

The W.K. Kellogg Foundation

Subverting democracy and balkanizing America

By Kirk MacDonald

Summary: Founded in 1930 by breakfast cereal tycoon W.K. Kellogg with the goal of improving the lives of impoverished children, the W.K. Kellogg Foundation today funds a great deal of left-wing activism, especially attacks on so-called “white privilege” and “structural racism.”

Americans who insist that elections should be honest, fair, and free from undemocratic vote-rigging, and who believe it’s not unreasonable to require voters to provide valid photo ID before they mark a ballot, received a rude awakening last year. Advocates of honest voting were smeared as Jim Crow-era racists, and worse, by the Applied Research Center (ARC), a New York-based “racial justice think tank that uses media, research and activism to promote solutions.”

ARC produced a steady stream of vicious propaganda aimed at conservative and Tea Party groups like True the Vote through its www.ColorLines.com website. The site currently includes a collection of left-wing articles that promote organic food and vegetarianism, and blast proposed budget cuts, guns, anti-illegal immigration groups, and even singer Justin Timberlake, who is supposedly “appropriating black music.” ARC executive director Rinku Sen claimed that efforts such as implementing state level ID laws, and monitoring polling stations amounted to “attempts to deny the vote to communities of color.” (ARC was profiled in the March 2013 *Foundation Watch*.)



The think tank worked closely with the far-left *Nation* magazine in its campaign against so-called “voter suppression” and “voter intimidation,” and it has accepted grants from the Service Employees International Union for “consulting” (\$200,000 in 2011), as well as the Tides Foundation (\$1.1 million), and George Soros’s Open Society Institute (\$715,000).

These donations were certainly generous, but they pale in comparison to the incredible \$5.2 million in grants that were provided by the W.K. Kellogg Foundation of Battle Creek, Michigan, between 2010 and September 2012.

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Writing in these pages six years ago, Capital Research Center senior fellow Martin Morse Wooster noted that the Kellogg Foundation “does not take the lead role in any of the areas it funds” and is “the most obscure—and least significant—of the big foundations,” and yet its funding represents a “reflexive, deeply entrenched liberalism.” Since that time, Kellogg launched an Orwellian-sounding, 5-year, \$75 million “American Healing” initiative in 2010 that amounts to throwing money at radical activists and academics to combat so-called “structural racism” and “white privilege.”

Overview of the W.K. Kellogg Foundation

Located in a city half-way between Detroit and Chicago, and not far from the headquarters of the Kellogg Company (NYSE: K), the W.K. Kellogg Foundation (which refers to itself as “WKKF”), reported net assets of an astonishing \$7,175,499,635 in 2011, the latest full-year results that are available on the foundation’s website, WKKF.org. Interestingly, thanks to nearly \$800 million in investment revenue, and only \$390 million in total expenses, the foundation ended the year with a large increase in net assets. Like many other investment income-based charities, WKKF took a hit in the 2008-09

recession; as a result, it closed its offices in Jackson, Mississippi, as well as in São Paulo, Brazil, and Pretoria, South Africa.

From September 2011 to August 2012, WKKF made \$380,499,647 in new commitments to 808 new projects, and grant and program expenditures of over \$304,000,000 to its 2,019 active projects. WKKF divides its grants into five program areas: Education and Early Learning (124 grants totaling \$87,940,672); Food, Health, and Well-Being (189 grants worth \$84,388,485), Family Economic Security (64 grants worth \$35,905,560), Community and Civic Engagement (60 grants worth \$21,417,258), Racial Equity (115 grants worth \$77,640,567), and Other (119 grants).

WKKF is highly idiosyncratic about where it chooses to spend its incredible wealth, with a short list of priority areas. New International commitments amount to \$30 million, most of which is sent to Latin America, Haiti, Northeastern Brazil, and Southern Africa. As a general guideline, WKKF allocates 80 per cent of its funding to programs within the United States, with a focus on Michigan (\$102 million), Mississippi (\$13 million), New Mexico (\$25 million), New Orleans (\$10 million), and an additional \$200 million for national commitments.

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WKKF’s president and CEO is Sterling Speirn, a former lawyer who managed grants to nonprofits at Apple Computer and headed San Francisco’s Peninsula Community Foundation (since merged with the Community Foundation Silicon Valley to become the Silicon Valley Community Foundation). At Peninsula Community Foundation, Speirn helped found the Center for Venture Philanthropy and the Peninsula Partnership for Children, Youth and Families. Speirn is married to Diana Aviv, CEO of Independent Sector, a networking organization for liberal nonprofits; years ago, he told the *Chronicle of Philanthropy* that he saw no potential conflicts of interest with his spouse: “I’ll just want to be very transparent with the board and staff.”

