

# To Dissipate Prejudice

## Julius Rosenwald, the Evolution of Philanthropic Capital, and the Wabash YMCA

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At three in the afternoon on June 15, 1913, a crowd stood in front of a newly finished building at the corner of Wabash Avenue and 38th Street in Chicago's Bronzeville neighborhood.<sup>1</sup> Hundreds of individuals had assembled at the terminus of a joyous parade, which included the Eighth Infantry of the Illinois National Guard, members of the Knights Templar of Illinois, and numerous black community leaders.<sup>2</sup> The crowd stood still, listening earnestly, to the man responsible for financing the five-story red-brick building that stood before them. The structure had taken three years to build and was now the home of Chicago's first all-African American chapter of the Young Men's Christian Association (YMCA)—a building that Chicago's elite would come to call “one of

1. Editor's note: Journalist James Gentry coined the term Bronzeville in the late twenties or early thirties. Although William Fernandez's story predates this usage Bronzeville is preferable to the pejorative Black Belt or the various community names, such as Grand Boulevard, that encompass a part but not all of Chicago's historic black community. See, Dempsey J. Travis, “Bronzeville,” in *The Encyclopedia of Chicago*, ed. James R. Grossman, Ann Durkin Keating, and Janice L. Reiff (Chicago: University of Chicago Press, 2004).

2. “Y.M.C.A. for Negroes to Be Opened in Chicago Today,” *Chicago Daily Tribune*, June 15, 1913.



the most potent factors for good in a section of the community abounding in destructive agencies.”<sup>3</sup>

Chicago’s African American community had bonded together to raise the necessary \$19,000 in additional funds for the building, which was “the most important event in the local history of their race,” according to local “negro leaders.”<sup>4</sup> Equivalent to roughly \$228,000 in 2015, the sum was “the largest amount ever collected from Negroes for such a purpose.”<sup>5</sup> The individual who had donated the majority of the funds and gave the keynote address for the building’s inauguration was an unlikely figure. Julius Rosenwald, an up-and-coming Jewish businessman who had recently been appointed president of Sears, Roebuck & Co. had contributed \$25,000 (roughly \$300,000 in 2015) to the YMCA. This gift launched Rosenwald’s career, which was defined as much by philanthropy as his business.<sup>6</sup>

As historian Nina Mjagkij has noted, “the alliance between Rosenwald, the YMCA, and African-Americans seems rather peculiar at first glance. Why would a Jew support the establishment of Christian facilities for African-Americans?”<sup>7</sup> Was it concern for the plight of the black citizens of Chicago? Was it a statement of religious harmony? Was

3. Junius B. Wood, “The Negro in Chicago,” *Chicago Daily News*, December 11–27, 1916.

4. “Y. M. C. A. for Negroes,” *Chicago Daily Tribune*.

5. “To Build Up Negro Y. M. C. A.: Millionaire Rosenwald Will Give \$25,000 to Each City that Raises \$75,000,” *New York Times*, January 17, 1913.

6. Rosenwald’s lifetime philanthropy was just under \$2 billion in 2015 dollars. See Peter M. Ascoli, *Julius Rosenwald: The Man Who Built Sears, Roebuck and Advanced the Cause of Black Education in the American South* (Bloomington: Indiana University Press, 2006), 15.

7. Nina Mjagkij, “A Peculiar Alliance: Julius Rosenwald, the YMCA, and African-Americans, 1910–1933,” *American Jewish Archives* 44, no. 2 (Fall–Win. 1992): 585.

it simply a noble gesture to those less fortunate? These questions have led scholars like Mjagkij, Hasia Diner, and David Levering Lewis to investigate Rosenwald’s racial, religious, and socioeconomic motivations.<sup>8</sup> Scholarship has examined the specifics of the event itself but has paid less attention to Rosenwald’s motivations. This omission is perhaps understandable, given Rosenwald’s larger gifts later in his life. I argue that this example of his early philanthropy is crucial for situating Rosenwald in the larger contexts of social welfare, progressivism, Reform Judaism, and capitalism at the turn of the century, which allows us to uncover a range of more complex motivations not revealed in earlier scholarship.

This paper offers a detailed, fluid, and conceptual understanding of the motivations behind Rosenwald’s investment. It aims to demonstrate that Rosenwald, a Jewish capitalist at the beginning of the twentieth century, saw philanthropy as a means to an end and an end in itself. Philanthropy was an investment that helped him to rise socially and gain entry into Chicago’s commercial and social elite while maintaining his Jewish cultural ties. It thus distinguished Rosenwald both inside and outside of the traditional elite. I will use capital conversion theory to examine how philanthropy transforms economic capital (currency) into social capital (membership and position within a group) and vice versa.<sup>9</sup> I also read economic historians who interpret philanthropic capital as a tool for the American bourgeoisie to assert itself economically and

8. Mjagkij, “A Peculiar Alliance,” 585–600; Hasia R. Diner, *In the Almost Promised Land: American Jews and Blacks, 1915–1935* (Westport, CT: Greenwood, 1977); and David Levering Lewis, “Parallels and Divergences: Assimilationist Strategies of Afro-American and Jewish Elites from 1910 to the Early 1930s,” *The Journal of American History* 71, no. 3 (Dec. 1984): 543–64.

9. Pierre Bourdieu, “The Forms of Capital,” in *Handbook of Theory and Research for the Sociology of Education*, ed. John G. Richardson, 241–58 (Westport, CT: Greenwood, 1986).

socially in America.<sup>10</sup> Examining the three-way transaction between Rosenwald, the Chicago elite, and the African American community helps us to understand Rosenwald's investment in the Wabash YMCA and the development of philanthropy in the United States in the early twentieth century.

I will explore the early influences upon Rosenwald's worldview in an attempt to comprehend his decisions and correct some misconceptions in current scholarship. I will argue that Julius Rosenwald leveraged his affiliation with Sears, Roebuck & Co. for a variety of ends, all of which are captured in his first engagement with the YMCA—Rosenwald gained acceptance in the American commercial and social elite, perpetuated a system of Western capitalism, shaped the identity of American Jews, and promoted social reform in America. My paper will elucidate religious, racial, and socioeconomic relations within the city of Chicago in the early twentieth century and will underscore the significance of philanthropic investment during the development of American capitalism.

## The Foundation of the Wabash YMCA

You must realize that in the evolution of a race time counted by generations is necessary. This is true of any race, white or black... Let me remind you that your cause is just, that the world moves forward and God still is on his throne, and that back of every righteous cause there is an arm strong enough to bring victory to his side... The man who hates a black man because he is black has

10. Thomas Adam, *Buying Respectability: Philanthropy and Urban Society in Transnational Perspective, 1840s to 1930s* (Bloomington: Indiana University Press, 2009); and Sven Beckert, *The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850–1896* (New York: Cambridge University Press, 2001).

the same spirit as he who hates a poor man because he is poor. It is the spirit of caste.<sup>11</sup>

Rosenwald's estimation that the new YMCA branch would be a means for Chicago's African American community to tear down institutionalized prejudice came from his association with L. Wilbur Messer, the first general secretary of the Chicago chapter of the YMCA. In 1908 Rosenwald contributed \$1,000 to the YMCA's Memorial Fund.<sup>12</sup> He had donated small amounts to the Hyde Park YMCA in the past but never interacted with the organization's leadership. His gift to the memorial fund began a relationship with Messer that would last for over a decade.

