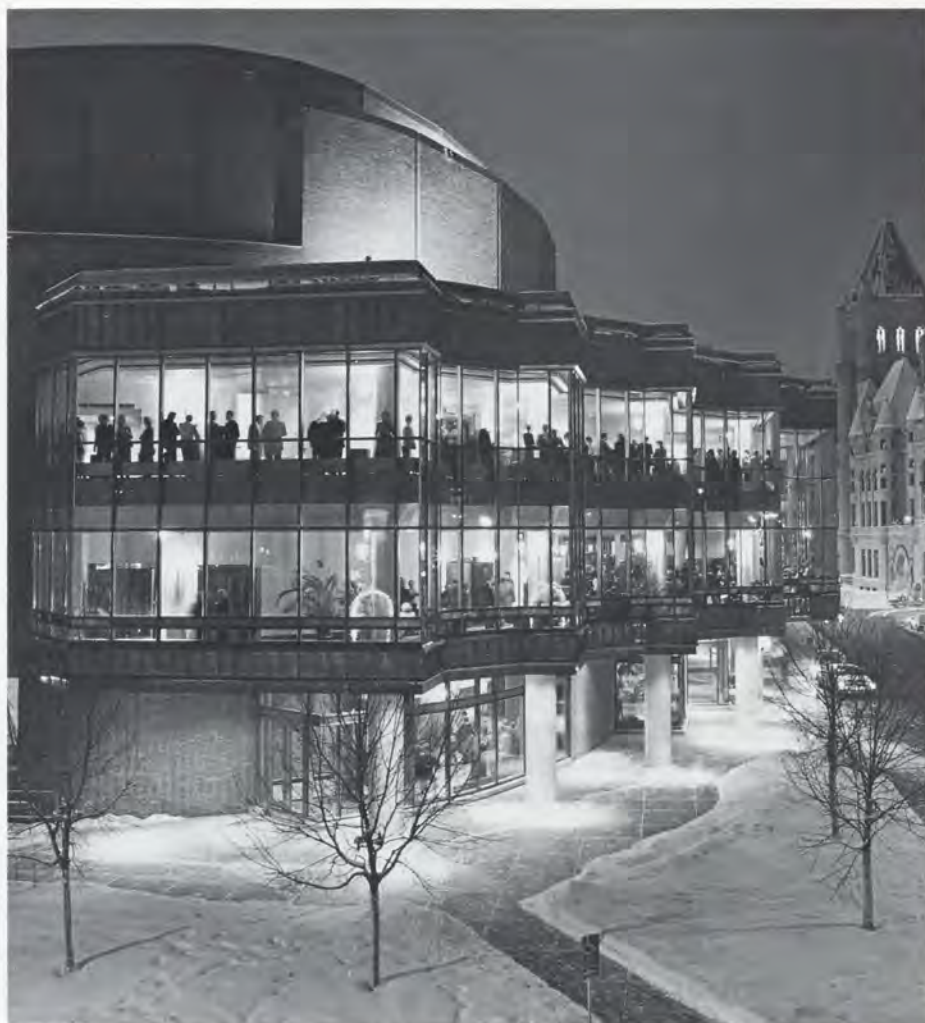
neared their end, the community and the foundation world in general were worried about impending federal and state cut-backs in public support for philanthropy. This inaugurated a massive effort throughout the foundation community to try to help plug the gaps left by the reduction or withdrawal of government funds. There was an increasing emphasis on social service needs, minority populations and the disadvantaged.

Related to this was the need the Foundation saw to help nonprofit agencies better manage their operations. The Management Improvement Fund (MIF) was established in 1985 and makes grants to allow agencies to hire consultants to help analyze their management problems and to resolve them. Since its inception, MIF has made more than forty-four grants totaling more than \$191,692. Money for this regrating purpose is raised from a wide variety of sources.

A response by the Foundation to reductions in federal and state funding was the Community Sharing Fund (CSF). Russell Ewald, then president of the McKnight Foundation, suggested that The Saint Paul Foundation create this fund prior to a meeting of the Minnesota Council on Foundations, in 1980. Ewald said the McKnight Foundation would give The Saint Paul Foundation \$25,000 a year, for three years, to do so.

