

Gilded Age Philanthropy

Although greed and excess defined much of the Gilded Age, unprecedented fortunes also led to unprecedented charity. As Andrew Carnegie explained (see "Andrew Carnegie's 'Gospel of Wealth,'" p. 177), philanthropy was "the true antidote for the temporary unequal distribution of wealth, the reconciliation of the rich and the poor." Led by Carnegie's example, captains of industry donated millions of dollars to museums, libraries, universities, concert halls, and other cultural institutions.



Gilded Age business leaders used their wealth to support such institutions as the Metropolitan Opera.

Carnegie began by building libraries, spending \$38 million to fund 2,811 libraries in the United States and Europe. Over the years he gave his adopted hometown of Pittsburgh \$28 million to build schools, museums, assembly rooms, and the Carnegie Institute, a technical training school. He set up educational trusts, public parks, and libraries in his native Scotland and established commissions for peace and international cooperation in Europe. After selling his company in 1901, Carnegie donated \$4 million in bonds to a pension fund for his workmen, along with \$1 million to fund the libraries and halls he had built for them.

A titling Christian, John D. Rockefeller gave away \$550 million during his lifetime, including \$35 million to the University of Chicago. His most notable cause was the Rockefeller Foundation (founded in 1913), which became a steadfast supporter of education, public health, scientific research, and the arts. J. P. Morgan's notable donations included \$500,000 to build a church and \$1 million for a hospital serving poor pregnant women. Morgan was also a major patron of New York City's Metropolitan Museum of Art.

Many Gilded Age philanthropists are remembered today for their educational bequests. Some financed professorships or specialty training schools, while others founded entire universities. Western Union founder Ezra Cornell, Baltimore & Ohio Railroad financier Johns Hopkins, Central Pacific Railroad president Leland Stanford, and New York Central Railroad owner Cornelius Vanderbilt all endowed private universities. These Gilded Age names live on, connected with some of the finest educational institutions in the country.

Sources:

Carnegie Institute of Science. "Andrew Carnegie's Organizations." Available online at http://carnegiescience.edu/andrew_carnegies_organizations.
Rockefeller Foundation. "Our History—A Powerful Legacy." Available online at <http://www.rockefellerfoundation.org/who-we-are/our-history>.

Turning Point: Carnegie's Library Donations



Patrons study in the reading room of **THE CARNEGIE LIBRARY OF HOMESTEAD, PENNSYLVANIA**, around 1900. The library building included an athletic club.

One of the greatest contributions to early 1900s American literature came from steel magnate Andrew Carnegie. Originally from Scotland, Carnegie's family moved to the United States in the mid-1800s. Carnegie went on to make a fortune in the steel business. He sold his Carnegie Steel Company in 1901 and retired with a personal fortune of about \$500 million. He then arranged to use some of his fortune to open public libraries across the United States. He said he wanted to provide people of modest means with greater access to books. As Carnegie explained, "I decided there was no use to which money could be applied so productive of good to boys and girls, who have good within them and ability and ambition to develop it, as the founding of a public library in a community. . . ."

Carnegie's donation funded 65 libraries

in New York City. And the entrepreneur's charity didn't stop there. Over the next three decades, Carnegie gave \$56 million to build 2,509 libraries in the English-speaking world. The United States was home to 1,679 of these, with at least one in every state except Rhode Island. Carnegie's donations led to the formation of the world's only network of free libraries.

Many communities were very proud of their new libraries. But not everyone who had worked for Carnegie found him charitable. Doubters believed that he had made his money off the sweat of the very people he professed to help. Indeed, as several of Carnegie's former employees noted, "We'd rather they hadn't cut our wages and let us spend the money for ourselves. What use has a man who works twelve hours a day for a library anyway?"

“Wealth” by Andrew Carnegie
Excerpt

“...What is the proper mode of administering wealth after the laws (of survival of the fittest) upon which civilization is founded have thrown it into the hands of the few?

There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the decedents [deceased]; or it can be bequeathed [donated] for public purposes; or, finally, it can be administered [managed] by its possessors during their lives...

The first is the most injudicious [careless]... Why should men leave great fortunes to their children? If this is done from affection, is this not misguided affection?

As to the second mode, that of leaving wealth at death for public uses, (why should a man) wait until he is dead before he becomes of much good in the world?... Men who leave vast sums in this way may fairly be thought men who would not have left it all had they been able to take it with them...

There remains, then, only one mode of using great fortunes; ...the duty of the man of wealth (is to) set an example of modest... living...; and... to consider all surplus revenues... as trust funds... to produce the most beneficial results for the community – the man of wealth thus becoming the... agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer; doing for them better than they would or could do for themselves...

The man who dies rich dies disgraced.”