Messer's first priority during this period was to attract higher annual donations. In response to dramatic shifts in Chicago's demography, population, and social and political climate, the local chapter of the YMCA sought to expand its mission of evangelism to minorities and non-Christians. At the YMCA's 1898 Basel World's Conference, Messer argued that new membership groups "enables the association to reach religiously and develop broadly great numbers of young men who are prejudiced against Christ and his Church. The command of our Master, ringing down through the centuries, is to 'preach the gospel to every creature.' The association seeks to obey this injunction among all young men."<sup>13</sup> This theological shift would ultimately encourage the inclusion of new members, including African Americans, in the organization.

11. Julius Rosenwald, "Prejudice," speech, 15 July 1913, box 44, folder 10, Julius Rosenwald Papers, Special Collections Research Center, University of Chicago Library.

12. Ascoli, *Julius Rosenwald*, 77.

13. L. Wilbur Messer, World's Committee Plenary Meeting (Basel), 1898, speech, box 8, Kautz Family YMCA Archives, Archives and Special Collections Department, University of Minnesota Libraries.

Like other religious organizations of the period, the YMCA had been influenced by the development of modernism.<sup>14</sup> Liberal Protestant leaders at the beginning of the twentieth century found kinship with those outside of their own faith in order to achieve a greater “human cultural development” as well as to move “toward realization... of the Kingdom of God.”<sup>15</sup> Especially in a city like Chicago, whose neighborhoods and communities were divided by ethnic and religious identities, the promise of cross-cultural progress appealed to modernist religious leaders.

Messer felt that an all-black YMCA had the potential to draw philanthropists of all denominations to the YMCA’s goals of putting “Christian principles into practice” to mold the minds of young men. Messer wanted Chicago’s elite to know that he and his colleagues could work “effectively” within African American communities.<sup>16</sup> To achieve this, Messer’s first goal was to persuade black leaders to support the project. His first partner, Reverend Jesse E. Moorland, was a theology graduate of Howard University and a leader in the cause for black-led and black-used YMCAs who had persuaded George Peabody and John D. Rockefeller to donate to this cause.<sup>17</sup> Moorland joined Messer in early 1911 to campaign for an African American YMCA building in Chicago.

The creation of black YMCAs was a new concept. In the early 1900s many YMCAs barred blacks, and northern and southern cities in general provided very little housing or recreational facilities for young black men. The situation in Chicago between 1910 and 1940 was acute. Chicago’s

14. Martti Muukkonen, *Ecumenism of the Laity: Continuity and Change in the Mission View of the World’s Alliance of Young Men’s Christian Associations, 1855–1955* (Joensuu: University of Joensuu [Eastern Finland] Publications in Theology, no. 7, 2002), 140.

15. William R. Hutchinson, *The Modernist Impulse in American Protestantism* (Cambridge, MA: Harvard University Press, 1976), 2.

16. Muukkonen, *Ecumenism of the Laity*, 21.

17. Ascoli, *Julius Rosenwald*, 80.

African American population was 44,000 in 1910 and 278,000 in 1940.<sup>18</sup> These migrants profoundly changed the city’s culture and social structure, and the city itself effected how they adapted and assimilated. The Wabash YMCA—originally considered marginal in the YMCA’s overall mission—would become an important site for philanthropy and programming, as the city began to envision what roles its new citizens would play.

With Rev. Moorland’s support, Messer proposed to Rosenwald that he consider investing \$25,000 to create the first all-black YMCA in the city of Chicago. Messer was stunned: not only did Rosenwald jump at the chance to fund the project, he also agreed to fund the creation of a black YMCAs in any major city in America where local funds of \$75,000 could be raised in advance. This would prove to be the single largest donation to the cause of black YMCAs in American history.<sup>19</sup>

“I have frequently asserted that in my judgment no philanthropy in Chicago is a greater power for good, or accomplishes better results, than the YMCA,” Rosenwald wrote in a prepared statement for the *Chicago Daily Tribune* on his initial investment, “It is conducted in the true American spirit, in extending a welcome to all, regardless of creed, without any attempt to interfere to the slightest degree with the religious tendency of its members.”<sup>20</sup> Rosenwald’s use of “true American spirit” echoes the traditional American-dream narrative that promised opportunity to all who worked for its privileges. Rosenwald also stressed that the best “results” involved the professionalization of charity within a free and competitive marketplace.

(Rosenwald’s endorsement of the YMCA was not always as strong. In fact, Rosenwald had multiple struggles with the Chicago YMCA’s leadership over its religious and ethnic limitations on who could both

18. Christopher Manning, “African Americans,” in *The Encyclopedia of Chicago*.

19. Ascoli, *Julius Rosenwald*, 81.

20. *Ibid.*, 77.

participate in and run its institutions, specifically African Americans, Roman Catholics, and Jews. This issue received national attention in May 1911 when former president Theodore Roosevelt claimed that while he believed that the YMCA “has done admirable work,” he also thought that it should “not only appeal to Christians of all denominations, but to men who are not professing Christians.”<sup>21</sup>)

Rosenwald received acclaim throughout the country for his gift. President Taft stated that “nothing could be more useful to the race and to the country.”<sup>22</sup> Booker T. Washington, a major recipient of Rosenwald’s later philanthropy, called it “one of the wisest and best-paying philanthropic investments.”<sup>23</sup> The *Chicago Defender* compared Rosenwald’s gift to Abraham Lincoln’s Emancipation Proclamation.<sup>24</sup> A letter from Leo Sykes, a young black man from San Francisco, is representative of the many hundreds that Rosenwald received: “After work and on holidays, we have nowhere to go, as we are not admitted into most places of amusement. Although I am not where I could enjoy such a good place [as the YMCA], I am glad that there are so many that will be made so happy. If we only had a place like that here.”<sup>25</sup>

To meet Rosenwald’s challenge, Chicagoan philanthropists raised \$66,932, surpassing their initial goal to raise \$50,000 in ten days.<sup>26</sup>

21. “Catholics and the Y. M. C. A.,” *The Literary Digest* 42, no. 18 (May 6, 1911): 890.

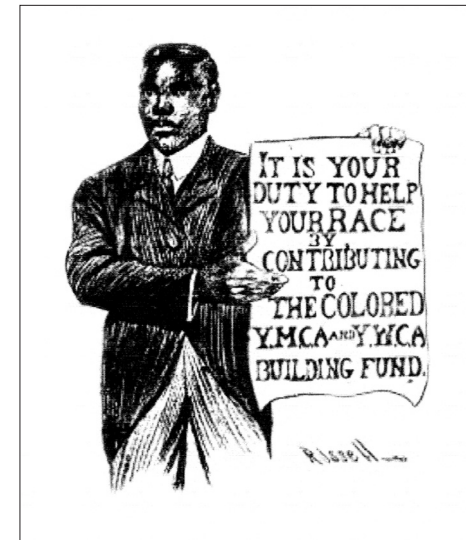
22. Stephanie Deutsch, *You Need a Schoolhouse: Booker T. Washington, Julius Rosenwald, and the Building of Schools for the Segregated South* (Evanston, IL: Northwestern University Press, 2011), 100.

23. Norman H. Finkelstein, *Heeding the Call: Jewish Voices in America’s Civil Rights Struggle* (Philadelphia: Jewish Publication Society, 1997), 89.

24. Mjagkij, “A Peculiar Alliance,” 593.

25. Leo Sykes to Rosenwald, c. 1913, letter, box 10, folder 21, Julius Rosenwald Papers.

26. Ascoli, *Julius Rosenwald*, 83.



**Figure 1. “It Is Your Duty”**

Source: Judith Weisenfeld, *African American Women and Christian Activism: New York’s Black YWCA, 1905–1945* (Cambridge, MA: Harvard University Press, 1998), 107.

