

Making a 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 Broad eventually transformed into a retirement savings empire. With the merger of SunAmerica into AIG in 1999, Broad stepped down as CEO and turned his full-time attention to philanthropy. Eli and his wife, Edythe,



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. Broad was the founding Chairman and is a life trustee of The Museum of Contemporary Art in Los Angeles, and 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. He is also a Fellow of the American Academy of Arts & Sciences and, in 1994, was named Chevalier in the National Order of the Legion of Honour 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, he was awarded the Carnegie Medal of Philanthropy. In 2013, the Broads were awarded the Simon Prize for Philanthropic Leadership. Broad attended Michigan State University, graduating with a degree in accounting and becoming the youngest CPA in the state's history. He has authored a book titled, *The Art of Being Unreasonable: Lessons in Unconventional Thinking*.

ORGANIZATION BRIEF The Broad Foundations (broadfoundation.org), which include The Eli and Edythe Broad Foundation and The Broad Art Foundation, were established by entrepreneur and philanthropist Eli Broad and his wife Edythe to advance entrepreneurship for the public good in education, science, and the arts. The Broad Foundations invest in improving K-12 public schools in America so teachers are supported and every student has the opportunity to succeed. They make significant contributions to advance major scientific and medical research to improve human health, and they foster public appreciation of contemporary art by increasing access for audiences worldwide.

How would you define your philosophy on philanthropy?

Philanthropy is different than charity – it's making a difference. Our foundation is different than others because 95 percent of what we do are programs we come up with ourselves.

In scientific and medical research, we started the Broad Institute with partners at Harvard and MIT, and it has been a huge success. This is our biggest investment to date at \$700 million. It has 2,000 people; a great board that includes the presidents of Harvard

and MIT; and they're number one in the world in genomics, so we feel good about that.

We're also involved with three California university stem cell research programs at UCSF, USC, and UCLA. California has become the leader in the nation, if not the world, in stem cell research.

For 13 years, we have been working to improve K-12 public schools and we have made great progress, but we have a long way to go. Our programs include training superintendents and others. We have 300 people who have been trained and are working in urban school districts, charter management organizations, and in state departments of education. We have three state superintendents of education who have attended our academy.

We award The Broad Prize, which is the biggest prize in public education and we created another prize to recognize the best-performing charter management organizations.

In addition, we have been heavily involved in the arts for a number of years in downtown Los Angeles. Edye and I are now building a new contemporary art museum on Grand Avenue that will open in 2015.

How critical is it to look at charity like a business, and do you need to have clear metrics to track impact?

We have a research and evaluation team at our foundation. Separate from our grant team, they evaluate every grant we make.

We don't give money away – we invest money, and we want results. In education, we look for improved student achievement. In scientific and medical research, we want to see advances and breakthroughs. In the arts, we look for increased attendance and to educate our broader public.

Are you optimistic we can truly reform the K-12 education system?

We're optimistic, but there are a number of problems: the first is, governance. Other than about five cities that have mayors in control of the schools – which we favor – there are 14,000 school boards in this country. There is significant turnover on school boards, which are often caught up in political issues and not focused on student achievement.

The next issue is that we have a shorter school day and school year than most countries. So our kids are being shortchanged.

We also have a lot of interests that don't want things to change – they want to maintain the status quo despite the fact that, compared with other nations, we keep going down in rank.

For the U.S. to be competitive in the future, will entrepreneurship be the key?

It's one of the keys. If you look at the development of new technology in Silicon Valley, it's amazing how many ideas and companies are being created on a weekly basis.

We have to bolster that creativity by offering a better education system. There are many jobs in technology that can't be filled because we aren't training our young people to fill them.

Of all you have accomplished, what are you most proud of?

I'm proud of what we're doing in education across America. For example, in Michigan, we worked with Governor Snyder to create the Michigan Educational Achievement Authority, which took the worst-performing schools and put them in a new statewide district. They're doing great work now.

I'm also very proud of all the people we have trained to run urban school districts and state departments of education.

What can the public expect from the museum opening in 2015?

Over 30 years, we have made about 8,000 loans to 500 different art institutions worldwide. With the museum, we will consolidate our lending activity in one place. Our art foundation will also have gallery space we haven't had before – more gallery space than the existing Whitney Museum – and the museum, designed by Diller Scofidio + Renfro, will be an important piece of architecture.

Will you ever slow down?

I like to make a difference. I enjoy working, especially if we're accomplishing something, and I feel good about all the things we're doing. It's not just writing checks – it's giving back to a country and city that has been very good to me. ●