



Ford Foundation records, Office of Finance, Vice President, Office Files of Roger G. Kennedy

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Rockefeller Archive Center

15 Dayton Avenue
Sleepy Hollow 10591

archive@rockarch.org

URL: <http://www.rockarch.org>

Table of Contents

Summary Information	3
Biographical Note	4
Scope and Content Note	5
Arrangement	6
Administrative Information	6
Related Materials	7
Collection Inventory	8
Finance Committee Records	8
Office of the Arts Files	10
Speeches & Writings	11
Investment Research Files	12

Summary Information

Repository:	Rockefeller Archive Center
Creator:	Ford Foundation
Creator - aut:	Kennedy, Roger G.
Title:	Ford Foundation records, Office of Finance, Vice President, Office Files of Roger G. Kennedy
ID:	FA581
Date [inclusive]:	1969-1979
Physical Description:	2.66 Cubic Feet
General Physical Description note:	(7 Hollinger document boxes)
Language of the Material:	English
Abstract:	<p>Roger G. Kennedy joined the Ford Foundation in 1970 as Vice President of the Office of Finance. Charged with steering the Foundation towards achieving long-term sustainability despite the high inflation of the 1970s, he restructured the expenditures, investment strategies, and portfolio. He also served as a key advisor on financial matters to President McGeorge Bundy and to the Board of Trustees Finance Committee, and frequently prepared dockets and presented reports and recommendations to the Committee. The Finance Committee, initiated by the Board of Trustees in 1953, set investment policy and monitored the performance of the Foundation's portfolio. The Office Files of Roger G. Kennedy span from 1969 to 1979 and consist of memoranda, reports, articles, speeches, background and meeting materials documenting his work as Vice President of the Office of Finance (1969-1977) and later as Vice President of the Office of the Arts (1978-1979). The bulk of the collection consists of Finance Committee dockets. These dockets contain agenda books (later called "Treasurer's Reports") with portfolio reviews and summaries of investment holdings. Also part of Mr. Kennedy's Committee records are memoranda and correspondence pertaining to the Foundation's efforts to divest and diversify its portfolio of Ford Motor Company stock. Other files contain research memoranda and recommendations by investment research staff within the Office of Finance.</p>

Preferred Citation note

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[^ Return to Table of Contents](#)

Biographical Note

Roger G. Kennedy was born in St. Paul, Minnesota in 1926. He received a B.A. from Yale University in 1949 and a law degree from the University of Minnesota. During the 1950s, he served as Special Assistant to the U.S. Attorney General; the U.S. Secretary of Health, Education, and Welfare; and the U.S. Secretary of Labor. He began a career in banking during the 1960s, serving as Chairman of the Executive Committee of the Northwestern Bank of St. Paul, Minnesota and as Vice President of Investments at the University of Minnesota.

Mr. Kennedy joined the Ford Foundation in 1970 as Vice President of the Office of Finance. Charged with steering the Foundation towards achieving long-term sustainability despite the high inflation of the 1970s, he restructured expenditures and the investment portfolio. He also served as a key advisor on financial matters to President McGeorge Bundy and to the Board of Trustees' Finance Committee, and frequently prepared dockets and presented reports and recommendations to the Committee. The Finance Committee, initiated by the Board of Trustees in 1953, set investment policy and monitored the performance of the Foundation's portfolio. Finance Committee members during Mr. Kennedy's tenure included Stephen D. Bechtel, McGeorge Bundy, William H. Donaldson, John H. Loudon, J. Irwin Miller, Julius A. Stratton, and Bethuel M. Webster.

In 1978, Mr. Kennedy became Vice President of the newly created Office of the Arts (formerly Office of Humanities and the Arts). While in office, he drafted several reports assessing the field of grant-making in the arts and identified opportunities and possible focuses for grant-making. He also was involved with the Forty-Second Street Development Corporation and its efforts to revitalize the small theatre district of West 42nd Street.

Mr. Kennedy departed the Foundation in 1979 to become Director of the Smithsonian's National Museum of American History. From 1993 to 1997, he served as Director of the National Parks Service. He has also taught at Harvard, Yale and Stanford University.

