CHAPTER 8

Tending Our Backyard: The Robert Wood Johnson Foundation’s Grantmaking in New Jersey

Pamela S. Dickson

Editors’ Introduction

In Volume V of the Anthology, Pamela Dickson, then a senior program officer at the Foundation and now the assistant vice president for health care, wrote that the Robert Wood Johnson Foundation has funded programs and people in the New Brunswick area and throughout New Jersey “in part to honor the legacy of its founder, and in part to recognize the special responsibilities to the communities and the state in which it is located.” In the decade since “Tending Our Backyard: The Robert Wood Johnson Foundation’s Grantmaking in New Jersey” was published, the Foundation has maintained its charitable giving in New Jersey, but has adjusted it so that it is more strategically focused on important health issues.

Perhaps the clearest example of this reorientation is the New Jersey Health Initiatives. In the past, the New Jersey Health Initiatives had issued a yearly call for proposals for projects falling generally within the Foundation’s priorities.
Now it issues annual calls for proposals for a number of projects focused on a single theme. To date, these include projects designed to:

- Address behavioral issues confronting young men who are at risk for substance abuse, gang involvement, and dropping out of school
- Improve patients’ transitions of care from one facility to another (for example, from a hospital to a nursing home)
- Develop community needs assessments and implement health improvement plans through collaborations among hospitals, health departments, and other community agencies
- Build the capacity of community-based organizations serving vulnerable population groups, including members of historically underrepresented groups and low-income individuals
- Combat teen dating violence
- Strengthen the health literacy of new immigrants

Furthermore, New Jersey Health Initiatives selectively replicates in the state programs that have shown promise nationally, such as Expecting Success, a program aimed at improving the overall quality of cardiac care while reducing racial, ethnic, and language disparities. Another national program, Reclaiming Futures, which seeks to improve the way the juvenile justice system handles young people with substance abuse problems, is currently under consideration as a program to be replicated in New Jersey.

Beyond the New Jersey Health Initiatives, the Foundation is developing programs in New Jersey that fall within its national priority areas—such as childhood obesity. The New Jersey Partnership for Healthy Kids is working to reduce childhood obesity by improving nutrition and increasing physical activity among children living in five communities: Camden, Newark, New Brunswick, Trenton, and Vineland. The Foundation is also funding the establishment of the New Jersey Institute for Food, Nutrition, and Health at Rutgers University’s New Brunswick campus. And through a $10 million loan and a $2 million grant (with additional support from the New Jersey Economic Development Authority and Living Cities), the Foundation is providing the New Jersey Food Access Initiative.
with money to finance the establishment of twelve supermarkets in low-income communities over the next ten years.

The second priority area is nursing. The Foundation is collaborating with the state’s Chamber of Commerce on the New Jersey Nursing Initiative, which directly targets the nursing shortage in New Jersey. One reason for the shortage is a lack of qualified faculty able to teach the many people who want to become nurses. The initiative provides scholarships for master’s and doctoral level nursing students who can then go on to become faculty members in the state’s nursing schools.

Shortly after Dickson wrote her chapter in 2001, the Foundation authorized a program to improve the health and well-being of children from birth to age three in Trenton, the state’s capital—a city of roughly eighty-five thousand people that is characterized by high levels of poverty. ¹ Called Children’s Futures, the program serves as both an intermediary—receiving and re-granting funds to organizations providing services to very young children and their families—and as a coordinator—working with agencies and organizations providing early childhood health and social services in Trenton. In the ensuing eleven years, Children’s Futures has:

- Financed home-visitation programs (that is, programs in which nurses or other health professionals visit pregnant women in their homes and provide child-rearing guidance before and after the child is born)²
- Funded technical assistance to child-care centers and family-child centers
- Supported a model (developed by the New Jersey Chapter of the American Academy of Pediatrics) for improving preventive care (the model was adopted by eleven of thirteen pediatric and family practices in Trenton, serving 90 percent of the city’s children)
- Developed a collaborative of city agencies designed to involve fathers in their children’s upbringing

Unlike its other programming, in New Jersey the Foundation will cover the cost of capital construction and economic development and will provide
core support to institutions. Hence, it has made grants or loans to build and
support the Cancer Institute of New Jersey, the Child Health Institute of New
Jersey, and The Cardiovascular Institute of New Jersey (all at the University of
Medicine and Dentistry of New Jersey); the College of Nursing and the New Jersey
Institute for Food, Health, and Nutrition (both at Rutgers); and the Robert Wood
Johnson University Hospital. The Foundation’s support of the New Brunswick
Development Corporation has helped revitalize the city.

