

# The Andrew W. Mellon Foundation

*Report  
from January 1, 1998  
through December 31, 1998*

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THE ANDREW W. MELLON FOUNDATION, a Not-for-Profit Corporation under the laws of the State of New York, is the result of the consolidation on June 30, 1969 of Old Dominion Foundation into Avalon Foundation with the name of the latter being changed to The Andrew W. Mellon Foundation. Avalon Foundation had been founded by Ailsa Mellon Bruce, daughter of Andrew W. Mellon, in December 1940 as a common law charitable trust. In 1954 it was incorporated under the Membership Corporations Law of the State of New York. Old Dominion Foundation had been established in 1941 under the laws of the Commonwealth of Virginia by Paul Mellon, son of Andrew W. Mellon.

The purpose of the Foundation is to "aid and promote such religious, charitable, scientific, literary, and educational purposes as may be in the furtherance of the public welfare or tend to promote the well-doing or well-being of mankind."

Under this broad charter, the Foundation currently makes grants on a selective basis to institutions in higher education; in cultural affairs and the performing arts; in population; in conservation and the environment; and in public affairs.

Within these fields, the Foundation directs most of its grantmaking to particular areas of interest, which are made known in a variety of formal and informal ways. Annual Reports describe grantmaking activities and present complete lists of recent grants. In addition, organizations are welcome to request further information concerning the nature and extent of the Foundation's activities in a specified area. The Foundation seeks to be clear about its priorities so as to provide reasonable guidance to those who are considering investing time and resources in preparing proposals.

Applications are reviewed throughout the year, and no special forms are required. Ordinarily, a short letter setting forth the need, the nature, and the amount of the request and the justification for it, together with evidence of suitable classification by the Internal Revenue Service and any supplementary exhibits an applicant may wish to submit, are sufficient to permit consideration by the staff. Applicants must recognize, however, that the Foundation is able to respond favorably to but a small fraction of the requests that it receives. Only rarely is a grant made in response to an unsolicited proposal outside defined areas of interest, and prospective applicants are encouraged to explore their ideas informally with Foundation staff (preferably in writing) before submitting formal proposals. The Foundation does not make grants to individuals or to primarily local organizations.

## PAUL MELLON, 1907–1999

*Paul Mellon's exemplary trusteeship of the Foundation he and his sister established 30 years ago was essential to defining the character and securing the strength of the Foundation as it exists today. The broad directions and priorities he created at the outset, in the arts and humanities, higher education, and conservation, have been sustained at the center of the Foundation's interests. At the same time, Mr. Mellon remained always open to the development of new areas of significant purpose, as has the Foundation. He insisted on thoughtful and rigorous evaluation and on meeting the highest standards of quality in all that the Foundation did. He believed that philanthropy was rendered most effective by selecting areas of emphasis with care, identifying within them important trends and opportunities where it might make a distinctive contribution, understanding the long-term goals to be sought, and then relying on the ablest people and institutions to carry out the programs in their own best way. This kind of philanthropy sets high expectations and assumes, in the collaboration between foundation and grantee, a high level of trust.*

*The spirit of collegiality, the capacity to listen and engage, the desire to enable excellent institutions and creative people to do their best work and contribute to a larger good: these traits characterized Paul Mellon personally, and they represent values he cared deeply about in a Foundation that he would scarcely have claimed as "his." It would have been easy for him, the founder, to dominate the Board of Trustees. But that was not his way. Instead, with quiet courtesy, unflagging attentiveness, and a delightfully irreverent sense of humor, he lent his voice and intelligence to the deliberations of the Board as a whole, always respectful of the views of each individual.*

*As a former president of the Foundation, Jack Sawyer, once wrote, "Paul Mellon has brought to all we have done and all we thought about doing a commitment to enlightened philanthropy that has enabled the Foundation to transcend any play of special interests or diversion to narrower goals." It is with sorrow at Paul Mellon's passing and with deep appreciation for his role among us that we acknowledge the debt we gratefully owe to this extraordinary man.*

*Hanna H. Gray, Chairman of the Board of Trustees  
William G. Bowen, President*

## PRESIDENT'S REPORT

In 1998, the Foundation's appropriations exceeded those made in the previous year by \$25 million—an unprecedented increase of 20 percent. Of the new total of nearly \$145 million, over 60 percent (more than \$85 million) was appropriated in direct support of programs in higher education, research, and scholarly communication, with a broad emphasis on the humanities. This concentration of activity has characterized the Foundation's grantmaking from its beginnings in 1969. Similarly, as can be seen from the summary tabulation at the end of this report and the accompanying list of individual grants, the Foundation has continued its programmatic interests in the performing arts, museums, the environment, population, and public affairs. Thus, the Foundation's grantmaking interests and objectives have remained remarkably constant over 30 years, but its scale of activities has increased dramatically and the specific ways in which the Foundation has sought to serve its objectives have evolved as times, needs, and opportunities have changed, and as new colleagues have been added to the staff and the Board of the Foundation.

### *Staffing*

Much depends, always, on day-to-day leadership at the staff level, and in 1998 the titles of Harriet Zuckerman and Pat McPherson were changed to senior vice president and vice president, respectively, to reflect more accurately the key roles that these two individuals play in shaping the Foundation's grantmaking. In addition, Saul Fisher was appointed to the program/technical staff to assist with all aspects of technology within the Foundation and to work with Thomas Nygren and Gilbert Whitaker on the Foundation's program in cost-effective uses of technology in teaching. At the end of 1998, the Foundation appointed Glenda Burkhart to the new position of director of administration and special projects; in this role, Ms. Burkhart, who has a history of accomplishment in corporate positions, will strengthen our capacity to function effectively internally while simultaneously helping us address unusually attractive opportunities to work with others outside the Founda-

tion. I must also report, with mixed feelings, the decision of Jacqueline Looney to return to Duke to accept a major appointment in the graduate school and provost's office. We are delighted that Jackie is to have such a fine opportunity, back near her family, but we will also miss greatly the outstanding leadership she has given to the Foundation's Mellon Minority Undergraduate Fellowship Program (MMUF). Pat McPherson is coordinating the search for a successor, who will both lead the MMUF program and work on other aspects of undergraduate education.

Near the end of 1998, the Foundation also lost a remarkable woman, Margaret Massiah, who was responsible for the house-keeping staff. Margaret had worked at the Foundation longer than any current staff member, having come in 1971. Her warmth, intelligence, and infectious good spirit made more difference to the working of the Foundation than those who did not know her can possibly appreciate. A memorial service was held at the Metropolitan Baptist Church in Harlem, and the outpouring of respect and affection, from so many people with whom Margaret had worked, was a moving testimonial to how much difference one person can make.

### *Race-Sensitive Admissions*

As was anticipated in last year's report, the book on race-sensitive admissions on which Derek Bok and I had been working was published in September 1998 under the title *The Shape of the River: Long-Term Consequences of Considering Race in College and University Admissions* [Princeton University Press]. The book draws heavily on the Foundation's College and Beyond database, which includes detailed records of the in-college and post-college experiences of approximately 90,000 matriculants who entered 28 academically selective colleges and universities in 1951, 1976, and 1989. One of our goals was to alter in at least some degree the nature of the contentious and often high-pitched debate on this subject by encouraging more attention to careful study of facts—how race-sensitive admissions policies have been carried out and what their effects have been on both the students who were admitted and, to the extent one can gauge it, the larger society.

We have worked hard to disseminate the findings and have been

heartened by the interest that the book has elicited and gratified by the generally positive response to it. Of particular interest to many people was the new evidence presented on the educational benefits of diversity for students of all races and the considerable success achieved by many of the African-American graduates in earning advanced degrees, competing for demanding jobs in the for-profit as well as the nonprofit sector, and providing disproportionate amounts of leadership in a wide range of volunteer activities (especially in civic and community affairs). Noteworthy, too, were the strongly positive reactions by former students of all races to the efforts that have been made by their colleges and universities to enroll more diverse student bodies. Finally, the study found that, far from having been demoralized by academically demanding programs (as some have alleged), the black matriculants felt that they had learned an enormous amount and, with few exceptions, were enthusiastic supporters of the programs in which they had enrolled.

The most troubling finding, which we have discussed at length in many settings, is that, overall, the grades African-American matriculants earn at selective colleges and universities are lower than their classmates' and that only about half of the difference in average class rank can be attributed to differences in SAT scores, high school grades, and socioeconomic status. The reasons for this phenomenon, generally called "underperformance," are not well understood. Among the possible explanations are poorer high school preparation that is sometimes concealed by high grades, vulnerability to negative stereotypes, peer pressures, and difficulties in adjusting to the unfamiliar academic and social environment of predominantly white and highly selective colleges. Fortunately, there are examples of experimental programs that suggest that underperformance can be reduced or eliminated altogether, and the Foundation is sponsoring a variety of studies intended to increase our understanding of the problem and identify ways of encouraging all students to achieve their full academic potential. Other studies are intended to help schools find ways of expanding the pools of strong minority candidates for admission.

We were also reminded—quite often and quite appropriately!—of the study's limitations, including its focus on only a relatively small sector of American higher education. The sector of higher education represented by the academically selective schools

in our database comprises only about 20 percent of all four-year institutions, and it would of course be highly desirable to examine the experiences with diversity in the other sectors. Two colleagues of ours, Henry Drewry and Humphrey Doermann, are now engaged in a companion study of historically black colleges and universities (which is, however, based on a more limited dataset and has somewhat different objectives); other studies, several sponsored by the Foundation (see the inventory of Foundation-sponsored research in higher education in last year's report), are concerned with community colleges and higher education in general. The debate over race-sensitive admissions is particularly intense within the academically selective sector, including the leading professional schools of law, medicine, and business, precisely because these are the schools that are fortunate enough to have to make difficult choices among far larger numbers of qualified candidates than they can accommodate. But of course the importance of diversity in higher education extends far beyond these institutions.

A second limitation of our study is that it pays inadequate attention to underrepresented minority groups other than African-Americans, primarily because the numbers of students from other groups in the 1976 entering cohort (on which our study focuses heavily) were too small to permit the kind of statistical analysis on which the study depends. A distinguished demographer, Marta Tienda, will be analyzing the experiences of the Hispanic students who are being enrolled in larger and larger numbers by these schools, and the Foundation is also sponsoring other research that will be more inclusive yet in terms of the student populations that it covers.

More generally, the publication of *The Shape of the River* has stimulated a great deal of interest in additional research on race and opportunity as well as on other aspects of higher education—including, for example, the respects in which going to college does and does not promote “well-being;” peer group effects on the learning experience; and the changing uses that women have made of educational opportunities at selective colleges and universities. The Foundation will continue to support the most promising proposals it receives, subject only to budgetary constraints and the need to manage access to the *College and Beyond* database in ways

consistent with limited staff resources and the promises of confidentiality made to participating institutions and individuals.

### *The Performing Arts—Orchestras*

Also in 1998, the Trustees reviewed a careful study of orchestras (principally mid-sized ones) conducted by Catherine Wichterman, the Foundation's program officer for the performing arts, and endorsed a new initiative intended to strengthen artistic direction within this important field. The study was highly participatory, in that it involved the convening of an "Orchestra Forum" and the continuing exchange of concerns and ideas among a group of musicians, executive directors, conductors, orchestra trustees, and other staff members. The conclusions drawn from the Forum are incorporated in a paper by Ms. Wichterman that constitutes the last part of this report. While the paper identifies a number of concerns and some problems that can truly be called "structural" (ambiguous and split leadership, for example), it ends on an optimistic note. The orchestra field appears ready to confront such questions and to move in new directions. Accordingly, the Foundation expects to make three-year grants to approximately five orchestras annually. Grants will range from \$250,000 to \$1,000,000 and will be designed to help orchestras more clearly define their artistic identities, increase the role of musicians and composers in artistic decision-making, better integrate artistic and institutional planning, and strengthen ties to their communities. In keeping with its belief that substantive change requires long-term investment, the Foundation will also be prepared to renew grants to individual orchestras for up to ten years in hopes that their work will not only improve their own operations, but also provide strong examples to the field.

### *Art Conservation and Museums*

About two years ago, the Foundation's Trustees decided to separate responsibilities for what had been two components of a single broad field then called "Arts and Culture:" namely, the Performing Arts, on the one hand, and Museums and Art Conservation, on the other. Each of these areas of activity is sufficiently important to deserve "stand-alone" status, and the areas are so different as to

require separate leadership. Angelica Zander Rudenstine is the Foundation's senior advisor for museums and art conservation, and some sense of the range of projects and programs of current interest to the Foundation can be noted from grants made last year:

- A grant of \$2.6 million was made to Carnegie Mellon University for use by the Mellon Institute's Research Center on the Materials of the Artist and Conservator in support of research in conservation science. For the past ten years, the Center has been under the leadership of Paul Whitmore, a research chemist, who has pursued steadfastly his commitment to "provide scientific information to the art, library, and conservation community, so that the creators and preservers of artifacts can make rational decisions about prolonging the life of these objects." In keeping with that mission, the Center's research has been focused on: (a) exploration of the fundamental chemical and physical processes by which art and library materials tend to degrade; (b) development and implementation of tests that will evaluate long-term stability of these materials, thus explaining and predicting problems of impermanence; and (c) development of practical means by which conservators can identify existing or potential problems, monitor their onset, and prevent or cure them.
- Three grants were made in the field of photograph conservation. The largest of the three (over \$2.1 million) was made to establish a two-year postgraduate curriculum in photograph conservation to be based in Rochester, New York, and to combine the resources of the George Eastman House, the Image Permanence Institute, and the Rochester Institute of Technology. A smaller grant (of \$360,000) was awarded to the University of Delaware for a complementary program of collaborative workshops in photograph conservation. A third grant was made to the to the Museum of Modern Art (\$1.1 million) to help establish a department of photograph conservation, a fully equipped facility, a senior endowed position, research programs, and advanced training for future conservators.
- Under the Foundation's program of grants to college and university art museums, an endowment challenge grant of

\$450,000 was made to the Hood Museum at Dartmouth College to strengthen the educational role of its collections and programs.

- Under a new program to establish entry-level positions at leading museums for postdoctoral scholars, a grant of \$360,000 was made to the Cleveland Museum of Art.

In the next few years, the Foundation plans to increase its grantmaking in the museum and art conservation fields, continuing forms of support that have characterized its programs to date, while also encouraging productive uses of digital technologies that will enhance modes of access to important visual and other related materials. We believe that these technologies have the capacity to assist established scholars (and students) to make much more effective use of works of art while simultaneously enriching the educational process.

### *Fellowships, and especially Postdoctoral Fellowships*

In our view, there is no more important form of support for the humanities and the related social sciences than the provision of funding for outstanding graduate students and young scholars. Other annual reports have contained full descriptions of the Foundation's ongoing programs of support for doctoral education—which consist of both institutional grants and portable fellowships. In 1998, approximately \$18 million was appropriated for these purposes. There is only one change in arrangements that should be mentioned in this report: Robert Weisbuch, president of the Woodrow Wilson National Fellowship Foundation, has assumed responsibility for administering the program of portable, entry-level fellowships that makes approximately 85 new awards each year. I wish to record here our appreciation to Alvin Kernan, the Foundation's senior advisor in the humanities, who administered this fellowship program with distinction for the previous six years.

Postdoctoral fellowships, which have a long and distinguished history in the sciences,<sup>1</sup> are becoming increasingly important in the

1. The Foundation has supported postdoctoral fellowships in ecology, reproductive biology, and demography for many years.

humanities. While modest amounts of money have been appropriated for such fellowships for many years (starting with grants to Bryn Mawr and Wesleyan, as well as some research universities, in the 1970s and 1980s), 1998 was a record-setting year in this regard. In total, more than \$15 million was appropriated under this broad heading.

#### *Liberal Arts Colleges*

The Foundation's early emphasis on providing postdoctoral fellowships for use by liberal arts colleges has continued, and since 1994, grants have been made to Amherst, Barnard, Oberlin, Swarthmore, Wellesley, and Williams Colleges and Wesleyan University. Haverford, Pomona, Carleton, Macalester, Smith, and Vassar were added to this list in 1998. The program has two objectives: to allow outstanding young academics to begin their teaching careers despite the difficult job market and to enable selective colleges to enrich their curricula and refresh their faculties. While the details vary somewhat from college to college (as they should, since each institution is encouraged to think about its particular circumstances and needs), the general arrangement is for postdoctoral fellows to teach one course per term, to participate in faculty seminars which sometimes involve several neighboring institutions, and to receive support and encouragement for their research. Fellows are normally appointed for two-year terms after national searches, and the colleges usually seek individuals who will strengthen departments that are thinly staffed or will offer specialized courses that could not be introduced otherwise.

#### *Research Universities*

Recent experience with these fellowships has been so positive for both the colleges and the young scholars that the Foundation decided to make more awards of this kind to research universities. Institutional eligibility has been restricted to universities that have not benefited from the Foundation's Graduate Education Institutional Grants Program. The broad objective has been to assist these universities in improving their academic offerings while controlling the size of their graduate programs and allowing outstanding young scholars to acquire further teaching and research experience. In some measure, these postdoctoral fellowships are seen as substitutes for increases in the size of graduate programs in fields where

there are already enough (maybe more than enough) large programs. Northwestern University was among the first of the research universities to be awarded a grant of this kind and was the first to be recommended for renewal (in 1998). We intend to make more grants under this program.

A much more specialized use of postdoctoral fellowships is being made by the Pontifical Institute of Mediæval Studies at the University of Toronto. The recruitment of postdoctoral fellows is an integral part of an ambitious program to strengthen the Institute and take fuller advantage of the extraordinary scholarly resources that it possesses. Fellows will normally be expected to work on their own research projects, participate in seminars along with faculty, other fellows, and advanced students from the Institute and other parts of the University of Toronto, and obtain intensive training in such specialized skills of medieval studies as paleography, diplomatics, numismatics, and editing of texts. The idea is to increase the Institute's "critical mass" of medievalists during the next few years, while the Institute's overall program is being revitalized. At the same time, these postdoctoral fellowships will enable individuals to obtain training in specialized subdisciplines that is not available elsewhere.

*Appalachian Colleges and Historically Black  
Colleges and Universities*

Postdoctoral fellowships and other forms of support can also be very helpful in allowing colleges with limited resources to provide research and learning opportunities for individuals already on their faculties. In 1998, \$2 million was appropriated to the Appalachian College Association to provide permanent support for faculty fellowships and grants. Similarly, the Trustees voted to renew support for a highly successful program that has allowed groups of faculty from Appalachian colleges and from historically black colleges and universities to have the opportunity to participate in the Salzburg Seminar program in Austria. Previous participants from these colleges have written glowing reports of the ways in which their teaching has benefited from their involvement in the Seminar program.