[^ Return to Table of Contents](#)

Organizational History

The Ford Foundation's Office of Finance, established in 1970, continued and expanded upon the functions of the Office of the Treasurer (1966-1970), the Office of the Treasury (1958-1966), and the Treasurer (prior to 1958). Its creation and mandate were shaped by the need for the Foundation to respond to two major financial developments. The first was passage of the Tax Reform Act of 1969, which increased federal scrutiny of the expenditure of all charities. The second was the threat that high rates of inflation and an unstable economy posed to the Foundation's assets and grant-making. The Office of Finance initiated stricter and more formalized procedures to guide the Foundation through this period of immense financial and economic change and uncertainty.

The Foundation's Board of Trustees' Finance Committee amended the By-Laws in 1970. The new amendments gave the Vice President of Finance and the Treasurer, acting jointly, sole power to buy and sell the Foundation's stock, bonds, and real estate assets. The Office of Finance retained an internal investment research staff to assist with the reshaping and diversification of the Foundation's investment portfolio.

The Office of the Arts originated as the Office of Humanities and the Arts, created in 1957 under the direction of its first Vice President, W. McNeil Lowry. In 1979, the Office of the Arts was restructured as a program area under Education and Public Policy and, after another reorganization in 1997, it became part of Education, Media, Arts and Culture. Education, Media, Arts and Culture was reorganized as the Knowledge, Creativity and Freedom Program in 2002.

[^ Return to Table of Contents](#)

Scope and Content Note

The Office Files of Roger G. Kennedy span from 1969 to 1979 and consist of memoranda, reports, articles, speeches, background and meeting materials documenting his work as Vice President of the Office of Finance (1969-1977) and the Office of the Arts (1978-1979).

The bulk of the collection consists of Finance Committee dockets. These dockets contain agenda books (later called "Treasurer's Reports") with portfolio reviews and summaries of investment holdings. The files also hold meeting minutes, reports and background memoranda, and proposed By-Laws amendments. Mr. Kennedy was responsible for preparing and distributing briefing materials about investment activities to Committee members for review in advance of meetings. The Tax Reform Act of 1969 also led the Foundation to amend its By-Laws to expand the powers and duties of the Vice President of Financial Affairs and the Treasurer and enable them to manage the Foundation's assets independently from the Board.

There are also memoranda discussing proposed new agreements between the Ford Motor Company and the Foundation regarding the sale and conversion of Ford Motor Company non-voting Class A stock.

Other memoranda discuss the terms for continued use of external advisors to manage portions of the Foundation's investments.

Also part of Mr. Kennedy's Committee records are memoranda and correspondence pertaining to the Foundation's efforts to divest and diversify its portfolio of Ford Motor Company stock. There also is correspondence between Mr. Kennedy and then-President McGeorge Bundy regarding the Foundation's financial affairs.

Other files contain research memoranda and recommendations by investment research staff within the Office of the Treasurer.

[^ Return to Table of Contents](#)

Arrangement

Arranged into 4 series.

[^ Return to Table of Contents](#)

Administrative Information

Publication Statement

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Immediate Source of Acquisition note

Ford Foundation archive was deposited at RAC in 2011. Ford Foundation records, correspondence, reports, program files and officers papers were transferred to, and accessioned by, RAC beginning in 2011. Accessions continue as necessary.

Conditions Governing Use note

Ford Foundation holds title, copyright and literary rights in the collection, in so far as it holds them. The Rockefeller Archive Center has authority to grant permission to cite and publish material from

the collection for scholarly purposes. Permission to publish extensive excerpts, or material in its entirety, will be referred to the Ford Foundation.

Provenance

This collection consists of files removed by Mr. Kennedy when he left the Foundation and then returned in April 2011. Mr. Kennedy donated other papers to the Smithsonian Institution, where he had served as Director of its National Museum of American History from 1979 to 1992.

The records created by the Office of the Treasurer's staff originally were not part of Mr. Kennedy's files. The decision to incorporate them into the collection was made during processing.

Processing Information Note

The original volume of 4 cubic feet accessioned by the Ford Foundation Archives in 2011 was reduced during processing to 2.8 cubic feet.

