



Emphasizing Education: Jerome Kohlberg connects veterans to campuses

Since 2009, the Post-9/11 G.I. Bill has helped over 1.2 million vets pursue higher education. Given the solid connection between advanced education and increased lifetime earnings, it's safe to say that this program has been one of the most productive veterans' benefits since the original G.I. Bill was enacted back in 1944. Unsurprisingly, philanthropy, and one committed donor in particular, had a strategic role in re-launching the G.I. Bill for the current era. His generosity is also playing a key role in helping to improve successful use of the benefit.

Jerome Kohlberg, known as “Mr. K” to many of those who knew him, served in the Navy during World War II and then used the original G.I. Bill to get a great education. He was always grateful for the help in getting ahead in life. “I was 17 when I signed up in the Navy. Then I went to Swarthmore, Harvard Business School, and law school at Columbia, all on the G.I. Bill. And we got a stipend to live on!” After his service and schooling, Kohlberg went to work on Wall Street, and became a spectacularly successful investor. He co-founded one of the original private equity firms, Kohlberg Kravis Roberts, and has been hailed as the “spiritual father of the entire leveraged buyout business.”

Before his death in 2015, Kohlberg was a wide-ranging and active donor for decades. Despite his generosity and influence in philanthropy for veterans, he was a very quiet giver. He shared a belief with Ronald Reagan that “there is no limit to what a man can do or where he can go if he doesn’t mind who gets the credit.”

Spotting a problem

Kohlberg’s impact on veterans’ philanthropy began somewhat accidentally. In 2002, he hired a Marine Reservist named Matthew Boulay to manage his scholarship program at Swarthmore. (In line with his quiet giving style, Mr. K named that effort after his college roommate.) Only six months after Matthew was hired, his unit was called to active duty and deployed to Iraq. Rather than being annoyed by this disruption, Kohlberg was extremely supportive. He told Matthew, for instance, that “everyone in the office was on call to help his wife, 24/7. ‘If she needs anything anytime, I’ll give the order that everyone can drop what they’re doing and help her out even if it’s in the middle of the workday.’”

A few years later, in 2006, Matthew was back from war, still working for Mr. K and getting his master’s degree. During an incidental conversation, the topic of what G.I. Bill benefits Matthew was using to pay for his degree came up. Kohlberg was doubly shocked—first at the exorbitant cost of higher education, and second at how small the G.I. Bill stipends had become.

The first G.I. Bill provided veterans with payments large enough to completely cover the cost of most educational programs. The benefit was updated after the Korean and Vietnam wars, and again in 1984, becoming the Montgomery G.I. Bill. Over time, though, the value of the benefit ebbed so that, by 1990, it was worth (in constant dollars) only one third of its 1945 value. At the same time, the cost of higher education had risen dramatically.

Scholarships and advocacy

Kohlberg initiated a two-pronged response to his discovery. It coupled direct philanthropy to address higher-education shortfalls immediately with advocacy aimed at changing policy for the long term. This included full-need scholarships funded by his donations and allies he recruited, along with a publicity campaign to document inadequacies in the existing Montgomery G.I. Bill. Kohlberg also put his own time and energy into reaching out personally to policymakers to advocate an update of the educational benefit for former soldiers, sailors, marines, and airmen.

Mr. K commissioned Scholarship America, a national nonprofit that specializes in managing academic awards for students, to run the scholarship portion of his initiative. The organization mostly manages corporate scholarships that are made available to children of employees, but its leadership included retired military officers, and its chairman had led a special campaign to provide scholarships for the children of 9/11 victims, so Scholarship America jumped at the opportunity to execute Kohlberg's vision. The group took responsibility for developing applications, advertising to eligible candidates, reviewing submissions, and selecting recipients. It also worked with schools to complete paperwork necessary to execute the scholarships.

These awards covered students pursuing four-year programs, associate degrees, and vocational certificates. They covered students who were veterans, active duty, Reservists, and National Guardsmen. And efforts were made to provide grants in every state, across rural and urban areas.