Rosenwald and Messer continued calling for cities to summon the capital necessary to start their own chapter, and African Americans appealed to a sense of duty to the race in their own fund-raising efforts. Within a few days of announcing the challenge, seven cities had contacted Messer. By January 10, 1912, Rosenwald announced that six cities (Chicago, Atlanta, Philadelphia, Indianapolis, Los Angeles, and Washington, DC) had met the challenge, with three more cities (Baltimore, Kansas City, and Nashville) close to finalizing their commitments.<sup>27</sup> By the end of 1920 Rosenwald’s YMCA challenge stimulated the construction of thirteen YMCAs across the country.

27. *Ibid.*, 85.

To encourage donations, black newspapers promoted the work of the YMCA. The *New York Age* printed an advertisement urging black contributions to the YMCA and YWCA (Young Women's Christian Association) Building Fund (see Fig. 1). The advertisement illustrates themes of respectability politics, racial unity, and progressive tendencies; the individual can be seen as the fully formed product of the YMCA program—a distinguished and well-dressed man promoting the cause of racial progress. The image also offers clues to what Rosenwald likely saw as his duty to his race—the Jewish people. Like the man in the illustration, he too would act as the respectable public leader and work for the progress of his race.

## Religious Barriers within the YMCA

In a March 1911 letter, W. J. Parker, the YMCA's secretary, wrote to Rosenwald that he was “trying so to prepare the minds of our Board members... that your offer may have the most powerful and prompt effect.” By “preparing the minds,” Parker seems to indicate that the Christians on his board were skeptical about accepting a financial offer from a Jewish patron. It was Parker's role to inform the rest of the YMCA board that Rosenwald's attitude was “favorable” and that it was safe to trust him.<sup>28</sup> Nevertheless, skeptics continued to question Rosenwald's motivations. The *Christian Advocate* asserted that Rosenwald's “evidence of catholicity of social service work should cause Y. M. C. A. leaders, and indeed denominational authorities, to ponder its implication, particularly in view of the fact that Mr. Rosenwald can hold no office and have no voice in the organization he is supporting.”<sup>29</sup>

28. W. J. Parker to Rosenwald, letter, March 1911, box 45, folder 1, Julius Rosenwald Papers.

29. *North Carolina Christian Advocate*, May 24, 1911, 3.

The YMCA blocked not only Jews but all non-evangelical Christians from leadership and membership. When the YMCA's first American chapter opened in 1851 in Boston, membership was restricted to evangelical Protestants. Other chapters followed Boston's lead, which was inscribing in the national charter at the 1855 and 1856 conventions.<sup>30</sup> The “evangelical test” would stand until 1931.<sup>31</sup> This despite outside attempts to reform the YMCA and the lack of clear definition of evangelism by the International Committee of North American YMCAs.<sup>32</sup> In the majority of cases, it excluded Catholic, Universalist, and Unitarian churches and Jewish synagogues. However, some local associations redefine the term to admit Catholics. By 1922, 10 percent of chapter leaders were Catholics, and in 1931 the International Convention in Cleveland opened membership to all “men and boys united by a common loyalty to Jesus Christ.”<sup>33</sup>

Secretary Parker was quick to respond to Rosenwald's concerns about the association's homogeneous leadership: “management is more liberal than its theory.”<sup>34</sup> With a substantial donation on the line, Parker was eager to assure Rosenwald that the YMCA was more accommodating to social change than its mission suggested. Thanks in part to his relationship with Parker, Rosenwald supported, both in word and checkbook, the YMCA as the best opportunity for young black men to succeed in the city of Chicago.

30. Muukkonen, *Ecumenism of the Laity*, 168.

31. *Ibid.*

32. *Ibid.*, 169.

33. *Ibid.*, 170.

34. W. J. Parker to Rosenwald, letter, March 1911, box 45, folder 3, Julius Rosenwald Papers.

## JR and His Upbringing

Julius Rosenwald was born of two German Jewish immigrants on August 12, 1862, in Springfield, Illinois, and came of age in the aftermath of and recovery from the American Civil War.<sup>35</sup> JR, as he was affectionately called by his family, was exposed to four significant influences during his formative years in Springfield.

First, Rosenwald was immersed in the practices and customs of Reform Judaism. Like many German Jewish immigrants the Rosenwalds aimed to find a place of refuge in the United States while maintaining their Jewish traditions. Julius's father, Samuel Rosenwald, was president of Congregation B'rith Sholem from 1867 until 1873.<sup>36</sup> Julius Rosenwald reminisced fondly on the influence of his family's religion during childhood:

Even though not a student of the subject of religion, I may lay claim to being deeply consecrated to the Jewish faith because not only was I Bar Mitzvah at thirteen, but it so happened that a year later, our congregation in Springfield, Illinois, dedicated a new Reform temple with confirmation exercises, and I was also confirmed... I cannot claim that my parents were at all orthodox, as we understand that term. The parents and children attended Friday evening services regularly and kept the greater holidays. Most of the Jews of that city were members of the congregation. And I always believed that the respect in which the Jews of Springfield were held by their Christian fellows was largely the result of the congregational life and the fact that the Rabbi represented the Jews when an occasion arose.<sup>37</sup>

35. M. R. Werner, *Julius Rosenwald: The Life of a Practical Humanitarian* (New York: Harper & Brothers, 1939), 3.

36. Ascoli, *Julius Rosenwald*, 4.

37. Julius Rosenwald, autobiographical notes, August–December 1910, box 49, folder 3, Julius Rosenwald Papers.

His admiration for Reform Judaism continued long after his confirmation in Springfield through the guidance of Rabbi Emil G. Hirsch and the Chicago Sinai Congregation.

Second, he observed firsthand the role of American capitalism and technological innovations in raising the living standards of his family. Samuel Rosenwald had immigrated to the United States with little education, no money, and no connections but built a clothing company in Springfield that, at its peak, was valued between \$30,000 and \$40,000.<sup>38</sup> Julius sincerely admired his father and uncles, who had built their own clothing business in New York. Following an apprenticeship with his uncles, Julius formed his own clothing company with his brother, Morris, and their cousin, Julius Weil, in Chicago. Rosenwald befriended Richard Sears and eventually purchased a fourth of the company that would become Sears, Roebuck & Co. Rosenwald applied corporate practices to his philanthropic investments, believing that they operated by the same laws:

I believe in the instinct of the majority. In my philanthropic interests I have adopted the principle of supply and demand. Show me that there is a genuine demand and I will endeavor to help you to provide an adequate supply. In relief campaigns, in charitable institutions, even in institutions of learning, I have found this motto to apply: Never would I want to be the sole supporter or sole creator of any institution. It is too autocratic. It would lack a *raison d'être*.<sup>39</sup>

The belief in an anti-autocratic system to achieve institutional goals is an important aspect of Rosenwald's character. Rosenwald believed that the capitalist system provided guidelines for effective philanthropy, a departure from community charity efforts of the past or the views of contemporary philanthropists, Carnegie and Rockefeller. Rosenwald's

38. Ascoli, *Julius Rosenwald*, 3.

39. Werner, *Julius Rosenwald: The Life*, 106.

commitment to moderation can also be understood within a larger context of progressivism, where he could effect social change while retaining his acquired status as both elite and minority leader.