Speirn accepted the presidency of WKKF in January 2006 and has announced he will step down later this year.

Origins of the WKKF

The W.K. Kellogg Foundation (at first known as the W.K. Kellogg Child Welfare Foundation) was created by Will Keith Kellogg (1860-1951) in 1930. Kellogg is best-remembered for founding the Battle Creek Toasted Corn Flake Company in 1906, which is now the Kellogg Company, the world’s top producer of breakfast cereal and a leading producer of convenience foods under brand names like Kellogg’s, Keebler, Pop-Tarts, Eggo, Cheez-It, Nutri-Grain, Special K, Rice Krispies, Morningstar Farms, Famous Amos, Carr’s, and Kashi. Kellogg products are produced in 17 countries and marketed in more than 180 countries across the globe. Kellogg was a Seventh-Day Adventist who established both his food company and foundation in Battle Creek because it was the home of his religious denomination.

According to the WKKF website, the company and the foundation have “always been completely independent of the other. Each is directed by its own board of directors, and each has its own distinct goals.” That said, the Kellogg Company named Speirn to its board of directors in 2007, and the WKKF’s assets “still include Kellogg company stock although our portfolio is now diversified.”

At one time, WKKF was the company’s

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largest single stockholder until federal law forced it to divest itself of what was a majority share. A 1988 profile of the WKKF by the Associated Press claimed that the foundation then held a 35 percent stake in the company. Conservatives who may contemplate a boycott of Kellogg products to protest the WKKF's activities would encounter two problems: (1) the two entities share an indirect relationship, and (2) the company is so large it could easily wait out the effects of any short-term protests.

As early as 1909, Kellogg mused about making "good use of any wealth that may come" to him. By the 1920s, W.K. Kellogg was a wealthy man who spent much of his time in Pomona, California raising Arabian horses. Around this time, Kellogg turned his attention to philanthropy; in 1923, he founded the Fellowship Corporation, which mostly assisted charities in the Battle Creek area. As he approached the age of 70, Kellogg wanted to build something more substantial. Over the course of his lifetime, he donated \$66 million to create the WKKF's endowment.

According to Horace K. Powell, Kellogg's biographer, the philanthropist's primary motivation was to help children, and he was quite moved by the decade-long struggles of his grandson, Kenneth, to recover from a nasty fall. Kellogg wrote that the boy's tragedy "caused me to wonder what difficulties were in the paths of needy parents who seek help for their children when catastrophe strikes, and I resolved to lend what aid I could to such children."

Kellogg may have had other motivations, too. Historian Gerald Carson adds that it is likely Kellogg didn't want his brother and sometime business partner, Dr. John Harvey Kellogg, to be remembered as "*the humanitarian Kellogg*." W.K. Kellogg also didn't wish to leave his vast fortune either to the government or to his own family. He did not get along with his son, John L. Kellogg, who left the company his father had hoped to turn over to him, nor was he on good terms with his grandson, John L. Kellogg Jr., who also left the company. In spite of a number of health problems, W.K. Kellogg outlived both men, along with two wives.

In its early years, the WKKF focused its efforts on the Battle Creek area. The foundation's first major initiative was an attempt to improve children's health through the Michigan Community Health Project, an organization that served seven counties in south central Michigan. Another project, the Ann J. Kellogg School (named after W.K.'s mother) specialized in teaching children with disabilities alongside non-disabled children. In the mid-1930s, the WKKF built schools and outdoor education camps in rural Michigan, one of which became the first year-round public school camp in the state.

The WKKF boasted of at least three major accomplishments, observed the Associated Press in its profile:

- (1) Training thousands of Latin American nurses, doctors, and hospital administrators during the Second World War;
- (2) Nurturing the development of community colleges in the United States; and
- (3) Fostering the growth of agricultural extension services at land grant universities around the United States to help farmers benefit from agricultural research.

While these achievements sound impressive, it's difficult to measure, let alone quantify the WKKF's impact on the growth of community colleges, for instance. In general, Wooster observes, "there's no lasting change one can attribute to the Kellogg millions, no big project that established the Kellogg brand. The most the foundation is able to say about its achievements is that some of its grants may have helped speed the creation of intensive care units in hospitals. Other than that, the Kellogg Foundation has had a surprisingly small impact despite its substantial grantmaking."

