

Joseph E. Robert Jr.

Fighting for a Cause

JOSEPH E. ROBERT JR. IS A BORN FIGHTER, AND boxing has long been his sport. Robert first stepped into the ring in the fourth grade. It gave him confidence. It taught him discipline and determination. After he was expelled from college his freshman year, life had him on the ropes. But Robert knew how to fight back. He started selling condos—and mentoring kids at the gym. Quick and smart, he took to real estate. He founded and built up J.E. Robert Companies, one of the world's largest private commercial real estate investment and asset management firms, where he remains chairman and CEO.

Robert is also a philanthropic heavyweight, with major charitable commitments to K-12 education, children's health, and national security.

A strong believer in the power of education, Robert is the founder and chairman of Fight For Children, a nonprofit that focuses on educational and health care initiatives in the Washington, D.C., area. Under Robert's leadership, Fight For Children led a coalition that secured \$195 million (over five years) of new federal funding for the traditional public schools and public charter schools of Washington, D.C., as well as scholarships for low-income students to attend District private schools. Robert also chairs the Washington Scholarship Fund, a direct-service program that provides K-12 scholarships to needy families, and is a board member of D.C. Children First, an advocacy group that fights for education reform. Robert is equally concerned with children's health, and

led a \$300 million funding campaign for the Joseph E. Robert Jr. Center for Surgical Care at the Children's National Medical Center in Washington, D.C., with an initial donation of \$25 million.

Most recently, Robert has directed his philanthropic energies towards national security. In May of 2007, he became chairman of Business Executives for National Security (BENS), a group that gathers highly accomplished businessmen and entrepreneurs to provide top-flight, non-partisan, and free-of-charge advice to national security leaders. BENS engages in four or five narrowly-defined projects every year, in an effort to protect the American homeland, build a more efficient military, and save billions of taxpayer dollars.

Philanthropy spoke with Mr. Robert at the J.E. Robert Companies corporate headquarters in McLean, Virginia.



PHILANTHROPY: Your philanthropy centers on three areas: children's health care, K-12 education, and national security. Each of those is an enormous field in its own right. Do you ever worry about spreading yourself too thin?

MR. ROBERT: Not really. I'm used to operating at the CEO-level, and it's my nature to act the same way when it comes to philanthropy. If I think about my company, I have five strategic objectives for the year. I carry them around with me everywhere. Every day, they stare me in the face. I have a chief of staff and six administrative assistants outside my office. Every single thing that comes through my

office, they have to ask themselves the question: Does this relate to his strategic objectives? If the answer is no, it's going to have a really tough time getting on my schedule.

But, of course, the company has different divisions throughout the world: public securities, private securities, debt and equity, and so forth. Each of those divisions has its own head, and each division head has his five priorities for the year. I have to know what the division heads are up to, and I have to make sure their priorities line up with mine. But I can't make their priorities my priorities. We work at different levels.

The same goes for my philanthropy. Take education, for example. I don't know a lot about how to teach math. But I've got common sense—and the experience of running a large business. If an individual school is a division, the school system would be the parent corporation, and this corporation, at the top, knows exactly what its revenues are. They're fixed. It knows exactly what service it has to deliver. Given those conditions, if you have a busted division, what's the first thing that you should do? If you ran a business, what would you do?

You move out the division head. You get somebody in there who knows what he's doing. What you wouldn't do is leave the boss in place and come in and start tinkering from the bottom-up. No. The head of the parent corporation has to find the right people and delegate. Make sure they understand the mission. Make sure their strategic objectives are right. Give them the resources and support they need. Then let them do their job. That's how I think about my philanthropic work. I want to find the right people and give them the resources and support they need. I work at one level; they work at another level. At my level, I can stay on top of my efforts in education, medicine, and national security.

PHILANTHROPY: I want to focus briefly on your work in K-12 education and national security. Do you see any connection between the two?

MR. ROBERT: I think they're very much linked. You can start with the problem that the number of qualified high school graduates available for military service in this country is in serious decline. The long-term ramifications of that fact are not pleasant to think about. The better-educated our troops are, the more effective they will be. On a

personal note, my son served in the Marine Corps; he just got out a year ago, so this is close to me.

So what should we do? As a matter of national security, we ought to have a Marshall Plan for fixing our inner-city schools. We know what we need to do. We know it can be done. We know what the best practices are. The problems are easily identifiable. They've been studied to death. There's no magic bullet waiting to be invented. We have the magic bullet. It's been fired with great effect. There is not a single crummy urban area in this country that doesn't have at least one well-functioning, successful school.