Third, Rosenwald had an abiding admiration for Abraham Lincoln.<sup>40</sup> One of his earliest memories was the dedication of Lincoln's statue in Springfield. Lincoln would be an inspiring figure throughout Rosenwald's life; he thought of Lincoln as heroic and considered him "America's greatest man."<sup>41</sup> Rosenwald told Paul J. Sachs, son of one of the founders of the investment bank, Goldman Sachs, that his "interest in Blacks stemmed from his childhood in Springfield, Illinois, where he was deeply affected by the spirit of the great emancipator."<sup>42</sup> Patrick Roughen thinks Rosenwald's "deep admiration and even emulation of Lincoln" could have influenced his philanthropy generally and his focus on African Americans specifically.<sup>43</sup> Peter Ascoli said Rosenwald collected many of Lincoln's speeches, quotes, and pamphlets and worked to teach his children about the importance of Lincoln's life. Ascoli says that Lincoln "was truly a significant influence on Rosenwald. Rosenwald's house was literally a block away from Lincoln's growing up... and his influence would be a constant reminder throughout JR's life and work."<sup>44</sup>

40. *Ibid.*, 8.

41. Ascoli, *Julius Rosenwald*, 260.

42. Jack Salzman and Cornel West, eds., *Struggles in the Promised Land: Towards a History of Black-Jewish Relations in the United States* (New York: Oxford University Press, 1997), 139.

43. Patrick Roughen, "Julius Rosenwald: A Review of the Literature on His Motivations and Impact in Redefining Library Service in the South," *The Southeastern Librarian* 62, no. 2 (July 2014): 5.

44. Peter M. Ascoli (Rosenwald biographer and grandson), interview by author, February 20, 2015.

Fourth, Rosenwald encountered anti-Semitism. A letter from Samuel Rosenwald to an extended family member claimed that anti-Semitism in Illinois was not as strong as in Europe, but still affected his children:

I quite forgot that you wanted to be exactly informed about the Jewish question, although there is not much *Rischus* [malice, anti-Semitism] here, yet we are not on the same level with the Christians, especially since one reads so much in the papers about Russia. In business one hardly ever hears anything like that, but the children often hear about it, and that is unpleasant enough.<sup>45</sup>

In later exchanges with African American leaders regarding agency and prejudice, Rosenwald was quick to compare the experiences of the two minority groups as a shared struggle. In a speech to a predominantly black audience on the YMCA investment, Rosenwald said that he too belonged to "a people who have known centuries of persecution" and that he was "naturally... inclined to sympathize with the oppressed."<sup>46</sup> This sense of kinship in shared suffering between Jewish American and African Americans reflected the tenants of Rosenwald's Reform Judaism, which encouraged engagement in the issues of the day and compassion for suffering regardless of religion. By improving society Reform Jews felt that they were helping to prepared the way for the Messiah and "a messianic era... when all suffering... would be eradicated."<sup>47</sup>

Reform Judaism, capitalism, Abraham Lincoln, and anti-Semitism all shaped Rosenwald's identity and decisions, and all four influenced his philanthropic investment in the Wabash YMCA.

45. Werner, *Julius Rosenwald: The Life*, 11.

46. Deutsch, *You Need a Schoolhouse*, 96.

47. Dana Evan Kaplan, *American Reform Judaism: An Introduction* (New Brunswick, NJ: Rutgers University Press, 2003), 34



## Rosenwald's Relationship with Black America

Rosenwald donated over \$63 million to advance the status of African Americans in the United States.<sup>48</sup> Rosenwald's initial interest in the plight of the black community is a matter of scholarly debate. The dominant view is from the authorized biography of M. R. Werner, which states that Rosenwald's interest came from his close friendship with Paul J. Sachs.<sup>49</sup> Sachs sent Rosenwald two books, Booker T. Washington's *Up from Slavery* and John Graham Brooks's *An American Citizen: The Life of William H. Baldwin*, which influenced Rosenwald's interest in race relations.<sup>50</sup> According to some historians, though, this may be a myth that arose due to lack of information on the true reasons for Rosenwald's interest.

Only three scholars have investigated Rosenwald's motivations behind the YMCA investment. David Levering Lewis suggests that Rosenwald and his Jewish peers sponsored philanthropy towards the African American community to spare the American Jewish population from having to "directly [rebut] anti-Semitic stereotypes."<sup>51</sup> Although not entirely genuine in nature, the utility of the relationship, according to Lewis, was social acceptance and was beneficial to both races.

Mjagkij considers Lewis's argument "highly interpretive" and based on little evidence.<sup>52</sup> According to Mjagkij, despite differences in race and

48. Approximately \$1.1 billion today. See, Mjagkij, "A Peculiar Alliance," 587.

49. Sachs worked at Goldman Sachs (1900–14) before joining the Fogg Art Museum (1914–45) at his alma mater, Harvard, where he became an important museum administrator and early teacher of what is now called museum studies. See, Lee Sorensen, ed., "Sachs, Paul J[oseph]," *Dictionary of Art Historians* (website), [www.dictionaryofarthistorians.org/sachsp.htm](http://www.dictionaryofarthistorians.org/sachsp.htm).

50. Werner, *Julius Rosenwald: The Life*.

51. Lewis, "Parallels and Divergences," 543.

52. Mjagkij, "A Peculiar Alliance," 585.

religion, Rosenwald and African Americans had a "shared belief" in personal improvement and self-help, which was rooted in "late nineteenth century ideology and the Horatio Alger myth."<sup>53</sup> For Mjagkij this shared "American Dream" produced a communal sense of idealism and camaraderie between Rosenwald and Chicago's black population. This claim's generalizations, similar to Lewis, are not supported by specific evidence.

Finally, Hasia Diner argues that Rosenwald's support of the Wabash YMCA is significant, because it demonstrates one of the earliest moments where the American Jewish community supported African Americans. This relationship increased Jewish political clout in American, increased opportunities of the black working class, and spread wealth across generations. Diner quotes Rosenwald, who believed that "each generation must fund those institutions [i.e., the YMCA] that *it* considered most vital" and then "find opportunities for constructive work" with them.<sup>54</sup> Diner also underscores Rosenwald's Jewish identity as a dominating influence: he was "intensely conscious of his Jewishness," despite his "economic success and acceptance in mainstream America."<sup>55</sup> Rosenwald acted out of fervent devotion towards the Jewish tradition of *tzedakah* (charity), which recognizes both the importance of "charity and the centrality of education." Thus, for Diner, his gift had both spiritual and cultural importance.<sup>56</sup>

Diner's analysis, which ascribes both self-interest and selflessness to Rosenwald's character, is more plausible than Lewis's opportunism and Mjagkij's altruism, but it fails to include any black consciousness or participation. African Americans appear as passive recipients of Rosenwald's philanthropy, which limits our understanding of broader Black-Jewish relations in Chicago during the period.

53. *Ibid.*, 599.

54. Diner, *In the Almost Promised Land*, 167.

55. *Ibid.*, 176.

56. *Ibid.*, 171.

