

Broad Impact

An Interview with Eli Broad, Founder, The Broad Foundations

EDITORS' NOTE After working for two years as an accountant, Eli Broad founded a home-building company with Donald Kaufman. In 1971, the Kaufman and Broad Home Corporation acquired a small life insurance company for \$52.1 million that they eventually transformed into a retirement savings empire. With the merger of SunAmerica into AIG in 1999, Broad stepped down as CEO and turned his attention to full-time philanthropy. Eli and Edythe Broad



Eli Broad

had created a family foundation in the '60s as a way to support their charitable interests and causes, but refocused their charitable giving on venture philanthropy. Eli Broad has held numerous leadership roles on boards around the country: he was the founding chairman and is a life trustee of the Museum of Contemporary Art in Los Angeles; a life trustee of the Los Angeles County Museum of Art, the California Institute of Technology, and the Museum of Modern Art in New York. Eli Broad is also a Fellow of the American Academy of Arts and Sciences and in 1994 was named Chevalier in the National Order of the Legion of Honor by the Republic of France. In 2004, he became a Regent of the Smithsonian Institution by appointment of the U.S. Congress and the President, serving until 2009. In 2007, Eli Broad was awarded the Carnegie Medal of Philanthropy. Broad attended Michigan State University, graduating with a degree in accounting and becoming the youngest CPA in the state's history. Broad's book, *The Art of Being Unreasonable: Lessons in Unconventional Thinking*, will be coming out the end of April.

ORGANIZATION BRIEF The Broad Foundations (www.broadfoundation.org), which include The Eli and Edythe Broad Foundation and The Broad Art Foundation, were established by entrepreneur and philanthropist Eli Broad to advance entrepreneurship for the public good in education, science, and the arts. The Broad Foundations invest in the bold and innovative transformation of K-12 urban public education in America so students and teachers can succeed; the advancement of major scientific and medical research to improve human health; and public appreciation of contemporary art by increasing access for audiences worldwide.

The Broad Foundations are focused on transforming K-12 public education. What impact have you had in this area and why has it been such a challenge to create true reform with such widespread emphasis on it?

Eleven years ago, after we sold SunAmerica to AIG and came into a fair amount of money, I stayed on for a year or two and decided to focus on public education as the biggest problem in America. I knew what was happening in Korea, Japan, China, India, and certain European nations and knew we had to improve public education.

A number of philanthropies in America focus on education reform. We are a bit different in that we focus at the school district level, because we believe that school district policies and practices simply have not kept pace with modern student and teacher needs. For example, far too many school dollars remain in the central office and are not being used effectively in the classroom where they have the greatest impact, and far too many teachers don't receive the support they need. It's critical that we fix these broken systems, because they are turning talented Americans away from the teaching profession and are driving out frustrated teachers – half of all teachers leave teaching in their first five years.

We saw a need to push more resources into the classroom and empower teachers with support and freedom to creatively teach to each student's personal needs. And we saw the need to honor the teaching profession by paying our best teachers more and by creating work environments that attract and retain the best and the brightest Americans into our classrooms, while also appropriately holding them responsible for student gains. So The Broad Superintendents Academy has trained dozens of sitting superintendents who are working to put these conditions in place across entire city school districts – superintendents in Los Angeles, Washington, New Orleans, Chicago, and the number two person in New York are all graduates. We also have a residency for which we have recruited 250 bright young MBAs and people with similar degrees into inner city school districts to do a better job managing the resources and to make sure more money goes to the classroom and less is spent on bureaucracy.

And we created the biggest prize in public education, the \$1-million Broad Prize. We have also supported proven public charter schools.

We've made some progress, though there is still much work to be done.

What is needed to create real K-12 reform?

First, we need a longer school day and school year, because our kids are being short-changed in the number of academic hours they get a year compared with other nations. Second, we need to have the same competition we have in higher education among private and public universities, and that can happen in the form of charter schools, which are free, or public schools that compete with other schools and receive an exemption from many inane restrictions in exchange for agreeing to produce results. We think low-income parents deserve equal opportunities to send their children to quality public schools. We also need to change public education from a tired, government monopoly to a high performing public enterprise, so you need better people in management and governance who can create the conditions that empower students and teachers to succeed. We also have to use technology and online programming to personalize learning for each student because they all have different interests and learning styles. The problem is that you also have a lot of interests that want to maintain the status quo and are fearful of the change that is necessary.

How concerned are you that the U.S. is losing its competitive edge and, without the type of reform you talk about, that the U.S. is not going to remain competitive with those it is bringing into the workforce?

We have already lost that edge. We have to turn it around, but that can't happen overnight. Our foundation got involved in improving our public schools because I was fearful, as I am now, about the future of the American economy, society, and democracy.

The only answer is doing a better job educating our people – it's not just sending everyone to college. When children get to the 8th or 9th grade, if they don't think they're going to college, they don't see a point in staying in school, so they drop out. We have to show them a route to good paying jobs, whether it's the building trades, auto mechanics, or other things. And we have to reinvent vocational education. ●