
National Endowment for the Humanities

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Challenge Grants for Humanities

Institutions and Other Organizations Conducting Humanities Programs

Office of Planning
National Endowment for the Humanities
March 24, 1976
Background

Because of the small amount of funding available to the Humanities Endowment since its establishment, the National Council on the Humanities strongly recommended that as a general policy the NEH not provide general operating support to institutions, but rather that aid be extended only for specific projects and defined programs. Except for a few occasions when the Council concluded that the national interest required selective operational assistance (and for a limited period) by the agency, this policy has guided Endowment programming and grant-making. Thus Endowment staff have routinely discouraged applications from institutions, even those serving broad national audiences, for support other than to narrowly defined projects in the humanities. This alone has limited the Humanities Endowment's ability to draw larger contributions from the private sector.

At the same time the past few years have made obvious that the financial needs of many humanities institutions are so acute as to make their continued existence increasingly problematical. For example, beginning in 1970 the New York Public Library (NYPL) was forced to steadily curtail its personnel and operating hours as its privately endowed research collections -- one of the nation's most important
### NEH Challenge Grants to N.Y.P.L.

<table>
<thead>
<tr>
<th>Date of NEH Offer</th>
<th>Match Offer</th>
<th>NEH Funds Offered</th>
<th>Private Gifts Raised</th>
<th>Total Granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 11, 1972</td>
<td>1:1</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>August 25, 1972</td>
<td>2:1</td>
<td>$750,000</td>
<td>$1,500,000</td>
<td>$2,250,000</td>
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<tr>
<td>September 11, 1973</td>
<td>2:1</td>
<td>$1,000,000</td>
<td>$2,000,000</td>
<td>$3,000,000</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$2,250,000</strong></td>
<td><strong>$4,000,000</strong></td>
<td><strong>$6,250,000</strong></td>
</tr>
</tbody>
</table>

**Note:** The initial challenge grant was made (like the Arts Endowment's subsequent grant to the Metropolitan Opera) on a 1:1 basis, in accord with current matching policies. The proportion of private funds required was increased, when the success of the "challenge" device became evident. There is now every reason to believe that research libraries (and comparable humanities institutions described below) can draw a private response to Federal challenge on a 3:1 basis.
grants, the National Council recommended that the Endowment undertake on a small scale a similar kind of challenge program for a selected number of other independent research libraries; and at the Council's February meeting several applications for such challenge grants were recommended for approval and are now in process of award.

Advantages of a separate challenge grant authority

With additional funds, the challenge grant concept could be expanded to aid many other kinds of financially pressed humanities institutions which have no access to Federal funds or which currently may receive only project support. Moreover, the establishment of a special challenge grant authority and separate funding would serve several distinct purposes:

1. It would focus attention on the needs of these non-profit institutions and make the general public more aware of the role they play in the educational and cultural life of their community and nation.

2. It would permit the Endowment to concentrate its regular funds on projects, especially those conducted by smaller organizations which do not have the capability for or experience in raising outside gifts.
3. Drawing on $15 million in federal money and requiring a 2-to-1 or 3-to-1 match, challenge grants need not be limited to a small number of institutions (as is presently the case), but rather they could be spread widely around the country and rotated annually or biannually to cover more institutions.

4. The types of institutions aided, now confined -- for both funding and administrative reasons -- to independent research libraries, could be broadened to include the major sectors of the humanities struggling to survive in an era of fixed endowment income and rising costs.

5. In attempting to broaden their financial base, humanities institutions could gain not only much needed new funds but also stronger roots within their community, thereby laying the groundwork for a more secure future for the institution and perhaps new kinds of programming serving expanded publics.

Types of recipients

A number of specific sectors would be served by NEH challenge grants. These comprise over 7,000 institutions and are described below.
1. **Research libraries and centers for advanced study.**

   Approximately 150 of these exist in the nation, most of them privately supported institutions dependent on their endowment, contributions from individuals and other organizations, and, unlike performing arts groups, rarely supported by national corporations or their local business community. Annual budgets of some are below $500,000. Challenge grants, ranging from $50,000 to $500,000 (for those which have budgets of over $1 million) could be extended to these and, if met, would appreciably increase the capacities of these institutions to continue their services to American scholarship. (Note: While independent research libraries are still eligible for assistance under the HEW Library Services and Construction Act, they are effectively excluded from that program, which has been steadily reduced and marked for termination in the Administration's FY 1977 budget request. The Endowment's present challenge program is their only potential source of support. (150 challenge grants at a 3 to 1 match would yield over $48 million in private funds.)

2. **Historical organizations.**

   Challenge grants of $25,000-50,000 would also enable the nation's 3,500 local historical societies to stop the
steady deterioration of their facilities and of their priceless collections of records, family journals, newspapers, and other materials which are the sole sources for tracing the history of our communities and the development (and persistence) of the many and varied kinds of American folk cultures. Going beyond renovation and preservation, the challenge grants would further encourage these societies to turn their collections, now sometimes stored away, into scholarly and educational resources for use by schools and the adult public in their areas. (3,500 challenge grants would yield $375 million in private funds.)

