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What Donors Should Know About Universities

Think like an academic

THE post–October 7 reckoning in American higher education began mere hours after the attack. While the blood was still drying in Kfar Aza, a coalition of more than 30 Harvard student organizations published a joint statement holding "the Israeli regime entirely responsible for all unfolding violence." In the days to come, the surface cracked open. At Columbia University's Mailman School of Public Health, named for a Jewish philanthropist, a professor in a mandatory introductory course referred to the school's benefactors as "wealthy white capitalists" who "laundered" "blood money." Other Jewish students at Columbia would be told to "go back to Poland." Their peers downtown at Cooper Union were trapped in a library by an angry mob. Across the country, at Stanford, a lecturer in an introductory core course told Jewish and Israeli students to identify themselves, take their belongings, and stand in a corner. At least one UCLA professor would later be accused of referring to the state regents as "a bunch of Jewish pigs."

How did institutions from coast to coast, generously supported for generations by American Jews at levels far exceeding their proportion of the population, come to produce this hate and exhibit it so vividly? The answer many donors have reached for is a story about ingratitude, ideological capture, or the radicalization of the faculty. Each of those contains some truth. But they do not provide the most useful answer. That requires an understanding of how universities operate and where power resides.

Donors from the private sector who have supported modern research universities have tried to pull levers that would move a corporation. Most have been unpleasantly surprised to find that universities, despite being corporations, do not behave like corporations.

The two of us arrive at the question of how to understand the drivers of institutional change from different directions. One of us has spent a career inside the American research university, leading two institutions over three decades. The other has spent his career looking at institutions from the outside, as a private equity investor and former management consultant whose work turns on the question of how organizations behave when their stated purposes collide with their incentives. We do not agree on everything. But we both see clearly that the relationship between the American university and its many Jewish supporters is broken and that repairing it will require both sides to think differently about how philanthropic support effects change and how long it takes.

The work of Jewish philanthropy now is to give differently and to accept that reshaping institutions of higher learning runs on a horizon measured in generations rather than news cycles.

For as long as there have been American universities, they have been chartered as corporations. Hence the temptation to think of them in corporate terms, particularly for donors whose mental model of an institution is the company they built, bought, or led. A corporation has a chief executive, a board that hires and fires him or her, a chain of command through which decisions flow, and shareholders whose interests the whole enterprise is meant to serve. Invest capital, the thinking goes, and you become something akin to a shareholder with certain governance and information rights.

But inside the academy, almost nobody thinks about the institution this way. The self-understanding of a research university, beginning with the faculty, is that of a polity: a quasi-sovereign "republic of scholars" where authority flows upward from the faculty (who alone possess the legitimacy and the right to weigh in on its internal affairs) rather than downward from the governing board.

The lineage runs deep. American universities' European forebears grew from two medieval institutions: self-governing guilds (monopolistic, exclusionary, and self-perpetuating by design, where only existing masters could elevate a new one) and ecclesiastical bodies such as cathedral chapters and monasteries, which sat in a liminal space just beyond the reach of the secular ruler. The Latin terms *collegium* and *universitas* were used to refer to these associations of peers.

The republic of scholars took legal form in 1200, after a tavern brawl at the University of Paris left students dead. A dispute ensued between the city and the university masters over which had the jurisdiction to discipline students, with the professors closing ranks and threatening to leave the city. To retain them, King Philip II issued a royal charter that exempted professors, students, and staff from secular jurisdiction. The template quickly spread across Europe, and its vestiges survived for centuries. It was only in 1977 that Parliament abolished the civil jurisdiction of Oxford and Cambridge under which scholars were subject to the university's own courts rather than the courts of the realm.

The precise legal arrangement may have never crossed the Atlantic, but the cultural reflex certainly did. After protesters were cleared out of Columbia University's Hamilton Hall in April 2024, Manhattan District Attorney Alvin Bragg dropped the criminal charges on the understanding that the university would discipline them internally. About a week earlier, a group of mostly young Google employees had occupied part of the company's offices in Manhattan's Chelsea district to protest Google's contract with the Israeli government. They were arrested that day for criminal trespass. Apparently, it did not occur to Bragg to suggest that Google's corporate HR was better positioned to discipline them. The university was still being treated as a liminal space beyond the ordinary reach of law in a way that applies to no other type of institution.