Agenda books/ Treasurer's reports duplicated in the Board of Trustees Record Series – Records of the Finance and Investment Committees were not retained in this collection.

Conditions Governing Access

Records more than 10 years old are open for research with select materials restricted as noted. Brittle or damaged items are available at the discretion of RAC.

Completion of a use agreement is required prior to providing scholarly access. See RAC Head of Reference (or applicable designee) for details.

[^ Return to Table of Contents](#)

Related Materials

Separated Materials

Appendix A: Reports – Unpublished reports written by Ford Foundation staff and consultants were removed from their original folders, scanned and transferred to the Archives' collection of staff and consultant reports. See Appendix A for a list of these reports and their specific assigned number. The reports are listed in alphabetical order by author. The assigned number may be used to access reports in the online catalog.

Related Collections

FA617 Ford Foundation records, Office of the President, Office Files of McGeorge Bundy. This collection, spanning from 1965 to 1979, contains materials about the Office of the Arts and the Office of Financial Affairs during Mr. Kennedy's tenure as Vice President (see Series I. Operations and Administration). The collection also contains Finance Committee records for 1966, 1971, 1977 and 1978 (see Appendix B: Budget and Finance Committee Papers).

A related collection of files regarding Mr. Kennedy's work after his departure from the Ford Foundation may be found in the Archives of the Smithsonian Institution.

[^ Return to Table of Contents](#)

Collection Inventory

Finance Committee Records, 1969-1977

Scope and Contents

This series consists of agenda books, minutes, memoranda, Treasurer's Reports and briefing materials for quarterly Finance Committee meetings between 1970 and 1977. The briefing materials varied from meeting to meeting but held information about proposed amendments to the Foundation's By-Laws (1970), accountings of expenditures drawn from the General Reserve, and reviews of the Foundation's direct placement policy and portfolio. There are also memoranda regarding the sale and conversion of Ford Motor Company non-voting Class A stock and the terms for continued use of external advisors.

Arrangement

Files are arranged chronologically.

Title/Description	Instances	
Bundy, McGeorge -- Memoranda Re: Structure of Present Financial System, Financial Reorganization, Portfolio Diversification, etc., 1969-1977	box 1	folder 1
Ford Motor Company -- Memoranda Re: Ford Bond Sales and Diversification of Stock, Aug 1970-Dec 1973	box 1	folder 2
Finance Committee Meeting -- Background Materials for Special Meeting (1 of 2), Aug 19, 1970	box 1	folder 3
Finance Committee Meeting -- Background Materials for Special Meeting (2 of 2), Aug 19, 1970	box 1	folder 4
Finance Committee Meeting -- Background Materials for Meeting, Sep 23, 1970	box 1	folder 5
Report -- "Income and Expenditure Expectations and Their Budgetary Implications", Sep 1970	box 1	folder 6

Report -- "A Prejudice Paper Revisited", Nov 1970	box 1	folder 7
Finance Committee Meeting -- Agenda Book (1 of 2), Dec 10, 1970	box 1	folder 8
Finance Committee Meeting -- Background Materials for Meeting (2 of 2), Dec 10, 1970	box 1	folder 9
Finance Committee Meeting -- Background Materials for Meeting, Mar 25, 1971	box 1	folder 10
Report -- "Budget Plans and Problems: FY 1972 and 1973", Mar 1971	box 2	folder 1
Report -- "Statement of Investment Policies and Guidelines", Mar 1971	box 2	folder 2
Finance Committee Meeting -- Background Materials for Meeting, Jun 23, 1971	box 2	folder 3
Report -- "How to Protect the Portfolio Against Inflation", Sep 1971	box 2	folder 4
Report -- "Social Considerations and the Investment Process" (with McGeorge Bundy comments on draft), Sep 21, 1971-Nov 1971	box 2	folder 5
Finance Committee Meeting -- Background Materials for Meeting, Dec 9, 1971	box 2	folder 6
Report -- "Planning for the Foundation's Program in 1973 and Beyond", Mar 1972	box 2	folder 7
Finance Committee Meeting -- Background Materials for Meeting, Jun 21, 1972	box 2	folder 8
Finance Committee Meeting -- Background Materials for Meeting, Sep 27, 1972	box 2	folder 9
Finance Committee Meeting -- Agenda Book, Background Materials for Meeting, Dec 8, 1972	box 3	folder 1
Report -- "Preliminary Budget Planning for FY 1974 and FY 1975", Mar 1973	box 3	folder 2
Finance Committee Meeting -- Background Materials for Meeting, Dec 13, 1973	box 3	folder 3
Finance Committee Meeting -- Background Materials for Meeting, Mar 1974	box 3	folder 4
Budget -- Memoranda Re: Recommendations, Papers on Ford Foundation Budgetary Quandary, Background on Interest Rates, Stock Values, etc., Mar-Apr 1974	box 3	folder 5
Proxy Committee -- Memoranda Re: Recommendations for Action, Mar 1974	box 3	folder 6
Report -- "The Ford Foundation Real Estate Investment Program 1974 Supplement", Mar 1974	box 3	folder 7