## Jewish Social Acceptance and Assimilation

The enlightened view of bourgeois Jews in Germany provided a blueprint towards the acceptance strategies of Jews in America a century later. The place of the German Jewish community in German society improved in the early nineteenth century as they worked with their Christian peers within the new capitalist marketplace. As German Jews gained prominence in business, they began to adopt values similar to their Christian counterparts on ways “to rationalize and centralize poor relief.”<sup>57</sup> The idea that philanthropy could become a source of Jewish identity was influenced by Enlightenment thought in German-speaking Europe. The commercial bourgeois German Jews and Gentiles demonstrated pride and confidence in the universality of their philanthropic values. This kinship allowed the Jew to gain a foothold in civic participation and prominence, and to be viewed as a “trailblazer of capitalism” and a great civic contributor.<sup>58</sup>

During the period of growth in Chicago’s Jewish population in the early 1900s, philanthropy became central to their collective American identity. Historian Derek Penslar remarks that philanthropic activity did not merely affirm Jewish identity, but actually defined it. It gave American Jews the ability to increase their integration with other religious groups by collaborating on issues of social welfare. This desire to collaborate across religious and social groups derived from the social integration strategies practiced by German Jews in the nineteenth century. While each was markedly different, the Jewish populations in late nineteenth-century Germany and early twentieth-century United States identified with cultural shifts towards progressivism and modernism and connected with and learned from fellow liberal contingencies,

57. *Ibid.*, 92.

58. Derek J. Penslar, *Shylock’s Children: Economics and Jewish Identity in Modern Europe* (Berkeley: University of California Press, 2001), 123.

including Protestants of the Third Great Awakening and upper-class Jewish members of the Unitarians. Cross-ethnic and cross-religious partnerships proved helpful for many in the Jewish community, including capitalists like Rosenwald, as they sought prominence and power throughout the country.

European and American Jews who were “consciously or tacitly aware of the antipathy brought on by their success” responded by using philanthropy as a strategy to attain social acceptance and promote the general non-Jewish social welfare.<sup>59</sup> Philanthropy became a defense against anti-Semitic claims by associating Jews with the major public issues and projects that concerned all Americans. Thus, philanthropy allowed American Jews to assimilate into American society without sacrificing their Jewish culture and practices.

## Black-Jewish Alliance in Twentieth-Century Chicago

The relationship between the African American and Jewish communities has been marked by moments of close comradeship and support, such as the “shared commitment” under the banner of a “Black-Jewish Alliance,” and by moments of “divergent tensions” and “sharp disagreements” perpetuated by black anti-Semitism and Jewish racism.<sup>60</sup> Rosenwald labored to maintain a shared commitment:

It does not need a special training nor peculiar political sagacity to discern the fact that a very real problem exists in this great mass of uneducated Negroes... Nothing will so test the sincerity of our

59. Jerry Z. Muller, *Capitalism and the Jews* (Princeton, NJ: Princeton University Press, 2010), 130.

60. Cheryl Lynn Greenberg, *Troubling the Waters: Black-Jewish Relations in the American Century* (Princeton, NJ: Princeton University Press, 2006), 5.

religion, our moral obligation... as will the exigencies of this [racial oppression], which is among the greatest of all our problems.<sup>61</sup>

According to historian Cheryl Greenberg there was “limited contact between the two communities” throughout much of the eighteenth and nineteenth centuries.<sup>62</sup> The ambivalence of southern and northern Jews towards slavery before the Civil War increased this distance.<sup>63</sup> The two groups encountered each other after the end of Reconstruction and the first migrations to northern cities by black rural laborers.

In Chicago, beginning with the 1840s, the earliest Jewish communities and congregations settled near the downtown where the majority of merchant activity was concentrated.<sup>64</sup> Between 1910 and 1920 the black population increased by 148 percent and settled into the dense neighborhoods just south of downtown.<sup>65</sup> The close proximity between the communities allowed for exchanges of goods, customs, and ideas. However, skepticism and fear characterized most of these early encounters. Numerous claims were made that Jewish businesses exploited the black community by selling “shoddy goods at high prices.”<sup>66</sup>

By the beginning of the 1900s, however, civic leaders in both communities, such as Ida B. Wells and Judge Julian Mack, worked to find common ground for development. One revered civic leader was Emil G. Hirsch, rabbi of the Chicago Sinai Congregation, one of the most

61. Rosenwald, “Prejudice,” speech, 15 July 1913, box 44, folder 10, Julius Rosenwald Papers.

62. Greenberg, *Troubling the Waters*, 15.

63. *Ibid.*, 18.

64. Irving Cutler, “Jews,” in *The Encyclopedia of Chicago*.

65. *Ibid.*

66. Greenberg, *Troubling the Waters*, 62.

influential Reform congregations in the country.<sup>67</sup> Rabbi Hirsch’s sermons dissected pressing social, cultural, and spiritual issues for his Reform congregation. He especially relished opportunities to speak on race and the role of Chicago’s Jewish community in an on-going dialogue. In a February 1904 sermon Hirsch said,

The fact that here from the very first men of different racial origin, of different religious training, of different national traditions, came together, is the secret of America’s peculiar broadmindedness. For men learned here to supplement and complement each other, and the national soul of America was indeed made of many souls.<sup>68</sup>

Hirsch was a social-reform leader within Chicago and the country as a whole: he was a founder of the National Association for the Advancement of Colored People (NAACP), advocated for the largely African American congregation of the Methodist Episcopalian Bethel Church in Chicago, and was a key voice in the development of Hull House.<sup>69</sup> On the issue of racial prejudice Hirsch told the New York Republican Club during the summer of 1911 that “the American who harbors race prejudice is committing a crime against his Americanism.”<sup>70</sup>

Hirsch’s social engagement influenced Rosenwald, whose own dedication to “serving the stranger” was seen by many to be “the performance of the highest mission of the Jew... to contribute to mankind and...

67. The congregation increased from forty members in 1880 to almost nine hundred by 1923. See, Ascoli, *Julius Rosenwald*, 53.

68. Myron A. Hirsch, *The Jewish Preacher: Rabbi Emil G. Hirsch* (Chicago: Collage Books, 2003).

69. Tobias Brinkmann, *Sundays at Sinai: A Jewish Congregation in Chicago* (Chicago: University of Chicago Press, 2012), 5.

70. *Ibid.*, 230.

serve at the common altar.”<sup>71</sup> Hirsch helped Rosenwald to understand some of the most pressing issues that affected Chicago’s “New Negro” and gave him institutional support to follow his philanthropic passions directly. Numerous Jewish publications, such as *The American Hebrew*, claimed that “by helping the colored people in this country, Mr. Rosenwald doubtless[ly] also serves Judaism, in that he tends therefore to disabuse the anti-Semitic Gentile mind as to the alleged clannishness of the Jew.”<sup>72</sup>

By 1915 thousands of black workers and their families swelled the city’s cramped neighborhoods known as the “Black Belt,” bounded by south 18th and 39th Streets, State Street on the east, and LaSalle Street on the west.<sup>73</sup> Whites maintained racially restrictive covenants on public and private housing, which became “legally binding agreements” between 1910 and 1920 and “usually [were] between white real estate agents and owners, to prevent the renting or sale of housing to nonwhites, with threat of civil action.”<sup>74</sup> South Side neighborhoods such as Hyde Park, Kenwood, and Woodlawn pushed to “deny jobs to black residents who would dare invade white areas.”<sup>75</sup>

The Wabash YMCA, a large building positioned in the southernmost part of the Black Belt (see Fig. 2), had 114 dormitory rooms for young black men in need of quality housing.<sup>76</sup> By utilizing established organizations such as the YMCA, Rosenwald and his contemporaries addressed

71. Diner, *In the Almost Promised Land*, 191.

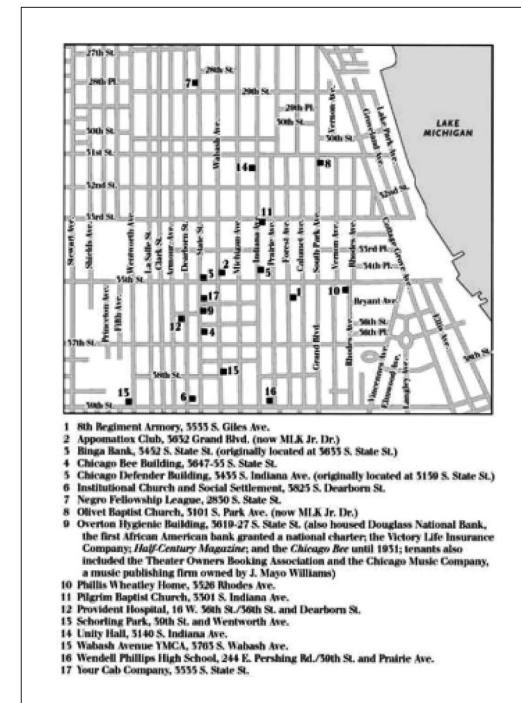
72. *Ibid.*, 190.