Kohlberg funded these scholarships through his giving vehicles, the Kohlberg Foundation and the Kisco Foundation, on a full-need basis—covering any financial shortfall students faced after all other sources of funding (G.I. Bill, school financial aid, other scholarships) had been tapped. Boulay, who worked side-by-side with Mr. K throughout this effort, explains that it was the donor's intention to stick with recipients through graduation, no matter what delays or disruptions they might face due to deployment or needs to work or be with family.

The scholarship was deliberately low-barrier—it didn't require any minimum GPA or performance checks beyond whatever requirements the schools set. Beginning in 2007, Scholarship America enrolled new recipients every semester on a first-come, first-served basis, eventually supporting around 500 veterans. Mr. K put more than \$8 million into this effort, and he had an even bigger plan.

A new G.I. Bill

Kohlberg recognized that ultimately there needed to be a new G.I. Bill for this new generation of veterans. So while he was personally aiding a wide variety of individuals, he was also using his program to raise awareness. Each of his recipients became a walking, talking demonstration of the value of investing in higher education of those leaving service.

“It was a way of telling the story of veterans and education. If people asked ‘why are you giving veterans scholarships when we have a G.I. Bill?’” Boulay points out, “we could have that conversation.” A core tenet of Mr. K’s approach to advocacy was elevating the voices of individuals affected by policies and problems so they could speak for themselves. This echoed throughout his philanthropic efforts for veterans. “He would just fly in veterans from Iowa to tell their story, which they would otherwise never have a chance to lay out. That seemed like the right way to make policy,” says Boulay.



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At the same time, they began supporting and linking a coalition of veterans’ organizations interested in the idea of a new G.I. Bill. Kohlberg funded newer organizations like Student Veterans of America and Iraq and Afghanistan Veterans of America that worked alongside older groups like Vietnam Veterans of America and the Military Officers Association of America. Meanwhile Kohlberg met personally with various members of Congress to make the case for a new G.I. Bill. He didn’t push his own version of what an expanded G.I. Bill would look like, and didn’t see “tinkering with the policy process as our role or our goal,” explains Boulay. He just “wanted to provide some momentum as an outside champion.”

Eventually Senator James Webb presented a bill that seemed to match Kohlberg’s general goals. He said later in a newspaper interview, “I visited with three or four senators, all of whom had used the original G.I. Bill the same as myself.” He also noted that “the military was against it because they felt it would hurt re-enlistment.”

Kohlberg’s foundation put together an event at City College of New York, Colin Powell’s alma mater, and Mr. K invited Powell, who until

then had been skeptical about the costs of a new G.I. Bill, to attend. Powell ultimately gave a speech in support of expanding educational benefits for veterans, and “within two weeks we had 76 senators and got the thing done,” as Kohlberg puts it. The Post-9/11 G.I. Bill was signed into law by President Bush in 2008. It included 36 months of full funding for tuition at any public university (or the equivalent at a private school), plus a stipend for housing and books.

Helping community colleges connect to vets

The Kohlberg team also realized that community colleges play a vital role for vets. During the 2011–2012 school year, 37 percent of all student veterans who used the G.I. Bill went to community college to be trained for jobs like nurse or electrician. In 2015 they created the Kohlberg Prize to encourage community colleges to serve veterans even better. It provided an \$80,000 grant that allowed recipient institutions to plan how they could improve student services to veterans. When their plan was approved, they received a second grant of \$100,000 to implement the initiative.

About \$1 million in Kohlberg Prize grants were distributed. Says Boulay, “what’s exciting is the range of schools, some urban, some rural—there’s an agricultural program at one; there’s this high-tech cybersecurity program at another. Community colleges vary wonderfully in terms of the programs they offer and the specialties they have.” The schools cover the country from Salem, Oregon, to Baltimore, Maryland.

As part of the process, schools were required to document their expansion and share what they learned with other colleges. The recipients thus became exemplars and models for many other peer institutions. “We didn’t have to find the ten very best schools in the country. The purpose here is to lift some up and have learning come out of this, which we then share and spread around.” Jerome Kohlberg, explains Boulay, “didn’t want credit, but he wanted his giving to set an example.”