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Big Bucks, Big Minds, Big Hearts  
The John Templeton Foundation

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The most lucrative award in the world may also be the wordiest: the Templeton Prize for Progress Toward Research or Discoveries about Spiritual Realities. This year's winner, the philosopher Charles Taylor, will receive a check for more than \$1.5 million, topping the amount that the Nobel Foundation gives a laureate. Taylor joins a list of annual recipients whose ranks include Mother Teresa, Billy Graham, Alexander Solzhenitsyn, Chuck Colson, and Michael Novak.

When it comes to prizes, a handful of brand names resonate with the public – Nobel, Pulitzer, MacArthur – because they are by turns august, controversial, and quirky. Since it was first conferred in 1973, the Templeton Prize has earned a place among them. It's not only worth an enormous amount of money, but it's also distinctive: With a focus on religion, there's not much else like it.

In the future, however, the Templeton name will be known as well for its grand program of philanthropy springing from the fortune of Sir John Marks Templeton, the brilliant investor who is currently a 94-year-old resident of the Bahamas. Two decades ago, he established the John Templeton Foundation to coordinate the religion prize and become active in other areas. In 2004, he transferred \$550 million into its bank accounts. Then he stepped down as chairman and elevated his son, John M. Templeton Jr. – who goes by "Jack" – to the position. Today, the Templeton Foundation, based in a Philadelphia suburb, gives away about \$55 million per year and has an endowment valued at \$1.2 billion. These figures will rise even higher when Sir John dies.

It would be wrong to call the Templeton Foundation conservative. "We don't use that label," says Jack. "I've always liked to consider myself a moderate." Yet many conservatives have benefited from its giving, especially as the number and size of the foundation's grants have increased. Last year, the Intercollegiate Studies Institute received more than \$2.8 million to explore the cultural underpinnings of capitalist competition. Three right-of-center think tanks – Canada's Fraser Institute, California's Independent Institute, and Virginia's Mercatus Center – each won a grant of \$500,000 to promote free-market solutions to global poverty. In 2005, the Heritage Foundation received \$843,000 to develop a research database.

The Templeton Foundation can call this giving whatever it likes. There is no getting around the fact that it has quickly become a major force in conservative philanthropy.

The foundation owes its existence to a man that Money magazine once called "arguably the greatest global stock picker of the century." Sir John Templeton was born in Tennessee, graduated from Yale, went to Oxford as a Rhodes Scholar, and began a career on Wall Street in 1937. He had a knack for finding undervalued companies, and his Templeton Growth Fund and other investment vehicles became famous for their high returns. He eventually moved to the Bahamas, naturalized as a British

citizen, and prepared detailed instructions for how the foundation named after him should conduct its philanthropy.

#### LIFE EXPERIENCES

The man now charged with that responsibility is his son Jack, a soft-spoken 67-year-old who was a pediatric surgeon before he turned his full attention to philanthropy in 1995. Even though his father was making a killing on Wall Street, Jack didn't lead a pampered life: He worked his way through Harvard Medical School, holding a part-time job at a blood bank. He later went to work at Children's Hospital of Philadelphia, where he was hired by C. Everett Koop, who served as surgeon general under President Reagan. "He was my mentor," says Templeton.

The job was both difficult and rewarding. Most of his patients were victims of trauma, which is the leading cause of injury and death among children. "I learned that trauma is no accident," he says. "The power of culture plays a big part in what happens." He observed that the role of religion was especially strong. "If people see themselves as loved by God, they are more likely to do things such as buckle their seatbelts."

Templeton's father is a Presbyterian who once chaired the Princeton Theological Seminary, though more recently he has become involved in the positivist New Thought movement. The son, a pro-life evangelical Christian, discovered faith at an early age. "When I was seven or eight, I was sitting in the garden and felt an overwhelming sense of the reality of God," he says. "That moment shaped much of the rest of my life." He had other influences as well, among them Koop, whose son had died in a mountaineering accident. "He taught me about the sovereignty of God and the importance of placing your total trust in it."

Watching Koop deal with families that had lost children also had a profound influence on Templeton, who went on to become a veteran at coping with tragedy himself. "One time, we were treating a boy with a malignant liver tumor," he says. They removed it and placed the child in chemotherapy. "But we made a mistake. He received ten times the appropriate dosage. This went on for a few weeks and it led to devastating complications. When I suddenly realized what had happened, I called in the family and told them. They said they could see how much I was suffering from it and asked me to continue taking care of their son. That taught me a lot about forgiveness." (The boy survived the chemo blunder, but died a year later when the cancer recurred.)

