

Tad Taube

Believing in Freedom, Building for the Future

Tad Taube is a believer. He believes in the United States, in the benevolence of its free institutions and the productive capacity of its private sector. He believes in the fundamental decency of Western civilization, in its millennia-old pursuit of truth, beauty, and justice. Perhaps most of all, he believes in the Jewish people, in the profound contribution that their faith, culture, and ethics have made to Western civilization in particular and to humanity in general.

Mr. Taube's beliefs are deeply informed by his biography. He was born in Krakow, Poland, and immigrated to the United States when he was seven years old. Weeks after he left Poland, German troops crashed over the border, instigating the Second World War and precipitating the horrors of the Holocaust.

Growing up in San Francisco, Mr. Taube came to a deep-in-the-bones appreciation for American freedom. Here, he learned, success resulted not from inheritance or exploitation, but from intelligence and hard work. He took these lessons to heart, earning a B.S. and an M.S. from Stanford University and serving as an officer in the United States Air Force.

In 1969, he co-founded Siltec Corporation, the nation's second-largest silicon wafer manufacturer. Four years later, Mr. Taube was named chairman and CEO of Koracorp Industries, a position he held until its merger with Levi Strauss in 1979. In 1982, he was a founder of the United States Football League (USFL),

and was the principal owner of the Oakland Invaders franchise. He currently serves as the chairman and founder of the Woodmont companies, a diversified real estate investment and management organization.

Today, Mr. Taube's charitable work involves three sets of responsibilities. First, he is the president and a charter director of the Koret Foundation, established by his late friend and former business associate Joseph Koret. Second, he serves on the boards of a variety of nonprofits, including the Hoover Institution, the Stanford Institute for Economic Policy Research, the Stanford Athletic Board, and multiple universities around the world. Third, he is the founder and chairman of the Taube Philanthropies, comprised of the Taube Family Foundation and the Taube Foundation for Jewish Life and Culture.

Mr. Taube has received a number of awards in recognition of his generosity, including the Scopus Award from the Hebrew University in 1985, the Alexis de Tocqueville Society Award from the United Way in 1998, and the Corporate Citizenship Award from the Woodrow Wilson International Center for Scholars in 2007. In 2004, the President of the Republic of Poland honored Mr. Taube with Poland's highest civilian medal, the Commander's Cross; three years later, the Republic of Poland named Mr. Taube Honorary Consul for the San Francisco peninsula region.

Philanthropy spoke with Mr. Taube when he visited Washington, D.C.



PHILANTHROPY: In your philanthropic work, you occupy two distinct roles. On the one hand, you're the founder and chairman of the Taube Philanthropies, responsible for establishing and clarifying your own charitable goals. On the other hand, as the president of the Koret Foundation—established by your late friend and former business associate, Joseph Koret—you're responsible for realizing another donor's intent. To be sure, there's a great deal of overlap between the interests of the two foundations. Nevertheless, they are separate organizations, and you hold two distinct positions. How do you balance those two roles?

MR. TAUBE: Joseph Koret was a very close friend of mine, who essentially entrusted me with his fortune. In 1973, he named me chairman and chief executive of his family company, Koret of California, later merged into a holding company, Koracorp Industries. After he liquidated most of his equity positions with the company through a series of public offerings, he consigned the investment of the cash to me and my colleagues. When the Koret Foundation came into existence in 1979, I was named a charter director. When Joe died, he left instructions for me to take over his role as chief executive officer and president.

The Koret Foundation is quite a bit larger than the Taube Philanthropies, and it does things that aren't part of the Taube mission. Koret supports many social welfare programs: hunger programs, homelessness programs, and so forth. In my role as president of Koret, I attempt to administer Joe's wishes faithfully and responsibly. But I don't pursue all of them in my own charitable giving.

Koret's board is also more independent than Taube's. It has nine very independently minded directors who are not about to let me get away with grants they don't support. That said, I feel we've reached a very comfortable balance. If there are any possible conflicts of interest, I just absent myself from deliberations and let the directors decide.