Notes

1. The Foundation awarded $20 million in 2002 to cover 2002–2006 and an addi-
tional $14.5 million in 2006 to take the program through 2012.
2. The New Jersey home visiting program is modeled on a program developed by
David Olds, whom the Foundation supported from 1979 through 2007. New Jersey
is one of several states that are funding nurse home visiting programs.
In 1972, the Robert Wood Johnson Foundation became a philanthropy with a national mission to improve the health and health care of all Americans. It was not, however, the birth of the foundation bearing the name of Robert Wood Johnson. The chairman and chief executive officer of Johnson & Johnson created his foundation in 1936 as a vehicle for his philanthropic endeavors in the New Brunswick area, where the company’s headquarters were located.

While the Robert Wood Johnson Foundation has functioned on a national scale for thirty years, in this time it also has continued funding programs and people in the New Brunswick area and throughout New Jersey. It does so in part to honor the legacy of its founder, and in part to recognize the special responsibilities to the communities and the state in which it is located.

Every national foundation, and many foundations with a statewide focus, must balance local grantmaking with broader aims. This balancing act raises, at the outset, the question of how much should be spent locally. Other questions follow logically: What criteria should be used in deciding whom and what to fund? How closely should a foundation’s overall goals guide local grantmaking? Who should make local funding decisions? How can the staff effectively manage local pressures?

The Early Years

Robert Wood Johnson (1893–1968), the son and nephew of the cofounders of the medical products giant Johnson & Johnson, grew up in an era when wealthy individuals were expected to give back a certain portion of their wealth to the community, most typically in the form of charitable assistance to the needy. Johnson began his career as a factory worker for the company at the age of eighteen and spent his entire professional life with Johnson & Johnson. He became the president in 1932 and
chairman of the Board in 1938. While Johnson was noted at an early age for his generosity and loyalty to his home town of New Brunswick, the institutional vehicle for his gift giving was the Johnson New Brunswick Foundation, which he created in 1936 with a donation of 12,000 shares of Johnson & Johnson stock and 130 acres of land along the Raritan River in New Brunswick. The Johnson New Brunswick Foundation was guided by a small Board composed of local businessmen (including Johnson & Johnson executives), but decision making appears to have remained squarely in Johnson’s hands.¹

The first award made by the Johnson New Brunswick Foundation was the deeding of 130 acres to the township of New Brunswick for a public park, later to be named Johnson Park. More typically, the Foundation’s earliest grants were made to those down on their luck. Gifts ranged from food and clothing for poor families, to fixing an orphan boy’s teeth before he departed for Boy’s Town in Nebraska, to a down payment on a house for a highly regarded black policeman with a wife and eight children.

Two early grantees of the Johnson New Brunswick Foundation that remain connected to the Robert Wood Johnson Foundation to this day are Cenacle House and the Salvation Army. The residence that eventually became the retreat for the nuns of the Society of Our Lady of the Cenacle was originally the Johnson summer home, on a hilltop overlooking the Raritan River and New Brunswick. The Johnson Foundation donated the house and the grounds to the two daughters of James McGarry when they joined this order. McGarry had been a Johnson & Johnson mill superintendent who had befriended and taught Johnson the ropes in his first days with the company.

Brigadier General Henry Dries, who ran the operation of the Salvation Army in New Brunswick, recalled his first “grant proposal” by saying, “I first sought his [Johnson’s] help to purchase the Hebrew Ladies’ Aid Society building to house transients when they traveled between New York and Philadelphia. They were homeless, but we didn’t call them that then. They were ‘transients’ and
often alcoholics. Mr. Johnson didn’t like the term ‘alcoholic,’ and he referred to them as ‘men with drinking problems.’

Despite the wide range of charitable endeavors funded by the Johnson New Brunswick Foundation, the most identifiable theme was support for the health care delivery system. Johnson cultivated an early and abiding involvement with hospital operations. He devoted funds and offered advice to the two general hospitals in New Brunswick: Middlesex General Hospital (now the Robert Wood Johnson University Hospital), where he chaired the executive committee for six years, and St. Peter’s Hospital (now St. Peter’s University Hospital). The Johnson New Brunswick Foundation supported the health care professions as well, making loans so that young men from New Brunswick could go to medical school, and sponsoring programs to elevate the professional status of nurses.

