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## “Philanthropists Fight Back”

*The Robertson family gave millions to ensure more Princeton grads would work in government.  
When they didn't, the Robertsons sued.*

Leslie Lenkowsky • August 17, 2014 • [www.wsj.com](http://www.wsj.com)

### **BOOK REVIEW: “ABUSING DONOR INTENT”**

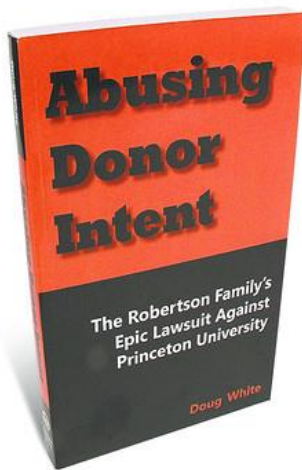
In 1961, in a burst of John F. Kennedy-inspired idealism, investor Charles S. Robertson and his wife, Marie, an heiress to the A&P supermarket fortune, gave \$35 million to Princeton University, one of the largest donations to a university up to that time. Its purpose was to help Princeton students "prepare themselves for careers in government service," particularly positions in the federal government dealing with international affairs.

Four decades later, following years of growing acrimony, the Robertsons' son, William, and two close associates sued Princeton to get back the money, which had grown to some \$600 million. They claimed that the university had not been using the funds as Charles and Marie Robertson intended, a violation of the legal and ethical responsibilities that recipient institutions have toward their donors.

In "Abusing Donor Intent," Doug White, who teaches fundraising management at Columbia University, gives a detailed, though sometimes overwrought, account of a case that attracted national attention and highlighted the frustrations that donors feel when they see their money being used for purposes they never intended. After six years, the suit resulted in a settlement that left Princeton with much of the money but gave a share of it to a new foundation controlled by the Robertson family. The whole episode shows the potential dangers of philanthropic generosity, for donors and recipients alike.

From the start, Charles Robertson doubted Princeton's capacity to do what he and his wife wanted. "In 1960," Mr. White writes, "Robertson didn't think much of the graduate program at the Woodrow Wilson School," which prepares students for public-service careers. Based on meetings in Washington, he had concluded that the school's director was not "qualified," the school itself had a weak reputation and its advisory council of old government hands had little influence.

The Robertsons went ahead with their gift anyway, assuming that the Wilson School would improve if it had the funds. Princeton seems to have agreed. With the Robertson money and its investment returns, the school began spending on faculty, research centers and a new building that it thought would enhance the Wilson School's quality and reputation. By some measures, it succeeded. U.S. News &



**Abusing Donor Intent**  
By Doug White

World Report, for example, now ranks Princeton's public-affairs programs in the top five among American graduate schools.

Where Princeton did not succeed was in sending more of its students to Washington. By 1970, Charles Robertson was complaining to the Wilson School's dean that too many of its graduates were going to work in "academia, private business, or the law," and he urged changes, such as admitting more applicants who wanted government jobs or teaching more public administration. Shortly after, William became the principal member of the family on the Princeton-controlled board that oversaw the Robertson gift and took up, with increasing force, his father's criticisms.

Princeton knew it had a problem with the Robertsons. In 1980, the college's president, William Bowen, acknowledged that the members of the family "hold tightly to the original promises" and that "even to raise questions with them would be counterproductive in the extreme." Nonetheless, Princeton refused to change course, with Mr. Bowen insisting that the Robertson funds should be spent in ways that "will benefit other parts of the University as well as the School itself," which meant underwriting public-service programs but also a range of needs beyond the Robertsons' core mission, including supporting university overhead and faculty outside the Wilson School. Such spending precipitated the 2001 lawsuit.

In this dispute, Mr. White sees an unambiguous violation of donor intent. Princeton, he believes, should have carried out the family's wishes, requested modifications or returned the money. Instead, as he argues and court records bear out, income from the Robertson gift was spent in ways that did little to put more Woodrow Wilson School graduates in the federal government. Forensic accountants had trouble tracing the uses of the money through Princeton's labyrinthine bureaucracy.

Princeton maintained that, rather than violating donor intent, it was honoring it: The university was using the gift to recruit top-flight scholars, thereby enhancing the Wilson School's program. And the school claimed that, once the gift had been made, it had the authority to determine how best to use the funds. The failure of more students to go to Washington, it also argued, was caused not by its own lack of effort but by the declining appeal of federal government jobs and the increased attractiveness of other forms of public service, such as working for international nonprofit groups.

Although Mr. White believes that the Robertsons made the better case, the settlement, overseen by a New Jersey court, found merit on both sides. And indeed, it is hard to see the Robertsons' experience as an emblem of flagrant donor abuse on a par with, say, the Bass grant to Yale University in the 1990s, when Lee Bass, hoping to foster the study of Western civilization, eventually took back his money, frustrated by Yale's unwillingness to set up the courses or programs he had in mind. Princeton's fault lay more in a gradual diversion of the earnings of Robertson gift to a variety of uses within the university and its failure to meet the family's specific goal of increasing the number of graduates entering the federal government. The family's frustration was understandable in any case, and surely Princeton at times showed an arrogance or lack of transparency that no recipient of philanthropy should emulate.

Since 2011, the new Robertson Foundation for Government has provided fellowships to 80 graduate students at five public-policy schools. This more modest and direct approach may stand a better chance of achieving the family's goals than entrusting philanthropic resources to an Ivy League institution with its own purposes and needs.

***Mr. Lenkowsky is professor of philanthropic studies and public affairs at Indiana University.***