The Community Sharing Fund acts as a "last resort" way to deliver emergency help to people and organizations with no other place to turn. An advisory committee was formed and agencies throughout the East Metro area which worked with the desperately poor were notified about the Fund. During its first year, ninety-five grants totaling \$59,958 were made, mainly to Ramsey County residents with low incomes. Seventy percent were made to women with yearly incomes below \$7,000. Grants were small: an average of \$250 to individuals and \$1,350 to agencies which were, for the most part, serving low income minority people.

The University Episcopal Center received \$500 to help a student pay for child care; \$2,000 went to Enablers, Inc., to help with emergency operating expenses. The Summit-University Crime Prevention Council received \$500 for its Victim Assistance Program; Women's Ad-



The Ordway Music Theatre on Rice Park. The theater opened in 1985. Photo by George Heinrich.

vocates received \$75 to help a woman with four children whose check has been stolen. The American Indian Center was given \$160 to buy turkeys for Thanksgiving baskets and the American Refugee Committee \$2,000 for emergency operating expenses for its local warehouse program.

Appearing continually on the lists of CSF grants were funds paid out to help with rent deposits, or to pay back rent, or for emergency living expenses. This uncovered a major problem for the disadvantaged that emerged early in the Fund's experience: housing and housing related needs, such as paying utility bills. As a result, the Community Sharing Fund also helped to support the Emergency Rent Assistance Program of Emergency Fund Service, Inc.

Still in existence, the CSF makes grants totaling about \$100,000 a year. In its first ten years it awarded 2,362 grants totaling

\$872,158. Like most of the Foundation's special projects, CSF raises a major portion of its operating funds from other sources and now has broadened its financial support to include thirty-eight different corporations, community foundations and individuals.

In 1981, when Ramsey County's Welfare Department was forced to remove 1,000 people from its General Assistance roles, it was an indication of deepening problems in human services. Paul Verret has a vivid recollection of a miserably cold winter in the early 1980s, a dismaying economic recession, and people, desperate for jobs in the face of growing unemployment, turning for help to agencies that lacked the money to help them. Ramsey County officials asked the Foundation to pay for a Blue Ribbon Needs Assessment Commission to study the problem and what to do about it. Leonard Wilkening, then presi-

dent of the Amherst H. Wilder Foundation, chaired the Commission.

Two recommendations emerged. The first, the need for private and public funders to continue to talk to each other, resulted in the formation of the Human Development Action Coalition (HuDAC), an organization that continues today. The second recommendation was that something needed to be done immediately to jolt the system into responding to the critical demands desperate people were making. The Commission took the first step in raising funds to deal with immediate needs.

In 1983, The Saint Paul Foundation agreed to administer the program as the Emergency Care Fund. It was modeled after the Community Sharing Fund, with an Advisory Committee of its own to set guidelines and make recommendations on grants. As an interim response to the crises people were facing in their need for shelter, food and clothing, the Emergency Care Fund was a community-wide effort. With the help of the Amherst H. Wilder and 3M Foundations, some 1,400 other contributors, including The St. Paul Companies, Inc., First Bank System, the Mardag and Northwest Area Foundations and the state of Minnesota, donated almost \$1 million to regrant to agencies dealing with emergencies arising from the pervasive unemployment.

Emergency support went to the St. Paul Y.W.C.A. for its shelter for battered women; to the St. Paul American Indian Center for its food shelf; and to Catholic Charities of the Archdiocese of Saint Paul and Minneapolis for Mary Hall, a temporary shelter for the homeless. By mid-1984, the initial fund was exhausted and, after an evaluation by outside experts, the United Way of the Saint Paul Area took over the program, although The Saint Paul Foundation continued to contribute money to it.