The experience also possibly led to one of the Templeton Foundation's recent areas of interest: forgiveness research. The foundation has invested at least \$4 million into the question of whether the act of forgiving can improve physical and mental health. Other grants have studied the links between prayer and health. A \$2.4 million study involving 1,800 heart-bypass patients asked whether receiving prayers from strangers would help them recover faster. The results, published last year in the *American Heart Journal*, were disappointing: Researchers could find no evidence that prayers made a difference.

What's encouraging, at least, is that the foundation places its faith in the scientific method — it funds research and reports results,

without letting its hopes or preconceptions get in the way. In 2005, a Wall Street Journal reporter suggested that the Templeton Foundation is a major sponsor of the intelligent-design movement, which is critical of evolutionary theory. Senior vice president Charles L. Harper Jr., an Oxford-trained planetary scientist, called the claim "scandalous" in a lengthy reply: "We fully support the fundamental right of university faculty to differ from mainstream views," he wrote, but "the [Templeton] Foundation itself vigorously disagrees with the ID position."

The foundation's interests aren't limited to the study of science and religion. Character development and education for the gifted also receive significant support. The six-figure grant to the Heritage Foundation, for instance, falls into the category of character development: It underwrites the creation of a website (FamilyFacts.org) that catalogues peer-reviewed social-science research involving childhood, parenting, and education for a general audience. Anybody who thinks this is part of a vast right-wing agenda hasn't taken a close look at other projects such as the Purpose Prize, which gives monetary awards to senior citizens who are social innovators. The panel of judges includes David Gergen, Cokie Roberts, and Gloria Steinem.

Unlike the Ford Foundation and other leading philanthropies, however, the Templeton Foundation devotes a significant share of resources to right-leaning causes. The newly formed Center for Excellence in Higher Education aims to help high-dollar donors improve their giving to colleges and universities so that, for instance, left-wing professors don't pirate their contributions and ignore their intentions. The foundation also funds many other prizes: \$50,000 for spiritually uplifting movie screenplays, \$10,000 for editorial writing on virtue, and so on.

Because of this, the Templeton Foundation has earned a reputation, in some quarters, as a conservative outfit. The left-wing website Media Transparency, which monitors conservative funding, keeps a wary eye on its activities. In his private life, Jack Templeton has written checks for President Bush, the Republican party, and conservative 527 groups. He's also on the board of the Philadelphia-based Foreign Policy Research Institute. "I support FPRI because it's not afraid to say that America, despite its flaws, has been a force for good in the world," he says.

#### MISES & CO.

The Templeton Foundation's charter calls for supporting work on "free competition, entrepreneurship, and the enhancement of individual freedom and free markets." In case that isn't clear enough, it explicitly identifies the writings of Mises, Hayek, Friedman, and even Heritage Foundation president Edwin J. Feulner Jr. as guideposts. The foundation's complex governance structure also gives special standing to the heads of three free-market organizations: the Acton Institute, the Atlas Economic Research Foundation, and the Mont Pelerin Society.

"We're keen on expanding our work on free enterprise," says Jack Templeton. He believes there's plenty to do, and the foundation's latest prospectus announces the aim of giving away \$20 to \$25 million annually in this area by 2010. "I can't think of a TV program in the last 40 years that portrays businessmen as anything other than greedy,

corrupt, manipulative, or nasty," he says. "Young people see this. It's the mindset of the academy. And so when they rally around a cause such as alleviating poverty, it doesn't occur to them that maybe free enterprise has a role to play."

The Templeton Foundation, by contrast, is investing heavily in this concept. It has committed \$1.25 million to a series of Templeton Freedom Awards, administered by the Atlas Economic Research Foundation, to support free-market think tanks around the world. The latest batch of winners - 16 think tanks in 14 countries - was announced on March 12. One of Jack Templeton's favorite projects, headed by James Tooley of Newcastle University, involves the study of for-profit schools in developing nations. "When poor parents pay a small tuition, there's greater accountability and the quality of education actually improves," says Templeton. Later this year, the foundation hopes to request proposals for a new initiative on how free markets influence character.

In the meantime, one of Templeton's great passions is to keep all foundations free from too much federal interference. "Regulation of philanthropies is a very big threat right now," he says. Sen. Charles Grassley, an Iowa Republican, and the Independent Sector, an association of charities and grant-makers, are proposing new regulations that would restrict the freedom of foundations to make basic governance and compensation decisions. "This would have a very bad effect on the small foundations that are the backbone of American philanthropy," says Templeton. "They're very good at meeting the needs that government can't provide, and they would really be hurt by this." He's so concerned about this emerging issue that he has personally lobbied members of Congress.

Maybe someday his own foundation will see fit to give him a prize.

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