73. Davarian L. Baldwin, *Chicago’s New Negroes: Modernity, the Great Migration, and Black Urban Life* (Chapel Hill: University of North Carolina Press, 2007), 22.

74. *Ibid.*, 23.

75. *Ibid.*

76. Robert Bone and Richard A. Courage, *The Muse in Bronzeville: African American Creative Expression in Chicago, 1932–1950*. (New Brunswick, NJ: Rutgers University Press, 2011), 30.



**Figure 2. Location of the Wabash YMCA (no. 15) among Other Bronzeville Landmarks**

Source: Davarian L. Baldwin, *Chicago’s New Negroes: Modernity, the Great Migration, and Urban Life* (Chapel Hill, University of North Carolina Press, 2007), 33.

gaps in vocational training, physical well-being, and housing security for many young black men throughout Chicago.

Even though they had missions elsewhere in Chicago, conventional organizations like the YMCA and other religiously affiliated groups provided opportunities for economic development and cultural growth that were critical to the growth of Bronzeville as a burgeoning hub of twentieth-century black America.

## Building Citizens and Workers

Every major investor and partner in the city came to hear about Rosenwald's new project at the fifty-third annual YMCA banquet on May 18, 1911. L. Wilbur Messer had invited educator and former slave Booker T. Washington to give the keynote address. Washington fervently supported efforts to create opportunities like the YMCA for blacks across the country that nurtured moral and physical well-being or, in Washington's words, the "saving of the negro's soul and body."<sup>77</sup> Washington thanked Rosenwald: "Mr. Rosenwald, if you had not done anything else through this movement than to give the white people of the city of Chicago a chance to know the kind of colored people that they have in Chicago, it would have paid for itself."<sup>78</sup> Washington had written earlier that blacks had much to learn from the Jewish rise from social marginality to influence:

We have a bright and striking example in the history of the Jews in this and other countries. There is, perhaps, no race that has suffered so much... But these people have clung together. They have a certain... unity, pride, and love of race; and, as the years go on, they will be more... influential in this country—a country where they were once despised... It is largely because the Jewish race has had faith in itself. Unless the Negro learns more and more to imitate the Jew in these matters, to have faith in himself, he cannot expect to have any high degree of success.<sup>79</sup>

77. Booker T. Washington, Anniversary Dinner of the Young Men's Christian Association of Chicago, 18 May 1911, scrapbook 1, Julius Rosenwald Papers.

78. *Ibid.*

79. Booker T. Washington, *The Future of the American Negro* (Boston: Small, Maynard, 1899).

Rosenwald responded to Washington's praises by in turn praising the YMCA for helping perfect model citizens:

We are American citizens, and the degree of recognition and the degree of encouragement which through this magnificent institution you have given my race in Chicago and throughout this country will help us to be stronger, more useful, more helpful citizens throughout this broad land than we have ever been in the past.<sup>80</sup>

In Rosenwald's public speeches, America's racial divisions grew from a lack of trust and discussion between those of different backgrounds, which could only be conquered over generations. Rosenwald's policy of challenging communities to match his philanthropic investments was meant to speed this community dialogue so that all actors, regardless of race or religion, were able to work together for the betterment of the whole.

Rosenwald was comfortable applying moral absolutes to issues of racial prejudice, but did not extend this moral logic to the workspace. In testimony to city hall, Rosenwald claimed that "the question of wages isn't a moral question. It ought to be treated on an entirely different basis. I wouldn't combine the question of prostitution with wages. I say in my opinion there is no connection between the two."<sup>81</sup> Jane Addams was one of many who criticized capitalists, like Rosenwald, for refusing to change their injurious industrial practices except through philanthropy:<sup>82</sup>

80. Julius Rosenwald, Anniversary Dinner of the Young Men's Christian Association of Chicago, 18 May 1911, scrapbook 1, Julius Rosenwald Papers.

81. Werner, *Julius Rosenwald: The Life*, 153.

82. Despite this criticism, Rosenwald supported Hull House and was a member of the Board of Directors.

Our philanthropies have cared for the orphans whose fathers have been needlessly injured in industry; have supported the families of the convict whose labor is adding to the profits of a prison contractor; have solaced men and women prematurely aged because they could find no work to do; have rescued girls driven to desperation through overwork and overstrain.<sup>83</sup>

Addams' criticism is reasonable. Messer and Rosenwald plan for the Wabash YMCA was to provide African American men with a place to relax after work, which would also fortify values that encouraged workplace conformity and efficiency. Rosenwald's "good investment" depended on the YMCA offering work training to prepare young working-age men for jobs in the city's top companies. Historian Davarian Baldwin characterizes the Wabash YMCA as a place where "social programs were developed to secure worker loyalty to Chicago's major manufacturing companies. . . [the YMCA] created an Industrial Department that encouraged a racially stratified program of worker Americanization. Before gymnasium use, old settler leaders, including George Cleveland Hall, chief of surgery at Provident Hospital, gave lectures on young manhood and proper training."<sup>84</sup>

Rosenwald saw the partnership with the YMCA as a way to benefit his business interests as well. Rosenwald and Messer had agreed to build two YMCA facilities on Sears's property as a benefit for his workers, which would acculturate his workers to the norms of both Sears and the YMCA. These buildings would house over three hundred Sears workers, with Rosenwald contributing over \$100,000 of the estimated \$210,000 needed and guaranteeing a net profit of at least 4 percent on the total cost.<sup>85</sup>

83. Jane Addams, "My Experience as a Progressive Delegate," *McClure's Magazine* 40 (Nov. 1913): 13.

84. Baldwin, *Chicago's New Negroes*, 207.

85. Ascoli, *Julius Rosenwald*, 78.

Sears did not hire black workers in 1911, but by 1913, Rosenwald had convinced the rest of management to change this policy. As a member of the board of the NAACP Rosenwald helped to finance the fiftieth-anniversary celebration of the Emancipation Proclamation in Chicago. Following a reading of the celebrated document, Rosenwald announced that Sears was now hiring black workers, this at a time when most businesses employed blacks only for manual labor and strike breaking.<sup>86</sup> While Rosenwald assuredly was more progressive than many other civic leaders in Chicago, his company also benefited economically from his investment into black YMCAs. Later, in December 1929, Rosenwald would directly connect these points in a letter to President Hoover; in Rosenwald's opinion, if black employment were to rise in America, then it would provide a boost for white retailers and "promote national welfare and prosperity."<sup>87</sup>

## The Rise of the Chicago Donor Class

Rosenwald's ascendance into the American commercial elite came during a time of unprecedented economic growth. American manufacturing grew from an annual valuation of \$1.9 billion in 1860 to \$11 billion by 1900, five years after Rosenwald joined Richard Sears and Alvah C. Roebuck as their vice president and treasurer.<sup>88</sup> Spurred by an incredible amount of state spending during and immediately following the Civil War, as the country attempted to rebuild itself, this period allowed innovative business models, like Sears's, which combined manufacturing and distribution, to succeed in a marketplace where more and more companies were led and controlled by an ever smaller group of

86. *Ibid.*, 160.