More important, however, is the similarity of our general philosophies—probably because our genesis was so similar. Joe was an immigrant from Russia. I was born in Poland. He came over to this country and realized the American Dream. So did I. He was a great believer in free-

dom—free enterprise and personal responsibility—and he tried to advance those beliefs throughout his life. So do I. He and I are both very proud of our Jewish heritage. There wasn't a lot of conflict between our philanthropies because we're so similar and we want to accomplish so many of the same things.

PHILANTHROPY: Do Taube and Koret ever formally collaborate?

MR. TAUBE: In recent years, there are many projects that we have undertaken together. Both the Koret board and my board believe very strongly in collaborative funding. Both boards recognize that collaborative funding can achieve impact that a single charitable entity may not otherwise be able to achieve. Let me give you some examples.

We are working together on a major project in the Palo Alto area: the Taube Koret Campus for Jewish Life. It's one of the largest projects ever attempted by the Bay Area's organized Jewish community. When it's finished, the campus will offer retirement housing, lifetime educational opportunities, and a major community center. It's financed by municipal bonds, but about half of it is private equity. In order to jumpstart a project of that magnitude, you need a pretty hefty lead donor. Both Koret and Taube boards felt this was a very important project. We jointly put in \$20 million and are committed to raising substantially more.

We're also working together on a new facility for the Stanford Institute of Economic Policy Research (SIEPR). It will cost over \$30 million to construct a much-needed new building. John and Cynthia Gunn, entrepreneurs and community leaders, provided the lead funding, on the order of over \$20 million. But project approval was subject to a short time-fuse that required the project to be fully funded before it could get going. When we were made aware of the timetable requirement, the Taube Philanthropies joined with Koret to provide significant joint funding to facilitate project approval.

PHILANTHROPY: It's interesting that your two examples of collaborative funding are both in the Bay Area. Koret and Taube are both located in San Francisco, and

both invest heavily around northern California. Now, as you know, northern California has a large and accomplished community of donors. What do you think are some areas of real philanthropic excellence in San Francisco? By the same token, what are some areas that you think could use improvement?

MR. TAUBE: Let's start with philanthropic excellence. San Francisco is a world leader in the fine arts. Our symphony, ballet, theater, and opera productions are simply world-class. The region attracts writers, painters, sculptors, and musicians from the ends of the earth. Private donors make most of it possible.

In addition, two of the world's very finest universities are situated in the Bay Area: Stanford University and the University of California at Berkeley. We also have the University of California, San Francisco, which is a world-class medical research facility, and we have several law schools of significance—Stanford, Hastings, Boalt Hall, the University of San Francisco, and the University of Santa Clara—three of which are private, nonprofit institutions. While the University of California is supported with public funds, all rely heavily on philanthropic support.

PHILANTHROPY: And what are the areas that could use improvement?

MR. TAUBE: Well, to begin with, if we're talking about philanthropic success, we have to be clear that it's not just the amount of money spent. It's the impact that the money generates. One of the reasons that the arts have excelled in San Francisco is that it's not a very complicated giving matrix. Arts-supporting grants are targeted to specific events—to a certain production or performance. Single-purpose giving is the easiest kind of philanthropy. For the same reason, it's relatively easy to give to a capital project, like a building, laboratory, zoo, or auditorium.

The more complex giving matrices involve human services and welfare, where measuring and evaluating outcomes is a lot more difficult. With social welfare projects, it's very difficult to determine service-delivery efficiency, long-term impact, and return on philanthropic investment. In fact, in many cases, donors don't really have any kind of procedure or policy in place to measure those results. That's foreign to me. When I was in the corporate world, if we were thinking about making a business invest-

ment, we constantly thought about return on investment and opportunity costs.