One practical legacy of this inheritance is that top-down corporate control at research universities is essentially a fiction, at least as far as the faculty are concerned. The university's self-conception as a center of research and learning derives from the faculty. A faculty member has no "boss" in the traditional sense of the word. (In most cases, he or she is appointed, tenured, and accountable to the governing board rather than a department chair, dean, provost, or president.) Their most important colleagues are their departmental and disciplinary peers, who wield decisive power over their tenure and promotion. Once tenured, they cannot be dismissed absent extraordinary misconduct or financial exigency.

One of us can confirm from direct experience that a university president who tries to lean on a tenured faculty member will be reminded, politely but firmly, that the faculty member was here before the president arrived and expects to be here after the president leaves. In this sense, a president is something closer to the managing partner of a law firm than a CEO of a corporation. The managing partner can cajole, persuade, mediate between, and jawbone other partners, who are professional peers, not subordinates. But he cannot order them around.

This structure of individual autonomy is the strength of the university. Combined with the protections of tenure from retaliation, and the resources of the postwar federal research partnership, it created the most successful knowledge enterprise in history.

In a healthier era, the features of this enterprise would support, nurture, and protect scholars of all backgrounds. But they have a consequence that donors do not always absorb: The normal tools of corporate influence, the ones that work so well in every other institution that a major donor has ever touched, do not work here. Directives are ignored. Ultimatums produce martyrs. Even a polite expression of concern, if framed in the "wrong" terms or expressed through the "wrong" channel, is experienced as a violation of intellectual autonomy, and resisted on principle. Over a thousand years of storied history, the university has developed powerful institutional antibodies against perceptions of outside meddling.

This is the point at which a lot of donors run into a wall. Having discovered that only very limited strings can be attached to their giving, they conclude that nothing can change and that the only options left are to walk away or to escalate into open confrontation. But they discount the one lever that is at their disposal: incentives.

Universities have every reason to tell their supporters that their ways of working are too ancient, too mysterious, too otherworldly to be understood by outsiders, and certainly too enigmatic for outsiders to play any constructive part in. The cultivated mystique is itself a defense mechanism: Please give us money, don't ask too many questions, and leave us alone.

But the reality is more prosaic. Like any other human institution, universities are governed by incentives and norms. Unusual ones, to be sure, but perfectly legible to anyone who has ever run an organization.

Two in particular matter most. The first is the prestige hierarchy. Past a certain level, compensation in the academy within disciplines is relatively flat, at least compared with the private sector. What drives behavior is recognition, publication, citation, peer esteem, invitations to give keynote addresses at major conferences, prizes on a résumé. A scholar's standing among the 50 or so people in the world who work on the same problems is worth more to her than anything a dean or provost can offer.

The second is a fierce defense of autonomy. Academia is, among other things, a labor-sorting mechanism. Those who self-select into a life of the mind forgo more lucrative careers in part because they need to feel that their intellectual choices are their own. Any intervention that threatens that feeling will be rejected on principle, regardless of its merits.

Understanding these two forces is the beginning of a theory of university influence. The donors who learn to work within the prestige hierarchy and the autonomy requirement, rather than against them, are the ones who will reshape the institution.

Research that one of us has published at the American Enterprise Institute's Center for the Future of the American University shows that over the past few decades, a handful of foundations have built a far-reaching influence architecture on exactly this premise, and they have aimed it squarely at the fields that shape culture. The strategy deserves respect and invites careful study, whatever one thinks of its direction.

So what are these fields? They are the humanities, arts, and social sciences. Decades of hiring, funding, and promotion flowing (mostly) in one direction have produced departments where certain questions are pursued and others are not. The problem is not that progressive scholars hold the positions they hold. They should, and much of their work is valuable. The problem is that the absence of genuine intellectual competition narrows the range of questions that scholars in a field are willing to ask. The joint Vanderbilt–Washington University "Report on the State of Scholarship in the Humanities and Humanistic Social Sciences" cited the existence in certain fields of a "toxic intellectual climate in which reasonable dissent on politically charged topics is routinely suppressed and punished." A field that cannot seriously engage perspectives held by large portions of the public it serves has a credibility problem that will eventually become a funding problem.

In addition, the American higher education system uniquely values the liberal arts core as a foundation of an undergraduate education, regardless of later specialization. Undergraduate programs, because of their history and residential experience, occupy a disproportionate footprint in the popular imagination. However strongly alumni feel about the culture of their alma mater, they can probably accept that it's not set by the dental school. A prospective computer science or physics major is just as likely to encounter an English or history professor in his first week of classes as he is anyone in his intended field, thanks to core-curriculum requirements. To illustrate this outsize influence on culture, consider that in 2024 — the year of the encampments — Columbia University's Department of Middle Eastern, South Asian, and African Studies tallied just four majors out of its flagship undergraduate college's graduating class of 1,247.