*Research Libraries and Centers for Advanced Study*

The American Philosophical Society sought and obtained support for yet another approach to the provision of faculty fellowships

that also has an institutional development component. The APS will use its grant to supplement sabbatical salaries and permit a select group of scholars to spend a full year on scholarship and, when appropriate, take advantage of the collections housed at the Society's library in Philadelphia. In this way, the fellowship program will help to invigorate this venerable association by increasing its engagement in significant scholarly activity.

Two other well-known centers of research and advanced study received renewed support in 1998 for fellowships to be offered to humanists: the Center for Advanced Study in the Behavioral Sciences and the Institute for Advanced Study. While both the Center and the Institute are perhaps best known for their work in other fields, each has a history of supporting excellent scholars from the humanities, and the Foundation has been pleased to provide funding that has allowed strong support for humanists to be provided alongside support for significant numbers of outstanding social scientists and natural scientists.

#### *New ACLS Fellowships*

The final grant to be mentioned in this section was awarded to the American Council of Learned Societies (ACLS). An appropriation of \$2,235,000 was made to inaugurate a new program of fellowships aimed at supporting ambitious long-term research by recently tenured faculty members in the humanities and related social sciences. The idea is to encourage research that is more adventurous, wider-ranging, and requires a longer commitment than is often present today in these disciplines. The intention is to help sustain the momentum of scholars who have recently qualified for tenure. Such fellowships would enable faculty members to devote a full year to research, by providing a stipend approximating their annual salaries, and also the opportunity to spend the year at one of a limited number of multidisciplinary residential centers for advanced study which welcome and encourage work of this kind.

The proposal calls for a total of 27 fellowships to be awarded through three rounds of competition to outstanding individuals within five years of being granted tenure. The grant will provide centers selected by the fellows (and, of course, those which accept them) with support to help defray the costs. Plainly, the absence of this form of targeted funding is not the only problem facing scholars in the humanities. Also, many scholars may prefer—and have

access to—other forms of assistance. Nonetheless, additional fellowships, given specifically for ambitious research projects, will provide uninterrupted time and allow opportunities for scholars to work in settings which encourage research and tough-minded critical interactions with colleagues. The president of the ACLS believes that these fellowships will have a useful “signaling effect” in indicating to other scholars that such research is of special importance.

In addition to these targeted appropriations, several other sets of grants made by the Foundation in 1998 included support for postdoctoral fellowships. Postdoctoral appointments, for example, are a central feature of all the grants in support of Sawyer Seminars (see listing at the end of the report), and they are also an important component of the large grant made to the Social Science Research Council in support of its interdisciplinary program of research on international migration. Set against the extremely large unmet need for support of this kind, as evidenced by the extraordinary number of applicants for both the fellowships described above and many other programs (such as the portable ACLS fellowships and “residential” fellowships supported by Foundation grants at leading independent research libraries and centers for advanced study), these new Foundation-sponsored awards may be reckoned as modest in number. They are. But they also can be seen as representing a substantial increment to the existing pool of resources. The Foundation continues to hope that other funders will also want to provide increased support for scholars in the humanities at various stages in their careers.

### *South Africa*

While the Foundation’s grantmaking continues to be strongly focused on US institutions, the Trustees have also approved a variety of grants in support of educational and research projects located in South America, Europe, the Middle East, and Africa. As noted in previous annual reports, a substantial investment has been made in strengthening Eastern European institutions (mostly but not only universities) as Hungary, the Czech Republic, Slovakia, and Poland have made the transition from Communist control to democratic rule. That program is now largely complete. In the last few years, the Foundation’s main international emphasis has been

in South Africa, with total appropriations reaching a high of nearly \$13 million in 1998. Thomas Nygren is the program officer with overall responsibility for the Foundation's interest in South Africa, but other staff members are also involved in recommending grants within their areas of special competence.

### *Graduate Training and Faculty Development*

However serious one may judge the need for support for graduate students and young faculty in the United States, it is hard to conceive of a caliper capable of measuring the corresponding set of needs in South Africa. The legacy of apartheid has left many of South Africa's leading universities with a common dilemma: although they have made impressive progress in transforming their student bodies from majority white to majority black—a task that, while immensely challenging, is being accomplished in a relatively short time<sup>2</sup>—the more difficult task of transforming their faculties is growing increasingly urgent. For example, in the arts faculty at the University of Cape Town, 41 percent of new undergraduates in 1998 are black, 25 percent of new graduate students are black, and only 8 percent of the academic staff are black. At the University of the Witwatersrand, 15 percent of all academic staff are black; at the University of Pretoria, the percentage is even lower.

Multiple pressures discourage black students from pursuing graduate study. Those from families with limited financial means often are expected to become wage earners as soon as they earn their bachelor's degrees, both to support their families and to help younger siblings enter college. At the same time, black graduates are in high demand in the private and public sectors, especially those with degrees from the leading universities. Moreover, most universities can provide only limited financial support for graduate students. In this context, finding outside support for graduate fellowships and other incentives that will encourage students to pursue academic careers is a top priority for South African universities.

Efforts continue to be made to recruit faculty from outside

2. Between 1994 and 1997, black enrollment as a share of total enrollment increased from 39 percent to 47 percent at the University of Cape Town, from 11 percent to 25 percent at the University of Pretoria, and from 36 percent to 49 percent at the University of the Witwatersrand (throughout this discussion, "black" is used in its South African sense of all non-white students, including those who are Indian or "Colored").

South Africa, but the most appealing strategy is, in the words of a recent proposal, “to grow our own timber.” Fortunately, South Africa, unlike many other countries with pressing needs for highly trained talent, has the academic infrastructure to provide excellent graduate training. To take advantage of this extraordinary “asset in being,” the Foundation made grants of over \$5 million in 1998 for graduate training at the University of Cape Town (UCT), the University of Pretoria, and the University of the Witwatersrand (Wits). Similar grants were made to the University of Natal and to Rhodes University in prior years.

Additional commitments of \$1 million each were made in support of two related initiatives: a collaborative program that provides advanced training and research opportunities at UCT for faculty from universities in seven other sub-Saharan African countries; and a new program of postdoctoral fellowships for African scholars at the W.E.B. DuBois Institute at Harvard. Over time, it is hard to imagine how the educational systems of countries such as South Africa can meet the needs of their societies without even greater investments in well-conceived programs of advanced training and faculty development.

#### *Library Automation and Collaboration*

Over the past two years another primary focus of the Foundation’s grantmaking program in South Africa has been to promote regional library collaboration. Three regional consortia have received major grants for joint automation of their library systems and another two regions are considering similar projects. An additional \$1.5 million was appropriated for this purpose in 1998. Progress to date has been encouraging, and one milestone was reached last year when a second wave of institutions made the commitment to join the GAELIC consortium (consisting of universities and technikons in Gauteng Province and its environs). It is estimated that the combined catalogues of all 12 libraries in the GAELIC consortium will contain approximately 40 percent of South Africa’s total stock of books.

As these library systems become more fully automated and gain experience in working together, other opportunities—and other needs—present themselves. The existing national union catalogue owned by the South African Bibliographic and Information Network (SABINET) is in serious need of upgrading and is having

difficulty meeting the demands placed upon it by its members, and especially by the evolving regional library consortia which are effectively creating new regional union databases. Thus, an opportunity now exists to build upon the regional efforts supported by the Foundation; to this end, an appropriation of approximately \$1 million was made in 1998 to support the purchase of new software and hardware and the merging and matching of member library catalogues into a new union database.

#### *Development of New Teaching Tools*

South African universities have a tremendous need to find new ways to teach basic skills to entering college students who come from widely disparate academic backgrounds. The old method of introductory lecture courses has both intrinsic limitations and assumes roughly comparable precollegiate preparation on the part of all students. Furthermore, as enrollments increase in the face of severe budgetary restrictions, more cost-effective methods of instruction simply have to be found. The resources do not exist to continue to teach as in the past, even if this were thought desirable on the merits. This combination of circumstances, juxtaposed with faculty capable of innovation, creates a highly unusual opportunity to experiment with new self-paced modes of instruction that take advantage of electronic technologies. There is a willingness to experiment in South Africa, driven by necessity, that is not present in anything like the same degree in this country; and yet it may turn out that teaching approaches developed initially for use in South Africa will prove to have much wider applicability.

This line of thinking has led the Foundation to make a substantial investment in the work of a team of investigators at the University of Cape Town (called the Multi-media Education Group, or MEG) led by a distinguished archaeologist, Martin Hall, who now also serves as dean of higher education development. In December 1996 the Foundation made a grant of \$480,000 for use over three years (supplemented a year later by a grant of \$70,000) for a project entitled *Deep Foundations*. The goal of the project is to use technology to develop a set of cost-effective instructional materials that can be used to help lessen differences in students' precollege preparation and make better use of faculty members' and instructors' time. The pedagogic objective has been to devise instructional tools that improve the teaching of basic skills in the context of an academic subject—for example, African history and archeology—rather

than in a setting that is purely remedial. By using instructional technology, students can overcome deficits in learning skills at their own pace without the stigma of taking remedial coursework. The broader goal is to improve retention rates and lessen the overall time-to-degree for students facing financial and academic pressures.

Over the past two years, MEG has successfully developed several courseware models, tested them in the classroom, and conducted initial evaluations of their effectiveness. Examples include *Africa 1300*, which is an introduction to basic archeological concepts within a Southern African context (students can “visit” archeological sites which combine graphics, text, video clips, and links to other resources); the *Isiseko Project*, which is a courseware template that seeks to provide a foundation (isiseko) to learning by introducing concepts of critical reasoning, argumentation, and referencing in subjects such as history and English literature; *Online Writing* is an integrated online environment designed to teach writing to students learning English as a second language; *Introduction to Xhosa* is a computer-supported course for the principal African language in the Western Cape that replaces rote learning and drill with everyday scenarios in and around Cape Town; and, finally, the *Azaro Project* is intended to extend the life of computer hardware by adapting courseware to “low end” computer platforms.

The group is now in a position to build on these pilot projects and extend them to a wider range of disciplines and courses. One major new initiative is to address under-preparedness in basic numeracy skills. All of the new projects have a strong emphasis on evaluation and cost-effectiveness with the goal of creating sustainable new approaches to teaching and learning. The great potential value of this research and experimentation led the Trustees to approve an additional appropriation of \$2 million in 1998, which is intended to provide stable funding over a five-year period.

#### *Demographic Research and Training*

On the recommendation of Carolyn Makinson, the Foundation’s program officer for population, grants of \$1,650,000 were approved in 1998 to strengthen demographic research and training in South Africa. During the apartheid era, demography and the study of population issues were highly politicized, both in terms of the kinds of research undertaken and highly restricted use of data and findings. There is now an urgent need to establish strong uni-

versity-based programs in this important field, to conduct independent scholarly research on population issues, and to encourage collaborations between South African scholars and scholars from abroad in the analysis of existing data sets, including data from the recent census, which appears to be of higher quality than previous censuses and surveys.

### *Information Technology and Intellectual Property Rights*

The Trustees of the Foundation have an annual Retreat, usually in the fall, for the purpose of reviewing broad directions. One of the topics discussed at length last October was the growing impact of information technology on essentially all of the fields in which the Foundation has an interest. Of course, the Foundation itself has sponsored important work in this area, most notably the creation of JSTOR (an electronic database of the backfiles of core scholarly journals), several pilot projects in the cost-effective uses of technology, library automation initiatives of many kinds, the development of new application procedures at the graduate level, and a wide variety of electronic publication projects. The Trustees reiterated their sense that the new technologies will have increasingly powerful effects on scholarly communication and on many forms of teaching and learning. The Foundation intends to maintain its traditional emphasis on the importance of substance and content, rather than technique for its own sake. At the same time, the growing experience of staff members with applications of many kinds leads us to believe that we may have a useful role to play in mediating between rapidly developing technological possibilities and particular uses that seem most likely to benefit education and research of the kinds that the Foundation has supported over many years.

One objective, among others, is to protect against the risk that certain fields, such as the humanities, and certain types of institutions, such as small colleges and leading foreign institutions, will be left behind as new opportunities arise. In company with many others, we believe that information technology may serve either to broaden access to scholarly resources such as journal literature and art collections or to widen the gap between the “haves” and “have nots” through the uneven dissemination of new ways of accessing and using scholarly resources.

## JSTOR

As an independent not-for-profit organization, JSTOR now reports separately on its progress and plans. The Foundation retains a close affiliation with JSTOR, however, because there are so many ways in which the interests and capacities of the two entities intersect. The extraordinary acceptance of JSTOR by the scholarly community has been demonstrated by, among other things, the number of searches conducted and the number of articles printed from the database during 1998 (1.37 million searches and 415,000 articles printed—more than a four-fold increase in both figures in the course of a single year). The popularity of JSTOR has naturally led to strong expressions of interest in adding content, and in 1998, the Foundation joined with several other donors (the Howard Hughes Medical Institute and the Josiah Macy, Jr. Foundation) in providing the seed capital needed to create a general sciences cluster that will include the complete backfiles of *Science* magazine, the *Proceedings of the National Academy of Sciences*, and the *Transactions of the Royal Society*, dating back to the 17th century. When this project is completed, it will be possible to search for Isaac Newton as an author and print out his seminal papers and letters on natural philosophy!

The Foundation will also continue to look for opportunities to connect the core content of JSTOR with other valuable caches of scholarly literature. Related objectives are to extend the use of JSTOR worldwide and, to the extent feasible, encourage adoption of standards that will facilitate the eventual linking of databases of many kinds.<sup>3</sup> JSTOR's own board of trustees will be devoting con-

3. For example, the Foundation recently made a grant of \$375,000 to begin the creation of a digital archive of South African materials. The *Digital Imaging South Africa Project* had its origins in a workshop held at the University of the Witwatersrand in September 1997. Participants decided to start work in this broad field by capturing key portions of the anti-apartheid periodical literature produced during the period 1960-1990. It is anticipated that the content will include about 50,000 pages of images from between 30 and 40 periodicals. Together, these materials will provide a rich reservoir of facts, analysis, and opinion on the struggle for democracy, and will also chronicle the changing cultural and social environments in which opposition politics took place. The leaders of this project plan to create an Internet-based "JSTOR-like" product with searchable text files and high-quality image files running in parallel. Ultimately, this digital archive might be grouped with other JSTOR materials on Africa.

siderable time in 1999 to selecting the most pressing priorities and developing plans for sustained growth of this fascinating enterprise. The Foundation, for its part, will be seeking synergies with JSTOR wherever they seem most promising. The list of grants made in 1998 contains numerous examples of instances in which the Foundation elected to support the complementary activities of organizations such as the Ecological Society of America, the presses of the University of Chicago and the University of California, the College Art Association, the Renaissance Society of America, the American Society for Eighteenth-Century Studies, the American Political Science Association, and the Latin American Studies Association.<sup>4</sup>

#### *Cost-Effective Uses of Technology*

While the Foundation remains committed to funding particularly attractive projects designed to improve the quality of teaching while controlling or, better yet, reducing costs, the actual number of grants made in this area has been below original expectations. Finding potential projects that meet all of the Foundation's requirements has proven difficult, and staff members (and the Foundation's advisory committee) are more and more persuaded that additional efforts need to be made to encourage the thoughtful *assessment* of ideas that are intriguing but untested. The natural enthusiasm of the proponents of new teaching methods sometimes means that they are less inclined than would be desirable to track carefully all the costs involved in a new project and relate these costs to measurable improvements in educational effectiveness. As noted earlier in this report, the work by Martin Hall and his colleagues at UCT in South Africa may prove to be more instructive in these respects than some projects launched in this country, where the pressure to "do more with less" is not as pronounced. I do not wish to give the impression that we are discouraged by our efforts to date in this broad area, but it is fair to say that we now have more

4. The Trustees also approved a modest but important grant to Public Radio International that could make a considerable difference in the way that public radio stations position themselves to serve the public at a time when connections between audio and the Internet seem likely to transform programming and particularly access to archival materials. In addition, the Foundation continues to provide more general support for leading libraries, as is reflected in the large grant made to the New York Public Library in 1998 (\$5 million) to augment the endowment of its research libraries.

realistic expectations. We have been sobered by our increased awareness of how few useful models of assessment exist today.

*Intellectual Property Rights*

One of the byproducts of our experiences with varied applications of information technology has been a recognition that the Foundation, in keeping with other non-profits, has to develop a more carefully thought-out set of policies governing the ownership and use of what are, in effect, “products” produced in part with Foundation funds. At its December board meeting, the Trustees reviewed a statement of general principles, which, in slightly modified form, is reproduced below.

*Statement of Principles Concerning Intellectual Property Rights*

1. While the Foundation does not seek to constrain or interfere with the intellectual property rights policies of its grantees, the Foundation reserves the right to review and evaluate the reasonableness of these policies as an integral part of its grant-making activities.
  
2. In evaluating the reasonableness of the intellectual property rights policies of prospective grantees, the Foundation will satisfy itself that the policies ensure that products developed with the assistance of Foundation grants will be used for the greatest possible educational, social, and charitable benefit. To this end, the Foundation’s grantmaking philosophy is to encourage proposals and practices that promise to yield products for broad public use and to discourage those that involve or promote proprietary interests except to the extent that a charitable end may also be served.
  
3. When a prospective grantee has not adopted an intellectual property rights policy, the Foundation will typically defer consideration of the grant proposal until a formal policy has been approved. In the case of a possible grant to a consortium, it is not necessary that every member of the consortium have an existing policy as long as the consortium itself has adopted a policy for the treatment of intellectual property rights and will be responsible for overseeing outcomes at the individual institutions that comprise the consortium.

4. While the Foundation recognizes that the creators of intellectual products and their host institutions should have substantial rights over how their products are created, modified, and distributed, the Foundation's policy is to encourage wide and equitable access to the products or devices developed with its funds. In order to protect and advance this objective, the Foundation expects to review and approve plans for distribution and sale of such products.

5. In selective instances, the Foundation may wish to assert ownership or lesser rights with respect to the intellectual property resulting from Foundation-funded research. There may be situations in which the Foundation, in pursuit of its charitable purposes, will want to take an active role in shaping decisions concerning the ways in which intellectual property will be used. Also, if significant commercial benefit is anticipated or generated as a result of a Foundation grant, the Foundation will expect to share equitably in revenues received by the grantee organization. The Foundation believes that apportioning ownership, control, and income between the Foundation and its grantees should reflect the proportion of costs covered by the Foundation's resources in producing the intellectual property. Needless to say, any revenue received by the Foundation would be directed to the support of its charitable purposes.