But you asked how philanthropists in San Francisco could improve their charitable giving. I think they should be much more attentive to return on investment, opportunity costs, and philanthropic efficiency—in effect, cost-efficient impact. But that's true of donors everywhere, not just in San Francisco. We could all be in better touch with our giving, carefully reviewing what is happening with the funds we donate, and carefully monitoring what kind of specific results or impact is being attained.

PHILANTHROPY: Let's turn for a moment from California to Poland. In recent years, you have made a number of major contributions to charities throughout Poland. Given your deep affection for the United States, may I ask what drew you back to your native country?

MR. TAUBE: Part of the ongoing tragedy of the Holocaust is that 1,000 years of Jewish history and culture in Poland has become essentially obscured. There are historical records and archives that detail how that 1,000-year period of Jewish culture shaped literature, art, history, language, science, philosophy, and religion. Ultimately, that 1,000-year period of Jewish culture served as the underpinnings of Western culture.

Roughly 75 percent of all American Jews are of Polish extraction. (When I describe Poland in this context, I'm talking about Greater Poland, whose boundaries have shifted rather dramatically over the centuries, on both the eastern and western borders.) Now, people who are Irish- or Italian-Americans, they talk with great pride about their history and genealogy. American Jews are not so quick to talk about Poland. Quite the contrary, in fact. Many American Jews have such a hard time disassociating Poland from the Holocaust that they don't fully appreciate what their heritage contributed to all of Western culture. Unfortunately, many see Poland as nothing but a giant cemetery.

I want to restore a sense of perspective. I want American Jews to recognize and appreciate their Polish heritage. At the same time, I want Poland to recognize and appreciate its Jewish heritage. And I want everyone to understand and appreciate the massive contribution of Polish Jews to Western civilization.

PHILANTHROPY: From your perspective, what do you see as the ideal outcome from your work in Poland? To put it differently, if you were to see your investment pay off in exactly the way you imagined, what would it look like?

MR. TAUBE: Well, I think there are several answers to that question. First, and perhaps most importantly, I would like to see much greater recognition of the thousand years of Jewish culture in Poland, and its major contributions to Western culture overall.

Second, I would like to see the continued growth and evolution of organic Jewish cultural activity in Poland. One of our most important projects in this space is the Jewish Cultural Festival in Krakow. Unless you see it, you can't even imagine what it's like. Try to picture 25,000 people dancing and singing in a public square, crying, kissing each other, all in the city square of the old Jewish Quarter. Up front is a huge sound stage, covered with lights and cameras, featuring musicians playing Jewish, Yiddish, and Kletzmer music. And then you come to realize, as you see these people who came from all over Europe, that most are not Jewish.

Finally, I would love to see my efforts lead to much greater interaction among many more Americans, Poles, and Israelis. Today, around 300,000 Americans go to Poland every year. That's a lot of people. But we believe that when the Museum for the History of Polish Jews opens in Warsaw, we'll see one million foreign visitors per year to that museum alone. At that point, Warsaw will have one of the top three Jewish museums in the world, the other two being Yad Vashem in Jerusalem and the United States Holocaust Memorial Museum in Washington. What will distinguish the museum in Poland from the other two, however, is that it's not going to be a Holocaust museum. It will be a historical museum. Now, clearly, the Holocaust was such a defining event in Jewish history that it must be included. Of eight exhibit halls in this new museum, one will be devoted exclusively to the Holocaust.

Alongside greater American-Polish interaction, I hope my efforts foster much greater Polish-Israeli interaction. Our work has helped build a very close relationship between Poland and Israel. As a result of our programs,

huge numbers of Polish kids are now going to Israel, and huge numbers of Israeli kids are now coming to Poland.

PHILANTHROPY: Speaking of Israel, you were one of the architects of the Koret Israel Economic Development Fund (KIEDF). KIEDF has taken some of the microfinance and microenterprise programs that have worked so magnificently in the developing world and brought them to Israel. Most people, I think, would agree that Israel is not a developing country, so it was a very interesting idea to bring those programs into an advanced economy. Do you think that model can in turn be brought to the United States, in order to encourage entrepreneurship, private initiative, and personal responsibility?

