

Effective Philanthropy

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. Broad is the found-



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ing Chairman and 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 authored a book titled, *The Art of Being Unreasonable: Lessons in Unconventional Thinking*. Last September, the Broads opened a new contemporary art museum in downtown Los Angeles. The Broad, which has free general admission, was designed by Diller Scofidio + Renfro.

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.

You are known for having been able to drive impact within philanthropy. What are the key ingredients when it comes to being effective in this area?

Philanthropy is not just about giving – it's determining what is needed, be it an education center, money for medical research, or the arts, and improving existing institutions or creating new ones, like the Broad Institute of MIT and Harvard; our new museum, The Broad in downtown Los Angeles; and the things we're doing in public education across

America.

Did your business skills translate to philanthropy? Was there a learning curve?

It translates. I've been an entrepreneur since I started working at age 23 so whatever I've done has always been entrepreneurial. What we've done with philanthropy has been along that same vein. We don't just write checks – we look at opportunities, at needs; we create institutions and programs, and the like.

With so much of a focus around improving education today, why isn't enough being done to reform the system?

Of all the things we're doing, education is the toughest area to work in. In science and medicine, no one wants to maintain the status quo. With K-12 education, there are a lot of forces that don't want to change anything.

Would you talk about your efforts towards changing the status quo?

We're big supporters of public charter schools and Teach For America – these are alternatives to traditional programs in teaching or traditional public schools. We also have the Broad Center, which has a superintendents' academy and a residency for managers in public education. We produce leaders that would not otherwise be involved in public education, and they're making a significant difference.

Do you continue to be amazed by the advances that are taking place within medicine today?

I feel very good about what we have accomplished in stem cell research and genomics because it is making a big difference. We were fortunate to find Eric Lander, who decoded the human genome for the U.S. government. He's a terrific leader and has done a great job building the Broad Institute, an organization with over 2,000 people now.

With regard to the arts, in terms of what The Broad has become, was it what you envisioned?

We didn't want to create just another traditional museum. We wanted something that was very welcoming, where young people would want to go, and we have accomplished that. It's a great piece of architecture that has gotten international recognition, and it's a place where people want to spend several hours.

Does more need to be done to spur entrepreneurship and will the U.S. continue to lead in that area on a global scale?

It has accelerated if we look at all that has happened in technology with Silicon Valley or biomedicine. Entrepreneurship is stronger than it has ever been.

As companies you built grew very large, was it difficult to remain entrepreneurial?

We have to create a certain culture, which happens in companies in Silicon Valley and the companies I was involved in. We didn't accept the status quo; we tried to work with young bright people and get them engaged.

How much of the entrepreneurial spirit can be taught to young people?

I'm not sure we can teach it, although people who have worked with me have learned quite a bit, in terms of how I think about things and see things, and how I view the status quo.

Is it even more fulfilling to see the impact you've had in philanthropy as opposed to business?

What we did in business was fine – we served a need – but we're making a far greater impact on scientific and medical research, education reform, and the arts.

Do you take time to reflect on and enjoy the success?

Yes, I enjoy seeing what has been accomplished. After I do that, it becomes about what we need to do next.

You were one of the first philanthropists to get involved with The Giving Pledge.

I feel good about that. It gets people to understand that they can do a lot of good by doing things during their lifetime. The number of people around the world who are involved is making a big difference.

Are the skills needed to grow companies today different than they were in the past?

The drive is necessary but one also has to understand how his activities fit into society. A company can't just be simply bottom-line oriented. ●