Throughout most of its history, the WKKF kept a low public profile. In his book, *The Golden Donors* (Transaction Publishers, 2001), the scholar Waldemar Nielsen wrote: "A number of the major foundations seem better than they are, and they devote considerable effort to maintaining that appearance.... Kellogg is the reverse case: It is substantially better than it is generally seen

to be." By its fiftieth anniversary in 1980, the WKKF was among the world's largest private philanthropic organizations.

The cereal magnate was a political conservative who grumbled about the "Socialist trend" in politics and provided financial assistance to candidates of his choosing, although he never used his foundation to promote his political ideas. Kellogg could not possibly have foreseen the way his organization would be used after his death to combat "white privilege," or assist groups like La Raza. The direction he gave to guide future trustees was to "use the money as you please so long as it promotes the health, happiness and well-being of children."

After Kellogg's death in 1951, it was probably inevitable that his foundation would drift, as so many other foundations have, to the left in the 1960s and 1970s. Writing in *Forbes*, Foundation Management Institute chairman Neal B. Freeman argued that W.K. Kellogg "was a model of Midwestern common sense. He told the magazine that he wanted to help people help themselves. And what happened? His W.K. Kellogg Foundation has become an important funder of the nonprofit management class.... I guess you can say that the managers are helping themselves."

Creating left-wing advocates

There's little doubt that the WKKF performs a great deal of valuable charity work that helps ordinary Americans, such as supporting nutrition programs in Mississippi, encouraging the growth of farmers' markets in New Orleans, expanding early childhood education in Chicago, or creating living-wage jobs for low-income families in Battle Creek, to cite just a few examples from the 2012 annual report. More worrisome are grants clearly designed to fund left-wing activism, create offensive propaganda for captive audiences of students and corporate/public sector employees, and train new cadres of rabble-rousers.

Most of the suspicious-sounding projects in the annual report fall under the categories of Community and Civic Engagement ("We amplify voices by supporting dialogue, leadership development and new models of organizing"), and Racial Equity ("We

support community-based and national organizations whose innovative and effective programs foster racial healing, and through action-oriented research and public policy work, translate insights into new strategies and sustainable solutions”). Some of these questionable grants include:

* \$60,000 to Demos: A Network for Ideas and Action, Ltd (New York, NY). “Support a planning process to engage nonprofit service agencies in New Mexico around integrating social change practices into their work that would transform service recipients into advocates for social change.”

* \$351,000 to One Voice (Jackson, Mississippi). “Promote transparency, accountability and meaningful participation in the redistricting process to marginalized voters by providing assistance with community organizing strategies and relevant research and analysis.”

* \$600,000 to Legal Services of South Central Michigan (Ann Arbor, Michigan). “Strengthen the Michigan Immigrant Rights Center to create a positive environment for low-income immigrant families through advocate training, coalition building and a statewide welcoming campaign.”

* \$450,000 to the Louisiana Association of Nonprofit Organizations, Inc. (Baton Rouge, Louisiana). The Foundation explains the purpose of this grant, somewhat incoherently, as, “promote economic prosperity, a rising standard of living, and opportunity for all citizens, particularly the most vulnerable, due to systemic racism and classism, to reach their highest potential.”

The grantee Demos describes itself as a “public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy.” An online article in its “Policy Shop” provides the “right way to create jobs”: expand government programs to create make-work opportunities for unemployed Americans.

WKKF’s splashiest campaign in recent years has been its “mission in racial equity.” According to the Founda-

tion’s website, the campaign focuses on the following strategies and programs:

Build a Sustainable and Accountable Communications and Media Infrastructure

We seek to leverage research on the power of the media to influence perceptions, research on messaging and emerging communication technologies to help dismantle structural racism and promote racial healing.

Develop the Capacity of Community-Based Racial Healing Organizations to Strengthen their Impact

Recognizing they are the source of grassroots energy that can build powerful momentum for change, we support community-based organizations as a critical foundation of any enduring movement to dismantle structural racism and promote racial healing.

Support Anchor Institutions Working on Racial Equity

The combination of severe recession and the belief by some that we have resolved some of our most pressing racial problems, disparities and barriers to achievement poses a challenge to the existence of some important, but fragile organizations. We seek to support these organizations recognizing that their survival is more important than ever if we are to seize this moment in our nation’s history and truly address the barriers to racial equity that continue to exist.