Now is the time to think strategically: first to identify the obstacles, then to overcome them. It will take incredibly courageous political leadership, starting with the president of the United States. It will take a willingness among our political leaders to forget about who gives them money to get re-elected. Instead, they will need to stand together, once and for all, and have the courage to implement the solutions that we already know will work. It would be very much like the Marshall Plan: a massive social reconstruction project, led by a bipartisan group and funded by the federal government, in the interest of national security.

PHILANTHROPY: Fight For Children has pursued a fairly unique strategy. Instead of backing one particular type of reform, it has pushed equally hard for funding for traditional public schools, charter public schools, and scholarships for low-income students to attend private schools. Do you worry that this philanthropic strategy of "both/and" could divert resources to suboptimal projects?

MR. ROBERT: Not at all. We tried to create a way to bring groups with seemingly divergent interests to the same table: Democrats, Republicans, union leaders, education reformers, advocates for all types of schools (public, charter, religious, private), parent advocates, and business and community leaders who wanted D.C. to have decent schools. That was our first priority. Once we got that group together, we knew we could amass all that firepower and target it in the same direction.

Several years ago, I asked the then-head of Fight For Children to come up with a strategy for how to maximize our delivery of first-class education to the kids. What can we do that will make a meaningful, yet measurable, impact? What will make a real difference, where we can say we actually got it done?

She gave me back this long paper, describing the three different educational sectors. Its conclusion was that we focus on only one sector so we could have maximum impact. It specifically recommended that we do not touch vouchers. The report called vouchers “politically radioactive.”

I read it and I said, “Okay, I’ve made up my mind. We’re going to do all three.”

My director almost resigned. She was very anti-voucher, but I convinced her to stay. In time, she would become our strongest advocate. (God bless her soul, she passed away about a year ago.) Mayor [Anthony] Williams embraced the idea, and then we decided to try something that no one had ever done before, ever, anywhere in the country. We wanted to gather people who had never met each other, never worked with each other, whose agendas were often at cross-purposes, and get them to agree to work as one. Together we would go to Congress to try to secure additional resources for the under-funded schools in this city.

My first job was to meet individually with all the school leaders and reformers, one on one. I told them what we were going to do, so there would be no surprises. I said, “It’s like we’re going after loot on a train. If each of us tries to rob the train on his own, there are going to be a bunch of gunmen blasting away, probably hitting each other, and the train will roll right on by. Nobody gets any loot—and we’re all dead. So let’s work together. Let’s be on the same team. Let’s pledge to each other that we won’t be picked off or pulled apart by ideologues on either side. Let’s work with each other.”

Next we got everyone in a room at a downtown restaurant. We had the Cardinal. We had the superintendent. We had the school board chair and the mayor. We had heads of the major independent schools. Don Graham, owner of the *Washington Post*, stood up and said, “In all my years, I’ve never seen anything like this.”

I kicked off the meeting, and we pledged to work together. We crafted a package with the mayor to get federal funding for public school reform, charter school advancement, and scholarships for needy D.C. families who wanted the chance to send their children to a good private school.

The package passed in the House by a single vote. Ultimately it passed in the Senate in an omnibus bill, and it’s coming up on its fifth year now. The District’s schools and families (through scholarships) got tens of millions of dollars of new federal money, but not from the city budget and not at the expense of public schools. D.C. has received a total of \$39 million per year—\$13 million for public schools, \$13 million for charter schools, and \$13 million for private school vouchers—and that total goes up after the fifth year.

PHILANTHROPY: Apart from leveraging federal funds, is there anything else that donors can do that school leaders cannot?

MR. ROBERT: Yes, absolutely. Business leaders are free to act in ways that public officials can’t. Take Michelle Rhee. She’s the new chancellor of the D.C. public school system. She is smart as a whip. She is determined. She knows what needs to get done. Frankly, the previous five superintendents knew what had to be done. For a whole host of reasons, they just were unable to do it.

She knew that she had to downsize the central office. It was consuming all sorts of resources—money that is supposed to go to the kids. Three-quarters of the people in the central office had no idea what they were doing, but they seemed to think they were owed a job for life. They needed to go. But she had to get the law changed before she could treat these people as at-will employees. Mayor [Adrian] Fenty strongly supported this, but the city council also had to approve.

The vote was coming up in the city council on a Tuesday last December. I was in Abu Dhabi. It was the previous Thursday night local time, and what should pop up on my trusty little Blackberry but a note that says that the unions are going to start blasting the airwaves first thing Monday morning. They want to whip up a public frenzy to keep the city council from supporting Rhee’s plan. Now, Rhee is the chancellor. She can’t go stir up a lot of trouble. She’s a public servant.