This statement is only a starting point, and these principles will of course evolve with experience. It is clear, however, that when the Foundation invests in the development of new technologies, it will expect to participate in discussions concerning the ways in which these new approaches to teaching and learning will be used—how they will be distributed and priced. Grantees have understood the importance of clear agreement on such matters and have welcomed the kinds of case-by-case discussions that we think are going to be required. The Foundation's continuing support of the Center for Educational Technology at Middlebury College (which, in conjunction with a large number of liberal arts colleges, is doing pioneering work in developing new ways of using information technology to teach foreign languages) offers one of the clearest examples of the desirability of thinking through what makes sense for participating scholars, their home institutions, and the Foundation. Staff

of the Foundation will welcome suggestions from readers of instructive “cases” as well as general principles that others have found useful in reconciling the diverse legitimate interests involved in exploiting new ideas.

### *Other Ongoing Activities*

In concluding my part of this annual report, I want to repeat a caveat contained in earlier reports. In 1998, as in every other year, the Foundation made grants in many fields besides those highlighted in these pages. It has seemed better to provide a reasonable amount of detail about some activities rather than attempt to cover a wider range more superficially. In future reports, we expect to discuss in detail the lessons learned from the Foundation’s extensive investments in efforts to enhance the quality of doctoral education in the humanities and related social sciences while limiting time-to-degree and increasing completion rates. New initiatives for liberal arts colleges, including support for revised approaches to foreign study programs, will also be the subject of later reports. Similarly, the Foundation’s programs in population and conservation and the environment continue to evolve in new directions while retaining many of their existing characteristics. Each of these fields deserves individual attention. Finally, special mention should be made of the program in Refugees and Forced Migration, which has now completed its second full year. We are extremely pleased by the burgeoning interest of students as well as faculty members in programs of training and research that we hope will enhance the effectiveness of the many organizations that work so hard on behalf of broadly agreed upon humanitarian goals. But this field is also complex, and it too deserves more than the cursory mention that it is receiving this year.

There is certainly no lack of fascinating fields and projects to discuss, and I am reminded again of what a privilege it is to participate in this work with dedicated colleagues on the staff and on the Board of Trustees.

William G. Bowen  
March 1999



# THE ORCHESTRA FORUM: A DISCUSSION OF SYMPHONY ORCHESTRAS IN THE US

*Catherine Wichterman*

*Program Officer for the Performing Arts*

## *Background: The Symphony Orchestra Field*

Numbering approximately 1,200 and generating nearly one billion dollars in annual revenue, symphony and chamber orchestras constitute a large part of the performing arts market in the US. Most orchestras are small; only 153 (13 percent) have budgets of more than \$750,000. Of these, 17 have 52-week seasons and budgets over \$10 million. The remaining 136 orchestras, with budgets between \$750,000 and \$10 million, generally have seasons shorter than 52 weeks and collectively represent the largest portion of the field's activity. Orchestras employ 78,000 musicians and 11,000 administrative staff, and they give 27,000 performances annually for 32 million people.<sup>1</sup>

Since 1969, the Foundation has provided over \$22 million in grants to orchestras, primarily for general operations and endowment. Following a major initiative from 1977 to 1984, the Foundation suspended support to the field, concerned that an unhealthy environment, reflected in poor financial performance and debilitating labor disputes, would render continuing investment ineffective. In 1989, the Foundation shifted support to period instrument orchestras and then, more broadly, to chamber orchestras. Final grants in the small orchestra program were made in 1996, and Foundation staff, with encouragement from the Trustees, once again turned their attention to an investigation of symphony orchestras.

## *Context: Historical Influences on Orchestras*

Many of the institutional influences on contemporary orchestras were already in place a hundred years ago: a financial system based on subscriptions and contributions; programming shaped by

1. This information was provided by the American Symphony Orchestra League for the fiscal year ending June 30, 1997.

19th-century German and Austrian repertoire; an organizational structure that canonizes the music director; a volunteer support system that creates tension between the art of music-making and the business of orchestra management; and a reliance on community sponsorship that juxtaposes “popular taste” with the “moral virtues” of serious art.<sup>2</sup>

The idea of a “full-time” orchestra as the norm to which all professionals aspired was first realized in Boston through the efforts of businessman Henry Lee Higginson, but it was the Chicago Symphony, under music director Theodore Thomas, that established the model that would shape orchestra development for a century. Thomas placed himself firmly at the center of all his orchestra’s activity. “As the first great American conductor, [Thomas] established the preeminent role of the music director—the resident leader of the permanent orchestra—as a unique and integral feature of the symphony orchestra in America.”<sup>3</sup> This “cult of the conductor” was almost immediately institutionalized, and it has remained unchanged in American orchestras since Mahler and Toscanini fought for supremacy in New York in the early 20th century.<sup>4</sup> Thomas’ influence was also important in other ways. Not only did he believe that symphonic music represented the “highest flower of art,” he also believed that only the most cultivated people could understand it. While he did conduct free concerts for the “general public,” he believed that it was inherently unproductive for orchestras of significant artistic stature to provide such concerts. This tension still exists today, reflected in the ambiguous relationship between orchestras and their communities.

During the 1960s, orchestras entered a period of unprecedented growth. The National Endowment for the Arts was established in 1965. That same year, the Rockefeller Brothers Fund published a study of the performing arts in America which recognized orchestras as “the longest established, most widely dispersed, and most stable” among the country’s arts institutions.<sup>5</sup> Expressing concern that 20 percent of musicians in major cities also had to

2. See Philip Hart, *Orpheus in the New World* (New York: W.W. Norton & Company, Inc., 1973) for a discussion of the evolution of American symphony orchestras.

3. Hart 47.

4. See Joseph Horowitz, *Understanding Toscanini* (Berkeley and Los Angeles: University of California Press, 1987) for an account of this phenomenon.

5. Rockefeller Brothers Fund, *The Performing Arts: Problems and Prospects* (New York: McGraw-Hill Company, 1965) 21.

teach on the side in order to earn a living, the Rockefeller Report focused on artistic growth and recommended that orchestras' seasons be expanded. At the same time, the Ford Foundation, which had been conducting its own research, announced an \$80 million initiative to support orchestras. According to McNeil Lowry, who developed the Ford program, the objective was "to improve both the income level of the instrumentalists and the performance standards of the orchestras, ultimately raising the prestige of the player's life as a career for talented young musicians."<sup>6</sup>

The results of this enormous investment were mixed. In spite of the good intentions of funders and the sincere efforts of orchestras, the programs themselves had serious unanticipated consequences. Grants inspired rapid expansion for which many orchestras were unprepared, and some were unable to absorb the increased artistic activity or raise the funds necessary to continue it. Financial problems ensued, and labor relations deteriorated. In 1977, concerned about the steadily worsening net current liability position of orchestras, The Andrew W. Mellon Foundation began making endowment grants to a limited number of orchestras to help them improve long-term stability. That program was suspended in 1994 after an investment of nearly \$10 million failed to change the situation measurably. Although these programs had a number of arguably negative effects, they were also successful in many ways. Orchestras became more professional, pay for musicians climbed significantly, longer seasons attracted new audiences, and many orchestras emerged in stronger positions. These were not inconsiderable achievements, even if the longer-term effects have brought their sustainability into question.<sup>7</sup>

There has been no shortage of recent discussion about the demise of classical music and, consequently, of orchestras as a primary caretaker of the art form. At the heart of the debate is the suspicion that orchestras themselves are unclear about their missions. In 1987, Ernest Fleishman, managing director of the Los Angeles

6. W. McNeil Lowry, "The Past Twenty Years," *The Performing Arts and American Society*, ed. W. McNeil Lowry (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1978) 15.

7. In cooperation with the Pew Charitable Trusts and the John S. and James L. Knight Foundation, The Andrew W. Mellon Foundation has engaged the Bay Consulting Group to complete an evaluation of these programs, including a statistical analysis of participants and non-participants in the Ford Foundation's program. The report will be completed in late 1999.

Philharmonic, proclaimed that “the symphony orchestra is dead.”<sup>8</sup> He went on to decry the shortage of inspiring conductors, the lack of imagination exhibited by administrators, and the increasing boredom and frustration of musicians. He called for the dismantling of the rigid organizational structure of orchestras in favor of a flexible “community of musicians” that could operate as a variety of musical ensembles. Thomas Morris, managing director of the Cleveland Orchestra, said instead that the problems among orchestras resulted not from the structure of the artistic ensemble, but rather from a diffused leadership structure that gives no explicit authority to managers and results in “decisions by default.” Morris criticized what he saw as a fundamental lack of leadership, governance, and strategic focus. Better artistic planning, a consistent approach to programming and repertoire, and strong boards are the keys to revitalizing orchestras, he said.<sup>9</sup>

Orchestras are also threatened by a variety of external influences, including competition from inside and outside the industry, a decline in general education standards, the elimination of music education, changes in the broadcast and recording industries, market saturation, donor hostility, pressures of multiculturalism and diversity, the dominance of pop culture and consumerism, and unequal regional and urban economic development. Yet some suggest that orchestras themselves are outdated organizations whose current homogeneity indicates dangerously low rates of innovation and variation, concluding that unless orchestras can adapt successfully to the rapidly changing environment, they are susceptible to failure, even extinction.<sup>10</sup>

### *The Orchestra Forum*

In January 1997, Foundation staff held a preliminary meeting with a small group of orchestra managers and decided that further discussion was required in order to understand the current dynam-

8. Ernest Fleishman, “The Orchestra is Dead: Long Live the Community of Musicians,” Commencement Address, Cleveland Institute of Music, Cleveland, 16 May 1987.

9. Thomas Morris, “Is the Orchestra Dead? A Context for Good Health,” McBride Lecture, Case Western Reserve University, Cleveland, 27 Sept. 1988.

10. Robert S. Spich and Robert M. Sylvester, “The Jurassic Symphony: An Analytic Essay on the Prospects of Symphony Orchestra Survival.” *Harmony* Number 6: Apr. 1998, pp. 1-27.

ics of the orchestra field. To that end, the Trustees approved the Orchestra Forum, a series of four weekend meetings held between January and May 1998. Participants included 14 musicians, ten executive directors, six conductors, 12 trustees, and 11 other staff members (some of whom were also musicians) from ten orchestras. Three advisers were also engaged: Paul DiMaggio, chairman of the sociology department at Princeton University and co-director of the Center for Arts and Cultural Policy Studies; J. Richard Hackman, professor of social and organizational psychology at Harvard University; and James Kendrick, intellectual property counsel at Thacher Proffitt & Wood who holds degrees from both the Manhattan School of Music and the Juilliard School.

The intent of the Forum was to solicit from practitioners in the field information about the current environment orchestras confront; about ongoing and emerging problems; and about new strategies and practices in the areas of programming, artistic leadership, organizational decision-making, and education. Rather than focusing on external cultural factors (which are difficult to influence) or on the achievements of orchestras (which are significant), the Forum sought to illuminate internal organizational challenges in hopes of determining whether financial support from the Foundation could be strategically important to orchestras. Forum agendas were therefore structured to help probe “root causes” of problems, gauge the readiness of orchestras to pursue individual solutions, and understand the degree to which current problems affect artistic quality. Several key questions ran throughout the investigation:

- Is the American orchestra capable, within the bounds of current organization and practice, of functioning effectively in artistic, financial, and community terms?
- Are symphony orchestras the right vehicles to preserve and advance classical musical tradition?
- What constitutes effective leadership within symphony orchestras and where does (or should) it reside?
- What characterizes an individual orchestra’s artistic identity and distinguishes it from other orchestras?
- How do (and should) orchestras define and measure success?

*Pool of Participants and Selection Process*

According to many observers, mid-sized orchestras face the greatest threats to their organizational health. They generally have inadequate endowments, are understaffed, suffer high rates of staff turnover, and have a history of financial instability. Without the endowments, international touring schedules, national and international markets, and recording contracts of many larger orchestras, they have had to rely exclusively on local resources for their survival and, as a result, they have close historical ties with the communities they serve. These and other considerations suggested that an assessment of the critical challenges in the field would best be addressed by looking first at this group of orchestras.

Requests for proposals were sent to 50 orchestras ranging in budget size from \$844,000 to \$21.4 million. Orchestras were asked to involve staff, music directors, musicians, and trustees in responding to a set of detailed questions about issues in the field, including the state of artistic, governing, and administrative leadership; training of musicians and conductors; programming; changing expectations of employees; the orchestra's role in education and the community; labor relations; and the role of unions and service organizations.

Twenty-eight orchestras responded to the RFP, and nine were selected to participate in the Forum: Hartford, New Jersey, Brooklyn, Richmond, Fort Wayne, Oregon, Seattle, Kansas City, and the St. Paul Chamber Orchestra. In addition, the City of Birmingham Symphony Orchestra (UK) was invited to provide an outside perspective. The goal was not to select orchestras that responded competitively to some preconceived notion of model institutional performance, but rather to construct a conversation among organizations that appeared structurally quite similar but that had different experiences, different approaches to problem solving, and different perspectives about the current state and future of orchestras. The Foundation's intent was not to exclude anyone from the investigative process, but rather to identify a representative group of organizations whose ideas could form a meaningful basis for a continuing dialogue with the field.

*Agendas*

Each of the Forum meetings focused on issues that had been consistently raised in preliminary discussions and in proposals sub-

mitted by the 28 orchestras. The first meeting focused on leadership, decision-making, and collaborative cultures; the second on community relationships, education, and marketing; the third on composers, conductors, and repertoire; and the last on research, risk, and change. The agendas were consciously interdisciplinary, and a number of professionals from other fields were invited to contribute outside perspectives on the issues under discussion.

Following the four sessions, Foundation staff compiled results and met with representatives of the national service organizations and the union to share the report and to discuss the degree to which the Forum results reflect concerns of the entire field. Among this group, there was consensus that the Forum had clearly identified key issues of widespread importance to orchestras. To further test the validity of the Forum's conclusions, staff then circulated the report on the Forum to the largest 75 orchestras in the country, asking them to comment on the extent to which the central issues reflect their own concerns. Thirty-nine orchestras have responded to date, and their comments confirm that orchestras in all budget categories are concerned about the quality of leadership throughout the field and about their own orchestra's ability to define more clearly its artistic role in its community. Many in this group cited a lack of adequate training for managers and trustees as a major weakness in the field.

*Forum Results: Critical Issues in the Orchestra Field*

Throughout the Forum, participants expressed strong consensus about four primary areas of concern: leadership, the role of musicians, changing community expectations, and programming. Clearly, not all orchestras suffer equally from the same problems, but Forum participants agree that they all have these four concerns at least to some extent. Variations appear to have little relation to budget, size of community, or other such factors.

*Leadership.* Among participants in the Forum, the deterioration in institutional leadership is the most consistently identified threat to orchestras. Musicians and managers fear the actions of trustees who are essentially unfamiliar with the art form and who allow their parochial interests to subvert artistic goals. Managers say that the daily demands of production, financial management, and fundraising do not allow them the freedom they need to undertake the critical strategic tasks of planning and organizational development. Many complain that the strict work environment has

precluded musicians from assuming leadership roles within the organization. Everyone agrees that service organizations are not doing enough to build expertise, train managers, and encourage orchestras to reward institutional leadership.

The absence of *artistic* leadership, however, is considered the greatest problem. This has little to do with the technical ability of conductors, but rather with their capacity to articulate artistic plans for their orchestras, to educate and motivate constituencies within the organization to support it, and to inspire the audience and community to commit adequate resources to ensure its success.

Overwhelmingly, the biggest problem for this group of orchestras is the absence of the music director during large parts of the year. To confirm the point, only four music directors were available to participate in the Forum; the rest had outside commitments. Extended absences of music directors cause numerous artistic problems for orchestras. Rarely is anyone else assigned responsibility for scholarly programming research. Decisions regarding orchestra personnel are easily avoided. Guest conductors are rarely observed by music directors. Likewise, assistant conductors are seldom evaluated by the person responsible for their artistic development. Finally, the music director rarely judges the musical performance of the orchestra itself except when he or she is on the podium. Inevitably, this lack of supervision results in erosion of quality, a lack of discipline and pride among musicians, and inconsistencies in performance. The current system also seriously inhibits the development of young conductors, as prominent and experienced music directors increasingly abdicate their responsibility for mentoring less experienced colleagues, leaving them to learn on their own before an orchestra that is often impatient, even hostile, to inefficiency and inexperience.

Absenteeism is especially problematic because of the manner in which authority is delegated. Unlike artistic directors of theater companies or general directors of opera companies who typically serve as CEOs of their organizations, music directors are assigned broad responsibility for artistic matters but are relieved (in practice, if not in intent) of the obligation to provide overall institutional leadership. The business management of the orchestra falls to the executive director, and there is not always a designated CEO, a situation that often creates serious conflicts. This decision-making structure is inherently ambiguous: one person is given power with-

out responsibility, the other responsibility and accountability without authority. An organization that *looks* like a team is, in fact, hierarchical. This creates an essentially unhealthy climate for orchestras, say Forum advisers—two “half-leaders in an awkward relationship.” Performance quality suffers, morale declines, the institution “drifts,” and “a vacuum is created into which trustees may be sucked.”

Although this ambiguous division of power is often debilitating, orchestras seem reluctant to abandon their dependence on the music director. Executive directors speak of their duty to “protect” and “support” the music director, while musicians describe the almost complete isolation of the music director from the players in the orchestra. Said one musician, “The bigger, the more eminent a music director gets over the years, the less likely (he or she) will ever hear any negative comment whatsoever from anyone. The sky can be falling behind you, but people are afraid to say anything to the music director.”

Not all of the blame for this situation falls on music directors. Trustees, especially, cling tenaciously to their reverence for the maestro, often stifling artistic leadership in others and focusing attention on the “business” of the orchestra without giving adequate attention to artistic matters (which they claim they do not understand and which are, besides, the responsibility of the music director). At the same time, they have conflicting expectations of music directors and do not always provide vigorous support for a music director when he or she *is* present. In addition, although trustees insist that artistic ability is the most important consideration when hiring conductors, they tend to judge them instead on their ability to function within the community as public speakers, educators, and fundraisers. Trustees expect, probably unrealistically, that music directors be superstars on and off the podium, but they have difficulty holding them accountable for anything.

The natural reluctance of music directors to cede authority and the limited musical knowledge of trustees reinforce the status quo. Tenure patterns within the organization also contribute. On the average, musicians have the longest tenure in orchestras, but they are typically uninvolved in institutional planning and decision-making. Music directors have the next longest tenure (approximately eight to ten years among the 28 orchestras submitting Forum proposals). Executive directors serve an average of four to

six years, and senior marketing and development staff just two to three years. Often, staff are not adequately trained or experienced in artistic matters and are therefore not well equipped to provide artistic leadership in the absence of the music director. With the disenfranchisement of musicians, the absence of the music director, the questionable position of the executive director, and the high turnover in senior staff, orchestras easily become lethargic, their sense of artistic purpose weakened.