MR. TAUBE: In some ways, Israel is a developed country, and in other ways, it isn't. For better or worse, since its inception, Israel has had a fairly top-down controlled economy. Today, it's moving toward free markets, but at the time KIEDF came into existence, it was not. Some of us were concerned that the socialist nature of its economy was preventing Israel from really, fully developing its potential, especially given its highly educated and diverse population. We compared Israel to more free-market economies like Hong Kong and Singapore. It's not a completely fair comparison, since Israel has never really had peace with its neighbors, and therefore devotes a significant portion of its GNP to national defense. But, even accounting for that we recognized that there was a very material difference in the gross national product per capita.

When KIEDF was first conceived, it was the brainchild of a Hoover Fellow named Alvin Rabushka. Alvin believed that a free-market loan fund would serve two purposes. First, obviously, it would serve as a means of getting funds to small businesses. Until KIEDF, entrepreneurs had to wait for two or three years to get loans from the government. We figured that we could turn around a loan application in a matter of weeks. Second, we thought the program would not only advance Israel's economy, but that it would also serve as an example of the effectiveness and efficiency of free markets. When Alvin conceived this, we never dreamed that it would

become as successful as it has. But that's what happens when you unleash the private sector to energetic and entrepreneurial people.

Now, to your question: Can these programs be transferred to the United States? Well, the same basic principles apply here, just as they do elsewhere. Private, for-profit industry creates all kinds of beneficial economic activity. But it's not the same. The United States is a free-market country with virtually unlimited access to capital—even in the present circumstances. A good idea will find funding. Many of those ideas—or at least a large portion of them—are coming through our universities and their research laboratories. We have been a country that has probably started more new businesses and created more new products and imagined more new concepts than the rest of the world put together.

The economic environment in the United States is radically different from what existed in Israel when KIEDF was conceived. So, are those programs directly transferable? No, I don't think so, because they're already being addressed in hundreds of other ways.

PHILANTHROPY: Speaking of universities, you have been a long-time supporter of American higher education. Since then, through both Koret and Taube, you have been very involved in higher education philanthropy. So, let me ask you: What do you think American higher education is doing right? And what it is doing wrong?

MR. TAUBE: The university system in this country is the finest in the world—without qualification—particularly in terms of its research capabilities, and especially in the sciences. The number of Nobel Prize winners produced in the United States exceeds those produced by the rest of the world combined, and the discrepancy is actually widening. I don't mean to limit my remarks strictly to the sciences. There is extraordinary work being done in economics, in philosophy, in literature—throughout the humanities. All of that is a tribute to American higher education.

So what's the bad news? The bad news is that the higher education system, at least in part, is gradually diminishing what higher learning ultimately should stand for: freedom of inquiry. Freedom of inquiry means that any subject, at any time, is fair game for discussion and debate. Unfortunately, in many of our universities, some discussion and open debate is shut down because of the ideological rigidity on campus. It is often difficult for professors, teaching assistants, and lecturers with contrarian views to get ahead (or, for that matter, to become “members of the club”) in that environment.

One of the things that made this country really great has been total freedom to any and all points of view. When you think about it, what's the difference between an

open and a closed society? In a closed society, when you turn on the television or radio, you get propaganda. In a free society, you can have free access to all points of view. By becoming increasingly monolithic in its ideological inclinations, higher education is starting to fail in its support of academic freedom.

PHILANTHROPY: That certainly dovetails with the

mission of the Taube Philanthropies' American Values Program, which works to bolster civic discourse by supporting a broader understanding and reinvigoration of American democratic values.