But me? I picked up the phone and called Sally Sachar, my chief of staff for education. I said, “Sally, get our ad people. I want them to come up with a new ad that will start running immediately. And I want to hear kids wailing: ‘Would you please, *please*, start thinking about us instead of jobs for adults? Think about us first, finally, please, and pass the mayor’s bill.’”

Our radio ads started running Saturday morning. The unions had no idea what hit them. They looked at each other and asked, “Where did this come from?” Their ads had just started to run, and, much to their surprise, here we were, at the same time, on the same stations, blasting the airwaves. The law passed. Michelle terminated 98 central office employees. Like I said, business leaders have much greater freedom. We can move fast and we can be creative.

PHILANTHROPY: Let me ask a similar question, but this time focused on national security philanthropy. Congress is preparing a \$1 trillion budget for the Pentagon. Given the enormous resources of the U.S. military, how can donors—even the most well-endowed—expect to make a significant contribution to national defense?

MR. ROBERT: Well, the Defense Department may have a \$1 trillion budget, but it doesn't have the experience of even a single entrepreneur with a modest-sized company. Competitive commercial markets force you to be efficient, or else you go out of business. At the Pentagon, there's no external competition. There's no profit motive. As a result, you need to get through layers upon layers of bureaucracy just to buy a pencil. That \$1 trillion could probably do a lot more for substantially less money.

What we at BENS offer the Pentagon is business expertise. Look at logistics. If you wanted to know how to move a lot of material efficiently and on time, who is the single best person for you to talk to? It's Fred Smith, the founder of FedEx. You want to sit down with him and learn everything he has learned under the pressure of market competition. Several years ago, the CIA developed a new world-class retention and reward system and wanted an experienced outsider to look at its implementation plan. The government doesn't usually do a very good job at incentivizing performance, but this plan was innovative. So we brought together experts to help the Agency devise an implementation strategy that wouldn't turn off all the employees. Right now, we're busy working on a template for bringing together police, firemen, medical personnel, and businesses to prepare for disasters, whether man-made (like WMDs) or natural (like Hurricane Katrina). Those are the solutions BENS can offer the Defense Department or the intelligence agencies or the Department of Homeland Security.

But I should be clear: there are some things BENS will not get into. We don't offer advice on weapons systems or tactics—nothing like that. Those topics require military expertise, not business expertise. We focus our efforts where our business experience can be of real help. Where can we help save money in the procurement process? How can we improve human resource management? Are there laws or regulations that just add unnecessary burdens and costs? How can we help convince Congress to change or eliminate them?

PHILANTHROPY: Let's bring that thought a little closer to home. Can you think of something that philanthropists should be doing to improve D.C. schools—but aren't?

MR. ROBERT: Number one, they can't give up. We've had nothing but bad news for many, many years. We've heard lots

of promises but haven't seen much delivery. But Mayor [Anthony] Williams, the previous mayor, set the stage, and set it very well, for all the things that [Mayor] Adrian Fenty is now trying to accomplish. The time is now. So people need to have faith in this mayor and in this school chancellor. For all the people who are reconsidering, for all the people who are asking themselves—"Should private dollars go to help public educators?"—the answer is yes.

Despite all the broken promises in the past, we are at an inflection point. Here in D.C., we have the right leadership to make things happen. Donors need to seize the opportunity. They need to give more and they need to engage more. Get active. It doesn't take much time. It doesn't take much money. What it does take, though, is intellectual engagement, energy, and determination.

PHILANTHROPY: Both BENS and Fight For Children strive to be scrupulously bipartisan. Is there a danger that you could dilute the types of reforms you would like to see implemented?

MR. ROBERT: No, I think the opposite is true. If you're overtly partisan, you greatly dilute your effectiveness. Roughly half the population is going to see you as biased and instinctively mistrust you. That certainly goes for education. But the thing is, I haven't met a child yet who can tell you the difference between a Republican and Democrat. Teaching is teaching and learning is learning. Regardless of how people vote, they want their kids to get an education. Regardless of how they vote, they want their kids to be safe in the military.

If you're a serious philanthropist, you advocate for your cause. The vast majority of the people that I work with on education are Democrats. Democrats control the city. Now, I'm a Republican. But they overlook the fact that I'm here to work for a goal, not for a party. I want to help the children. The people who are making a difference for D.C. kids put aside politics and party.

When I'm looking at how to do that—how to educate low-income kids in the city, how to help with national security—it never occurs to me to think of the Republican view or the Democratic view. No matter how hard you fight, you can't be effective in philanthropy unless you're willing to be bipartisan and seek common ground. **P**