Report -- "Our Finances and Our Future", Sep 1974	box 3	folder 8
Report -- "Choices Under a Reduced Program Budget", Nov 1974	box 3	folder 9
Finance Committee Meeting -- Background Materials for Meeting, Dec 12, 1974	box 3	folder 10
Finance Committee Meeting -- Background Materials for Meeting, Mar 25, 1975	box 3	folder 11
Report -- "Real Estate Portfolio Review for the Finance Committee of the Ford Foundation", Mar 1975	box 3	folder 12
Finance Committee Meeting -- Memoranda Re: Cost Reduction and Investment Recommendations, Jun 1975	box 3	folder 13
Report -- "On Managing Risk", Sep 1975	box 3	folder 14
Finance Committee Meeting -- Background Materials for Meeting, Dec 15, 1975	box 4	folder 1
Finance Committee Meeting -- Background Materials for Meeting, Mar 1976	box 4	folder 2
Finance Committee Meeting/Board of Trustees Meeting -- Memoranda for Trustees, Quarterly Investment Report, etc., Jun 23, 1976	box 4	folder 3
Report -- "Budget Policy, Investment Policy, Prudence and Risk", Jul 1976	box 4	folder 4
Finance Committee Meeting -- Background Materials for Meeting, Sep 1976	box 4	folder 5
Finance Committee Meeting -- Background Materials for Meeting, Dec 9, 1976	box 4	folder 6
Finance Committee Meeting -- Agenda, Background Materials for Meeting, Mar 23, 1977	box 4	folder 7
Report -- "Investment Policies, Spending Policies and Uncertainty", Jun 1977	box 4	folder 8

[^ Return to Table of Contents](#)

Office of the Arts Files, 1977-1979

Scope and Contents

This series consists of three files that describe activities of the Office of the Arts during Mr. Kennedy's tenure as Vice President. One file contains correspondence, memoranda and clippings about the Forty-Second Street Development Corporation and the role of the Foundation in the redevelopment of West 42nd Street and Theatre Row between 1978 and 1979. The other two files contain reports, "Why Bother about the Arts?" (March 1977), which reviews grant-making in the arts generally and makes a case for areas of focus, and "The Arts Office: A Two-Year Report," prepared by Mr. Kennedy for the November 1978 meeting of the Board of Trustees Arts Committee.

Arrangement

Arranged chronologically.

Title/Description	Instances	
Report -- "Why Bother About the Arts?", Mar 1977	box 4	folder 9
Report -- "The Arts Office: A Two-Year Report", Nov 1978	box 4	folder 10
Forty Second Street Local Development Corporation -- Memoranda and Clippings on Times Square Redevelopment, 1978-1979	box 4	folder 11

[^ Return to Table of Contents](#)

Speeches & Writings, 1971-1976**Scope and Contents**

This series consists of copies of Mr. Kennedy's speeches and writings on such topics as investment performance measurement; portfolio management, social responsibility, and philanthropy; and the effects of inflation.

Arrangement

Arranged chronologically.