In 1952, the foundation was renamed the Robert Wood Johnson Foundation. Although this name change removed the reference to New Brunswick, the foundation continued to operate locally throughout Johnson’s lifetime. Johnson continued to make regular contributions of Johnson & Johnson common stock. When he died, in 1968, the Foundation held 569,130 shares, with a value of $60,000,000.

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**Outgrowing New Brunswick**

Johnson left the bulk of his estate, consisting of Johnson & Johnson stock then valued at $300 million, to the Foundation. By the time probate was concluded, in 1971, the value of the shares had increased fourfold, to $1.2 billion.

Johnson did not stipulate a focus for these funds other than a general hope that they would benefit mankind. There are no minutes that reflect the trustees’ decision to promote the betterment of the health of the American people, but it seems an obvious choice, in the light of Johnson’s business and personal interests over his lifetime. Given the size of the assets, the trustees decided that the Foundation should assume a national presence.
The Foundation’s first chairman was Gustav Lienhard, who was at the time president of Johnson & Johnson. Lienhard, who served as the Foundation’s chairman and CEO until 1986, exerted great influence over the Foundation’s early development, broadening its reach well beyond New Brunswick and New Jersey. He also stressed a businesslike attitude toward grantmaking, indicating a preference for sustainability and replicability in projects funded by the Foundation. Lienhard and the new Board also underscored the Foundation’s focus on health by selecting as its first president Dr. David E. Rogers, the dean of the Johns Hopkins University School of Medicine. Rogers selected a program staff with national expertise in various health policy fields and developed a series of demonstration projects with sites throughout the nation.

In the 1972 Annual Report, Rogers laid out a seventeen-page analysis of health care opportunities and strategies, and identified three national program strategies for the Foundation:

- Improving access to medical care for underserved Americans
- Improving the quality of health and medical care
- Developing mechanisms for objective analysis of public policies in health

The staff was asked to develop program priorities that would achieve these goals, and the Foundation developed a new model of grantmaking for its national programs—one that identified, in advance, a program’s goals and criteria for grantee selection. This was very different from the approach used by most national foundations at the time, which tended to respond to unsolicited proposals for funds.

Even as this national perspective was being developed, local institutions saw the increase in the Foundation’s assets as an opportunity to receive even more support than in the past. Recalling Johnson’s generosity and anticipating the Foundation’s help
in purchasing land, new equipment, and other capital expansions, New Brunswick hospitals and other health care institutions made plans for capital improvements.

In the early days, the biggest challenge facing the young Foundation was meeting the new 7 percent payout required by the Tax Reform Act of 1969 (later reduced to 5 percent). As a result of the large payout requirement, little competition for resources emerged initially. Although tensions about whether to allocate funds locally or nationally surfaced occasionally in meetings of the board of trustees throughout the 1970s and 1980s, the board did not appear to have adopted a formal position on the matter. Requests for local funding were presented, reviewed, and funded on an informal basis.

The necessity of dealing with this issue came to a head, however, in the late 1980s, when the staff decided to take another look at what seemed like a continuous list of requests from Middlesex General Hospital. Once the small project budgets were aggregated, the total came to $10 million. Given the level of funding requested, the Board decided to develop a more formal policy and process to guide its central New Jersey giving. In 1990, the Board adopted a resolution that central New Jersey grants “remain at 3 percent of the Foundation’s total annual grantmaking, as calculated on a five-year average.” The 3 percent figure was adopted as a continuation of past trends, and was seen as more of a target than a cap. However, the Foundation’s giving to local charities that reflected Robert Wood Johnson’s legacy from the 1930s were considered above and beyond the 3 percent target.

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**The Foundation’s New Jersey Funding**

Decisions about how much to allocate to local versus national programs, for what purposes, and how to do so reflect a complicated history and an interplay of dynamic forces ranging from the founders’ wishes to the degree of specificity with which the Foundation defines its goals and the successes or failures of past
grantmaking. The Robert Wood Johnson Foundation’s current New Jersey funding can be sorted into four different categories:

- **Legacy Grants** are, in general, charitable donations to organizations in the New Brunswick area that were supported by, or similar to those supported by, Johnson before the Robert Wood Johnson Foundation adopted a national perspective.

