

we started SMALL



Robert Wood Johnson Foundation

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E STARTED SMALL AND STAYED LOCAL for a long time. Even our forerunner's name was family-style—the Johnson New Brunswick Foundation. Robert Wood Johnson II set it up one Christmas during the Great Depression to channel his private wealth to help local people in need.

It was 1936, and Johnson, by now president and general manager of Johnson & Johnson (J&J), personally knew scores of families that were struggling to meet basic needs of food and clothing, home and health care, especially for the very young and the very aged.

It is hard today to imagine how bad it was. Thousands of New Jersey businesses and banks had failed, leaving hundreds of thousands in northern New Jersey unemployed. So many homeowners defaulted on property taxes that local municipalities were bankrupted. The standard of living and the quality of life turned miserable for millions. Many families found themselves homeless. Childhood malnutrition was epidemic. A common cause of hospitalization was lack of food. Vitamin deficiencies marked a generation of kids with softened and malformed bones.

In New Brunswick, N.J., jobless workers traded services for food or stood in Red Cross soup lines for free meals to take home to the family. Some men sold razor blades and shoelaces on the street; 50 cents was a good day's take. Songs of survival like Bing Crosby's "Brother, Can You Spare a Dime?" led the Top 10. Many middle-class fathers committed suicide, hoping their families would get the insurance proceeds. Other men killed themselves rather than face a shame common to the day—the disgrace of not providing for their families.

Born to privilege and raised in luxury, Johnson was sheltered from the Depression financially, but not emotionally. The suffering strongly affected him. He felt a personal and a business obligation to help. Such empathy certainly wasn't

conventional among Johnson's contemporary leaders of commerce and industry. Maybe his compassion came from the time he put in as a blue-collar laborer in the family factory. Or maybe it was the influence of kindly Fred Kilmer, his father's chief scientist, one-time druggist to Thomas Edison, and a surrogate father to young Johnson after Johnson the elder died in 1910.

Kilmer was passionate about protecting the health of the public and improving the safety of medical care. He made a career of righting wrongs, preventing diseases and promoting healthier lifestyles. He literally invented Baby Powder, and he created *Johnson's First Aid Manual*, the first book of its kind. Doing for others was part of Kilmer's DNA.

Johnson and Kilmer were bonded by mutual loss and devotion to the family business. Kilmer's famous poet-soldier son, Joyce Kilmer ("I think that I shall never see/A poem lovely as a tree...") was killed in World War I. Johnson's biographer later wrote that when Kilmer spoke like a father, Johnson listened like a son.

One thing for certain: Johnson was genuinely generous. Early in the Depression he paid J&J workers a 5 percent annual hardship bonus. When someone asked for help, he reached into his own pocket. When he heard of an employee falling on hard times, he "made arrangements." When a long-time employee became a grandmother, he paid her journey to see the baby.

The Depression convinced Johnson that big business had an obligation to improve the common good. Hoping to inspire a new age of heightened social consciousness among other corporate leaders, in 1935 he published what he called a "new business philosophy." The pamphlet, provocatively titled *Try Reality*, struck a nerve. In it, Johnson wrote:

"Out of the suffering of the past few years has been born a public knowledge and conviction that industry only has the right to succeed where it performs a real economic service and is a true social asset.... It is to the enlightened self-interest of industry to accept and fulfill its share of social responsibility."

Business leaders ducked for cover. Although Johnson invited every major industrialist in the country to respond, none replied. Undaunted, he set his own example. Just before Christmas 1936, he endowed the Johnson New Brunswick Foundation with 12,000 shares of his own J&J stock—worth about \$5.4 million in today's dollars. His aim: To help local people down on their luck. Coincidentally, within days of setting up the Foundation, Bing Crosby released his newest hit record and movie, "Pennies From Heaven."

Many applied to Johnson's foundation, and few were denied. An orphan boy's teeth were fixed. Poor families received food and clothes. A downpayment was made on a house for a minority policeman and his family of eight kids.

Back then the government didn't take much interest in foundations; rules were few and regulation was loose. Local business owners made up the New Brunswick Foundation's board. If one of them questioned a donation, Johnson would say, "Let's go ahead with it and if we get in trouble, then we'll call in the legal department." When the stock dividends weren't enough to help those who sought aid, Johnson reached first for the petty cash fund, then for his own wallet. "If you didn't watch him," one colleague said laughingly, "he'd give away the factory."

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A favorite early cause was attracting physicians to understaffed local hospitals by giving no-interest loans to hometown premed students who couldn't afford medical school. Large numbers of young men took Johnson up on his offer. To his lasting amazement, few ever repaid their debt. That didn't stop him; hospital reform was a continuing philanthropic preoccupation.

As the Foundation's sole contributor, he considered it his own and ruled that the company name never be connected with a grant. The sole exception was the 130-acre tract of family farmland that became Johnson Park, a gift to the entire community. The intent was to provide more than just a pastoral retreat where families could walk, play, picnic, run their dogs. Here they could also earn a living; making the park fit for public use kept 400 out-of-work men employed for a year.

Before long, Johnson's passion for giving became as renowned as his business success. *Newsweek* wagged that Johnson "was born with a silver spoon in his mouth but has replaced it with a gold one." Johnson's perception of himself wasn't quite as glib: "They call me a philanthropist," he said. "I say it's good business."