Title/Description	Instances	
Talk on Corporate Responsibility Given Before Institutional Investor Conference Group, Washington, DC, May 13, 1971	box 4	folder 12
"Some Suggested Language for Bill Donaldson for His Speech to the Teachers Group" (draft), Oct 1, 1971	box 4	folder 13
"Barker Et Al Revisited" (comments on Robert R. Barker's "Managing Educational Endowment"), Jul 4, 1973	box 4	folder 14
"The Uses and Abuses of Performance Measurement" (drafts and submission to <u>Institutional Investor</u>), Jul 18-Nov 11, 1973	box 4	folder 15
Statement Before U.S. Senate Finance Committee Subcommittee on Financial Markets, Sep 27, 1973	box 4	folder 16
"Wages of Inflation," <u>The Atlantic</u> , Sep 1974	box 4	folder 17
Speech on Disparate Reflections on Portfolio Management, Philanthropy and State of the World Given to Minnesota Council on Foundations, Apr 1977	box 4	folder 18
"Portfolio Decisions and Social Responsibility," Paper for 1974-1975 Lecture Series on Contemporary Business Problems, New York University, Nov 7, 1974	box 4	folder 19
"On the Behavior of Retorts, Stills, and Trickle-Stills," Reprinted from <u>Harvard Business Review</u> , Mar-Apr 1976	box 4	folder 20

Article on Managing Ford Foundation Portfolio, Risks, and Budget, <u>Journal of Portfolio Management</u> , Summer 1976	box 4	folder 21
"A Forecast About Forecasting," Reworking of Speech Submitted to <u>New York Times</u> , Oct 1976	box 4	folder 22
Speech Given at Opening of Exhibit from Northwest Architectural Archives, University of Minnesota Special Collections, Oct 1, 1976	box 4	folder 23

[^ Return to Table of Contents](#)

Investment Research Files, 1969-1973

Scope and Contents

This series consists of the research the Office of Finance intended to shape Foundation investment decisions. The reports and recommendations are based on monitoring and analysis of the performance of companies and stocks. Lilia Clemente's files constitute the bulk of the series but research by other members of the investment staff Robert P. Bergin, Leo Bessera, Penney P. Burnett, Ruth S. Gamble, Curt W. Livingston, Ronn K. Lytle, Robert J. Powers, and Frank J. Prezelski is also included.

Arrangement

Arranged alphabetically by last name.

Title/Description	Instances	
Bergin, Robert P. -- Investment Research Memoranda and Recommendations, Jan 1970-Sep 1971	box 5	folder 1
Bessera, Leo -- Investment Research Memoranda and Recommendations, Jan 1970-Sep 1971	box 5	folder 2
Burnett, Penney P. -- Investment Research Memoranda and Recommendations, Jun 1969-Sep 1971	box 5	folder 3
Clemente, Lilia -- Investment Research Memoranda and Recommendations, 1969	box 5	folder 4
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Jan-Dec 1970	box 5	folder 5
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Jan-May 1971	box 5	folder 6
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Jun-Sep 1971	box 5	folder 7
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Oct-Dec 1971	box 5	folder 8
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Jan-Feb 1972	box 6	folder 1
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Mar-Apr 1972	box 6	folder 2

Clemente, Lilia -- Investment Research Memoranda and Recommendations, May-Jun 1972	box 6	folder 3
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Jul-Oct 1972	box 6	folder 4
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Nov 1972-Feb 1973	box 6	folder 5
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Mar-Apr 1973	box 6	folder 6
Clemente, Lilia -- Investment Research Memoranda and Recommendations, May-Jun 1973	box 7	folder 1
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Jun-Jul 1973	box 7	folder 2
Clemente, Lilia -- Investment Research Memoranda and Recommendations, Aug-Sep 1973	box 7	folder 3
Gamble, Ruth S. -- Investment Research Memoranda and Recommendations, Aug 1971-Sep 1972	box 7	folder 4
Livingston, Curtis W. -- Investment Research Memoranda and Recommendations, Dec 1970-Jun 1971	box 7	folder 5
Lytle, Ronn K. -- Investment Research Memoranda and Recommendations, Dec 1970-Sep 1971	box 7	folder 6
Powers, Robert J. -- Investment Research Memoranda and Recommendations, Aug-Sep 1971	box 7	folder 7
Prezelski, Frank J. -- Investment Research Memoranda and Recommendations, Nov 1970-Sep 1971	box 7	folder 8

[^ Return to Table of Contents](#)