Other emergency programs were also in place by that time. A \$250,000 gift to The Saint Paul Foundation by the Wilder Foundation established the Amherst H. Wilder Foundation Loan Fund. Its purpose was to make loans to health and welfare agencies with cash flow problems due to public funding cutbacks.

Early in the 1980s, the Foundation helped the community take the long view in planning for its welfare needs. In 1984,

a three-year, \$60,000 grant made by The Saint Paul Foundation through the Wilder Foundation helped support the Ramsey County Needs Assessment Commission Study. This study initiated a community-wide discussion of long-term issues affecting low income groups.

The Community Reinvestment Fund is another special project and is linked with the Foundation's involvement in St. Paul's District Heating program. This program originated with former mayor George Latimer who needed help because he knew he had to find funds to help downtown buildings owned by nonprofit agencies hook up with the new system. The Saint Paul Foundation provided the money for a study of all the buildings owned by nonprofit agencies, to determine their condition and whether or not they could be retrofitted for greater energy efficiency and conversion to District Heating. The report indicated that the city needed to have the nonprofit-owned buildings included to make the system work but that the costs to the nonprofits would be prohibitive—close to \$3.2 million.

The answer to the problem of cost was the Community Reinvestment Fund. The Foundation raised enough money from eight donors to support the loan program. Loans to nonprofits have been going out from the Community Reinvestment Fund since May 1, 1984, and as they are repaid the money goes back to the fund to be loaned out again if or when District Heating expands beyond the downtown area.

Other issues which began to emerge about this time included AIDS, homelessness, chemical abuse, women's issues, intrafamilial sexual abuse, family violence and aging, to name just a few. In response to these issues and to requests for funds, the Foundation continued to make grants to individual agencies such as the Minnesota Coalition for Battered Women (\$5,000); Women's Economic Development Corporation (\$10,000); Saint Paul Intervention Project, Inc., (\$10,000); Project for Pride in Living (\$20,000); Helping Hand Health Center, Inc. (\$15,000); and Minneapolis/St. Paul Housing Fund (\$300,000). The Foundation also initiated some programs related to these issues.

In 1985, the Foundation initiated a three-year project on Family Sexual Abuse, based on a study of the problem the

F. R. Bigelow Foundation had completed a year earlier. Contributions from The Saint Paul Foundation, Cowles Media Foundation, First Bank System Foundation, the F. R. Bigelow Foundation and the Mardag Foundation helped to support evaluation research undertaken by individual agencies and researchers. Thirteen projects were funded, totaling more than \$250,000. The projects focused on different aspects of family sexual abuse, the value of different treatment methodologies and the effects of family sexual abuse on family relationships. Grants were made to Children's Hospital, the Family Violence Intervention Project, Genesis II for Women and the University of Minnesota School of Social Work, among others. A book will be published in 1990 which will feature the findings of the research undertaken by the project and will discuss other trends throughout the country.

A Chemical Dependency Adolescent Assessment Project was initiated in the early 1980s, with funding from the Northwest Area Foundation, to design and test an instrument to measure the emotional, intellectual and mental status of young people before and after residential chemical dependency treatment and to determine if the treatment was making a difference in the youngsters' lives. The Saint Paul Foundation administered the project, with the assistance of a nine-member Advisory Committee of experts in the field. The instrument was completed and its use is now mandatory in three states which base third-party payments on its results. The Foundation receives royalties on the sale of the instrument and has established a fund restricted for programs to benefit this field.

In 1988, as concern over the AIDS epidemic continued to mount, The Saint Paul Foundation made a \$100,000 grant to the Minnesota AIDS Funding Consortium (MAFC), a collaborative program of The Saint Paul and Minneapolis Foundations. The first major joint project of the two foundations, MAFC is devoted to HIV/AIDS prevention, education and care. It was established in response to a challenge grant from The Ford Foundation which offered to match, on a dollar-for-dollar basis, \$500,000 raised by each of

The Foundation from page 17

nine community foundations throughout the country.

