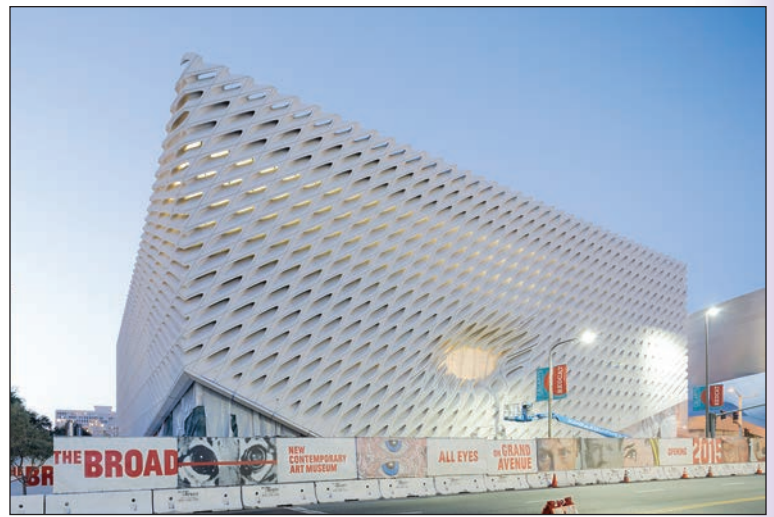


Making a Difference

A Broad Legacy

An Interview with Eli Broad,
Founder, The Broad Foundations



The Broad museum, under construction on Grand Avenue in downtown Los Angeles

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 attention full-time to philanthropy. Eli and his wife, Edythe, had created a family foundation in the '60s as a way to support their charitable interests and causes, and 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*.



Eli Broad

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.

What has made you and your philanthropy so effective?

We're very focused on three areas. In scientific and medical research, we've been fortunate to find the right leaders, like Eric Lander, who heads the Broad Institute, which has been a great success. We also have a great board chaired by Lou Gerstner, which includes people like Eric Schmidt and Art Levinson. In addition, we have great leaders at the stem cell centers that we funded at UCLA, USC, and UC San Francisco. It's about finding the

right leadership but also being dedicated to it once we've found it.

In education reform, which is a very tough area, we've had to be dogged. It's tough not to get frustrated because progress is slow.

The third area is the arts, and my wife and I have been involved in the art world as collectors for nearly 45 years.

We use three tests to determine if we should invest in a particular cause: If something will happen without our involvement, then we don't invest. We ask, will our investment make a difference 10 or 20 years from now? And also, does the leadership exist to make that difference?

Does your experience in building businesses transfer to how you look at philanthropy?

There are some similarities. We want to see a plan, and we track progress against that plan. Not everything you do in business or philanthropy will work out, but that's okay. If you're doing 10 things and eight are working, that's a pretty good average. If something doesn't work out, we stop and move forward with something else.

Why is education reform so difficult to achieve and are you optimistic that the challenges can be overcome?

I have to be optimistic. We have made great progress in certain areas, like with the growth of charter schools in America.

I've yet to meet a scientist who wants to maintain the status quo. Yet, everyone in public education seems to like things the way they are, and they don't want to change.

What is the purpose of the Broad Center?

The Broad Center has two programs: an Academy for the top leaders of public school

systems and a Residency program, where we take M.B.A.s and train them to work in urban school districts, the U.S. Department of Education, state education departments, and charter management organizations. These two programs have been very successful at cultivating strong talent in our public school systems.

You are also a major supporter of KIPP?

We support many great charter management organizations, of which KIPP is one. In New York City, we were the first supporter of Eva Moskowitz and her Success Academy.

We also have spent some of our time closing down the charter management organizations that don't work.

The work you've done related to genomics and stem cells requires long-term investments. What progress have you been able to create in this area?

It's amazing. The Broad Institute has become number one in the world in genomics, and it has grown to more than 2,000 people in 10 years.

What has happened in stem cell research is going to make major improvements in the human physical condition.

The Broad is a contemporary art museum that you and your wife are building in downtown Los Angeles and is due to open later this year. What does that project mean to you and what can people expect to see in that building?

We have more than 2,000 works of contemporary art in our personal collection and in The Broad Art Foundation collection. The foundation has made over 8,000 loans to 500 different institutions since we started it in 1984. Now we're building a public museum that will be home to all of our artworks – we will be able to show about 300 works at a time – and the museum will also serve as the worldwide headquarters for our lending library. We're excited about sharing our interest in the arts broadly so there will be no charge for admission.

After all of the success you've had in business, do you get as much fulfillment out of the philanthropic work?

I do. We started two Fortune 500 companies and sold the last one to AIG for \$18 billion 16 years ago. But I actually feel better about what we're doing now to give back and make a difference. ●