Support Efforts to Eliminate Racial Disparities and Inequities

A successful movement for racial equity requires alliances between organizations in every sector of our society that have demonstrated an interest in racial equity, and have worked to confront the institutional policies and practices that produce racist outcomes in their sectors. By collaborating with each other and with their constituents, these organizations could a) design and promote issue-specific strategies to address policies and practices that produce racist outcomes, and b) develop plans for engaging other organizations to narrow systemic racial

disparities, and foster racial healing.

Support the Dismantling of Structural Racism Through Research, Legal Strategies, Policy and Advocacy

While much scholarly work has been done on the significance of our history and the embedded nature of structural racism, more needs to be done in communicating that work in ways that make its findings accessible to and actionable by practitioners and the media.

The messaging that accompanies the WKKF’s anti-racism campaign sounds as though it were tortured to comply with the Foundation’s long-term focus on helping children: the only way to address child poverty is to tackle the “structural racism” that pervades American society. In a September 2012 op-ed, Speirn acknowledged that while it is no longer acceptable to bar African-Americans from bus seating or public drinking fountains, “the barriers faced by children of color, as well as adults, are far less obvious than the overt discrimination practiced much of the last century.”

At a time when Americans have twice elected an African-American as president, Speirn insists that black and Latino youth can’t get adequate healthcare and are far more likely to be incarcerated than whites because of “the harmful decisions and actions by judges, police officers, teachers, doctors, and others, who unconsciously discriminate.”

In other words, structural racism and white privilege is everyone’s fault—and no one’s. According to John A. Powell, the director of the Institute for the Study of Race and Ethnicity in the Americas at Ohio State University and one of the gurus of anti-racist education, “You don’t have to be aware of [white privilege] to receive the benefit. And the thing that’s really slick about whiteness, if you will, is that most of the benefits can be obtained without ever doing anything personally.” The obvious solution to such an insidious problem is to keep funding “important, but fragile organizations,” and to keep shoveling money toward liberal activists.

One organization that has received money from the WKKF is the Calhoun School. In

January 2012, Calhoun received an initial grant of \$250,000 for Deconstructing Racism, a “three-part youth-based project on issues of white privilege and institutionalized racism” that consists of a documentary film, material for a K-12 curriculum, and an interactive website. According to its creators, “this already grand initiative has moved into a very new and far more powerful place,” after Michelle Alexander, the author of *The New Jim Crow*, signed on to develop a “200 Level” course for high school students to learn about how “mass incarceration is a form of institutional and structural racism—a new caste-like system for the 21st century. Like all caste systems, mass incarceration rests on the stubborn denial of our shared humanity.”

The Calhoun School’s “ultimate objective” is, as this “Leader in Progressive Education” awkwardly puts it, “to expose the myth of color-blindness in a society that for many, espouses a post-racial mantra. This project will, hopefully, transform conversations about race and racism and begin to aggressively, and very publicly, eradicate the vestiges of white privilege, institutionalized and systemic racism, the school-to-prison pipeline and our nation’s prison industrial complex.”

One of the most extreme examples of structural racism rhetoric comes from *Poverty & Race*, a publication of the Poverty and Race Research Action Council, which according to WKKF’s website has received at least eight grants from Kellogg worth \$3,163,095. Writing in the January/February 2002 issue, Eric Mann praised the notorious 2001 U.N. World Conference Against Racism held in Durban, South Africa. Mann said the conference, which saw the American and Israeli delegations walk out in protest, revealed that “in any arena in which the struggle against racism and colonial domination is taken seriously, the U.S. empire...self-nominates as the main cause of organized racism and national oppression in the world.” The movement for reparations, Mann explained, “will be driven by years or even decades of a ‘crimes against humanity’ tribunal, with European and U.S. imperialist civilization on trial.” The resulting campaign would “challenge the very legitimacy of the U.S. to exist as

a nation-state, and call into question its settler state history of genocide against both Indigenous peoples and Blacks.”

By contrast, one of the more amusing stories of Kellogg money in action can be found on the Connecticut Health Foundation’s website (www.cthealth.org). Elizabeth Krause, a senior program officer and Health Leadership Fellows Program Director at CHF, and apparently a very earnest and politically correct Asian-American, wrote a first-person account of her experience in attending a two-day seminar in “transforming White privilege as a 21st century leadership capacity.”