These are also the fields where relatively small amounts of money go furthest. Mellon, Ford, MacArthur, Open Society, and roughly 20 other foundations together provide more than 70 percent of disclosed U.S. private-foundation funding for the humanities, arts, and social sciences. In 2023, this totaled roughly $1.2 billion, a minuscule 0.16 percent of the $772 billion total revenue pool in American higher education. Instead, the vast majority of sponsored funding, amounting to more than $60 billion a year, goes to STEM (science, technology, engineering, and mathematics) subjects.

With non-STEM fields starving for cash, small and well-timed grants (particularly in critical or catalytic career-transition points) can and do have outsize impact. A fully funded two-year postdoc can get a prospective faculty member's foot in the door. And for an assistant professor, $200,000 can be life-changing: It buys out teaching for a year, enables her to finish her first book, and smoothes the path to tenure. In contrast, a $200,000 donation hardly warrants a breakfast meeting at a medical school, where a single federally funded lab could consume $10–20 million a year. This stark asymmetry is what makes philanthropic influence in these disciplines so feasible.

Foundations that have already recognized this dynamic are the ones with the greatest impact today. Given the absolute scarcity of external funding in the humanities, arts, and social sciences, a sliver of a sliver, placed correctly, bends a field. And those doing the placement act with restraint. They do not tell scholars what to study. Such a transgression would trigger backlash. They define (with input, or at least the convincing appearance of input, from the field) what is fundable, and in a field where no one else is funding much of anything, the definition does the rest.

In other words, the scholar who adjusts her research agenda to match the available grant is making a rational choice shaped by incentives, and the choice was genuinely her own. Meanwhile, the funder is perfectly well aware of, and is likely pleased with, the outcome. Everyone wins.

For a Jewish donor community that cares about the fields where the fight over Israel, antisemitism, and the modern Jewish experience is actually being fought, such as history, political science, international relations, and psychology, the operational implication is almost embarrassing in its simplicity: A small amount of money can go a long way. The difficulty is not the check but rather the duration. Faculty make rational choices about incentives, and they correctly discount episodic giving; no junior scholar will build a career around a funding stream that may vanish before her tenure review. What changes behavior is duration, or the credible expectation of recurring (even if conditional) support.

This is where the generational horizon matters. A Ph.D. student writing her dissertation as you read this in 2026 may still be teaching in 2066, and along the way, she will do more than produce her own work. She will train the doctoral students who absorb her methodology, and, in time, she will sit on the search committees, tenure reviews, and editorial boards that constitute the prestige hierarchy itself. The first cohort a donor supports will review the second and hire the third. Their influence is a multigenerational cascade.

There is a hurdle that must be acknowledged. The foundations that built this influence architecture were pushing on an open door. The scholars they supported studied topics that the gatekeepers in these disciplines already approved. That same prestige hierarchy will create friction for a scholar whose work disrupts a field's settled assumptions. This makes the work of building a career outside the intellectual bandwagon harder and slower, but not impossible.

The goal is not to counter-capture these fields for a different orthodoxy but to restore the contest of ideas to fields that have stopped having one. Ideological capture is the disease, whoever the captor. The test of whether a person actually believes that is simple: whether the capture alarms them in only one direction.

So how should funders adjust their strategies? They should begin by following these five giving principles.

First, make peace with overhead costs — it is a necessity for the small-scale, highly distributed funding that can influence change. The instinct of most donors is to press program ratios as high as possible and to treat administrative spending as waste. That instinct is almost exactly wrong for influence in the academy. Close diligence and oversight are part of the strategy, and a foundation will build influence by deploying relatively small amounts to resource-deprived fields, in a time-limited way, tightly scoped to specific projects and faculty, monitoring them closely.

The data show that the average size of a foundation grant in the humanities, arts, and social sciences is under $300,000. Such funding is always time-limited, the implication being that if the work drifts from the funder's priorities, the grants need not be renewed. Small, targeted grants tied to scholar-level incentives require serious program officers, serious due diligence, and serious post-award monitoring, all of which cost money. After all, it takes roughly the same amount of time and effort to source, perform due diligence on, administer, and monitor a $300,000 grant as it does a $3 million grant — creating a natural incentive for efficiency-minded funders to cluster their grant-making to fields that can absorb larger grants, while leaving the highest-leverage fields under-served precisely because attending to them is so time- and labor-intensive.