Together, The Saint Paul and Minneapolis Foundations have raised \$773,100 locally, making more than \$1.27 million available for regranteeing purposes. Since August, 1989, fifty-four grants, totaling \$1.23 million, have been approved by an Advisory Committee made up of business and community leaders, funders, educators, caregivers, people-of-color and persons with AIDS. The Foundations will continue their collaborative work on this issue, based on a second challenge grant from The Ford Foundation, and will seek ways to help improve the capacities of service providers and to involve the business and funding community more deeply in this issue.

Traditionally, most of the money for charity has come from private sources. "In the early years of this century," J. Neil Morton has observed, "charity was Lady Bountiful dispensing Thanksgiving baskets to the worthy poor, but as the government stepped into the business of direct relief after the Depression, communities like St. Paul were able to rethink how they could best invest their charitable funds."

In fact, the disaster of the Depression turned public policy toward public support for welfare but the joining together of private forces to confront the problems of the 1980s indicates a continuing trend toward more public and private partnerships.

Despite the new challenges of the past decade, the need to help improve the quality of life in the St. Paul region was not neglected. A number of major and highly visible grants in the humanities were made during the past ten years and more. Landmark Center received \$705,408 for its restoration as a cultural center; in 1983 and 1984 more than \$12 million in designated funds was transferred from the Foundation to the Ordway Music Theatre for construction and operating money.

In 1983, \$750,000 went to Minnesota Public Radio as a matching grant for MPR's capital drive to renovate its new headquarters. In 1985, the Foundation made major commitments to Saint Paul Public Library projects. Over the years major grants have gone to the Science Museum of Minnesota—\$128,370 in 1980



The seventy-five-year-old Como Conservatory, a much-loved Twin Cities landmark, now undergoing major restoration with Foundation help.

alone.

The Como Conservatory project dealt with a city landmark that had fallen upon hard times. The Conservatory, built in 1915 as one of several "catalogue" conservatories erected around the country before World War I, became, among many other things, a "poor man's Florida," a place people who couldn't afford a winter trip to Florida could take their ailing children and expose them to the humidity. One of the best known and loved among Twin Cities' landmarks, it has also been the scene of countless weddings and many flower shows, but the building, which cost around \$58,000 to build, was deteriorating.

The city of St. Paul raised around \$3

million from corporations and the Metropolitan Council's Park and Recreation funds, but another \$1.6 million was needed. The Saint Paul Foundation created the Como Conservatory Restoration Fund, with a goal of \$1.7 million. The goal was reached with the contributions of more than 20,000 people. Currently, the Foundation is supporting efforts to determine the best way to continue to provide citizen support for the Conservatory.

The Foundation has always divided its dollars among welfare, health, education, conservation and humanities programs but in the past decade there has been a shift in grantmaking as new charitable needs were created. In the eleven years between 1978

and 1989 the total amount distributed in grants tripled (from \$2.29 million to \$8.95 million) and so did the number of grants awarded (from 403 in 1978 to 1,300 in 1989). In 1978, forty-four grants totaling \$910,827, almost 40 percent of the grant dollars, went to welfare programs. In 1989, 747 grants totaling almost \$4 million, still close to 45 percent, went to welfare programs.

Projects in the field of health increased to 13 percent of the total grant dollars (\$84,617 in 1978, compared with \$8,954,284 in 1989). In 1978, \$204,877 (9 percent of the grant dollars) went to education but by 1989 the percentage had more than doubled (\$1.89 million, or 21 percent). In 1978, the over \$1 million awarded to humanities projects was close to half (47.5 percent) of the total grant dollars, due in part to major grants to the Ordway Music Theatre. In 1989, with \$1.24 million awarded in humanities grants, it dropped to 13.9 percent of the total dollars, although the number of grants that were approved rose from twenty-two to 137.

The tripling of dollars awarded in grants over the past decade was due to far more than the Kriesel and Bend bequests of the 1970s. The Foundation has been actively and creatively seeking additional funds. Both grantmaking and fundraising have helped the Foundation become part of a vibrant Twin Cities foundation community.

"To be an average foundation in this community is to operate with great proficiency," Verret has said. Standards for corporate and private philanthropy are high in Minnesota and cutbacks in public funding have made it imperative that private dollars be spent better.