This weakness is reflected in poor artistic planning. While all orchestras do regular long-range planning, *substantive* artistic planning is not effectively integrated into the process. Participants cite a number of resulting problems, among them the lack of specific objectives regarding the improvement of overall orchestral playing, the lack of an imaginative multi-year programming strategy, the failure to address professional development for musicians, and the failure of the board to evaluate the music director. While artistic planning must include the music director, say participants, it must not depend solely on him if the organization is to understand its artistic aspirations and create a set of artistic goals to which everyone can subscribe.

*Role of Musicians.* A recent study comparing the motivation and satisfaction of musicians in 78 American, British, and German orchestras with those of employees in 12 other occupations shows that orchestra musicians' "internal motivation" is very high, but their general job satisfaction is modest (ranking seventh out of thirteen behind airline flight attendants and even Federal prison guards) and their satisfaction with opportunities for growth even lower. Here they rank ninth, behind mental health workers and beer sales and delivery teams; in all categories, musicians in string quartets ranked first.<sup>11</sup>

There is good reason for musicians to be discouraged about advancement opportunities in orchestras. The study shows that musicians advance infrequently relative to other occupations. The typical orchestra, for example, has only four to six vacancies per year. Musicians over 40 years of age have served with their present orchestra for an average of 21 years, and the typical orchestra player has been employed by only one or two orchestras other than the one in which he presently is serving. There is clearly a bottleneck at

11. Jutta Allmendinger, J. Richard Hackman, and Erin V. Lehman, "Life and Work in Symphony Orchestras," *The Music Quarterly* 80.2 (1996): 201.

the largest orchestras, and for those musicians who do not advance beyond the regional orchestras, frustration about pay, working conditions, and lack of mobility is heightened.

Much has been written about the growing dissatisfaction that Allmendinger, Hackman, and Lehman document in their study. Forum participants cite four contributing factors:

- *Musicians have little control over their working environment and thus experience alienation, frustration, low morale, and hostility.* Robert and Seymour Levine suggest (and Forum participants agree) that this general dissatisfaction manifests itself in the orchestra's labor-management structure:

Much of what is inexplicable to observers of professional orchestras can be explained by stress caused by chronic lack of control and musicians' attempts to deal with it. Musicians' first line of defense is the classic tactic of avoidance. It is no accident that...the collective bargaining agreements under which orchestras labor spell out in exquisite detail the limits of a conductor's authority over the musicians. Such agreements attempt to limit the amount of time over which musicians have no control, as well as to express their need to control at least *something* about the workplace.<sup>12</sup>

- *Musicians have not previously been considered a resource within the organization and they have not been encouraged by the union to take leadership roles.* Artistic quality will not be enriched, say participants, by giving more concerts, but rather by giving musicians a greater role in shaping the institution in which they work. The goal is not necessarily to expand the role of musicians in management or governance, but rather to use their musical training and talent to benefit the organization in other ways: by teaching; directing independent ensembles; programming; or providing education for staff, trustees, and audiences.
- *Musicians are not being trained for the jobs that exist, nor are they being given the skills to adapt to other careers.* Musicians complain that conservatories are not providing "sufficient preparation for life within an orchestra." Said one participant, "Musicians

12. Robert Levine and Seymour Levine, "Why They're Not Smiling: Stress and Discontent in the Orchestral Workplace," *Harmony* 2 (1996) : 21.

cians are not trained to be part of a society—that is, the orchestra. Conservatories need to be preparing people with skills to work as a team.” Another added, “despite the clear relationship between job satisfaction and non-playing activity, the systems of training, recruitment, and reward continue to emphasize only performance qualifications.” While no one argues for diminished standards of musical training, many say that the changing marketplace requires conservatories to reconsider their curricula and to think about “educating” their students, not just “training” them. Unlike many other professionals, musicians receive their professional training at the undergraduate level, and given the rigor involved in developing musical proficiency, musicians generally do not receive commensurate education in the humanities. What is needed, say many, is a broader approach to conservatory training that would expand general education requirements and help musicians develop a variety of skills that would increase their versatility. Many argue strongly that a broader conservatory curriculum would ultimately strengthen the orchestra field by supplying better teachers, more satisfied employees, and stronger institutional leaders.

- *Orchestras have neglected to provide ongoing professional development for musicians.*<sup>13</sup> Musicians’ artistic growth should not stop when they get a job in an orchestra, and addressing this problem is becoming increasingly important, say participants, as expectations of musicians change.

Today, musicians find themselves in a host of nontraditional settings. They are increasingly required to perform outside the concert hall and to be teachers, public speakers, and fundraisers. Many also serve on boards of their orchestras, requiring them to understand the orchestra’s finances and governance. Despite these additional requirements, musicians are expected to practice and to perform at the highest possible level. Nonetheless, Forum participants believe that this shift in the balance of responsibility is healthy. Musicians want more variety in their jobs, and managers want to use musicians more effectively as artistic resources. “We believe,”

13. Neither do they typically provide adequate training and professional development for staff and trustees.

said one participant, “that the purposeful engagement of the musicians—at the organizational level as well as in the art of music making—is fundamental to transformational change.” Another added, “A workplace that recognizes the specific individual contribution which each musician can make to the well-being of the institution and the communities it serves, will be a workplace far less demoralized than it is today.”

*Changing Community Expectations.* In the face of changing public attitudes, orchestras report ever increasing difficulty in balancing their own intrinsic artistic interests with community expectations for diverse services. As external and internal measurements of success begin to conflict, orchestras experience significant stress and often imagine a false dichotomy between their own interests and the needs of their communities. Increasingly, they fear that their worth is being measured by standards of community service rather than artistic quality. Forum participants say that to be successful they must “work *with* the community to reach *community* goals.” This should not require them to abandon aesthetic principle or to choose access over excellence, say participants, but rather to diversify their activities in order to serve a variety of interests, many of them musical. They must work harder than ever to offer quality programming in a variety of venues. Frustrating as it may be, most believe that diversification is necessary (and inherently healthy) if orchestras are to avoid becoming irrelevant to communities with other “strongly advocated values and pressing problems.”

Despite this acknowledgment, many still fail to see community work as integral to the orchestra’s mission; instead they speak in terms of “either/or”—either concerts *or* community work. Participants argue that to achieve proper integration of this work into the orchestra’s overall plan requires some serious readjustments within the organization: changes in job descriptions for music directors and musicians; new economic models to replace the subscription revenue system; reshaping of the organizational structure; and improvements in programming. Yet, they say, until everyone understands how community work can actually reinforce and sustain the orchestra’s artistic purpose, these programs will remain “the ugly step-sister of performance, existing on the periphery of the main life of the institution.”

There is no disagreement about the orchestra’s burgeoning role in education. Witnessing the dearth of music education in the

schools, the lack of musical activity at home, and the declining emphasis on learning to play an instrument avocationally, those involved in professional music recognize the responsibility of musical institutions to provide core educational services in the community. Forum participants say that much more attention must be focused on participation—on getting people to play instruments and write music—and that orchestras must be at the center of this activity.

Clearly, these issues affect everything from an orchestra's programming to how it structures its staff to how it engages its board and volunteers. The practical question for orchestras, however, is how to assimilate the community's voice, its values, its heritage, its sense of place with their own interest in preserving a body of worthy repertoire and creating an environment in which new works can be added to the canon. This is often as much a structural issue as a programmatic one.

*Repertoire and Programming.* Unlike theater and dance companies, orchestras have been largely unsuccessful in fostering the creation of new work and in involving creators in the artistic life of the institution. Composers today find much friendlier territory in dance, theater, and chamber music. Many orchestra professionals blame composers themselves for their isolation. Others blame the academy, and still others blame broadcast media, recording companies, performers, conductors, and audiences. Most agree, however, that whatever the problems in contemporary composition, orchestras (which were once contemporary music ensembles) have neglected, perhaps even abdicated, their responsibility to create an environment in which new creative work flourishes.

According to some, this failure to build the repertoire for the ensemble has led to predictable programming and has diminished the musical individuality of orchestras. A recent ASOL statistical report shows that of the ten most often performed works by orchestras, five were written by Beethoven. Beethoven is the most frequently performed composer, with Mozart, Tchaikovsky, and Brahms following. Performances of work by early 20th century composers falls off dramatically, and no living composer is represented on either list. This trend is confirmed by a review of brochures from 100 symphony orchestras as well as the programming information submitted by the 28 orchestras responding to the Forum RFP. Certainly, orchestras should be encouraged to play

great music of the past, but the lack of connection between living artists and the ensemble for which they write, is, say many, inherently unhealthy.

Generally, Forum participants agree that their organizations struggle with programming—not simply with how to integrate new work but also with how to present familiar and unfamiliar work from the past in new and enlightening contexts. Said one participant:

I think we have a bigger programming crisis than we're acknowledging. In the data from our focus groups it's not our programming they talk about—it's bathrooms and restaurants, the experience. That's a serious problem for us, and I don't think we're acknowledging it completely. If our product is programming and concerts and no one's paying any attention to that, that's an issue.... There's too much product, and too much of it is simply uninteresting.... The goal is to fill weeks, not create fascinating and interesting programs.

Participants tend to blame a lack of resources for their failure to experiment, but they also cite the following obstacles to strengthening orchestral programming and building a body of exciting new repertoire:

- *Programming and marketing plans are developed independently, and marketing tends to focus more on immediate ticket sales goals than on market development through effective programming.* The programming process has intrinsic weaknesses, say both executive directors and marketing directors. In many cases (though certainly not all), music directors make programs, give them to staff, adjust them for budget purposes, “present” finished programs to an artistic advisory committee, and then disappear. Marketing directors “sell” the programs, with little input into the process and little general insight into the music director’s programming strategy. There is no institutional programming perspective and little discussion within the organization. Neither is there an organic, multi-year programming strategy that serves to enhance artistic quality over time or to deepen commitment from audiences. The results are weak promotion, minimal “buy-in” from staff and musicians, and confusion among audiences.

- *Orchestras have not developed sufficient audience trust to allow them to experiment.* Not many question that “classical music audiences appear to be out of step with their counterparts in the other arts, who have largely embraced this century’s innovations.”<sup>14</sup> Orchestra administrators admit trepidation about programming against the familiar tastes of their core audience, yet they also see the value of performing new or unfamiliar work that does not pander to audiences. In fact, they say, interest among the youngest audiences is more likely triggered by performances of Bartok, Janáček, Corigliano, Lutoslawski, Barber, and Reich than of Beethoven, Brahms, and Mozart.

- *Orchestras have little or no relationship with composers.* While orchestras may commission or perform works of living composers, they have not identified a meaningful role for composers to play within the organization. As a result, orchestras do nothing to raise the stature of composers or to create a positive environment in which to write music. The lack of great new works for orchestras, therefore, becomes a self-fulfilling prophecy. According to Paul Griffiths, “Anybody with a concern for classical music must wish that there might appear some giant who, like Beethoven, would introduce a radically new sound and at the same time be greeted by more or less universal appeal. But it has not happened, and it is not happening. And the lack of a new Beethoven is not the cause of music’s stagnation but a symptom. We do not have a new Beethoven because *we are not expecting to.*”<sup>15</sup>

- *Orchestras have not developed organized strategies for assimilating new works into the repertoire.* In “Rebuilding the Repertoire for the 21st Century,” Boston Symphony musician James Orleans describes how works traditionally make their way into the permanent repertoire for symphony orchestras.<sup>16</sup> Single, isolated performances are ineffective. It is, Orleans maintains, the

14. James R. Ostreich, “How Does Music Turn the Century?” *New York Times* 27 Dec. 1997: B7.

15. Paul Griffiths, “Don’t Blame Modernists for the Empty Seats,” *New York Times* 22 Mar. 1998, late ed.: 2:37.

16. James Orleans, “Rebuilding the Repertoire for the 21st Century,” *Harmony* 4, (1997): 61.

music director who must serve as champion for specific works by programming them regularly. The Boston Symphony took such an approach under conductors Pierre Monteux, Serge Koussevitsky, and Charles Munch. Hindemith's *Mathis der Mahler*, for example, was premiered by the orchestra in 1934 and then performed every three years until 1958; Stravinsky's *Petrouchka* received 13 performances between 1920 and 1945; Shostakovich's *Symphony No. 5* was performed 14 times between 1939 and 1947. All pieces are now part of the standard repertory for orchestras.

- *There appears to be no one in the organization thinking about these issues in a coordinated and strategic manner.* Much has already been said about the lack of artistic leadership in symphony orchestras. Music directors are absent, and boards appear to accept this absence “with little more than a shrug of the shoulders.” Artistic planning is negligible, managers and trustees are reluctant to express ideas, and musicians are almost universally uninvolved in artistic matters.

### *The Foundation's Response*

The Andrew W. Mellon Foundation has a significant and long-standing commitment to the performing arts, each year allocating a major share of expenditures to supporting activities in music, opera, theater, and dance. The Foundation's consistent emphasis on supporting “core activities” reflects its view that the creation, performance, and presentation of artistic work are the central imperatives of performing arts organizations, although such things as sound financial planning are clearly necessary to bring artistic work to fruition. Similarly, the Foundation expects that meaningful audience development, education, and community-based projects will be natural components of the work of effective performing arts organizations.

The Foundation's support for the performing arts is national in scope, significant in total amount, and concentrates on achieving long-term results. The Foundation works closely with grant recipients to develop individual approaches to solving problems, nurturing leadership, or otherwise strengthening the institution. Although the Foundation does not confine its support to large organizations

with national visibility, it does seek to support “leading” institutions, that is, those which contribute to the preservation and development of their art form, which exhibit creative leadership in solving problems or addressing issues unique to the field, and which represent the highest level of institutional performance.

In this context, four clear needs emerged from the Forum that are consistent with the Foundation’s approach to grantmaking:

*Orchestras often do not have a clear sense of their own artistic individuality.* Orchestras have generally vague mission statements that neither express their individuality nor assert their musical leadership. They tend to state their artistic goals in the broadest possible terms (to perform concerts of the highest quality or to introduce audiences to the beauty of classical music, for example). Music, they say, is at the center of everything the institution does, yet in most cases there is a clear discrepancy between the orchestra’s stated goals and the actual behavior of the organization. Without a clear mission, orchestras avoid dealing effectively with issues of repertoire and programming. They fail to understand the critical relationship between preserving the classical tradition and continuing to enlarge the repertoire through new work.

These problems result from (and are perpetuated by) the absence of strong artistic leadership. They are manifested in the exclusion of creators and performers from artistic decision-making, the tacit release of music directors from institutional responsibility, and the nationwide homogeneity among orchestras. This directly affects the quality of performances and can result in orchestras playing consistently “beneath their capabilities.”

Lack of artistic guidance also makes it difficult, if not impossible, for an organization to evaluate alternatives, to make informed decisions that balance artistic intent with available resources, and to measure success. The result has been a slow, but clear, shift in core institutional purpose—from long-term artistic goals to short-term financial objectives.

No one suggests that orchestras abandon financial integrity as an operating principle in favor of plunging headlong into blissful, but artistic, oblivion. Yet orchestras must find a way to develop the requisite artistic leadership to enable them to regain their artistic centers. The responsibility of leaders is to understand the organization’s multiple, intrinsically contradictory, aspirations and to allocate resources to advance each of them in appropriate balance to the others.

*Current organizational structure and culture do not encourage or reward leadership.* The conservative climate in orchestras is inherently at odds with the nature of artists and with the process of creating art. Writing and performing music for the public require courage and a willingness to experiment and provoke. Performance is essentially about leadership and taking risks. Yet as institutions, orchestras are risk averse and leadership poor, and the bifurcated leadership structure reinforces the lethargy. An environment that discourages innovation and experimentation, that does not invest capital in new initiatives, and that continually sacrifices long-term development for short-term gain does not attract “leaders” but rather “administrators” committed to the status quo.

*Orchestras do not have a clear and distinctive idea about what constitutes success.* Behavior in orchestras is deeply institutionalized, growing out of practices that had their beginning over a century ago. With large infrastructures to support, little room for financial “error,” unclear missions, and ambiguous leadership structures, orchestras have difficulty risking changes in programming, internal structure, or community relationships. For this reason, they all tend to look alike, copying each other (for better or worse), and measuring their success according to how their budgets and performance statistics compare to those of their colleagues. They remain heavily focused on activities in the concert hall, and while successful concerts are clearly a valid measure of success, they should not be the only one.

*Orchestras do not adequately understand the historical, social, cultural, and political factors that influence their communities.* When orchestras talk about their community roles, they generally speak in terms of “outreach” or marketing activities that suggest delivery of orchestra services rather than an assimilation of community values or traditions into the organization’s mission, operations, and decision-making. As a result, they continue to make an artificial distinction between their core artistic values and their community role. Failing to understand the principles on which the community operates and which in turn influence the community’s perception or expectations of the orchestra reinforces the orchestra’s isolation and limits its ability to reach important new constituencies. The result is that orchestras think of community needs as infringing on their artistic goals rather than supporting or enhancing them.

As these observations illustrate, orchestras have problems, but there is also reason to be optimistic about their future. The level of

commitment to orchestras and to classical music among trustees and managers is compelling. The quality of individual and ensemble playing among musicians is high. The financial stability of orchestras has improved, and though they face continuing problems of undercapitalization and cash flow, these problems do not seem to drive organizational thinking to the extent they did a decade ago. While confrontations between labor and management still occur, they are less debilitating, and there is a growing willingness on the part of the union and orchestra leaders to participate in discussions about field-wide issues. There is a general awareness of problems and opportunities as well as a readiness to go in new directions. Orchestras are seeking to enrich the lives of musicians, to improve artistic quality, to strengthen management, to establish firmer connections with audiences and communities, and to contribute to a healthy environment for classical music.

With these considerations in mind, the Foundation has initiated a long-term grant program for symphony orchestras aimed at helping them strengthen their core artistic values, reinforce core activities, and improve leadership within the organization. The Foundation is particularly interested in issues of artistic definition and identity, the role of musicians and composers, the integration of artistic and institutional planning, multi-year strategic programming, and the orchestra's relationship to its community. In keeping with its practice in other programs, the Foundation will not publish formal guidelines but instead will work closely with organizations to craft plans that address their particular needs and aims. While it is too early to specify exactly what orchestras will propose to do, some activities might include diversification of musician services, professional development, team leadership projects, residencies and fellowships, conductor training, new approaches to programming and artistic planning, community-based music projects, and educational initiatives. Grants will not support ad hoc projects, but will focus on activities that are clearly integral to increasing the capacity of the organization to operate creatively and effectively. The Foundation will avoid funding projects that are not integrated into the organization's culture or which result in budget growth that is artificial and therefore not sustainable.