MR. TAUBE: My whole life has been based on the American Dream. I'm an immigrant. I was born in Poland. My family went through a long process which allowed us to become citizens. I made my way up. I became a net contributor to society. I didn't stand in line for a handout. I went out and worked hard. Of course, I was always generous with people that really, truly needed a hand. But I never felt that anybody in this country was “entitled.” Do you know who is entitled? Nobility—the kings, princes, and barons of Europe. They were entitled. Getting away from all that is one of the reasons this country came into being. Americans don't want to live in a land of entitlements. We came here

I CONSIDER MYSELF
PRIVILEGED
TO SUPPORT INSTITUTIONS
THAT WORK
TO PRESERVE
OUR FREEDOMS.

because we want to work hard and to make our own way. This country was founded on an ethic of personal responsibility. It seems like such a basic concept. And I worry that we could lose it.

PHILANTHROPY: What do you see as your best investments in this space?

MR. TAUBE: I would say my involvement with the Hoover Institution. I've been very active in Hoover for many years. I served for a long time on the executive committee, and I'm currently a member of the Hoover board of overseers. My family endowed the Hoover director, John Raisian, who is the Tad and Dianne Taube Director of the Hoover Institution. The Hoover Institution earns our support because it is dedicated to promoting freedom, limited government, personal responsibility, equality of opportunity, and the free market.

I'm trying to promote organizations that are going to be watchdogs of our freedoms. I think Hoover does a tremendous job, but there are lots of other good groups that are also committed to the idea of a free society. And I consider myself privileged to support institutions that work to preserve our freedoms.

PHILANTHROPY: There is a clear point of convergence between your work on promoting freedom and some recent legislative developments facing California's philanthropic sector. As you know, AB 624 was a measure nearly passed by the state legislature. It would have required some foundations to disclose the race, ethnicity, gender, and, in some versions of the bill, sexual orientation of all staff, board members, and grantees. What did you think of AB 624?

MR. TAUBE: There is a growing view in our society that in order for a group to be legitimate, it has to look exactly like the rest of American society. This view is advanced under the heading "diversity," which is strange, because if that idea of diversity ever succeeded, all groups would look the same, which wouldn't be very diverse at all. I can't think of anything I've ever experienced in life that would suggest that if you want to put together a team to achieve an optimal result, you should put the emphasis on ethnic, gender, or racial requirements as opposed to talent.

Same thing goes for philanthropy. If I thought I would get a better return for my philanthropic dollar from an entirely black staff or an entirely Asian board, I would put it in place immediately. It is really quite remarkable that there are some interest groups that want to subordinate questions of skill, talent, dedication, and effort to some mandated ratio of race and ethnicity. I think if we, as a society, go there, we lose.

PHILANTHROPY: Looking forward, are there any charitable projects that you haven't funded—but would like to?

MR. TAUBE: Yes. There is one thing that I've been thinking about a lot, but I'm not quite sure how to do it yet. One of my principal concerns is the preservation of freedom in the United States. Now, in order to have a free country, it's necessary to have a free press. A free press is a press that is ready, willing, and able to present all the different points of view that bear on an issue. If people are not informed in an impartial and unbiased manner, if there is only one point of view that they ever hear, how can they possibly make a decision that was in the best interest of their country or their civilization?

What I would like to explore are ways to distribute and influence the body politic with much more balanced reporting. So how do you create that? I'm not sure yet. It won't be easy. It will take a lot of people—this is another area ripe for philanthropic collaboration, I would say—working together to bring balance back into the media, particularly in its political coverage. I'm sure there is more balance in terms of basic news: political turmoil in the Congo or a fire in downtown Boston, or reporting on a sporting event. But coverage of politics, economics—of ideology, of ideas—is badly unbalanced. And, ultimately, we live off of our ideology. When dealing with politics, or economics, or culture, reporters should be much better informed about covering ideological perspectives.

I look at this project as an extension of my beliefs about higher education, about philanthropic freedom, about freedom in general. It's totally consistent with my other work protecting freedom. Basically, what I want is for all points of view to be heard. I don't believe in drowning out or ignoring any reasonable arguments. I believe in the freedom to speak, to worship, to create wealth, to have access to information, to give money to the charities of your choice. That's what I believe has contributed historically to the unique greatness of our country. **P**