PRECEDING THE FUTURE

FIFTEEN YEARS HAVE PASSED SINCE the Meyer Trust began operations. It seems fitting at this point to take a quick look back and note a few of the significant developments during this period. There have been changes in the size and nature of the Trust, the environment in which it operates, and the issues it must face as it goes forward.

SIZE AND SCOPE

When what was then called the Fred Meyer Charitable Trust began in the spring of 1982, its assets were $120 million, and it expected to make grants of $5-6 million annually. By April 1997 Trust resources exceeded $384 million, and the Trust had made grants totaling more than $173 million, an average of $11.5 million a year. During its sixteenth year of operations, the Meyer Memorial Trust expects to distribute over $18 million. With a strong stock market and careful attention to the management of its investments, the Trust has been able to provide far more assistance to charitable activities than anticipated, and at the same time increase its assets so that even greater resources will be available for future generations.

The Trust initially provided general purpose grants to organizations in Oregon and a small part of southwestern Washington in the Portland metropolitan area. Over the next several years the Trust launched programs relating to aging, children at risk, and libraries that extended to Alaska, Idaho, Montana, and Washington, as well as Oregon. For a variety of reasons, these programs were eventually terminated, and the Trust has returned to its original geographical scope. With the exception of a small grant program for teachers, the Trust's grantmaking presently is not focused on any particular programmatic areas and is open to a wide array of activities. Fred G. Meyer, the founder, did not dictate how the Trust should operate, but instead left grantmaking policies to the judgment of a five-member board of trustees. The original trustees concluded that a general purpose foundation concentrating on a limited geographical area was

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the most beneficial way to apply the resources bequeathed by Mr. Meyer.

TRUSTEES AND STAFF

Mr. Meyer named five trustees in his will, but one of these was unable to serve, and a replacement was chosen before the Trust started operations. This board served intact for 13 years. During the last two years, two trustees, Pauline Lawrence and Travis Cross, have resigned. Debbie Craig and John Emrick were selected as the first members of the second generation of trustees.

During the middle 1980s, when the Trust was operating three special regional programs in addition to its general purpose program, the staff size grew to 12. In 1997, despite a substantial growth in financial assets, the Trust has a staff of 11 persons. The staff has been remarkably stable. In 15 years only 22 persons have worked at the Trust, and most of the current staff have been here for more than 10 years.

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INFLUENCE OF TECHNOLOGY

One of the reasons the Trust has been able to operate with a small staff relative to its size is due to the efficiencies provided by new technology. When the Trust began, we used index cards and electric typewriters in dealing with the torrent of information and communications involved in handling thousands of proposals. Today, with computers we can manage far more information in a quicker and more productive manner. With fax machines, e-mail, and voice mail, communications are quicker and far less trouble. And with the recent installation of our website (*http://www.mmt.org/~mmt*), information about Trust programs, lists of grants, and application forms are available almost instantaneously and with little demand on staff time. Further technological impacts on the grantmaking process are virtually certain.

CHANGES IN GRANTMAKING ENVIRONMENT

A number of developments during the last decade and a half have affected the environment in which the Meyer Trust operates. These include several major transformations in government policy. In the early 1980s Reaganomics altered both the amount and the manner of federal funding for many health, social service, and other programs. These trends were extended during the 1990s. In Oregon two tax limitation measures in recent years have not only diminished funding in some fields, but have also modified substantially the structure of public finance, with responsibility for some activities shifting from the local level to state government.

It may not be immediately obvious why changes in government policies would affect nonprofit organizations. In fact, a substantial part of the nonprofit world is intertwined with government-supported programs; many nonprofits came into existence in order to serve as part of the delivery system for programs supported by tax revenues. Governments at various levels have found that it is less expensive and frequently more productive to contract with nonprofits to operate programs rather than greatly expand government agencies to operate these programs directly. Think, for example, how intensive therapeutic services are delivered to youth with severe emotional problems. Rather than operate clinics and programs themselves, governments pay nonprofit mental health organizations to provide these services. Usually these nonprofits also raise money from private sources to supplement the public funding.

The present needs and the potential opportunities for philanthropic responses will continue to dwarf available resources.

A private foundation is affected by such changes in government policies in several ways. If funding in certain fields is cut back, then more demands will be placed on private funders to support needed services. If nonprofits that previously had operated with government contracts lose a significant part of this funding, then a private funder has to be very careful that these organizations still have the viability to carry out projects supported with private grants. When there is little likelihood that government support will be forthcoming to sustain or replicate successful pilot projects initiated with foundation funding, then a foundation must be even more cautious and discerning in considering start-up projects. Yet another way in which foundations are affected is that in times of government cutbacks and uncertainty, organizations that previously brought innovative ideas to the foundation are no longer able to think and operate in that fashion and instead must retrench to their most basic operational functions.

Additional Funders

Another change in the philanthropic environment is emerging. When the Meyer Trust was formed, it was just the second large foundation in the Northwest. Recently other large foundations have come into existence, and more are expected in the next few years. There is no danger of insufficient "business" for the growing number of foundations; the present needs and the potential opportunities for philanthropic responses will continue to dwarf available resources. But the presence of large funders in certain locations or in certain fields of activity may require other foundations to take this into account in deciding how to distribute grants. The availability of more funders may also open up opportunities for jointly funded projects that were not feasible when funding sources were more limited.

Increased Experience

During the last 15 years the Meyer Trust staff and trustees have looked at more than 10,000 official proposals (and many additional informal requests) and managed almost 2,500 grants. This experience certainly affects the way we operate today. Both successful and disappointing projects have offered us lessons. We have learned to question more thoroughly, to detect signals that suggest the need for further investigation or wariness, and to appreciate that a successful grant requires more than just a good idea, a noble intention, or a desperate need. While we are now able to avoid some mistakes, we recognize that serious grantmaking cannot be risk-free, because of inevitable errors in human judgment and the complex nature of some undertakings. We've discovered that in some instances a carefully calculated risk is a responsible and advisable act. Furthermore, we can see that some unsuccessful projects were not really failures; innovative efforts will not always work out, but this should not cause foundations to avoid well-planned and important experiments.

While experience is valuable, it also poses threats. A foundation must find ways to avoid the mental and emotional fatigue that can result from encountering so many problems, listening to so many good and bad ideas, dealing with so many earnest requests, and seeing the recurrence of similar needs year after year. Individually and institutionally there is a need to find renewal and to remain open to different ideas, changed circumstances, and fresh opportunities.

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Evolution as Loyalty

Foundations are not static institutions; changes in society and in personnel make some transformation unavoidable. With some foundations, however, there is a question of whether the changes violate the intent of the founder. In the case of the Meyer Trust, which has already gone through several phases, a continuing evolution is what Mr. Meyer anticipated. He intentionally left the Trust with the broadest possible latitude for determining its role, and he emphasized that it should be attentive to "changing conditions and problems."

Reviewing the first 15 years can help us understand that we are in a continuing process of change, sometimes very gradual, sometimes more accelerated. Recognition of this condition encourages alertness and averts overconfidence that our work could or should persist in the same ways as before. Such awareness is important for those inside the Trust, but also for those outside who may be interested in seeking Trust support. Just as past Trust support for some activities is not a guarantee of future grants, previous absence of Trust involvement in some areas should not deter the presentation of new ideas to the Trust in the future.

Charles S. Rooks