

Making an Impact

An Interview with
Florence A. Davis, President, The Starr Foundation

EDITORS' NOTE Florence Davis is President of The Starr Foundation, one of the largest private foundations in the United States. Prior to joining the Foundation in 1999, Davis was a lawyer, first at Sullivan & Cromwell in its litigation group, then at Morgan Stanley & Co. where she was a principal and the worldwide director of compliance, and finally at American International Group (AIG), where she served as General Counsel.



Florence A. Davis

Davis graduated with highest honors from Wellesley College and from New York University Law School, where she was a Root-Tilden Scholar. Davis serves on the boards of the International Rescue Committee, New York University School of Law, the New York Botanical Garden, and Starr International Foundation. She is a member of the Council on Foreign Relations and the advisory committee of the Newman's Own Foundation and served on Mayor Bloomberg's Commission on Economic Opportunity.

FOUNDATION BRIEF The Starr Foundation (starrfoundation.org) was established in 1955 by Cornelius Vander Starr, an entrepreneur who founded C.V. Starr & Co. and other companies. Some of these companies were combined under the leadership of Maurice R. Greenberg, Starr's successor, to become AIG. Under Greenberg's leadership as Chairman of The Starr Foundation, the assets of the Foundation have grown from a few million dollars at the time of Starr's death to nearly \$1.5 billion today. Since 1955, the Foundation has made more than \$3.3 billion in grants worldwide, more than \$2.2 billion of which was donated to organizations in New York City and State. The Foundation's primary areas of giving are medicine and healthcare, education, human needs, and international relations. The Foundation has also made substantial grants in the areas of culture and the environment. The Foundation has endowed C.V. Starr Scholarship Funds and Maurice R. Greenberg Scholarship Funds at more than 150 colleges and universities and selected secondary schools around the world.

What is the mission of The Starr Foundation and how has it evolved over time?

Mr. Starr set out a very broad mission for the Foundation but he left the Foundation and his businesses in the hands of Hank Greenberg and his other

partners – they were, in effect, his “family,” they knew how he thought and what he wanted, so there has been a continuous, mindful link to Starr's philanthropic goals.

In 1969, Hank Greenberg took over as head of the Starr Companies and the Foundation, and he began to build what became AIG. It took 10 years to settle Mr. Starr's estate and over those years, as Hank built his companies, the Foundation became the owner of a lot of AIG stock. By 1979, the Foundation had assets of \$140 million. In 1994, the Foundation reached the \$1 billion mark

for the first time and its assets steadily increased, even as it made hundreds of millions of dollars in grants.

Is your work more about helping as many causes as you can or giving where you can have impact?

We always try to spend the money in a way that has the most impact on issues we care about. But we can't do it all. Even when our assets reached \$6.2 billion in 2000, there were problems that could only be tackled with government funding or public-private partnerships.

Sometimes we make grants to small organizations that would choke on \$50,000, but which do very good work with \$25,000. On the other end of the spectrum, we have made very large multi-year grants of \$50-100 million to consortiums of large institutions.

What is this foundation primarily known for and are the issues you address interrelated?

When Hank asked me to move to the Foundation in 1999, education had been our top program area, both in terms of the number of grants made and total grant amounts. Beginning in 1980, the Foundation made significant annual grants to endow Starr and Greenberg scholarship funds, which we now have at more than 150 schools around the world.

The education program area was surpassed by our medical research funding within five years. This shift came about because of the board's belief that this was an area in which we could make an impact and Hank, in particular, wanted New York to be one of the top cities in the world for medical research and scientific development.

The interrelationships among our program areas are so numerous it is hard to describe them in the short space we have. But clearly, our human needs program area, which tries to address the causes and consequences of poverty, is tied to our education grants and our healthcare grants.

Is it the private sector and foundations that will drive change?

The private sector can take risks that the government won't take with taxpayer money. We've had a lot of success with collaboration in the medical research field, particularly on early-stage projects.

Hank knew that the genomics era was going to be very expensive and he was convinced that research institutions and labs that used to compete with one another would have to learn how to cooperate. This was Hank Greenberg's vision – we were not going to fund identical silos at a dozen different institutions – and it's now widely copied.

The first year of the Starr Cancer Consortium collaboration was very hard, but then it evolved almost organically at the post-doctoral level.

How about the needs of education?

We continue to support college-level scholarships and graduate fellowships. Those are relatively easy to evaluate.

On the K-12 front, it isn't that easy. We read and evaluate literature from many, many sources to try to understand whether particular programs are working or not, particularly with disadvantaged populations. However, we don't think any single program is moving the needle in a huge way across a large enough population.

Is it frustrating when there are no quick fixes to these major problem areas?

Of course. We work so hard to spend the Foundation's money wisely, and we want to see that our efforts have driven good results. In the case of Hepatitis C research, which we co-funded for many years with the Greenberg Foundation, there are drugs on the market now that will save many thousands of patients and millions of dollars in healthcare expenses for liver transplants and other treatments. However, it took many years to get to this point.

We have supported the Starr Cancer Consortium for more than 10 years. Our grantees haven't cured cancer entirely, but more cancers today are treatable in a way they weren't just 10 years ago because of work that Starr supported.

In a completely separate program area, Starr has supported many international scholarships and exchanges, the latest of which is the Greenberg World Fellows Program at Yale. When an international student is educated here and has a chance for meaningful, positive interactions with Americans, it builds good will for the United States and, ultimately, stronger international relations. ●