- **Out-of-Program** grants are made to New Jersey organizations, predominantly in the New Brunswick area, for programs that are generally consistent with the Foundation’s goals but do not necessarily fall within its priorities.

- **In-Program** grants are expected to meet the Foundation’s overall goals and more specific programming priorities. These grants are earmarked for New Jersey organizations that compete only with other New Jersey applicants.

- **National Program Grants** are made to New Jersey applicants that successfully compete with other applicants throughout the nation.

**Legacy Grants**

Giving to New Brunswick charities, a valued tradition for the Foundation’s Board, is seen as a way of honoring the Foundation’s founder. Programs funded as legacy grants do not have to fall within the Foundation’s mandate, nor do they go through a competitive selection process. In this regard, they are akin to the charitable donations of a community foundation. Legacy grants fund the same New Brunswick charities that were supported by Robert Wood Johnson in his early days as a philanthropist, as well as other local groups carrying out similar charitable endeavors. The Salvation Army, the Society of St. Vincent de Paul, Cenacle Retreat House, the United Way of Central New Jersey, the Plainsboro Rescue Squad and Plainsboro Volunteer
Fire Company No. 1 (the Foundation’s headquarters are in Plainsboro Township), and Kiddie Keep Well Camp (a summer camp available to children with severe illness or disabilities) are among the organizations that the Robert Wood Johnson Foundation has supported for many years.

New Brunswick went through a very difficult economic period in the 1970s; it rebounded in the 1990s, and has become a thriving city. Part of the recovery can be credited to Johnson & Johnson’s decision to maintain its headquarters in the city, and part can also be given to the ongoing support of the Robert Wood Johnson Foundation. The Foundation has given core support to two municipal organizations: New Brunswick Tomorrow, a network of human service agencies, and the New Brunswick Development Corporation, charged with rebuilding the downtown area.

For the most part, these grantees are sustained with annual increases adjusted for the cost of living. Funding in this category throughout the 1990s was approximately $14 million.

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<th>Grantee</th>
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<td>1977</td>
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<td>United Way of Central Jersey</td>
<td>1976</td>
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<td>Society of St. Vincent de Paul</td>
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**Out-of-Program Grants**

Under the 1990 Board resolution, out-of-program grants are targeted at 3 percent of the Foundation’s annual grant giving. Like legacy grants, out-of-program awards do not have to fall within the Foundation’s strategic priorities. But unlike the legacy grants, which tend to be small and sustained with small increments
over many years, out-of-program grants tend to be large one-time awards, even when they are made to beneficiaries that were early recipients of Johnson’s largesse. Although it’s not a requirement that out-of-program grants be related to health care, they tend to be so; they are typically awarded to central New Jersey health care organizations. This category of grants, together with the legacy grants, comes closest to fulfilling the Foundation’s role as a good corporate neighbor. Out-of-program grants reflect a sense of pride in the state of New Jersey and an acknowledgment of its importance in the lives of Robert Wood Johnson, Johnson & Johnson, and most of the early trustees.

Many of the Foundation’s out-of-program grants have gone to increase the capacity of New Jersey’s health care institutions, so that the state’s residents could have access to first-rate medical facilities without having to go to New York City or Philadelphia. In its earlier days, the Foundation focused on strengthening the University of Medicine and Dentistry of New Jersey, which had its headquarters in Newark and teaching sites in New Brunswick and Camden, and supporting other health care providers in Middlesex County, like the Robert Wood Johnson, Jr., Rehabilitation Institute. More recently, the Foundation made major capital gifts to help establish the New Jersey Cancer Center, the New Jersey Cardiovascular Institute, and a new Child Health Institute, all of which are in New Brunswick.

Another out-of-program grant established the Center for State Health Policy at Rutgers University in 1999. The Center aims at serving the state in two ways. First, it focuses Rutgers’ academic resources on health policy development, giving it the potential to become a nationally recognized institution in this field. Second, it provides advice—based on the university’s health-related expertise across a range of disciplines—to the state government. To increase the usefulness of this function, the Center brings together teams of researchers and subject-matter specialists able to respond quickly to requests from state health care decision makers for background information, research findings, and policy analyses.
During the 1990s, $64 million was approved for projects in this category.