Proposals may be made only by invitation. Approximately six grants will be awarded annually in the orchestra program, with the first round of grants scheduled for June 1999. Initial grants will be

for three years and will be renewable for up to three cycles, provided that meaningful and measurable progress is made throughout the term of the grant. This approach reflects our belief that productive change and development cannot occur without clear purpose, constant stewardship, realistic goals, honest evaluation, and sufficient time to institutionalize behavioral, structural, and cultural modifications. The program will, therefore, encourage organizations to take the long-term view. While there is no guarantee of continued funding, the Foundation's intent is to provide sufficient security to enable organizations to undertake work that is substantive, strategic, and has long-term institutional benefit.



# The Andrew W. Mellon Foundation

## Summary of Grants and Contributions, 1998

	<i>Payable and Committed at</i>	<i>1998 Grants and Commitments</i>		<i>Payable and Committed at</i>
	<i>Dec. 31, 1997*</i>	<i>Appropriated</i>	<i>Paid</i>	<i>Dec. 31, 1998</i>
Conservation and the Environment . . . . .	\$ 564,000	\$ 14,879,000	\$ 15,268,000	\$ 175,000
Museums and Art Conservation . . . . .	\$ 11,730,450	\$ 8,126,175	\$ 10,504,375	\$ 9,352,250
Performing Arts . . . . .	\$ 4,132,833	\$ 10,446,000	\$ 12,794,499	\$ 1,784,334
Higher Education and Scholarship . . . . .	\$ 18,632,343	\$ 87,713,094	\$ 76,561,301	\$ 29,784,136
Population . . . . .	\$ 2,376,056	\$ 11,042,500	\$ 11,163,271	\$ 2,255,285
Public Affairs . . . . .	\$ 7,261,133	\$ 12,254,900	\$ 15,694,561	\$ 3,821,472
Program Grants & Commitments—Totals . . .	\$ 44,696,815	\$144,461,669	\$141,986,007	\$ 47,172,477
Contributions . . . . .	—	\$ 230,000	\$ 230,000	—
Totals . . . . .	\$ 44,696,815	\$144,691,669	\$142,216,007	\$ 47,172,477

\*Restated. Reflects cancellation in 1998 of 4 appropriations totalling \$411,900.



# The Andrew W. Mellon Foundation

## *Classification of Grants*

### CONSERVATION AND THE ENVIRONMENT

*Appropriated*

Bennington College,  
Bennington, Vermont:

Toward costs of a program of ecological research and  
training . . . . . \$ 161,000

Carnegie Mellon University,  
Pittsburgh, Pennsylvania:

Toward costs of studies of the effects of environmental  
regulation . . . . . 450,000

Center for Resource Economics,  
Washington, DC:

In support of the publication program of Island Press . . . 375,000

Clayoquot Biosphere Project Society,  
Tofino, Canada:

Toward costs of a study of the community structure of  
macrofungi in the coastal forests of Sydney Inlet . . . . . 12,000

Columbia University,  
New York, New York:

Toward costs of a program of ecological research and  
training . . . . . 245,000

Ecological Society of America, Inc.,  
Washington, DC:

Toward costs of a program for minority students in  
ecology . . . . . 410,000

Toward costs of making the current issues of its three  
scientific journals available to libraries and individuals  
using the Internet with links to the archive maintained  
by JSTOR . . . . . 169,000

CONSERVATION AND  
THE ENVIRONMENT

(continued)

*Appropriated*

Environmental Law Institute,  
Washington, DC:

In support of a study of the outcomes of environmental regulations .....	430,000
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Georgia Institute of Technology,  
Atlanta, Georgia:

Toward costs of a program of ecological research and training .....	183,000
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Harvard University,  
Cambridge, Massachusetts:

Toward costs of a program of ecological research and training .....	370,000
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Institute of Ecosystem Studies, Inc.,  
Millbrook, New York:

Toward costs of a program of ecological research and training .....	2,500,000
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Missouri Botanical Garden,  
St. Louis, Missouri:

Toward costs of distributing herbarium specimens from the Far East .....	15,000
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Oregon State University,  
Corvallis, Oregon:

Toward costs of a program of ecological research and training .....	380,000
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Organization for Tropical Studies, Inc.,  
Durham, North Carolina:

Toward costs of a program of training and research in tropical ecology .....	945,000
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CONSERVATION AND  
THE ENVIRONMENT

(continued)

*Appropriated*

Pontificia Universidad Católica de Chile,  
Santiago, Chile:

Toward costs of a program of ecological research and  
training . . . . . 285,000

Princeton University,  
Princeton, New Jersey:

Toward costs of a program of ecological research and  
training . . . . . 790,000

Royal Botanic Gardens, Kew,  
Richmond, England:

Toward costs of a program of ecological research and  
training . . . . . 245,000

South African Museum,  
Cape Town, South Africa:

Toward costs of a program of ecological research and  
training . . . . . 72,000

Stanford University,  
Stanford, California:

Toward costs of a program of ecological research and  
training . . . . . 400,000

Trust for Public Land,  
San Francisco, California:

For use as general support . . . . . 1,500,000

United Negro College Fund, Inc.,  
Fairfax, Virginia:

Toward costs of a program for minority students in  
ecology . . . . . 518,000

Universidad de Costa Rica,  
San Jose, Costa Rica:

Toward costs of a program of ecological research and  
training . . . . . 175,000

CONSERVATION AND  
THE ENVIRONMENT

(continued)

*Appropriated*

University of California at Berkeley,  
Berkeley, California:

Toward costs of a program of ecological research and  
training . . . . . 266,000

In support of a program of ecological research and  
training . . . . . 183,000

University of Cape Town Fund, Inc.,  
New York, New York:

Toward costs of a program of ecological research and  
training . . . . . 217,000

University of Denver,  
Denver, Colorado:

Toward costs of a program of ecological research and  
training . . . . . 250,000

University of Georgia,  
Athens, Georgia:

In support of a program of ecological research and  
training . . . . . 152,000

In support of a program of ecological research and  
training . . . . . 130,000

Toward costs of a program of ecological research and  
training . . . . . 85,000

University of Maine,  
Orono, Maine:

Toward costs of a program of ecological research and  
training . . . . . 80,000

University of Maryland,  
Adelphi, Maryland:

In support of a program of ecological research and  
training . . . . . 380,000

CONSERVATION AND  
THE ENVIRONMENT

(continued)

*Appropriated*

University of New Hampshire,  
Durham, New Hampshire:

Toward costs of a program of ecological research and training . . . . .	400,000
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University of Pennsylvania,  
Philadelphia, Pennsylvania:

In support of a program of ecological research and training . . . . .	869,000
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University of Tennessee at Knoxville,  
Knoxville, Tennessee:

Toward costs of a program of ecological research and training . . . . .	250,000
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University of Washington,  
Seattle, Washington:

Toward costs of a program of ecological research and training . . . . .	400,000
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In support of a program of ecological research and training . . . . .	209,000
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University of Wisconsin at Madison,  
Madison, Wisconsin:

Toward costs of a program of ecological research and training . . . . .	278,000
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Yale University,  
New Haven, Connecticut:

Toward costs of a program of ecological research and training . . . . .	100,000
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Total—Conservation and the Environment	<u><u>\$14,879,000</u></u>
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MUSEUMS AND  
ART CONSERVATION

*Appropriated*

Carnegie Mellon University,  
Pittsburgh, Pennsylvania:

For use by the Mellon Institute's Research Center on the  
Materials of the Artist and Conservator in support of  
research in conservation science . . . . . \$ 2,630,925

Cleveland Museum of Art,  
Cleveland, Ohio:

For use to establish three Andrew W. Mellon Curatorial  
Fellowships . . . . . 360,000

Conservation Center for Art and Historic Artifacts,  
Philadelphia, Pennsylvania:

For use as endowment permanently restricted to sup-  
port advanced conservation internships . . . . . 26,000

Dartmouth College,  
Hanover, New Hampshire:

Matching endowment to strengthen the educational  
role of the Hood Museum of Art's collections and pro-  
grams . . . . . 450,000

Foundation of the American Institute for  
Conservation of Historic and Artistic Works,  
Washington, DC:

Toward costs of travel incurred by speakers from Croa-  
tia and Poland at the AIC's annual meeting in Arling-  
ton, Virginia in June 1998 . . . . . 6,500

George Eastman House,  
Rochester, New York:

In support of training in the field of photograph conser-  
vation . . . . . 2,175,000

MUSEUMS AND  
ART CONSERVATION

(continued)

*Appropriated*

Museum of Modern Art,  
New York, New York:

Matching endowment to establish a new position, Conservator of Photographs, and to support advanced educational programs within the Department of Photograph Conservation; and spendable funds, toward costs of equipment for a new Photograph Conservation Laboratory, and of program management and photograph conservation . . . . .	1,135,750
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Smithsonian Institution,  
Washington, DC:

For use by its National Museum of the American Indian in support of advanced training opportunities in the field of conservation . . . . .	953,000
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For use by the National Museum of the American Indian to support conservation training . . . . .	29,000
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University of Delaware,  
Newark, Delaware:

In support of training in the field of photograph conservation . . . . .	360,000
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Total—Museums and Art Conservation	<u><u>\$8,126,175</u></u>
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PERFORMING ARTS *Appropriated*

American Dance Festival, Inc.,  
Durham, North Carolina:

To support commissioning of new work and to  
strengthen administrative capacity . . . . . \$ 200,000

American Music Center Inc.,  
New York, New York:

Toward costs of implementing its long-range plan . . . . 50,000

American Symphony Orchestra League,  
Washington, DC:

Toward costs of redesigning and expanding its training  
and professional development programs . . . . . 300,000

Appalshop, Incorporated,  
Whitesburg, Kentucky:

Toward costs of the publication of *Journeys Home* . . . . . 26,000

Art Sweats, Inc.,  
New York, New York:

To support the creation of new work for David Dorf-  
man Dance . . . . . 110,000

Association of Performing Arts Presenters, Inc.,  
Washington, DC:

To support its Dance Travel Assistance Program . . . . . 75,000

Ballet Theatre Foundation, Inc.,  
New York, New York:

To support commissioning of new work for American  
Ballet Theatre, in collaboration with Boston Ballet,  
Houston Ballet, and San Francisco Ballet . . . . . 1,200,000

Bang On A Can, Inc.,  
New York, New York:

To support the People's Commissioning Fund and  
New York City performances . . . . . 40,000

## PERFORMING ARTS

(continued)

*Appropriated*

Brooklyn Academy of Music, Inc.,  
Brooklyn, New York:

To support opera programming . . . . . 350,000

Center Theatre Group of Los Angeles,  
Los Angeles, California:

To support new play development and resident artist  
programs . . . . . 200,000

Chamber Music America, Inc.,  
New York, New York:

Toward costs of establishing its Music Performance  
Program . . . . . 100,000

Chicago Chamber Musicians,  
Chicago, Illinois:

To support its Music at the Millennium series . . . . . 40,000

Connecticut Players Foundation, Inc.,  
New Haven, Connecticut:

To support Long Wharf Theatre's Stage II productions 150,000

Court Theatre Fund,  
Chicago, Illinois:

Toward costs of artistic development . . . . . 50,000

Cross Performance, Inc.,  
New York, New York:

To support crossdisciplinary artistic projects . . . . . 110,000

Crossroads Incorporated,  
New Brunswick, New Jersey:

To support the Genesis Festival of New Plays . . . . . 100,000

Cunningham Dance Foundation, Inc.,  
New York, New York:

To support the creation of new work . . . . . 250,000

## PERFORMING ARTS

(continued)

*Appropriated*Dance Continuum, Inc.,  
New York, New York:

To support the creation of new work for Susan Marshall & Company .....	75,000
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Dance Heritage Coalition, Inc.,  
Washington, DC:

To support initiatives in dance documentation and preservation .....	500,000
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Dance Theatre Foundation, Inc.,  
New York, New York:

To support the creation of new work for Alvin Ailey American Dance Theater .....	150,000
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Dance Theatre Workshop, Inc.,  
New York, New York:

To support its Artist Production Fund .....	300,000
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Dance U S A,  
Washington, DC:

To support services and activities to strengthen leadership in the dance field .....	120,000
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Dance Works, Inc.,  
New York, New York:

To support Pentacle's Dance Help Desk .....	15,000
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Danspace Project, Inc.,  
New York, New York:

To support programs for small modern dance companies and independent choreographers .....	75,000
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Disalced Inc.,  
New York, NY, New York:

To support the creation of new work for the Mark Morris Dance Group .....	250,000
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## PERFORMING ARTS

(continued)

*Appropriated*

DOVA, Inc.,

New York, New York:

To strengthen administrative capacity and to support the creation of new work for Doug Varone and Dancers	75,000
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Foundation for Dance Promotion, Inc.,

New York, New York:

To strengthen administrative capacity and to support the creation of new work for Bill T. Jones/Arnie Zane Dance Company	250,000
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Garth Fagan Dance, Inc.,

Rochester, New York:

To support the creation of new work and to strengthen administrative capacity	150,000
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Glimmerglass Opera, Inc.,

Cooperstown, New York:

To support its American opera program	350,000
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Gotham Dance Inc.,

New York, New York:

To support the creation of new work for Bebe Miller Company	75,000
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Houston Grand Opera Association, Inc.,

Houston, Texas:

To support the creation of new work	350,000
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INTA, Inc.,

New York, New York:

To support the creation of new work for Eiko & Koma	75,000
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International Theatre Institute of the

United States, Incorporated,

New York, New York:

Toward costs of planning its merger with Theatre Communications Group	50,000
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## PERFORMING ARTS

(continued)

*Appropriated*

Jacob's Pillow Dance Festival, Inc.,  
Lee, Massachusetts:

To support artistic programs and leadership forums in  
the dance field . . . . . 300,000

Joyce Theater Foundation, Inc.,  
New York, New York:

To support the Joyce Soho, the Altogether Different  
Series, and professional management seminars . . . . . 150,000

Margaret Jenkins Dance Studio, Inc.,  
San Francisco, California:

To support the creation of new work . . . . . 100,000

Massachusetts Museum of Contemporary Art  
Foundation Inc.,  
North Adams, Massachusetts:

To support costs of administration and planning . . . . . 50,000

Minnesota Opera Company,  
Minneapolis, Minnesota:

To strengthen its artistic and administrative capacities . . . . . 350,000

New England Foundation for the Arts,  
Boston, Massachusetts:

To support the New England Dance Project . . . . . 300,000

New York City Opera Inc.,  
New York, New York:

To support its Fund for Artistic Excellence . . . . . 750,000

Opera America, Inc.,  
Washington, DC:

To support *Opera America Online* . . . . . 300,000

## PERFORMING ARTS

(continued)

*Appropriated*Opera Theatre of Saint Louis,  
St. Louis, Missouri:

To strengthen its artistic and administrative capacity . . . 350,000

Paul Taylor Dance Foundation, Inc.,  
New York, New York:

To support the New Works Fund . . . . . 250,000

Princeton University,  
Princeton, New Jersey:To support the Center for Arts and Cultural Policy  
Studies . . . . . 375,000Ringside, Inc.,  
New York, New York:Toward costs of refining its prototype box structure and  
stage show . . . . . 150,000San Francisco Performances, Inc.,  
San Francisco, California:

To support dance programming and board education . . 100,000

Skylight Opera Theatre Corp.,  
Milwaukee, Wisconsin:

To strengthen artistic and administrative capacity . . . . . 250,000

Staret the Directors Company, Inc.,  
New York, New York:To support the Harold Prince Musical Theatre  
Program . . . . . 50,000Stephen Petronio Dance Company, Inc.,  
New York, New York:

To support the creation of new work . . . . . 110,000

## PERFORMING ARTS

(continued)

*Appropriated*

Trisha Brown Dance Company, Inc.,  
New York, New York:

To support the creation of new work . . . . . 250,000

Washington Drama Society, Inc.,  
Washington, DC:

To support artistic programming at Arena Stage . . . . . 50,000

Total—Performing Arts

\$10,446,000

HIGHER EDUCATION  
AND SCHOLARSHIP

*Appropriated*

Allegheny College,  
Meadville, Pennsylvania:

To improve foreign language teaching through the use of  
technology . . . . . \$ 300,000

American Academy for Liberal Education,  
Washington, DC:

Toward costs of a study of trends in liberal arts core  
curricula . . . . . 50,000

American Academy in Rome,  
New York, New York:

Matching endowment of two postdoctoral fellowships  
in the humanities . . . . . 1,100,000

American Academy of Arts and Sciences,  
Cambridge, Massachusetts:

In support of its Center for Evaluation . . . . . 925,000

Toward costs of a conference on evaluation of social  
policies focused on education . . . . . 50,000

American Academy of Research Historians of  
Medieval Spain,  
Conway, Arkansas:

Toward costs of preparing monographs in early Iberian  
history for electronic access . . . . . 58,000

American Council of Learned Societies,  
New York, New York:

In support of a program of fellowships aimed at  
encouraging ambitious long-term research by recently  
tenured faculty members in the humanities and related  
social sciences . . . . . 2,235,000

For use toward editorial costs of *The Correspondence of  
Charles Darwin* . . . . . 250,000

Toward costs of organizational transition . . . . . 100,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

American Council of Learned Societies,  
New York, New York:

(continued)

Toward costs of planning a program of electronic publi-  
cation of scholarly monographs in history . . . . . 30,000

American Economic Association,  
Nashville, Tennessee:

Toward costs of the preparation of papers on higher  
education for publication in the *Journal of Economic  
Perspectives* . . . . . 25,000

American Historical Association,  
Washington, DC:

Toward costs of a program of prizes and electronic  
publication of dissertations in smaller fields of history . . . . . 734,000

Toward costs of planning an electronic-book prize  
program . . . . . 10,000

American Philosophical Society,  
Philadelphia, Pennsylvania:

In support of a program of fellowships for college and  
university faculty members in the humanities and social  
sciences which will supplement sabbatical salaries and  
permit them to spend a full year on research . . . . . 960,000

American Political Science Association,  
Washington, DC:

Toward costs of developing an online collection of con-  
ference papers and evaluating its use and economic fea-  
sibility . . . . . 311,000

American Society for Eighteenth-Century Studies,  
Winston-Salem, North Carolina:

Toward costs of developing and testing an online book  
review . . . . . 96,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

American University of Beirut,  
New York, New York:

For use in support of its Center for Behavioral  
Research . . . . . 455,000

Appalachian College Association,  
Berea, Kentucky:

To improve teaching and learning at its 33 member  
institutions through the use of technology and greater  
collaboration . . . . . 3,900,000

Endowment of faculty fellowships and grants . . . . . 2,000,000

Associated Colleges of the Midwest,  
Chicago, Illinois:

Toward costs of program development in off-campus  
study, in cooperation with the Great Lakes Colleges  
Association, Inc. and the Associated Colleges of the  
South . . . . . 26,000

Associated Colleges of the South,  
Atlanta, Georgia:

Toward support of a central consortial technology cen-  
ter and the development of two virtual programs in  
classics and archaeology . . . . . 1,250,000