87. *Ibid.*, 356.

88. Kevin Phillips, *Wealth and Democracy: A Political History of the American Rich* (New York: Broadway Books, 2002), 43.

business leaders and investors. The simultaneous stagnation of working-class wages exacerbated the concentration of wealth at the top.

It was during this period of economic growth and widening income inequality that the social elite began to address pressing social issues, such as poverty, public health, and access to education, with the “scientific” practices of the corporate world. Following Andrew Carnegie’s “true Gospel concerning Wealth,” these capitalists stressed “the proper administration of wealth” and the “ties of brotherhood” between the rich and the poor.<sup>89</sup> Their common distrust in government social programs came from their belief that government lacked managerial sophistication. Through large donations of their personal wealth, elites could fix some of endemic structural problems in their communities, even as some critics blamed such problems on the capitalist system itself. By moving from the one-donor, one-charity model to the more complex organizational structure of the foundation, philanthropy in the United States tested the “effectiveness” of organizations by utilizing many of the same techniques and indicators their financiers used within their companies.

Recent scholarship has focused on changing norms of class and respectability in the American elite during the late nineteenth century. Historian Sven Beckert explores a fascinating moment in which elite class consciousness merged with charitable work and social power to form the New York Charity Organization Society:

Charity... provided “insurance, terrestrial and celestial” for the property of the rich “at easy rates.” Realizing that their pitiful relief was grossly insufficient to quiet the “dangerous classes,” however, the city’s economic elite also called for stronger police forces, national guards, and strict legislation.<sup>90</sup>

89. Andrew Carnegie, “Wealth,” *North American Review* 391 (June 1889): 663–65.

90. Beckert, *The Monied Metropolis*, 217.

The society believed that its “good will” philanthropy was necessary for both domestic tranquility and spiritual obligations. However, in moments where the lower classes questioned elite power, elites reacted to protect the shared economic interests of its members. The American bourgeoisie used philanthropy as a tool to moderate class relations towards the poor and among themselves. Beckert argues that the elite’s shared class consciousness overcame religious or ethnic prejudice if enough money and common interest were at stake.

Prior to his emergence in Chicago’s social scene Rosenwald’s sphere of influence was limited to the Jewish community within Chicago Sinai, where he worked with local Jewish charities as an aspiring young businessman and the first vice president of the congregation.<sup>91</sup> In his professional life he hid his Judaism by omitting his name from the company’s catalogue out of fear that a Jewish surname would turn away average customers during a period of heightened anti-Semitism throughout the country.<sup>92</sup> Once Rosenwald became known for his philanthropic work, his Jewishness became a much less pronounced feature in the published descriptions of him; at the fifty-third annual YMCA banquet chapter president and prominent Chicago lawyer William P. Sidley claimed:

There is something about Mr. Rosenwald, he is so many-sided and so elusive that it is difficult to take hold of him at any point and to define him. For example, I presume that if I should ask this audience who was the leading representative of the Jewish faith in Chicago, you would rise as one man and point to Mr. Rosenwald. And yet if you should ask me who was the leading Catholic in the city of Chicago today, I should be inclined likewise to point to Mr. Rosenwald.<sup>93</sup>

91. Ascoli, *Julius Rosenwald*, 115.

92. *Ibid.*, 50.

93. William P. Sidley, Anniversary Dinner of the Young Men’s Christian Association of Chicago, 18 May 1911, scrapbook 1, Julius Rosenwald Papers.

As Rosenwald gained social prominence and power in the city by participating in shared charitable ventures with other members of Chicago's elite class, his social capital grew nationwide: Rosenwald became the first Jewish American invited to dine at the White House, where he worked with President Taft to finalize the financing of a black YMCA in Washington, DC.<sup>94</sup> On the announcement of the plans to the public, President Taft went as far as to say that in

his broad philanthropy, in the wide spirit of his love of mankind, Mr. Rosenwald has not been deterred from giving money to that which he believes most useful to mankind, even though there may be a restriction in the management which a smaller or a more narrow-minded man might resent.<sup>95</sup>

The concept of philanthropy as an investment in social prominence in early twentieth-century America also figures crucially in historian Thomas Adam's *Buying Respectability*. Adam deploys Veblen's theory of conspicuous consumption to demonstrate how different groups jockeyed for social leadership of important philanthropic projects in the nineteenth and early twentieth centuries. Adam writes that potential donors engaged in "conflicts between Protestants, Catholics, and Jews over recognition from and admission to the leading circles of society... To nineteenth-century philanthropists, philanthropy meant more than just giving to social and cultural public institutions; it was seen as a socio-economic tool that empowered individuals to claim power in the public sphere and to participate in the domination of urban societies."<sup>96</sup>

By all accounts Rosenwald never viewed his philanthropic work in competition with other Chicago philanthropists, but he certainly gained

94. Ascoli, *Julius Rosenwald*, 83.

95. William Howard Taft, quoted in Ascoli, *Julius Rosenwald*, 84.

96. Adam, *Buying Respectability*, 155.

social prominence. Rosenwald solidified his rise within the Chicago elite with his admission to the Chicago Association of Commerce, a precursor to the Chicago Chamber of Commerce. His invitation highlighted not only his economic success with Sears, Roebuck & Co. but also his "civic contributions."<sup>97</sup> The association also selected Rosenwald as one of the founding directors of the National Citizens' League whose purpose was to "give organized expression to the growing public sentiment in favor of, and to aid in, securing legislation necessary to insure an improved banking system for the United States of America."<sup>98</sup> League membership was limited to eighteen of Chicago's most powerful businessmen, including John G. Shedd, Cyrus H. McCormick, Charles H. Wacker, Frederic A. Delano, and Marvin Hughitt; Rosenwald was the only Jewish member.<sup>99</sup>

The league upheld the interests of the average American businessman rather than Wall Street financiers. In a 1911 statement to the *New York Times*, the league said it was "not an organization of bankers. On the contrary, it is an organization of the general business and commercial public. It represents the borrowers rather than the lenders of the country. It represents those who have realized the stress and banking constriction during the panic of 1907."<sup>100</sup> From 1911 to 1913 the league lobbied for a centralized banking policy that would later become the Federal Reserve System. These collective actions of Chicago's economic elite created an institution to maintain economic stability within domestic markets and to preserve the status quo that benefited the economic elite. This episode

97. Chicago Association of Commerce, scrapbook 2, p. 22, Julius Rosenwald Papers.

98. Harry A. Wheeler, "The National Citizens' League: A Movement for a Sound Banking System," *Annals of the American Academy of Political and Social Science* 99 (Jan. 1922): 26.