The development of donor advisor funds represents a major shift in fundraising strategies and in services provided for the community by community foundations. Donor advisor funds give donors the opportunity to recommend, during their lifetimes, where income from their contributions will go. Between 1979 and 1990, The Saint Paul Foundation established ninety-six donor advisor funds, worth \$33 million.

Designated funds are not new to the Foundation. The Society for the Relief of the Poor Fund, created in 1961, was one of

the earliest. In the early 1980s, the Foundation had seven such funds with a market value of around \$700,000. By mid-1990, the Foundation had established forty-six designated funds, worth \$19.5 million.

One of the most recently established designated funds is the Hamm Foundation Fund was created in 1989, when the Hamm Foundation was merged into the Saint Paul Foundation and the Hamm Foundation's \$9.5 million endowment transferred to the new Hamm Foundation Fund of The Saint Paul Foundation. The Hamm Foundation has supported three programs: the Communication Center of State Services for the Blind; the Friends of the Communication Center and the Hamm Memorial Psychiatric Clinic.

Collaboration is an important aspect of the foundation world today. This is clear from The Saint Paul Foundation's annual reports where lists of contributors to its programs are replete with references to other foundations, private and corporate, to thousands of donors and to state, county and city money.

Over the span of the past twenty-five years, the grantmaking process has matured. In the early days of the Foundation's history, grants were smaller and the process simpler. Often, now, a grant is not a single contribution for mounting an exhibit or buying a computer, but may involve, instead, a multi-year project that is exhaustively studied by teams of experts before it moves forward, as was done in launching the Minority Student Education Program, Supporting Diversity in Schools, the two Independent Secondary Schools projects, and the Family Sexual Abuse and Chinese Language programs.

A grant program also may be carefully evaluated by another team of experts to document the lessons learned. The Foundation's focus on evaluation of special projects, its requirement that all grantees prepare an evaluation plan and its internal evaluation of grantmaking procedures have attracted nationwide attention.

The Saint Paul Foundation also has participated in the development of a strong national leadership program for community foundations. For several years, Paul Verret chaired the Committee on Community Foundations and then the Management Committee for the National Agenda for Community Foundations. This participa-

tion continues the role played by Louis Headley in earlier times when he also was active in the National Council on Community Foundations.

With the 1989 market value of The Saint Paul Foundation's funds totaling more than \$153.6 million, the Foundation ranks ninth among the 300 community foundations nationwide. By mid-1990, the Foundation's funds had increased to \$175 million.