**In-Program Grants**

In-Program Grants occupy a middle ground between the Foundation’s legacy and out-of-program grants—with their comparatively informal review process—and its national program grants—with their rigorous selection process. In-program grants are made only to New Jersey organizations for activities that fall within the priorities of the Foundation.

The rationale for creating a middle ground that gives preferential treatment to home state applicants is threefold. First, if good ideas are being put into practice elsewhere, then the Foundation ought to be sure that New Jersey also benefits. Second, such grants encourage the testing of innovative ideas in the Foundation’s home state. Third, they help build health and health care expertise in New Jersey.

As the young Robert Wood Johnson Foundation began to roll out its large national programs in the 1970s, a highly competitive and rigorous process developed in which a large number of applicants would submit proposals in response to a Call for Proposals. Often, New Jersey applicants were not successful in securing grants. However, the Foundation liked the idea of including a New Jersey site when it made awards in its nationwide programs, and, as a result, it became common practice to add
a New Jersey site when the successful applicant pool did not include a New Jersey organization. Eventually, the Foundation chose another route that would give preference to organizations within its home state: the New Jersey Health Initiatives.

The initial proposal to establish the New Jersey Health Initiatives, submitted to the board of trustees in December of 1986, requested the authorization of funds for “a visible effort providing seed-money grants for unusual health care innovations” within the state. It expressed the hope that the program would create an impetus for New Jersey institutions to move more rapidly in health and health care, and would provide a mechanism for assessing many of the proposals the Foundation routinely received from institutions around the state.

Under the New Jersey Health Initiatives, organizations across the state have an opportunity to respond to Calls for Proposals, issued once or twice a year, that solicit innovative community-based projects addressing one or more of the Foundation’s goal areas—currently, increasing access to care, improving prevention and treatment of chronic illness, promoting healthy communities and lifestyles, and reducing the harm caused by substance abuse. The Foundation will fund grants up to $500,000 over a three-year period.

As it often does with national programs, the Robert Wood Johnson Foundation designated an outside organization to

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<th>Grantee</th>
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<td>1999</td>
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<td>New Jersey Minority Health Summit</td>
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administer the New Jersey Health Initiatives. Not only does this reduce the Foundation’s administrative burden and tap into expertise beyond the Foundation’s walls, but it also reduces the pressure on the staff from local applicants.

The first program office, beginning in January of 1987, was the Health Corporation of the Archdiocese of Newark. In the mid-1990s, the program office shifted to the Health Research and Educational Trust of New Jersey in Princeton. In 2001, the program home changed once again to the Institute for Health, Health Care Policy and Aging Research at Rutgers University. In each of its various homes, the New Jersey Health Initiatives staff manages the process in conjunction with an outside review committee. This process includes proposal review, selection of grantees, and grant administration. With the help of the advisory committee, the staff recommends to the Foundation the best candidates out of each pool for funding.

Some New Jersey Health Initiatives projects have been noteworthy. The Monmouth Medical Center, for example, organized interdisciplinary teams of medical and social service professionals to coordinate services for dying patients. The project was favorably received by patients’ families, and the hospital staff was so enthusiastic that the hospital arranged relief time for staff members who wanted to participate. It became a model that the Foundation used as it was developing strategies to improve palliative care for dying patients. Another example is the New Jersey SEED Project, which supported the development of ethics training to facilitate dispute resolution in nursing homes. Although the state of New Jersey funds regional long-term-care ethics committees that offer general guidance, their resources are insufficient to provide guidance on the specific issues that arise in the care of individuals in nursing homes. The grant enabled in-house training to be made available to the staffs of many New Jersey long-term care facilities.

In addition to the New Jersey Health Initiatives, the Foundation also funds unsolicited proposals that have the potential for local impact. An example is the Capitol Policy Forums project.
Early in the 1990s, the League of Women Voters of New Jersey requested the Foundation’s financial support in an effort to promote a more civil discourse on important health policy issues in New Jersey. In response, the Foundation agreed to fund a series of quarterly forums on key health issues, sponsored by the League of Women Voters of New Jersey and attended by state public policymakers and stakeholders. The Foundation continues to support these forums, now sponsored by the Forums Institute for Public Policy, and has financed similar efforts in other states.