Krause claimed it felt “subtly, thrillingly subversive” to discuss such a topic “in a facility oozing with historical white privilege (but that worked with us with the utmost hospitality).” Krause learned to love Big Brother when she acknowledged that “while I may not be White, I have influence in a foundation that can acknowledge its privilege and harness it for health justice.”

The seminar was developed by a radical organization called the Center for Assessment and Policy Development (www.capd.org), that was founded in 1988 and whose “work is characterized by a ‘theory of change’ approach, focus on results and outcomes, and a racialized perspective.”

According to Krause, the Center received funding from the WKKF to pilot the anti-white privilege leadership modules at three sites across the United States, and it hoped her organization would take part.

Conclusion

Created out of the noble intention of improving the lives of children, the W.K. Kellogg Foundation has followed in the footsteps of many similar foundations in adopting trendy liberalism, trusting so-called experts for guidance, and throwing incredible amounts of money at “important, but fragile” organizations and rent-seeking left-wing activists with views that most Americans would find offensive.

While W.K. Kellogg would undoubtedly approve of the WKKF’s work in building up the Battle Creek area and supporting farm-

ers’ markets and nutrition programs, one can only imagine how he would feel about his fortune’s being used to teach K-12 students that American society, voter ID laws, and the imprisonment of criminals are all irredeemably racist.

Kirk MacDonald is a Canadian freelance writer and occasional Capital Research Center contributor with a master’s degree in political science from Toronto’s York University. MacDonald previously wrote for CRC about Wal-Mart’s politically oriented philanthropy and the Occupy Wall Street movement.

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Many thanks,

Terrence Scanlon
President

PhilanthropyNotes

It appears author **Steven J. Milloy** of JunkScience.com was right when he quipped that the **U.S. Environmental Protection Agency** (EPA) “owns” the **American Lung Association** (ALA). Taxpayer money may be indirectly financing lobbying campaigns aimed at banning smoking in public places. Since 2001, the EPA has given the ALA more than \$20 million in grants, and the ALA, in turn, has been passing on grant money to local governments to encourage such bans. For example, smoking is now banned on the beaches of Fenwick Island, Delaware, after its town council accepted a grant from the ALA. Officials in nearby Dewey Beach are planning to ban smoking on their beaches, too, and are seeking money from the ALA to promote the ban.

“A blockbuster congressional investigation of campaign finance activities by corporations, trade associations, and high net worth individuals may be coming,” warns **Covington & Burling**, a law firm that focuses on election law. According to its latest report, not only 501(c)(4) groups and trade associations may be congressional targets, but also 501(c)(3) nonprofits. The chairman of the Senate Permanent Subcommittee on Investigations, **Carl Levin** (D-Mich.), has announced he will “tackle … the use of secret money to fund political campaigns.” Levin is notoriously tough, and his new ranking member on the other side of the aisle is Sen. **John McCain** (R-Ariz.), who is famous for his willingness to have Congress restrict political speech.

Several animals, including three horses, a shark, and a dog, have recently died on the sets of films and TV shows, leading critics of the **American Humane Association** to say it has become too cozy with the entertainment industry it supposedly polices. Hollywood follows animal treatment guidelines created by the association, but the group’s CEO, **Robin R. Ganzert**, admits it is having difficulty ensuring animal well-being. She blames the spread of smaller, independent production houses. “We’re not covering enough animal action, because of the way the business model in the industry has changed,” she claims.

Weak-kneed politician? Behind bars while awaiting sentencing, former Detroit Mayor **Kwame Kilpatrick**, a Democrat, is asking to be freed temporarily because he claims he can’t get proper medical treatment for an injured knee in federal prison. He faces up to 20 years in prison after misappropriating funds from his **Kilpatrick Civic Fund** charity for personal use.

After **Hillary Clinton** left her job as Secretary of State earlier this year, the (Bill) **Clinton Foundation** was renamed the **Bill, Hillary and Chelsea Clinton Foundation**. Cynics wonder if the name of the former First Daughter—whom a *Washington Post* TV critic once called “one of the most boring people of her era”—may have been added to the letterhead to help her rumored political ambitions.

Goldman Sachs WATCH

Former Goldman Sachs trader Matthew Marshall Taylor has pleaded guilty to wire fraud in New York. In a 2007 futures transaction, Taylor put more than \$8 billion at risk while falsely claiming only \$65 million was at risk. Goldman lost \$118 million in the deal. Court documents indicate Taylor put false information in trading records and put 10 times more money at risk than company rules permitted.