The MacArthur Fellowship is a five-year grant to individuals who show exceptional creativity in their work and the prospect for still more in the future. The fellowship is designed to provide recipients with the flexibility to pursue their creative activities in the absence of specific obligations or reporting requirements. There are no limits on age or area of activity. Individuals cannot apply for this award; they must be nominated.

John MacArthur was a businessman whose funds created the Foundation; Catherine was his second wife and a member of the boards of many of the firms he owned. John MacArthur was the sole owner of Bankers Life & Casualty Company, a Chicago-based firm he purchased in the 1930s. He had numerous real estate holdings in New York and Florida, and other businesses and real estate all over the country. He created the Foundation in 1970. It began operations upon his death in 1978.