Toward costs of program development in off-campus  
study, in cooperation with the Great Lakes Colleges  
Association, Inc. and the Associated Colleges of the  
Midwest . . . . . 47,500

Association for the Advancement of  
Baltic Studies, Inc.,  
Hackettstown, New Jersey:

Toward costs of monitoring the Latvian library  
automation project to be carried out by the Library  
Information Network Consortium (LINC) . . . . . 50,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Association of American University Presses, Inc.,  
New York, New York:

In support of planning for an ongoing program of data  
collection and analysis and for an update of a previous  
report on university press publishing . . . . . 33,300

Association of Art Museum Directors Educational  
Foundation, Inc.,  
New York, New York:

For use by the Art Museum Image Consortium  
(AMICO) in support of its further planning and devel-  
opment . . . . . 45,000

Association of Governing Boards of Universities  
and Colleges,  
Washington, DC:

Toward costs of a symposium on academic governance 30,000

Association of Research Libraries,  
Washington, DC:

Toward costs of a joint project with German research  
libraries toward improved access to research materials  
in American and German libraries . . . . . 35,000

Bard College,  
Annandale-on-Hudson, New York:

For use to enable long-serving and highly successful  
presidents of four liberal arts colleges to strengthen  
programs which will have significant influence on the  
future directions of their colleges . . . . . 300,000

Biblioteca Nacional de Chile,  
Santiago, Chile:

Toward costs of the acquisition and installation of a  
new library automation system; to complete catalogu-  
ing and conservation of the Sala Medina collection; and  
toward costs of a workshop on photograph conserva-  
tion and an inventory of photograph collections . . . . . 483,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Boston University,

Boston, Massachusetts:

For use, in collaboration with Brown and Harvard Universities, toward costs of a program of graduate training in Latin American literature . . . . .	340,000
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Bowdoin College,

Brunswick, Maine:

For use, in cooperation with Bates and Colby Colleges, toward costs of developing the Colby-Bates-Bowdoin Study Abroad Consortium, and of establishing centers in London, Quito, and Cape Town . . . . .	850,000
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Brandeis University,

Waltham, Massachusetts:

In support of Mellon Seminars in Interpretation . . . . .	73,000
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Brown University,

Providence, Rhode Island:

Matching endowment to support teaching and research in Latin American studies . . . . .	800,000
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Bryn Mawr College,

Bryn Mawr, Pennsylvania:

Toward costs of a transition program for women in the mathematical sciences . . . . .	50,000
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For use as discretionary support of long-range planning efforts . . . . .	43,500
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Carleton College,

Northfield, Minnesota:

In support of four postdoctoral fellowships . . . . .	445,000
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For use to enable long-serving and highly-successful presidents of four liberal arts colleges to strengthen programs which will have significant influence on the future directions of their colleges . . . . .	250,000
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HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Carleton College,  
Northfield, Minnesota:

(continued)

Toward discretionary support of a study of faculty  
development for young teacher-scholars and in support  
of travel and clerical assistance . . . . . 11,070

Center for Advanced Study in the  
Behavioral Sciences,  
Stanford, California:

In support of fellowships for humanists . . . . . 1,400,000

Center for Research Libraries,  
Chicago, Illinois:

Toward costs of a working group on foreign  
newspapers . . . . . 19,000

Central European University Foundation,  
Budapest, Hungary:

Toward costs of establishing a JSTOR mirror site in  
Budapest, Hungary . . . . . 180,000

Centro Nacional de Conservación y Restauración,  
Santiago, Chile:

Toward costs of preservation and conservation training  
in Chile . . . . . 180,000

Claremont Graduate University,  
Claremont, California:

Toward costs of a study of the flow of exceptional talent  
into the academic profession . . . . . 20,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Colby College,  
Waterville, Maine:

For use to enable long-serving and highly successful presidents of four liberal arts colleges to strengthen programs which will have significant influence on the future directions of their colleges . . . . . 200,000

College Art Association of America, Inc.,  
New York, New York:

Toward costs of developing an electronic book review journal and evaluating its economic feasibility . . . . . 79,000

Colonial Williamsburg Foundation,  
Williamsburg, Virginia:

Toward costs of developing the Colonial Williamsburg Digital Library and for an evaluation of its use . . . . . 445,000

Columbia University,  
New York, New York:

For use as matching endowment to improve the effectiveness of graduate education in the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . . 500,000

In support of seminars which treat the historical and cultural sources of significant contemporary developments . . . . . 200,000

In support of research on a biography of Andrew W. Mellon . . . . . 95,000

Toward costs of a study of career choices made by minority group college students . . . . . 10,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Consejo Latinoamericano de Ciencias Sociales,  
Buenos Aires, Argentina:

Toward development of an electronic network of  
research centers in Latin America . . . . . 250,000

Consortium of Estonian Libraries Network,  
Tallinn, Estonia:

Toward costs of retroconverting the Estonian National  
Bibliography . . . . . 165,000

Cornell University,  
Ithaca, New York:

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate  
education within selected departments of the humani-  
ties and related social sciences while reducing time-to-  
degree and attrition rates . . . . . 500,000

For research and training in the economics of higher  
education . . . . . 375,000

Toward costs of research on the organization of higher  
education institutions and of developing a higher edu-  
cation research institute . . . . . 25,000

Council of Graduate Schools in the United States,  
Washington, DC:

Toward costs of the Council of Graduate  
Schools/McNair Placement Program . . . . . 46,800

Council on Library and Information Resources,  
Washington, DC:

In support of a project to digitize collections of historic  
maps held by Brazilian repositories . . . . . 12,600

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

DePauw University,  
Greencastle, Indiana:

To improve educational effectiveness and gain financial efficiencies through the use of electronic resources . . . . 270,000

Dickinson College,  
Carlisle, Pennsylvania:

For use, in cooperation with Franklin and Marshall and Gettysburg Colleges and Bucknell University, toward costs of planning and developing a shared administrative services enterprise . . . . . 600,000

Toward costs of a study of existing consortial efforts in business and student services, and of designing a collaborative program to meet the needs of Dickinson, Franklin and Marshall, and Gettysburg Colleges . . . . . 50,000

Dillard University,  
New Orleans, Louisiana:

To complete the restructuring and enhancement of its honors program . . . . . 300,000

Duke University,  
Durham, North Carolina:

In support of seminars which treat the historical and cultural sources of significant contemporary developments . . . . . 100,000

Eastern Seaboard Association of Tertiary Institutions,  
Durban, South Africa:

Toward costs of developing an interinstitutional, collaborative research program . . . . . 80,000

Five Colleges, Inc.,  
Amherst, Massachusetts:

To complete the planning process of the Five College Depository Project . . . . . 48,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Folger Shakespeare Library,  
Washington, DC:

In support of Mellon Seminars in Interpretation . . . . . 86,000

Foundation for Library and Information Service  
Development (PTY) Ltd.,  
Pretoria, South Africa:

To explore the information technology infrastructure  
that would be required for the proposed National  
Library of South Africa . . . . . 48,000

Foundation of Tertiary Institutions in the  
Northern Metropolis,  
Johannesburg, South Africa:

Toward costs of automating library systems in Phase  
Two of the Gauteng and Environs Library Consortium 1,200,000

Friends of Hungarian Higher Education Foundation,  
Washington, DC:

Toward costs of organizing a fundraising effort on  
behalf of higher education institutions in Hungary . . . . 40,000

Fundação Getulio Vargas,  
Rio de Janeiro, Brazil:

Toward costs of workshops for Brazilian librarians and  
archivists on the preservation of research materials,  
translations from English to Portuguese of key litera-  
ture on preservation, and the establishment of a Brazil-  
ian national network for preservation . . . . . 265,000

Fundación Espigas,  
Buenos Aires, Argentina:

Toward costs of developing an electronic network that  
will facilitate the expansion and wider use of its data-  
base on Argentine art . . . . . 47,474

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Fundación Histórica Tavera,  
Madrid, Spain:

In support of its activities in preserving and improving  
access to archival collections in Bolivia, Brazil, and  
Ecuador . . . . . 44,000

George C. Marshall Research Foundation,  
Lexington, Virginia:

Toward editorial costs of the *Papers of George Catlett  
Marshall* . . . . . 156,000

Georgetown University,  
Washington, DC:

In support of Mellon Seminars in Interpretation . . . . . 80,000

Great Lakes Colleges Association, Inc.,  
Ann Arbor, Michigan:

Toward costs of program development in off-campus  
study, in cooperation with the Associated Colleges of  
the South and the Associated Colleges of the Midwest . . . . . 23,000

Toward costs of a conference on study-abroad pro-  
grams, in cooperation with the Associated Colleges of  
the Midwest and the Associated Colleges of the South . . . . . 7,710

Gustavus Adolphus College,  
Saint Peter, Minnesota:

For use to strengthen the teaching of art and art history  
and to enhance visual literacy across the curriculum . . . . . 100,000

Toward costs of meeting the College's emergency needs . . . . . 50,000

Harvard University,  
Cambridge, Massachusetts:

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Harvard University,  
Cambridge, Massachusetts:

(continued)

Toward costs of a program of assistance to small Latin American libraries and archives . . . . .	690,000
To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . .	500,000
To establish the Mandela Fellowship Program at the W.E.B. Du Bois Institute for Afro-American Research, in partnership with the University of Cape Town . . . . .	500,000
In support of a sequence of seminars and workshops on Atlantic history for young US and foreign scholars . . . . .	450,000
Toward costs of a study on race and the law . . . . .	50,000
For use by the W.E.B. Du Bois Institute toward costs of cataloguing, preserving, and translating approximately 50,000 volumes from the Timbuctoo library collection . . . . .	42,000
Toward costs of a study of the academic performance of Black and white students in selective colleges . . . . .	7,000

Haverford College,  
Haverford, Pennsylvania:

To improve educational effectiveness and to gain financial efficiencies through the use of technology in collaboration with Bryn Mawr and Swarthmore Colleges . . . . .	850,000
In support of postdoctoral fellowships . . . . .	400,000

Henry J. Kaiser Family Foundation,  
Menlo Park, California:

In support of the African Renaissance conference . . . . .	40,000
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HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Hobart and William Smith Colleges,  
Geneva, New York:

Toward costs of a review, in collaboration with Union College, of off-campus study programs and an exploration of cost-effective ways to cooperate in providing high quality foreign-study opportunities to students . . . 16,000

Institute for Advanced Study,  
Princeton, New Jersey:

Toward costs of a program of senior term appointments and associated visiting research fellowships in fields not currently represented in the School of Historical Studies . . . . . 600,000

International House,  
New York, New York:

Toward costs of recruiting and providing scholarships for residents from South Africa and to support an international alumni conference in South Africa . . . . . 150,000

Jagiellonian University,  
Krakow, Poland:

For use by its Center for American Studies toward costs of purchasing books and CD-ROMs . . . . . 25,000

Johns Hopkins University,  
Baltimore, Maryland:

Toward costs of an economic analysis of the Comprehensive Access to Printed Materials project, a system of on-demand, fully automated, off-site library storage, scanning, and document-retrieval . . . . . 376,000

Toward costs of preparing a Spanish-language version of the *Calipr* software for assessment of library preservation needs . . . . . 8,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Johnson C. Smith University,  
Charlotte, North Carolina:

To develop a strategic technology planning initiative to  
enhance the University's capacity to offer technology-  
mediated instruction . . . . . 515,000

JSTOR,  
New York, New York:

Toward costs of adding a cluster of science journals to  
its database . . . . . 1,300,000

Kenyon College,  
Gambier, Ohio:

To improve educational effectiveness and gain financial  
efficiencies through the use of electronic resources, in  
collaboration with Denison University . . . . . 735,000

Latin American Studies Association, Inc.,  
Pittsburgh, Pennsylvania:

Toward costs of using technology to increase the effec-  
tiveness of services to scholars . . . . . 185,000

Library Company of Philadelphia,  
Philadelphia, Pennsylvania:

Toward costs of improved collection care and  
management . . . . . 250,000

Library Information Network Consortium,  
Riga, Latvia:

Toward travel costs incurred by eight Latvian librarians  
to study library catalogue systems at three Western  
European library sites . . . . . 20,000

Toward costs of its training activities . . . . . 10,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Library of Congress,  
Washington, DC:

Toward costs of incorporating materials from the  
Chicago Historical Society and the New York-Histori-  
cal Society into the National Digital Library . . . . . 520,000

Toward costs of creating a digital archive of the Han-  
nah Arendt Papers . . . . . 520,000

Literary Classics of the United States, Inc.,  
New York, New York:

For use as endowment of a volume of the Library of  
America series . . . . . 50,000

London School of Economics and Political Science,  
London, England:

In support of a center for research and training in the  
economics of information technology . . . . . 435,000

Macalester College,  
St. Paul, Minnesota:

In support of four postdoctoral fellowships . . . . . 435,000

To improve educational effectiveness and gain financial  
efficiencies through the use of electronic resources . . . . 310,000

Maryland Historical Society,  
Baltimore, Maryland:

Toward costs of improved collection care and manage-  
ment . . . . . 250,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Middlebury College,  
Middlebury, Vermont:

For use by the Center for Educational Technology to upgrade its Project 2001 equipment, expand and improve FlanNet Support, hold a gathering of institutional participants and a technology showcase in the summer of 2000, and form and support an advisory committee to help the Center address such issues as assessment, intellectual property rights, and future planning . . . . .	660,000
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Morehouse College,  
Atlanta, Georgia:

To enhance student learning processes and develop personal leadership skills, and to provide access to information systems network resources for neighborhood youth . . . . .	340,000
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To plan the establishment of an Intensive Foreign Language Program in collaboration with other Atlanta area institutions . . . . .	175,000
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Mount Holyoke College,  
South Hadley, Massachusetts:

Toward costs of the Plan for Mount Holyoke 2003 . . . . .	50,000
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Toward costs of the supervision of the remaining Czech and Slovak Library Information Network (CASLIN) projects . . . . .	44,000
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Muhlenberg College,  
Allentown, Pennsylvania:

To improve educational effectiveness and financial efficiencies through the use of electronic resources . . . . .	285,000
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National Humanities Center,  
Research Triangle Park, North Carolina:

In support of a Sawyer Seminar on liberal cultures and their critics . . . . .	98,000
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HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

New Jersey Historical Society,  
Newark, New Jersey:

Toward costs of an inventory and guide to historical  
societies in New Jersey . . . . . 13,700

New School University,  
New York, New York:

To improve liberal arts education for undergraduate  
students and to connect the graduate programs more  
closely to undergraduate education . . . . . 945,000

New York Academy of Sciences,  
New York, New York:

Toward costs of acquiring technologically current  
information systems . . . . . 25,000

New York Public Library,  
New York, New York:

Matching endowment of its research libraries . . . . . 5,000,000

New York University,  
New York, New York:

For use by its Institute of Fine Arts toward costs of a  
program of graduate training in Latin American art  
history . . . . . 284,000

Towards costs of honoraria and travel expenses  
incurred by US and foreign scholars who are present-  
ing papers at a conference on changes in approaches to  
the writing of US national history . . . . . 11,500

Newberry Library,  
Chicago, Illinois:

In support of Mellon Seminars in Interpretation . . . . . 81,000

Northeast Document Conservation Center,  
Andover, Massachusetts:

Toward costs of workshops on scanning . . . . . 49,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Northwestern University,  
Evanston, Illinois:

In support of a program of postdoctoral fellowships . . . 875,000

Pomona College,  
Claremont, California:

In support of four postdoctoral fellowships . . . . . 460,000

Pontificia Universidad Católica de Chile,  
Santiago, Chile:

Toward costs of strengthening library resources in  
Chile . . . . . 544,000

Pratt Institute,  
Brooklyn, New York:

Toward costs of undertaking digital projects and mak-  
ing library improvements . . . . . 19,000

Princeton University,  
Princeton, New Jersey:

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate  
education within selected departments of the humani-  
ties and related social sciences while reducing time-to-  
degree and attrition rates . . . . . 500,000

For research and training in the economics of higher  
education . . . . . 475,000

Toward costs of research on the changing size and com-  
position of minority student enrollments during the  
past 25 years at selective US institutions of higher edu-  
cation . . . . . 260,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Princeton University,  
Princeton, New Jersey:

(continued)

In support of seminars which treat the historical and cultural sources of significant contemporary developments . . . . . 200,000

Toward costs of a study of the application patterns and key characteristics of high-ability college and university applicants . . . . . 50,000

For use by its Office of Population Research in support of the Composition Project . . . . . 50,000

Purdue University,  
West Lafayette, Indiana:

Toward costs of an exchange program with the Agricultural University of Krakow . . . . . 15,500

Radcliffe College,  
Cambridge, Massachusetts:

For use by the Arthur and Elizabeth Schlesinger Library to support digitization of photographic holdings . . . . . 50,000

Reed College,  
Portland, Oregon:

To improve educational effectiveness through the use of technology . . . . . 300,000

Renaissance Society of America, Inc.,  
New York, New York:

Toward costs of an electronic bibliography of Renaissance studies . . . . . 420,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Salzburg Seminar in American Studies, Inc.,  
Middlebury, Vermont:

Toward costs of fellowships for 100 faculty members  
from historically black colleges and universities and  
Appalachian College Association colleges . . . . . 600,000

Sarah Lawrence College,  
Bronxville, New York:

For use as discretionary support to strengthen aspects  
of the development program, prepare a five-year plan  
for information technology, and work with members of  
the faculty to address diversity within the College and  
the curriculum . . . . . 50,000

Smith College,  
Northampton, Massachusetts:

In support of four postdoctoral fellowships . . . . . 435,000

South African Bibliographic and  
Information Network,  
Centurion, South Africa:

To support the first phase of a project to create a new  
national union catalogue and interlibrary lending net-  
work for South Africa . . . . . 950,000

Southern Education Foundation, Inc.,  
Atlanta, Georgia:

To prepare a cadre of teacher-leaders at selected insti-  
tutions who will be prepared to train faculty members  
at their institutions to utilize technology in enhancing  
instruction . . . . . 320,000

Spelman College,  
Atlanta, Georgia:

Toward costs of a transition program for women in the  
mathematical sciences . . . . . 65,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

St. Lawrence University,  
Canton, New York:

To improve educational effectiveness and gain financial  
efficiencies through the use of electronic resources . . . . 300,000

St. Olaf College,  
Northfield, Minnesota:

To improve educational effectiveness and gain financial  
efficiencies through the use of electronic resources . . . . 270,000

Stanford University,  
Stanford, California:

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate  
education within selected departments of the humani-  
ties and related social sciences while reducing time-to-  
degree and attrition rates . . . . . 670,000

Technical University of Łódź,  
Łódź, Poland:

Toward costs of a trip to universities in the US by the  
head of the Łódź Consortium, in order to study union  
catalogue systems . . . . . 7,000

Universidad Rafael Landívar,  
Guatemala, Central America:

In support of library automation and improvements . . . 36,000

Universidad Torcuato di Tella,  
Buenos Aires, Argentina:

Toward costs of library planning . . . . . 48,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of California at Berkeley,  
Berkeley, California:

For use as matching endowment to improve the effectiveness of graduate education in the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . . 500,000

Toward costs of strengthening doctoral training in Latin American sociology . . . . . 410,000

In support of seminars which treat the historical and cultural sources of significant contemporary developments . . . . . 100,000

In support of research on the connection between students' choices of secondary school and college, and their determinants . . . . . 97,000

University of California at Los Angeles,  
Los Angeles, California:

Toward costs of strengthening doctoral training in Latin American sociology . . . . . 393,000

University of California at San Diego,  
La Jolla, California:

In support of Mellon Seminars in Interpretation . . . . . 80,000

University of California Press,  
Berkeley, California:

Toward costs of strengthening the electronic publishing of scholarly journals . . . . . 120,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of Cape Town Fund, Inc.,  
New York, New York:

In support of projects at the University of Cape Town  
which employ electronic materials to enhance quality  
and reduce the costs of teaching . . . . . 2,000,000

Toward costs of preparing students from disadvantaged  
backgrounds for academic careers . . . . . 1,750,000

To support fellowships for African universities' faculty  
members in the arts, humanities, and social sciences  
through the University Science, Humanities and Engi-  
neering Partnerships in Africa program . . . . . 530,000

University of Chicago,  
Chicago, Illinois:

Toward costs of developing a "foreign language across  
the curriculum" program to expand and improve the  
teaching of the major modern foreign languages . . . . . 1,246,000

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate  
education within selected departments of the humani-  
ties and related social sciences while reducing time-to-  
degree and attrition rates . . . . . 500,000

Toward costs of strengthening the electronic publishing  
of scholarly journals . . . . . 275,000

In support of seminars which treat the historical and  
cultural sources of significant contemporary develop-  
ments . . . . . 100,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of Illinois at Urbana-Champaign,  
Urbana, Illinois:

In support of a research project on life satisfaction using the "College and Beyond" database . . . . .	45,000
Toward costs of a study of the well-being and satisfaction of students in the "College and Beyond" database . . . . .	30,000
Toward costs of participation by the library director of the Universidad Rafael Landívar in the Mortensen Center's training program for Central American librarians . . . . .	9,200

University of Michigan,  
Ann Arbor, Michigan:

For use as matching endowment to improve the effectiveness of graduate education in the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . .	1,000,000
In support of the development of the Foundation's database that is part of its Graduate Education Institutional Grants Program, and for meetings of the Program's participants . . . . .	590,000
To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . .	500,000
Toward costs of <i>Making of America IV</i> , a project that will digitize 19th century books, conduct a study of costs of digitization and use of electronic monographs, and prepare a handbook for use by other digitization projects . . . . .	430,000
In support of seminars which treat the historical and cultural sources of significant contemporary developments . . . . .	200,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of Natal,  
Durban, South Africa:

To support a national project to create a digital archive  
of South African periodicals . . . . . 375,000

University of North Carolina at Chapel Hill,  
Chapel Hill, North Carolina:

In support of seminars which treat the historical and  
cultural sources of significant contemporary develop-  
ments . . . . . 100,000

In support of seminars which treat the historical and  
cultural sources of significant contemporary develop-  
ments . . . . . 100,000

University of Notre Dame,  
Notre Dame, Indiana:

In support of Mellon Seminars in Interpretation . . . . . 80,000

University of Oxford,  
Oxford, England:

Toward costs of a study of digitization projects in  
Oxford's research library collections . . . . . 50,000

University of Pennsylvania,  
Philadelphia, Pennsylvania:

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

To improve the quality and effectiveness of graduate  
education within selected departments of the humani-  
ties and related social sciences while reducing time-to-  
degree and attrition rates . . . . . 500,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of Pennsylvania,  
Philadelphia, Pennsylvania:

(continued)

Toward costs of a demonstration project on the use of Collaborative Writing Groups to improve and assess the cost-effectiveness of instruction in expository writing . . . 448,000

In support of a pilot study of the academic performance of black and white students in selective colleges and universities . . . . . 350,000

Toward costs of a library partnership with the University of Tartu in Estonia . . . . . 75,000

Toward costs of adding Asian students to the ongoing pilot study of the academic performance of minority students . . . . . 50,000

University of Pretoria,  
Pretoria, South Africa:

To establish a postgraduate mentoring program . . . . . 1,750,000

University of Texas at Austin,  
Austin, Texas:

Toward costs of strengthening doctoral training in Latin American sociology . . . . . 407,000

University of Texas at El Paso,  
El Paso, Texas:

Toward costs of planning the development of an archive and center on the study of Latino migration into the United States . . . . . 50,000

University of the South,  
Sewanee, Tennessee:

To improve educational effectiveness and gain financial efficiencies through the use of electronic resources . . . . 330,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of the Witwatersrand,  
Johannesburg, South Africa:

Toward costs of continuing a postgraduate mentoring program . . . . .	1,750,000
Toward costs of publishing <i>T'Kama-Adamastor: Re-envisioning the Colonial Discovery</i> . . . . .	15,000
Toward costs of planning a digital imaging project in South Africa . . . . .	8,750
Toward costs of a seminar and of a consultants meeting with the South African Digital Imaging Project Committee . . . . .	7,000
Toward costs of a workshop on the subject of a national union library catalogue . . . . .	3,300

University of Toronto,  
Toronto, Canada:

For use by the Pontifical Institute of Mediæval Studies toward costs of postdoctoral fellowships . . . . .	240,000
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University of Virginia,  
Charlottesville, Virginia:

Toward costs of analysis of data from the National Study of Post Secondary Faculty, 1975-1993 . . . . .	50,000
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University of Warsaw,  
Warsaw, Poland:

Toward costs of creating a Polish national union catalogue . . . . .	705,000
Toward cost of upgrading the university library's Online Public Access Catalogue . . . . .	9,500
Toward costs of translation into English of approximately 20 papers on union catalogue issues . . . . .	6,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

University of Wisconsin at Madison,  
Madison, Wisconsin:

Toward editorial costs of the <i>Dictionary of American Regional English</i> . . . . .	100,000
In support of Mellon Seminars in Interpretation . . . . .	40,000
For use, in collaboration with the National and University Library of Iceland and the University of Iceland, in support of the development of a modern Icelandic language course . . . . .	25,000

Vassar College,  
Poughkeepsie, New York:

To improve foreign language teaching through the use of technology, in collaboration with Williams College . .	700,000
In support of four postdoctoral fellowships . . . . .	435,000
For use to enable long-serving and highly successful presidents of four liberal arts colleges to strengthen programs which will have significant influence on the future directions of their colleges . . . . .	250,000

Voorhees College,  
Denmark, South Carolina:

To develop a plan to strengthen its humanities curriculum and to collaborate with nearby public schools in the integration of technology into instruction . . . . .	85,000
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Washington University,  
Saint Louis, Missouri:

In support of Mellon Seminars in Interpretation . . . . .	40,000
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Western Cape Tertiary Institutions Trust,  
Cape Town, South Africa:

To complete the acquisition of library hardware and software by the Cape Library Cooperative . . . . .	277,000
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HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Western Cape Tertiary Institutions Trust,  
Cape Town, South Africa:

(continued)

To prepare a paper on connectivity for the Virtual  
Library Project . . . . . 10,000

Williams College,  
Williamstown, Massachusetts:

For research and training in the economics of higher  
education . . . . . 475,000

Woodrow Wilson National Fellowship Foundation,  
Princeton, New Jersey:

In support of Mellon Fellowships programs . . . . . 2,125,000

Toward costs of establishing policy institutes and  
internships in South Africa that will prepare students  
for careers in public policy . . . . . 33,500

World Bank,  
Washington, DC:

Toward costs of an advisory board of scholars and tech-  
nical experts on digitizing the Bank's archival collec-  
tions . . . . . 50,000

Xavier University of Louisiana,  
New Orleans, Louisiana:

To enhance faculty members' capabilities in the use of  
information technologies and improve the effectiveness  
of teaching and learning . . . . . 450,000

Yale University,  
New Haven, Connecticut:

For use as matching endowment to improve the effec-  
tiveness of graduate education in the humanities and  
related social sciences while reducing time-to-degree  
and attrition rates . . . . . 1,000,000

HIGHER EDUCATION  
AND SCHOLARSHIP

(continued)

*Appropriated*

Yale University,  
New Haven, Connecticut:

(continued)

For use by the Consortium for Language Teaching and Learning, toward costs of its projects . . . . .	900,000
To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates . . . . .	500,000
For use by the Forum for the Future of Higher Education toward costs of research projects on: (1) higher education costs, finance, and economics; (2) learning and technology; and (3) the interrelationship of institutional finance, structure, and technology, and their effects on decision-making in higher education . . . . .	250,000
In support of the Librarian-in-Residence program . . . .	220,000
Toward costs of the Sawyer Seminars on Genocide . . . .	50,000
Toward costs of a study of the potential of the JSTOR journal archive for linguistic research . . . . .	14,190
Total—Higher Education and Scholarship	<u><u>\$87,713,094</u></u>

## POPULATION

*Appropriated*Advocates for Youth,  
Washington, DC:

In support of research and interventions to improve reproductive health services for adolescents in developing countries . . . . .	\$ 575,000
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Alan Guttmacher Institute,  
New York, New York:

In support of research and interventions to improve reproductive health services for adolescents in developing countries . . . . .	300,000
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American Refugee Committee,  
Minneapolis, Minnesota:

In support of a program to expand the provision of reproductive health services in refugee settings . . . . .	100,000
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AVSC International, Inc.,  
New York, New York:

In support of research and interventions to improve reproductive health services for adolescents in developing countries . . . . .	730,000
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Brown University,  
Providence, Rhode Island:

For use by its Population Studies and Training Center in support of demographic research and training with particular emphasis on South Africa . . . . .	120,000
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In support of a visiting fellowship in anthropological demography . . . . .	70,000
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In support of a visiting fellowship in anthropological demography . . . . .	70,000
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In support of a research project entitled, "Recreating National Identities in the Post-Soviet States: The Potential For Ethnic Conflict" . . . . .	40,000
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## POPULATION

(continued)

*Appropriated*Columbia University,  
New York, New York:

For use by its Center for Population and Family Health in support of family planning services in New York City	450,000
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For use by its School of Public Health toward costs of translating and publishing <i>The FIGO Manual of Human Reproduction</i> . . . . .	2,500
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Cooperative for Assistance and Relief Everywhere,  
Inc. (CARE),  
Atlanta, Georgia:

In support of a program to expand the provision of reproductive health services in refugee settings . . . . .	200,000
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Family Health International,  
Durham, North Carolina:

In support of contraceptive development . . . . .	1,000,000
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Harvard University,  
Cambridge, Massachusetts:

In support of a visiting fellowship in anthropological demography . . . . .	70,000
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International Center For Research on Women,  
Washington, DC:

In support of research and interventions to improve reproductive health services for adolescents in developing countries . . . . .	550,000
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International Rescue Committee, Inc.,  
New York, New York:

For use by the Women's Commission for Refugee Women and Children toward costs of a program to expand the provision of reproductive health services in refugee settings . . . . .	200,000
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In support of a program to expand the provision of reproductive health services in refugee settings . . . . .	200,000
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## POPULATION

(continued)

*Appropriated*Johns Hopkins University,  
Baltimore, Maryland:

For use by its School of Public Health in support of the use of information technology to advance demographic research and teaching in developing countries . . . . .	550,000
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JSI Research & Training Institute, Inc.,  
Boston, Massachusetts:

In support of a program to expand the provision of reproductive health services in refugee settings . . . . .	200,000
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London School of Hygiene and Tropical Medicine,  
London, England:

For use by its Centre for Population Studies in support of demographic research and training with particular emphasis on South Africa . . . . .	300,000
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Marie Stopes International,  
London, England:

In support of a program to expand the provision of reproductive health services in refugee settings . . . . .	200,000
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Medical College of Hampton Roads,  
Norfolk, Virginia:

For use by the CONRAD program of its Eastern Virginia Medical School toward costs of reviewing a program on reproductive biology research . . . . .	30,000
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PATH,  
Seattle, Washington:

In support of its activities in contraception and reproductive health . . . . .	900,000
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Population Council,  
New York, New York:

For use by its International Consortium for Contraceptive Research in support of contraceptive development . . . . .	1,500,000
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## POPULATION

(continued)

*Appropriated*Population Council,  
New York, New York:

(continued)

In support of research and interventions to improve reproductive health services for adolescents in developing countries .....	550,000
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Toward costs of publishing the results of the 1998 Belagio Conference on Global Fertility Transition in the form of a supplement to <i>Population and Development Review</i> .....	35,000
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Princeton University,  
Princeton, New Jersey:

In support of a visiting fellowship in anthropological demography .....	70,000
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Public Health Institute,  
Berkeley, California:

For use by the Pacific Institute for Women's Health in support of research and interventions to improve reproductive health services for adolescents in developing countries .....	350,000
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Reproduction Research Institute,  
Arlington, Virginia:

In support of contraceptive development .....	50,000
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University of Cape Town Fund, Inc.,  
New York, New York:

In support of demographic research and training with particular emphasis on South Africa .....	330,000
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University of Natal,  
Durban, South Africa:

In support of demographic research and training with particular emphasis on South Africa .....	210,000
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## POPULATION

(continued)

*Appropriated*

University of North Carolina at Chapel Hill,  
Chapel Hill, North Carolina:

For use by its Carolina Population Center in support of  
the use of information technology to advance demo-  
graphic research and teaching in developing countries . . . 330,000

In support of a visiting fellowship in anthropological  
demography . . . . . 70,000

University of Pennsylvania,  
Philadelphia, Pennsylvania:

For use by its Population Studies Center toward costs  
of demographic research and training with particular  
emphasis on South Africa . . . . . 450,000

University of the Witwatersrand,  
Johannesburg, South Africa:

In support of demographic research and training with  
particular emphasis on South Africa . . . . . 240,000

Total—Population

\$11,042,500

## PUBLIC AFFAIRS

*Appropriated*Adelphi University,  
Garden City, New York:

Toward costs of the second stage of the planning effort to refocus the University's mission, restructure its organization, and restore its financial and competitive position .\$.	50,000
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American Assembly,  
New York, New York:

Toward costs of a project, to be cosponsored by the Indiana University Center on Philanthropy, on the current and future states of philanthropy . . . . .	25,000
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American Refugee Committee,  
Minneapolis, Minnesota:

In support of activities related to staff development and training . . . . .	100,000
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In support of applied research and training on refugee health . . . . .	90,000
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Brown University,  
Providence, Rhode Island:

For use by its Humanitarianism and War project in support of research and training to address key dilemmas in humanitarian assistance . . . . .	90,000
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Catholic Relief Services-  
United States Catholic Conference,  
Baltimore, Maryland:

In support of activities related to staff development and training . . . . .	150,000
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Center for Strategic and International Studies,  
Washington, DC:

In support of activities aimed at increasing minority participation in international affairs . . . . .	225,000
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## PUBLIC AFFAIRS

(continued)

*Appropriated*College Board,  
New York, New York:

To complete planning of its study of the transition between school and college . . . . .	50,000
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To support research on ways to improve academic per- formance through supplementary education outside the classroom . . . . .	40,000
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Columbia University,  
New York, New York:

For use by its Program on Forced Migration and Health in support of applied research and training on refugee health . . . . .	150,000
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Cooperative for Assistance and Relief Everywhere,  
Inc. (CARE),  
Atlanta, Georgia:

In support of activities related to staff development and training . . . . .	200,000
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In support of applied research and training on refugee health . . . . .	90,000
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In support of research and training to address key dilemmas in humanitarian assistance . . . . .	70,000
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Council on Foreign Relations,  
New York, New York:

In support of activities aimed at increasing minority participation in international affairs . . . . .	225,000
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In support of its program on refugees and the displaced	150,000
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Duke University,  
Durham, North Carolina:

In support of research on refugee children and adolescents . . . . .	95,000
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## PUBLIC AFFAIRS

(continued)

*Appropriated*Foundation Center,  
New York, New York:

Toward costs of renovation of its library . . . . . 250,000

Indiana University,  
Bloomington, Indiana:

For use by its Center for Reading and Language Studies for research on Classroom Inc., an educational innovation that uses computer simulations to increase high school students' literacy and to introduce them to work-related activities . . . . . 475,000

Toward costs of preserving income tax records of US foundations from 1952 to 1970 . . . . . 83,000

Interaction American Council for Voluntary  
International Action, Inc.,  
Washington, DC:

In support of activities related to staff development and training . . . . . 50,000

International Medical Corps,  
Los Angeles, California:

In support of activities related to staff development and training . . . . . 120,000

In support of applied research and training on refugee health . . . . . 90,000

International Rescue Committee, Inc.,  
New York, New York:

In support of activities related to staff development and training . . . . . 200,000

In support of applied research and training on refugee health . . . . . 180,000

In support of research on refugee children and adolescents . . . . . 55,000

## PUBLIC AFFAIRS

(continued)

*Appropriated*International Rescue Committee, Inc.,  
New York, New York:

(continued)

For use by the Women's Commission for Refugee  
Women and Children in support of research on refugee  
children and adolescents . . . . . 40,000

Johns Hopkins University,  
Baltimore, Maryland:

For use by its School of Hygiene and Public Health in  
support of applied research and training on refugee  
health . . . . . 360,000

For use by its Center for Civil Society Studies toward  
costs of developing a new methodology for collection,  
by national statistical agencies worldwide, of data on  
the nonprofit sector . . . . . 100,000

London School of Hygiene and Tropical Medicine,  
London, England:

In support of applied research and training on refugee  
health . . . . . 330,000

National Academy of Sciences,  
Washington, DC:

For use by its Committee on Population in support of  
research on migration . . . . . 120,000

National Bureau of Economic Research,  
Cambridge, Massachusetts:

Toward costs of a multifaceted program of research on  
the functioning of the international capital markets and  
their responses to financial and currency crises. . . . . 600,000

Northwestern University,  
Evanston, Illinois:

Toward costs of a series of studies on competition and  
coexistence of nonprofit and for-profit enterprises . . . . 440,000

## PUBLIC AFFAIRS

(continued)

*Appropriated*Philanthropic Research, Inc.,  
Williamsburg, Virginia:

In support of the development and utilization of a comprehensive Web-based database of public charities . . . .	750,000
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Public Radio International Inc.,  
Minneapolis, Minnesota:

To develop a plan for collaborating with other major stakeholders in providing public radio content and services via the Internet . . . . .	300,000
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Russell Sage Foundation,  
New York, New York:

Towards costs of extending its study of the economic and social assimilation of second generation immigrants to include those living in areas of low immigrant concentration . . . . .	200,000
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Save the Children Federation, Inc.,  
Westport, Connecticut:

In support of research on refugee children and adolescents . . . . .	250,000
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In support of activities related to staff development and training . . . . .	120,000
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Social Science Research Council,  
New York, New York:

For use in support of pre- and postdoctoral fellowships, workshops for fellows and minority graduate students, and research planning in the field of international migration . . . . .	1,300,000
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In support of research and training to address key dilemmas in humanitarian assistance . . . . .	450,000
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In support of research and training to address key dilemmas in humanitarian assistance . . . . .	15,000
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## PUBLIC AFFAIRS

(continued)

*Appropriated*University of Denver,  
Denver, Colorado:

In support of activities aimed at increasing minority participation in international affairs . . . . .	260,000
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University of Oxford,  
Oxford, England:

For use by its Refugee Studies Programme in support of research on refugee children and adolescents . . . . .	480,000
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For use by its Refugee Studies Programme toward costs of evaluating research methodology for use with refugee children . . . . .	12,000
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University of the Witwatersrand,  
Johannesburg, South Africa:

To establish a teaching and research program in the field of refugees and forced migration . . . . .	240,000
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Urban Institute,  
Washington, DC:

Toward costs of a study of the economic and policy implications of the upcoming increase in the retirement age population . . . . .	2,500,000
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Toward costs of planning a study of the economic and policy implications of the upcoming increase in the retirement age population . . . . .	60,000
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In support of the Afro-American High Scorers Project . . . . .	24,900
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Total—Public Affairs

<u>\$12,254,900</u>
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CONTRIBUTIONS	<i>Appropriated</i>
Council on the Environment of New York City, New York, New York:	
For general support .....	\$ 30,000
Eviction Intervention Services, New York, New York:	
For general support .....	40,000
Foundation Center, New York, New York:	
For general support .....	30,000
Marymount Manhattan College, New York, New York:	
For general support .....	25,000
National Center For Nonprofit Boards, Washington, DC:	
For general support .....	30,000
National Trust for the Humanities, Lexington, Virginia:	
For general support .....	45,000
Nonprofit Coordinating Committee of New York, New York, New York:	
For general support .....	30,000
Total—Contributions	<u>\$ 230,000</u>
Grand Totals	<u><u>\$144,691,669</u></u>

*Financial Statements*



## REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of  
The Andrew W. Mellon Foundation

In our opinion, the accompanying balance sheet and the related statements of activities and cash flows present fairly, in all material respects, the financial position of The Andrew W. Mellon Foundation at December 31, 1998 and 1997, and its income, expenses and changes in principal balance for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Foundation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits on these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.