99. Scrapbook 2, p. 68, Julius Rosenwald Papers.

100. "Action Promised on Monetary Board," *New York Times*, July, 7 1911; "Currency Reform: Its Popular Side," *New York Times*, July, 26 1911.



is evidence that, “when it came to the defense of their common interests, [elites] could transcend religious, ethnic, and other cleavages.”<sup>101</sup>

## Shifting Capital in Chicago Society

The French philosopher Pierre Bourdieu believed that capital falls within three categories—economic, cultural, and social.<sup>102</sup> Economic capital is converted immediately into currency and property rights. Cultural capital is converted, under certain conditions, into economic capital and educational qualifications (i.e., degrees of knowledge and certificates of accomplishment). Social capital made through social connections can be converted into economic capital. These three form a system of symbolic capital, encompassing group memberships and positions throughout society (see Appendix A). According to Bourdieu capitalism for profit and philanthropy for nonprofit are fundamentally related. This relationship provides a useful lens to examine and understand Rosenwald’s support of the Wabash YMCA.

Rosenwald’s investments may have been implemented for an immediate return of economic capital in the form of better skilled workers and a larger consumer class. Rosenwald could also have translated these public investments into a return of social capital. Social return is best understood in two parts. First, the recipients of the gift, the African Americans, gained employment, housing, and respectability from Chicago’s elite through their association with the values of the YMCA. Second, Rosenwald gained the respect of Chicago’s elites and the marginalized blacks of Bronzeville. Finally, Rosenwald’s receipt of social capital was not only a self-interested goal, but reflected well on Chicago’s Jewish community as a whole.

Rosenwald social capital in the black community was strong. He became a leading figure in national advocacy groups, such as the NAACP

101. Beckert, *The Monied Metropolis*, 299.

102. Bourdieu, “The Forms of Capital,” 241–58.

and the National Urban League, and he sat on the board of the Tuskegee Institute. Later, he won the praise of many critical black leaders of his time, including W. E. B. Du Bois, who stated at Rosenwald’s funeral in 1932 that Rosenwald “was a great man. But he was no mere philanthropist. He was, rather, the subtle stinging critic of our racial democracy.”<sup>103</sup>

The social capital returns from the African American community were not all positive, however. A scathing article in the *Cleveland Gazette*, a black weekly, asserted that Rosenwald and those like him did not fight the evils of racism and classism, but simply perpetuated the segregation of the black community: “race hatred can only be removed by free racial intermingling in religion as well as business.”<sup>104</sup> This tension between segregation and integration in emerging all-black institutions may have been illustrative of a greater rift within black community development during this period, but Rosenwald apparently never commented on the article himself or other urban issues of increasing importance.

Rosenwald’s rising visibility nationwide as a civic leader facilitated invitations to a variety of elite social clubs and associations, such as the Association of Commerce and the World Peace Foundation.<sup>105</sup> The social capital conferred by Chicago’s elite in turn offered additional economic capital returns to Rosenwald. He built a network of donors for his future philanthropic projects from the individuals he first met through the YMCA project, such as McCormick, Shedd, and Sidley.<sup>106</sup> In a private note to Rosenwald, fellow Jewish business leader Julius Stern wrote that

103. Ascoli, *Julius Rosenwald*, 385.

104. “Jim Crow Y. M. C. A. Dedicated: Wealthy Jew Gives Money to Aid Establishment of the Color Line,” *Cleveland Gazette*, January 10, 1913, quoted in Ascoli, *Julius Rosenwald*, 163–44.

105. The foundation’s invitation noted Rosenwald’s “great civic duty.” See, World Peace Foundation, letter, March 1911, scrapbook 1, p. 105. Julius Rosenwald Papers.

106. See, Beckert, *The Monied Metropolis*, for how elites used their social networks to generate business relationships and capital for investment deals.

“some remarks... made in my hearing yesterday [at Chicago’s City Council] among non-Jews, showed such keen appreciation by them of your actions as an individual and as a representative member of our Jewish community... You have brought credit upon yourself... and the Jewish people.”<sup>107</sup> Evidently, Rosenwald’s philanthropic investments not only moved Chicago’s Christian elite to recognize him as one of their own, but influenced their opinion of Chicago’s Jewish community as a whole.

The interconnections between social and economic investments and returns are cyclical. The more African Americans used the YMCA, the more capital, potentially, could flow into Sears, Roebuck as a company. The more social connections Rosenwald forged among Chicago’s elite, the larger the network of potential donors to fund additional philanthropic investments and business ventures. Through this cycle, Rosenwald’s philanthropic investment had a significant impact in both the profit and nonprofit sectors.

## The Full Standard of American Citizenship

The Wabash YMCA building still stands today at the corner of Wabash Avenue and 38th Street, and its importance to the Bronzeville community continues until today. The Association for the Study of Negro Life and History, for example, one of the first groups specializing in African American studies, had its first meetings in the Wabash YMCA in 1915. The association was founded by Carter G. Woodson, AB/AM ’08 (History), who proposed a “Negro History Week” in 1926, also at the Wabash YMCA.<sup>108</sup> Although the Wabash YMCA closed in 1981,

107. Quoted in Diner, *In the Almost Promised Land*, 190.

108. Danielle Allen, “Future Intellectuals: Carter G. Woodson,” *Integrating the Life of the Mind: African Americans at the University of Chicago, 1870–1940* (web exhibition catalog) (Chicago: Special Collections Research Collection, 2009). Accessed February 24, 2017, [www.lib.uchicago.edu/e/webexhibits/](http://www.lib.uchicago.edu/e/webexhibits/)



**Figure 3. The Wabash Avenue YMCA, 1913**

Source: Scrapbook 1, Julius Rosenwald Papers, Special Collections Research Center, University of Chicago Library.

it was restored and reopened by a consortium of four churches as the Renaissance Apartments and Fitness Center in 2000. Members of the consortium successfully led a petition to name the building to the National Register of Historic Places and a \$9 million capital campaign to refurbish the building.<sup>109</sup>

Rosenwald’s investment garnered national attention and provided opportunities for quality recreational services for black youth across the country. Rosenwald’s willingness to work with other progressives of different races and creeds helped solve social ailments in the city of

[IntegratingTheLifeOfTheMind/CarterWoodson.html](http://IntegratingTheLifeOfTheMind/CarterWoodson.html).

109. See, St. Thomas Episcopal Church, “National Register of Historic Places Inventory—Nomination Form,” *National Park Service* (Washington, DC: United States Department of the Interior, April 30, 1986); and “History,” *The Renaissance Collaborative, Inc.* (website), [www.trcwabash.org/history.html](http://www.trcwabash.org/history.html).

Chicago and improved the image of Jewish people. Rosenwald used his wealth to create a future where Jewish people could be seen as civic leaders. Rosenwald gained entry into the bourgeois elite, maintained his cultural Jewish heritage, and confronted prevailing stereotypes of his age. His story demonstrates the importance of philanthropic investment as a conduit for both social change and financial gain.

In his closing words at the afternoon inauguration of the Wabash YMCA on June 15, 1913, Rosenwald evoked both his influences and his intentions:

To paraphrase Lincoln's Gettysburg Address that we should here dedicate more than this building, we should dedicate ourselves to the unfinished work, to the great task before us of removing prejudice against negroes, of bringing about a universal acceptance that the man and not the race counts... Every single colored man must realize his responsibility for every other colored man... by living up to the full standard of American citizenship.<sup>110</sup>

American citizenship, the pinnacle of Rosenwald's philosophy of modern success, was not rooted in one's racial or religious background. For Rosenwald citizenship and acceptance were integrally connected with individual charitable giving and community involvement. This belief in civic engagement came to define Julius Rosenwald's life, his philanthropy, and his American experience.

110. Rosenwald, "Prejudice," speech, 15 July 1913, box 44, folder 10, Julius Rosenwald Papers.

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### Appendix A: The Transactions of Capital for Julius Rosenwald in the Wabash YMCA