Second, rethink perpetual endowments. With the exception of genuinely neutral use cases such as need-based financial aid, perpetuity creates structural and open-ended risks of mission drift if not corruption. It hands control to unknown stewards whose intentions in 50 years cannot be discerned today. Rather than endowing perpetual chairs, the foundations that have appropriate structures should consider long-term pledges of "endowment equivalents," such as covering a chair's annual costs for five or 10 years at a time, subject to renewal procedures. This mechanism would guarantee the stability of long-term support but incentivize a more faithful and continuous alignment with donor intent.

Nor should foundations themselves be exempt from periodic examination. Foundation professionals should be evaluated frequently, lest they confuse mission stewardship with personal advocacy. The cautionary tale every donor knows and too few internalize is the Ford Foundation: The drift of its entrenched professional management away from the pro-capitalist, if otherwise flawed, values of its founding family and toward a certain conception of social justice became so pronounced that Henry Ford II resigned from its board in 1976 in a letter that should be required reading in every donor orientation.

The now-shuttered John M. Olin Foundation is the proof of concept of these first two points. It spent three decades providing modest grants and fellowships for law and economics scholars who had to survive peer review in hostile faculties, and the result was a generational shift in American legal thought. The needle was moved by careful curation, not overwhelming volume, along with the mere creation of options and support structures where none existed. And then it spent itself down and sunsetted within 25 years of its founder's death as a safeguard against mission drift and professional capture.

Third, adopt the language of the academy. The foundations that have been most effective at shaping scholarship are the ones that describe their work in the vocabulary the academy already uses: competitive grants, peer review, fellowships, prizes, conferences. Their program officers are "familiar faces," often former faculty or faculty on leave, who are seen as peers, not adversaries. And they do it quietly, often with little pomp and circumstance.

Contrast this with the dominant register of donor reaction since October 7, which has been loud, public, and often contemptuous of the university itself. The anger forced a reckoning that quieter methods never did. But while anger can get a university's attention, it does not change the underlying incentives of what gets taught and rewarded.

Fourth, and hardest, accept that you will always be at least one step removed from the outcome. Donors who are heavy-handed in their interventions, such as attempting to make or veto faculty appointments, trigger the institutional antibodies into overdrive and are swiftly shown the door. Investing in relationships with the unsung deans and department chairs (who appoint search and tenure-review committees) is a more reliable and replicable path. Along with adopting the language of the academy, today's reformers should translate their feedback into a form that can be accepted and absorbed.

Finally, collaborate and align. The foundations that support the humanities, arts, and social sciences often coordinate priorities, share due diligence, divide fields of responsibility, and exchange personnel. Think burden-sharing rather than jealous gatekeeping. Scholars who pursue ideas outside the prevailing orthodoxy still need the validation of peer review to succeed and, by implication, a thriving body of peer reviewers who are eager to engage with their work. The scale required is smaller than most donors assume.

American higher education received roughly $23 billion in private grants, gifts, and contracts in 2023. To match the largest player's annual footprint in the humanities, arts, and social sciences, a coordinated donor vehicle would need to redirect less than 1 percent of that flow. The obstacle is not resources but absence of a shared table where donors who care about the same problem can pool their knowledge, align their grant-making, and hold one another accountable to the discipline the work requires.

The Exodus story is one of the most powerful narratives of a people emerging out of darkness toward freedom, and it carries two warnings. The first is that every generation must learn the lessons of freedom anew; it takes only one generation of forgetting for a civilization to die. Young people cheering for terrorists and chanting "death to America" suggest that we are uncomfortably close to that tipping point. The second is that the journey to freedom took 40 years of wandering in the desert, and the price of entry into the Promised Land was that the prior generation had to pass first.

This is how the university became what it is today, and it's how the university will become what it is tomorrow and the day after. The donors who faithfully supported the universities that failed them in 2023 were not wrong to be generous. They were wrong about the methods, the destinations, and the horizon.

In fields defined by scarcity, concentration creates power, and power shapes culture. Those who wish to influence that culture must first reckon with how it was formed and then commit to the generational timeline on which it can be remade. As Rabbi Tarfon once taught, "It is not your duty to finish the work, but neither are you at liberty to neglect it" (Pirkei Avot 2:16). If you are reading this, you are not short of vision, courage, or clarity about the problem. Be the ones to lead us out of this desert.

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