PricewaterhouseCoopers LLP  
New York, New York  
March 18, 1999

# The Andrew W. Mellon Foundation

## Balance Sheet

	<i>December 31,</i>	
	<u>1998</u>	<u>1997</u>
	<i>(In thousands)</i>	
<b>ASSETS</b>		
Investments:		
Marketable securities .....	\$2,833,347	\$2,641,570
Limited liquidity investments .....	495,637	334,278
Interest in coal properties .....	46,000	46,000
	<u>3,374,984</u>	<u>3,021,848</u>
Cash .....	19,356	6,834
Dividend and interest income receivable .....	13,620	14,352
Coal property income receivable .....	882	592
Receivable from unsettled securities sales .....	9,668	26,580
Federal excise tax refund receivable .....	3,031	—
Property, at cost less accumulated depreciation of \$2,780 and \$2,412 at December 31, 1998 and 1997, respectively .....	9,934	10,231
Total assets .....	<u>\$3,431,475</u>	<u>\$3,080,437</u>
<b>LIABILITIES AND PRINCIPAL BALANCE</b>		
Grants payable .....	\$ 13,558	\$ 12,896
Payable from unsettled securities purchases .....	84,277	115,342
Federal excise tax payable:		
Current .....	—	1,360
Deferred .....	11,165	7,871
Accrued expenses .....	2,114	1,965
Total liabilities .....	111,114	139,434
Principal balance (unrestricted) .....	<u>3,320,361</u>	<u>2,941,003</u>
Total liabilities and principal balance .....	<u>\$3,431,475</u>	<u>\$3,080,437</u>

The accompanying notes are an integral part of these financial statements.

# The Andrew W. Mellon Foundation

## Statement of Activities

	<i>For the years ended December 31,</i>	
	<u>1998</u>	<u>1997</u>
	<i>(In thousands)</i>	
<b>INVESTMENT RETURN:</b>		
Gain on investments:		
Realized.....	\$ 301,228	\$ 351,233
Unrealized.....	52,108	13,972
Interest.....	39,994	36,058
Dividends.....	39,305	43,132
Income from coal properties.....	8,950	10,920
	<u>441,585</u>	<u>455,315</u>
Less: Investment expenses.....	(11,740)	(11,378)
Depletion of coal properties.....	—	(14,000)
Net investment return.....	<u>429,845</u>	<u>429,937</u>
<b>EXPENSES:</b>		
Program grants and contributions (net of cancellations or refunds of prior-year grants).....	142,232	118,541
Salaries, pensions and benefits.....	6,471	5,782
Other administrative and office expenses.....	4,079	3,826
Current provision for federal excise tax.....	7,006	8,402
	<u>159,788</u>	<u>136,551</u>
Cumulative effect of change in accounting method for limited liquidity investments, net of taxes.....	109,301	—
Change in principal balance.....	379,358	293,386
Principal balance (unrestricted) at beginning of year.....	<u>2,941,003</u>	<u>2,647,617</u>
Principal balance (unrestricted) at end of year.....	<u>\$3,320,361</u>	<u>\$2,941,003</u>

The accompanying notes are an integral part of these financial statements.

# The Andrew W. Mellon Foundation

## Statement of Cash Flows

	<i>For the years ended December 31,</i>	
	<u>1998</u>	<u>1997</u>
	<i>(In thousands)</i>	
Cash flow from investment income and operations:		
Sources of cash		
Interest and dividends.....	\$ 80,030	\$ 76,499
Income from coal properties.....	8,660	13,316
Grant refunds.....	646	1,655
Federal tax refund.....	61	7
Other income.....	47	182
	<u>89,444</u>	<u>91,659</u>
Uses of cash		
Payment of grants and contributions.....	(142,216)	(120,659)
Payment of investment expenses.....	(11,615)	(11,038)
Payment of salaries and other administrative expenses ..	(10,159)	(9,358)
Payment of federal excise tax.....	(11,456)	(8,440)
	<u>(175,446)</u>	<u>(149,495)</u>
Net cash from investment income and operations .....	<u>(86,002)</u>	<u>(57,836)</u>
Cash flow from investing activities:		
Sources of cash		
Proceeds from sales of marketable securities:		
Short-term.....	1,744,931	1,894,222
Other marketable securities.....	2,239,426	2,197,173
Receipts from limited liquidity investments .....	79,179	93,943
Capital gains distributions from mutual funds .....	20,031	41,056
Net returns on financial instruments.....	2,531	5,854
	<u>4,086,098</u>	<u>4,232,248</u>
Uses of cash		
Purchases of marketable securities:		
Short-term.....	(1,705,561)	(1,939,905)
Other marketable securities.....	(2,174,420)	(2,146,814)
Purchases of limited liquidity investments .....	(107,522)	(86,094)
Capital asset additions .....	(71)	(83)
	<u>(3,987,574)</u>	<u>(4,172,896)</u>
Net cash from investing activities .....	<u>98,524</u>	<u>59,352</u>
Net increase in cash.....	12,522	1,516
Cash at beginning of year.....	6,834	5,318
Cash at end of year.....	<u>\$ 19,356</u>	<u>\$ 6,834</u>

The accompanying notes are an integral part of these financial statements.

# The Andrew W. Mellon Foundation

## *Reconciliation of Change in Net Assets to Net Cash from Investment Income and Operations*

	<i>For the years ended December 31,</i>	
	<u>1998</u>	<u>1997</u>
	<i>(In thousands)</i>	
Increase in net assets .....	<u>\$379,358</u>	<u>\$293,386</u>
Adjustments to reconcile decrease in unrestricted net assets to net cash from investment income and operations:		
Cumulative effect of accounting change.....	(109,301)	—
Realized gain on sale of investments .....	(303,102)	(352,837)
Increase in unrealized appreciation of investments .....	(55,402)	(14,258)
Realized losses of limited liquidity investments.....	1,921	1,787
Depletion of coal properties.....	—	14,000
Depreciation expense .....	368	367
Increase in deferred federal excise tax provision .....	3,294	286
Increase in federal excise tax receivable .....	(3,031)	—
Decrease in federal excise tax payable.....	(1,360)	(31)
Decrease (increase) in interest and dividend receivable ....	732	(2,691)
(Increase) decrease in coal property income receivable ....	(290)	2,396
Increase (decrease) in grants payable.....	662	(463)
Increase in accrued expenses .....	149	222
Total adjustments.....	<u>(465,360)</u>	<u>(351,222)</u>
Net cash from investment income and operations .....	<u>(\$86,002)</u>	<u>(\$57,836)</u>

The accompanying notes are an integral part of these financial statements.

# The Andrew W. Mellon Foundation

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of The Andrew W. Mellon Foundation (the “Foundation”) have been prepared in conformity with generally accepted accounting principles. The significant accounting policies followed are described below.

#### *Investments:*

Investments in marketable securities are stated at market value. Market value is determined using daily closing last trade prices, where available, for all tradeable instruments on any global stock exchange. Realized gains and losses on investments in securities are calculated based on the first-in, first-out identification method.

The value of the coal properties is determined based on an estimate of the remaining coal reserves and the discounted value of the anticipated future income. An evaluation of the coal reserves performed by a mining engineering firm during 1998 resulted in a slight increase in the remaining coal reserves, despite the mining which has taken place since the last reserve study, which was performed in 1995. The coal properties are recorded at an estimated current value of \$46 million at both December 31, 1998 and 1997.

Limited liquidity investments are stated at estimated fair value for the year ended December 31, 1998 and at cost for the year ended December 31, 1997. This change in accounting policy is more fully described in Note 2. Limited liquidity investments are primarily made under agreements to participate in limited partnerships. Investments in limited partnerships are valued on the basis of the Foundation’s equity in the net assets of such partnerships. The value of such investments is determined by the partnerships’ general partners who must follow the valuation guidelines stipulated in the respective limited partnership agreements. All limited partnerships are audited annually by independent auditing firms.

#### *Grants:*

Grant appropriations include both conditional and unconditional grants. Unconditional grants are expensed when appropriated. Certain grants are approved by the Trustees subject to the grantee fulfilling specific conditions, most frequently that all or a portion of the grant funds be matched in a specified ratio. Such conditional grants are considered commitments and are not recorded as expense until the conditions of the grant are met. Substantially all grants payable are due within one year and are recorded at face value.

#### *Federal Excise Tax:*

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to a federal excise tax. The Foundation follows the policy of providing for federal excise tax on the net appreciation (both realized and unrealized) of investments. The deferred federal excise tax in the accompanying financial statements represents tax provided on the net unrealized appreciation of investments.

*Property:*

Property is primarily buildings which are depreciated over their useful lives, generally twenty-five years.

*Investment Return:*

In 1998, investment return included income and realized and unrealized gains on all investments. In 1998 and 1997, unrealized gains on marketable securities comprises the increase in unrealized appreciation, net of deferred federal excise tax provided on such unrealized appreciation. In 1998, unrealized gain on investments included the change in unrealized appreciation of the limited liquidity investments, net of deferred federal excise tax. In 1998 and 1997, realized gain includes gains realized on the sale of marketable securities and the income or loss of partnership investments and realized gains, whether distributed or undistributed, from such investments. In 1997, the investment return did not include unrealized gains on limited liquidity investments.

*Expenses:*

Investment expenses are the costs of portfolio management, including fees for investment management, custody, and advisory services. Other administrative and office expenses include all costs of operating the Foundation offices, including maintenance and depreciation.

*Use of Estimates:*

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

*Reclassification:*

Certain prior year amounts have been reclassified to conform with current year presentation.

## NOTE 2—CHANGE IN ACCOUNTING METHOD:

In 1998, the Foundation changed its method of accounting for investments in limited liquidity investments from the cost method to the fair value method. The estimated fair value of the limited liquidity investments at December 31, 1998 is \$496 million. The estimated fair value of the limited liquidity investments, determined as of December 31, 1997, was \$446 million, with a cost of \$334 million. As of January 1, 1998, the Foundation recorded an unrealized gain to reflect the increase in the carrying value of these investments to fair value. The cumulative effect of this change, reflected in the Statement of Activities for the year ended December 31, 1998, comprises:

	<i>Amount</i> <i>(in thousands)</i>
Fair value of limited liquidity investments . . . . .	\$445,809
Less cost of limited liquidity investments . . . . .	<u>(334,278)</u>
Unrealized appreciation and increase in carrying value . . .	111,531
Less deferred federal excise tax at 2% . . . . .	<u>(2,230)</u>
Cumulative effect of change in accounting method for limited liquidity investments . . . . .	<u>\$109,301</u>

## NOTE 3—INVESTMENTS:

Marketable securities held at December 31, 1998 and 1997 are summarized as follows:

	<i>December 31, 1998</i>		<i>December 31, 1997</i>	
	<i>Market Value</i>	<i>Cost</i>	<i>Market Value</i>	<i>Cost</i>
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Equities.....	\$1,933,355	\$1,480,793	\$1,780,115	\$1,397,699
Fixed Income .....	752,187	735,917	674,065	663,022
Short-term .....	146,445	146,417	185,763	185,763
Other .....	1,360	1,528	1,627	1,627
Total .....	<u>\$2,833,347</u>	<u>\$2,364,655</u>	<u>\$2,641,570</u>	<u>\$2,248,111</u>

Pursuant to its limited partnership agreements, the Foundation is committed to contribute approximately \$288 million as of December 31, 1998 in additional capital over the next ten years. Unpaid commitments at December 31, 1997 were \$240 million.

As a result of its investing strategies, the Foundation is a party to a variety of financial instruments. These financial instruments may include equity, fixed income, and foreign currency futures and options contracts, foreign currency forwards, and interest rate cap and floor contracts. Much of the Foundation's off-balance-sheet exposure represents strategies that are designed to reduce the interest rate and market risk inherent in portions of the Foundation's investment program. Changes in the market values of these financial instruments are recognized currently in the Statement of Activities.

Through certain investment managers, the Foundation purchases and sells forward currency contracts whereby the Foundation agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate to minimize the exposure of certain of its marketable securities to adverse fluctuations in financial and currency markets. As of December 31, 1998 and 1997, the Foundation had forward currency contracts with notional amounts totaling \$86 million and \$73 million, respectively. At December 31, 1998, approximately \$85 million in assets and \$86 million in liabilities related to open foreign currency contracts, at market value, are included in other marketable securities.

Through a securities lending program managed by its investment custodian, the Foundation loans certain stocks and bonds included in its investment portfolio to qualified investors. These investors are required to deposit cash of a like amount with the investment custodian as collateral on such loans. The Foundation's investment custodian has indemnified the program against counterparty risk. The Foundation's gross securities loaned to certain investors at December 31, 1998 amounted to approximately \$126 million.

Financial instruments such as those described above involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the balance sheet. Market risk represents the potential loss the Foundation faces due to the decrease in the value of financial instruments. Credit risk represents the maximum potential loss the Foundation faces due to possible non-performance by obligors and counterparties of the terms of their contracts.

Management does not anticipate that losses, if any, resulting from its market or credit risks would materially affect the financial position and operations of the Foundation.

## NOTE 4—FEDERAL EXCISE TAX:

The Internal Revenue Code imposes an excise tax on private foundations equal to 2 percent of net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income).

The provision for federal excise tax consists of a current provision on realized net investment income and a deferred provision on unrealized appreciation of investments. The current provision for 1998 on net investment income at 2 percent is \$7.0 million. The current provision in 1997 at 2 percent was \$8.4 million. The change in unrealized appreciation reflected on the Statement of Activities includes a provision for deferred taxes based on net unrealized appreciation of investments at 2 percent. The change in the method of accounting for limited liquidity investments resulted in an increase in the deferred federal excise tax liability of \$2.2 million as described in Note 2. The increase in unrealized appreciation in 1998 and 1997 resulted in an increase of the deferred federal excise tax liability of \$1.1 million and \$0.3 million, respectively.

## NOTE 5—GRANTS, CONTRIBUTIONS, and COMMITMENTS:

The following table of grant activity by major program area includes all grant appropriations approved during 1998. The grants payable and committed at December 31, 1997 have been restated to reflect cancellations of \$412 thousand.

	<i>Payable and Committed, Dec. 31, 1997</i>	<i>1998 Grants and Commitments</i>		<i>Payable and Committed, Dec. 31, 1998</i>
		<i>Appropriated</i>	<i>Paid</i>	
		<i>(In thousands)</i>		
Conservation and the Environment.....	\$ 564	\$ 14,879	\$ 15,268	\$ 175
Museums and Art				
Conservation .....	11,731	8,126	10,504	9,353
Performing Arts .....	4,133	10,446	12,795	1,784
Higher Education and Scholarship .....	18,632	87,713	76,561	29,784
Population.....	2,376	11,042	11,163	2,255
Public Affairs.....	7,261	12,255	15,695	3,821
Program Grants & Commitments—Totals	44,697	144,461	141,986	47,172
Contributions.....	—	230	230	—
Totals .....	<u>\$44,697</u>	<u>\$144,691</u>	<u>\$142,216</u>	<u>\$47,172</u>

Grant and grant commitment activity is summarized below.

	<i>Amount</i>	
	<u>1998</u>	<u>1997</u>
	<i>(In thousands)</i>	
<b>Grants Payable:</b>		
Grants payable at January 1 .....	\$12,896	\$13,359
Grant expense .....	142,878	120,196
Less grants paid .....	<u>(142,216)</u>	<u>(120,659)</u>
Grants payable at December 31 .....	<u>\$13,558</u>	<u>\$12,896</u>
 <b>Net Grant Expense:</b>		
Unconditional grants .....	\$122,730	\$105,111
Conditional grants .....	<u>20,148</u>	<u>15,085</u>
	142,878	120,196
Less grant refunds .....	<u>(646)</u>	<u>(1,655)</u>
	<u>\$142,232</u>	<u>\$118,541</u>
 <b>Grant Commitments:</b>		
Grant commitments at January 1 .....	32,213	32,000
Less commitment cancellation .....	(412)	(480)
Commitment restored from refunded amount .....	—	840
Conditional grants appropriated .....	21,961	14,938
Less grants meeting conditions for payment .....	<u>(20,148)</u>	<u>(15,085)</u>
Grant commitments at December 31 .....	<u>\$33,614</u>	<u>\$32,213</u>