

Giving Back

An Interview with Mark E. Watson III and AnaPaula Watson

EDITORS' NOTE *Mark Watson most recently served as Chief Executive Officer of Argo Group. He first invested in Argo's predecessor company, Argonaut Group, in 1998. He joined the board of directors in 1999 and served as CEO from 2000 through 2019. Prior to joining Argonaut, he was one of two founding partners of Aquila Capital Partners, a Texas-based venture capital firm focused on technology and life sciences companies. Before founding Aquila, Watson was executive vice president and member of the board of directors of Titan Holding Inc., a NYSE-listed property and casualty insurance group, from 1992 until its acquisition in 1997 by USF&G Corporation. From 1989 to 1991, he was an associate attorney with Kroll & Tract, a New York law firm focusing on international financial services clientele. Watson graduated with a B.B.A. from Southern Methodist University and a J.D. from the University of Texas School of Law. He is the husband of AnaPaula Watson and father of three, as well as a rancher, avid climber and yachtsman.*



Mark and AnaPaula Watson with their three children

Where did your passion for giving back come from and how has it evolved?

AnaPaula: It came from my mother and from my husband as well. My family is from Mexico and when we were very young, my mother would always give back to the community that we were living in. She instilled that deeply in my brother and me. When I met Mark, I found that he had been brought up the same way and so we have worked together to pass that on to our own children.

Having now created a foundation, we are involving our own children and want them to see what we are passionate about so hopefully they will continue this tradition.

Children have always been, and will continue to be, our main focus. But as time has evolved, we realized that there were pieces missing in how we were giving back to nonprofits. It was wonderful that we were able to give towards buildings or playgrounds or books, but there was something missing. We felt that if we could get to the root of why children are in need to begin with and what the causes were in their environment and find a way to bring joy and opportunity back into their life, then they

How important is it for you to give your time and expertise in addition to money?

AnaPaula: There was a time when all I did was raise money. I would go out there like a machine, and I would come back with commitments. I felt hollow though because I felt like I was in the background even though the monetary part was helping these nonprofits. I'm not an expert, in any sense, when it comes to what we're trying to accomplish, but I want to be a part of the decision making about what we can do to help, aside from writing a check or a grant.

I've been listening a lot to my children because I think that, in our age, we tend to get busy with things that happen in life. Speaking with them and hearing what they have to

say helps me know we're on the right track.

Will the focus of your philanthropy be in your hometown or will it be broader?

AnaPaula: It will be broader. San Antonio will always be home for us. Our roots are there. But we are looking at other initial grants as the foundation launches, including organizations in New York doing incredible work around some of the most vulnerable children and families.

Is it important to partner with other organizations to make the biggest impact?



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We felt that if we could get to the root of why children are in need to begin with and what the causes were in their environment and find a way to bring joy and opportunity back into their life, then they would be able to move beyond their traumatic experiences. We wanted to support them going to school, but also to go beyond and provide more substantial help.

AnaPaula: Yes. I want to surround myself with the expertise that will help guide me down the right path. With my past philanthropic efforts, I even ended up taking a break because I felt that I was being taken in different directions and not really having that impact, so I welcome the help from partners.

How important is it to focus holistically when dealing with children's issues?

AnaPaula: It's great if we can bring wonderful opportunities for children. However, it's critical to get to the core of issues like what happens when they go home, what their environment is like, how they interact with their parents, how they interact with their friends at school and if they are being bullied. Bullying is something I am very passionate about because I have a child who was bullied for over two years and I think it really continues to affect her. She's very strong. I wish I knew then exactly how this really impacts a child's development and continues to affect them as they become an adult. When we were raised, if we were bullied we were told to get over it, toughen up, stand tall and move on, and that doesn't really work.

What structure do you envision the foundation taking?

Mark: We will start in one place, and then let it grow out from there. We live in and engage in a number of communities around the U.S. and in Bermuda as well. In the beginning, we want to get a few things started in San Antonio and New York. There is no shortage of issues to address in those areas. We were talking about a holistic approach a minute ago, and that's certainly part of it. There is a charity in San Antonio that we support which provides disadvantaged children who don't have a hot meal at home at night with food to take home. From a holistic perspective, it's hard to do your homework and get a good night's sleep when you go to bed hungry so you are already starting the next day behind the curve.

We don't need to reinvent the wheel. There are already a lot of organizations that do things to try to hit the root cause that AnaPaula focused on earlier. We hope to strike a balance between trying to support those and making sure that we're doing all that we can to help those children and create a more personal connection.

AnaPaula: The Healy-Murphy Center, which provides impactful services to youth-in-crisis, is a great example. I mention this because it is that one single act of kindness

that we gave them that resulted in an outpouring of these handwritten letters from young ladies at the center. Every Christmas, which can be a difficult time for those facing challenging circumstances, we make a donation to the Healy-Murphy Center to give each young person a gift card so they can buy something for their family.

Mark: Some will use the gift cards for themselves, which is wonderful. But most will use them to give their parent or sibling a gift for Christmas. That's meaningful to us, because this is about more than gift cards: it's about lifting the spirits of young people, and their loved ones, during the holiday season.

Do the skills that make you successful in business translate to being effective in philanthropy?

Mark: There are more similarities than differences because, at the end of the day, you're trying to achieve a goal and you have to organize people and resources to get it done, which is what running a business is all about. Running a philanthropy is not terribly different because you're still establishing a mission, setting goals and assembling the resources to achieve them.

The larger the philanthropy, the more it becomes like a business, which is both good and bad. At that stage, operational excellence matters more than it does when it's small. You can also get away from the personal connection as I mentioned earlier.

For us, it may be better to focus on the few rather than the many. Although we may not

be able to have a personal connection in every instance, we still want to feel close enough to know the progress toward the outcomes that we're trying to achieve for children.

AnaPaula: One of the things Mark and I want to be involved in is art therapy for children. This is an area where you obviously need to spend a significant amount of time making sure that those programs are actually working. There is a lot of data that shows that exposing disadvantaged kids to art moves the needle for them as does music. Again, all this starts with putting food on the table, but there are other things that it takes to develop a child as well. There's a reason why there is the expression, "It takes a village to raise a child."

This is clearly a passion for both of you. How special is it to be doing this together?

AnaPaula: We have been married 21 years and this is very rewarding since not only are Mark and I passionate about this, but our children are becoming increasingly passionate about it as well. We can sit around the table and all share thoughts on where we're going with this. That is wonderful for us. We know that we're lucky to be close and to be able to talk to our children and have them be open with us.

Mark: AnaPaula and I were both raised in an environment of giving back. I've spent the last 30 years mainly in the business world but have found some time to focus on giving back, both personally and professionally. I would now like to dedicate a lot more of my time to giving back and to doing it together with my family. ●

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