3. **Museums.**

Challenge grants would aid the nation's 869 museums which can most effectively supply educational services to strengthen their educational facilities and personnel, thus raising them to a higher level of community service. (869 challenge grants of $25,000-50,000 would yield $93 million in private funds.)

The essential parts of a college's humanities program are, first, the faculty and, second, the library. Forced to reduce their expenditures, colleges have understandably attempted to cut back on materials rather than their staff. This, plus the fact that the prices of books and journals have risen at twice the rate of the general cost-of-living, has resulted in many libraries sharply curtailing their acquisitions and subscriptions. (This in turn has forced the end of many journals, such as between 1973 and 1974 when several hundred academic journals ceased publication.)

Challenge grants @ $25,000-$200,000 to most of the financially pressed of the nation's 2,700 academic libraries could help them design more efficient facilities, maintain or restore their humanities collections, and develop more effective independent-study programs, thus serving the increasing number of vocationally-oriented students in the humanities.

(2,000 challenge grants would yield $562 million in private funds.)

(Note: the HEW College Library Resources program, providing grants of $5,000 to college and university libraries, is slated for termination at the end of 1976, thus cutting off what has been a small amount of Federal support. The present modest
program of NEH--assisted by the Council on Library Resources--is the only available source of support to college and university libraries.)
**Recap of Example NEH Challenge Grants**  
*(funding in millions)*

<table>
<thead>
<tr>
<th>Type of institution</th>
<th>No. of institutions aided</th>
<th>NEH funds</th>
<th>Private funds raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Research libraries and centers for advanced study</td>
<td>150</td>
<td>$16.2</td>
<td>$48.7</td>
</tr>
<tr>
<td>2. Historical organizations</td>
<td>3500</td>
<td>125.0</td>
<td>375.0</td>
</tr>
<tr>
<td>3. Museums</td>
<td>869</td>
<td>32.1</td>
<td>93.4</td>
</tr>
<tr>
<td>4. College libraries</td>
<td>2000</td>
<td>187.5</td>
<td>562.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,519</strong></td>
<td><strong>360.8</strong></td>
<td><strong>1,079.6</strong></td>
</tr>
</tbody>
</table>
Mr. Livingston Biddle  
Committee on Education  
United States Senate  
Washington, D. C. 20510  

Dear Liv:

As you know, I have continued to pursue the matter of persuading the National Endowment for the Humanities to reverse its present policy, and make available very modest sums to reputable university presses in partial support of the costs of publication of some of the very specialized research that the Endowment has sponsored.

Thus far, I have been able to establish contact with a number of the senior members of both the House and Senate. In every instance, this has been accomplished through intermediaries in the respective home states of these ladies and gentlemen.

The financial support requested by presses from NEH (at least, by me) is symbolic, rather than substantial. In aggregate the total moneys advanced would be substantially less than the sum awarded to a single, typical research project.

Last week, I was visited by one of the hierarchy of NEH, who related to me that Dr. Berman was receiving a number of letters from members of the Congress; that he was disinclined to pay much attention to them; and that even if the members of the appropriate Congressional committees stipulated that NEH should give some financial assistance to those university presses that published manuscripts prepared under the auspices of the Endowment, the administrative structure of NEH would not permit it to do so.

These remarks concluded, it was then suggested that the University of North Carolina Press should make application to NEH for a substantial sum to further its purely local and particular activities.
Unfortunately, there were no witnesses present during this discussion—the first part of which I found to be disappointing, and the second, insulting.

More than ever, I am convinced that Dr. Berman is not a fit person to serve as Chairman of NEH. While he prates against the "elitest establishment", he has allocated very large sums to certain, prestigious universities and organizations in the hope (which is obvious to everyone) that he might find a secure lodgment with one or another of them when he leaves Washington. Privately, he is an object of derision among those whom he has supported most generously; although, for obvious reasons, they are publicly supportive of him and his chairmanship of the Endowment.

When I first learned of Senator Pell's suggestion that the leadership of NEH should be made accountable to the Humanities Councils of the fifty states (as with NEA), I must admit that I had my doubts about it. If such occurred, I believed that it would have an adverse effect upon the particular cause that I have been espousing. I still think so.

On the other hand, I think that it would be in the National interest—and to the ultimate good of NEH—if Senator Pell's plan for its democratization should be implemented—at once.

If this is not possible, I hope that the Senator will make an earnest effort to delay the confirmation of Dr. Berman's reappointment as Chairman of NEH until after the forthcoming presidential elections.

Should the Senator elect to make such an effort, I would be more than pleased to visit—or have mutual friends do so for me—certain of his colleagues to solicit their support to this end.

In my judgment, Dr. Berman is a part and parcel of a thoroughly discredited—and largely dispersed—Presidential Administration, and has retained the same curious mentality that characterized it.

With best personal wishes, I am

Cordially,

Matthew Hodgson
Director