The Foundation has also undertaken several initiatives with the New Jersey state government. In the 1980s, it contributed to the state’s establishment of seven hospital consortia to transfer pregnant women with potentially high-risk deliveries to hospitals best prepared to care for endangered newborns. The funding for these consortia has been picked up by member hospitals, and they remain in operation today.

In response to a request from the state government, the Foundation funded, between 1996 and 2000, an innovative way to monitor quality of care in nursing homes. The traditional approach involved facility inspections based largely on physical plant standards and staffing levels. However, these criteria did not measure actual resident outcomes. In the mid-1990s, the federal Health Care Financing Administration was beginning the process of creating quality-of-care indicators for nursing home residents that could be reported in an electronic format. New Jersey proposed that the new federal electronic database also be used by its state inspectors—not in a punitive way but to help nursing homes set quality-of-care goals for themselves.

The Foundation has also funded capacity-building projects in the state government. Len Fishman, Commissioner of Health from 1993 through 1998, relates that he was thrilled with the flexibility of a $50,000 award from the Foundation to be used on a health policy issue of his choosing. Later in his term, a Foundation grant enabled the Department of Health and two other state agencies to carry out a comprehensive planning
process based on consolidating into a single agency all of the state’s services to the elderly. That funding “brought many more people to the table than would otherwise have been possible,” observed Fishman.

Over the decade of the 1990s, the Foundation made 286 in-program New Jersey grants totaling $86 million.

**National Program Grants**

New Jersey organizations, like those from any other state, can respond to Calls for Proposals and seek funds for national programs in areas identified as priorities by the Robert Wood Johnson Foundation. New Jersey applicants receive no special advantages in these competitions, and, like applicants from any state, face tough odds in them. There are, however, some outstanding examples of New Jersey grantees having competed successfully. For example, the New Jersey Breathes project, run by the New Jersey Medical Society, was one of the original nine sites in the SmokeLess States program. New Jersey Breathes and its partners in the state engaged in public education about the harmful impact of cigarette smoking among young people. The issue received widespread attention, and, in 1997, the state cigarette tax was increased.

**Conclusion**

As currently structured, the Foundation’s New Jersey grantmaking maintains certain of its central values, principally by honoring its founder, serving as a corporate good neighbor, standing behind grantees’ work rather than seeking the spotlight, and encouraging innovative ideas for improving health and health care in its home state. The Foundation’s approach to grantmaking in New Jersey has significantly different emphases than its national approach. While in its national programs the Foundation issues Calls for Proposals that have the potential to shape policies, to build new
fields, and to demonstrate innovative ideas that others might pick up, its approach in New Jersey is to respond to local initiatives and, to a great extent, to fund community-based programs. This approach offers a more receptive environment for a wide range of proposals, especially those that do not fall within the Foundation’s national goals. This approach has both benefits and costs. These can be seen by examining four issues that arise from the Foundation’s New Jersey grantmaking: What is an appropriate amount for a national foundation to give for programs in its own backyard? What are appropriate program priorities? What is an appropriate mechanism for making funding decisions? How visible should a national foundation be locally?

Funding Level

The first issue involves deciding how much of its funds a national foundation such as Robert Wood Johnson should devote to its own backyard. In 1990, the Foundation determined that, given past expenditures, a 3 percent level for out-of-program grants would be appropriate. Using historical spending patterns as a yardstick may be a rational way to determine current spending levels, but it has the potential drawback of freezing local grantmaking at a level based only on history. However, the Foundation built in flexibility: the 3 percent is merely a target—a level that it should try to reach. Second, the 3 percent target applies only to out-of-program grants; in-program grants, including the New Jersey Health Initiatives, legacy grants, and, of course, grants to New Jersey applicants in national competitions are above and beyond the 3 percent. The exclusion of legacy grants in the 3 percent target is understandable, since the number of legacy grantees is finite, predetermined, and continuing, whereas the demand for out-of-program grants to facilities and institutions is considerably less predictable. By excluding in-program grants from the 3 percent set-aside, these projects, in effect, compete for funds with the Foundation’s national grantmaking portfolio.
Program Priorities

The second issue concerns the activities that fall within the guidelines for local grantmaking. The Foundation has program priorities in New Jersey different from those it has in other states. In New Jersey, the Foundation acts, for the most part, as a traditional community foundation, funding local charitable endeavors and using guidelines quite different from those it uses nationally. Its emphasis on charitable giving through the legacy and out-of-program mechanisms—whether or not they involve health—is markedly different from the Foundation’s program priorities elsewhere. Even the New Jersey Health Initiatives, in which projects must fit within the Foundation’s priorities, looks for community-based service activities and excludes grants for policy and research, which are a primary tool in many national programs.