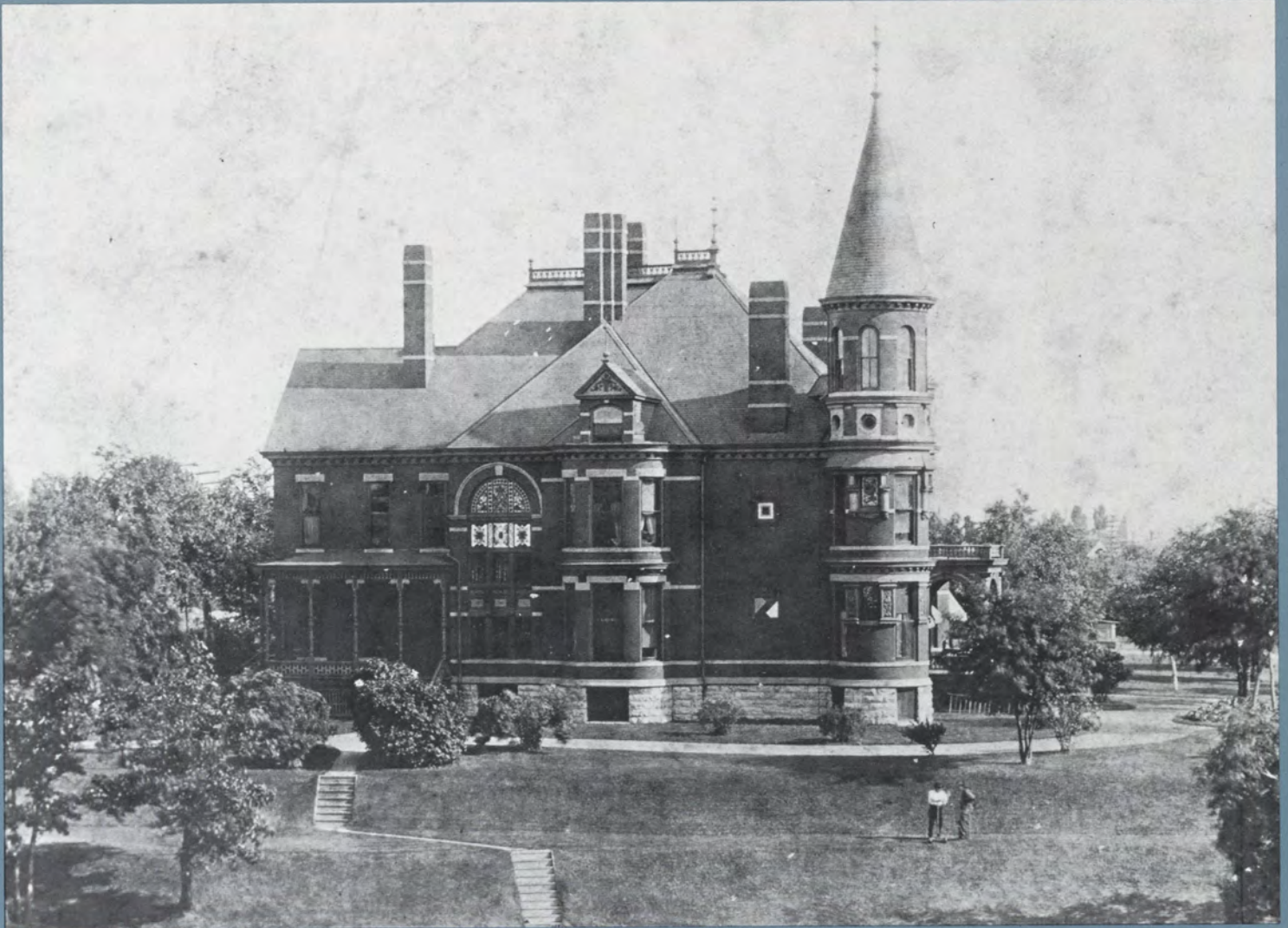
The flexibility built into the community foundation concept is clearly demonstrated by The Saint Paul Foundation's own history. The money that came from Annie Paper so long ago, from Alice Andrews and the Culvers, from Ralph Kriesel and Harold Bend more recently is now being used to help deal with problems unheard of or unacknowledged in their lifetimes—minority education, refugee resettlement, AIDS, battered women.

In its fiftieth year, the public forums the Foundation is conducting reflect these concerns and some of the priorities on the Foundation's agenda for the 1990s—adult literacy, neighborhoods, family sexual abuse, independent secondary schools, Southeast Asian refugees, cultural diversity. The Public Support Test will continue to be a challenge, as will the community problems that will confront the Foundation during the final decade of this century.

Looking back over the years, Frederick T. Weyerhaeuser, who now chairs the Foundation's Board of Directors, says:

"We all owe a debt of gratitude to those people who have made the Foundation what it is today. More than any other of their many contributions, they have helped the Foundation fulfill its mission of serving the people of the St. Paul area by administering the funds it receives, making grants that respond to community needs and providing services that help shape the community's well-being. The pace of change within the Foundation during the past fifty years has been astonishing, but of one thing we can be certain—that pace is likely to continue to accelerate as we move through our next fifty years."

Virginia Brainard Kunz, executive director of the Ramsey County Historical Society from 1973 to 1989, is editor of Ramsey County History.



The Theodore Hamm mansion at 671 Greenbrier Avenue, as it looked around 1900. See page 3.

R.C.H.S.
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