Moreover, like community foundations that usually react to proposals that come over the transom, the Foundation makes grants that respond to requests coming from community organizations in New Jersey; this contrasts with its more structured and activist approach to national programs. Responding to the needs defined by local organizations is part of the definition of being a good corporate neighbor.

Some critics have commented that the approach the Foundation has adopted in New Jersey may deprive it of the opportunity to play a more decisive role in the state. In response to the challenge of making a greater impact in New Jersey, the Board approved an expanded scope for the New Jersey Health Initiatives in July 2001, adding three new elements: a community leadership program, capacity building for community organizations, and a strategic Call for Proposals in which each cycle will target a particular health or health care issue.

Mechanisms for Decision Making

A third issue is how to make decisions about what organizations and projects to fund. The Foundation’s program staff is
essentially removed from most New Jersey program development and decision making. Legacy and out-of-program grants do not go through the normal staff proposal review process; review and decisions are basically made by committees of the board of trustees. Decision making on New Jersey Health Initiatives grants is in the hands of an external program office, although members of the Foundation’s program staff with relevant experience may be asked to comment on specific proposals.

The separation of the Foundation’s program staff from grantmaking in New Jersey has its pros and cons. It has the benefit of shielding the staff from involvement in projects that may have been submitted by friends or neighbors. In addition, the use of an expert advisory committee and a competitive review process for in-program grants funded under the New Jersey Health Initiatives maintains the credibility of the grantmaking process. However, the advantages brought by distancing the staff from local projects comes at a price: the Foundation loses the opportunity to apply its strategic and time-tested grantmaking process in New Jersey, and the staff is less able to share insights gained from its national programs with local audiences.

**The Foundation’s Visibility**

Mark Murphy, executive director of the Fund for New Jersey, is not shy about expressing his admiration for the Robert Wood Johnson Foundation. However, he considers the Foundation’s preference for remaining in the background among its less effective characteristics. He points out that the Foundation has learned much from projects all over the country that should inform the Foundation’s potential to effect positive change in New Jersey. “The Robert Wood Johnson Foundation is uniquely positioned to provide expertise and resources to bring people together and make things happen,” Murphy said. “The process that has protected the Foundation from the stickiness of engagement has also protected it from some of the potential achievements of engagement.”
The Foundation’s preference for low visibility is not unique to New Jersey. Indeed, it goes back to its first Board chairman, Gustav Lienhard, and was reaffirmed as recently as 1999 with the Board’s adoption of a set of core values, including this: “We speak through our grantees and do not seek a high institutional profile.” Without abandoning this core value, however, the Foundation could use the power of its New Jersey funding more strategically. Pauline Seitz, director of the New Jersey Health Initiatives through the end of 2000, took steps in this direction by using the Initiative’s quasi-community foundation status to become active in the Council of New Jersey Grantmakers. As vice-president, she stimulated discussion about how New Jersey philanthropies could pool their assets for the good of the state.

How could the Foundation strengthen the impact of its New Jersey funding without losing the benefits of the approach that has evolved over the years? One way would be to adopt a strategic approach that would establish New Jersey as a discrete goal area, subject to the same incentives, constraints, and performance assessments that are applied to the national grantmaking processes. Two-way communications that would facilitate the sharing of experiences between New Jersey grantees and national program grantees could be built into the approach, and a budget process could be developed that would identify an appropriate level of resources needed to reach the goals.

A second approach would be to develop in selected localities in New Jersey what is referred to as a “place-based” type of grantmaking. Rather than taking one model and seeking to replicate it in many different sites, the place-based site approach takes many different types of interventions and implements them in a single place. The multiple interventions might yield synergies where the whole is greater than the sum of its parts. For several years, the Foundation has discussed applying this approach to children’s health in a city in New Jersey. In July, 2001, the Board approved the Children’s Futures program, which will focus exclusively on Trenton and bring to bear all that the Foundation
has learned about improving the health of children between the ages of 0 and 3. This initiative might be risky because of the potential involvement of the Foundation in local affairs, but it could make a genuine and lasting contribution to the Foundation’s home state.3

Notes
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