Bruce Kovner met William Simon once. He thinks it was probably when Simon was Treasury Secretary, under President Ford. “The impression he left on me was the same as he left on the public. I remember his grasp and defense of principle, which struck me as unusual and powerful.” Also, “his post-Treasury life was fascinating. He was a great businessman and did thoughtful philanthropy.”

Bruce and Suzie Kovner are the 2016 winner of the William E. Simon Prize for Philanthropic Leadership. The Kovners concentrate their giving on three areas: First, ideas, particularly conservative or libertarian ideas that show promise of improving American public policy. Second, one specific, shining idea—that low-income families, like other families, should have high-quality choices in the schools they send their children to. And third, excellent music, particularly the intensive training of young prodigies that goes into sustaining classical music into the future.

Bruce and Suzie married in 2007. Their main home is in Florida, and they also have a home in Manhattan. Despite giving away hundreds of millions of dollars, the Kovner name is on very little. In 2005, New York magazine described Bruce as “the most powerful New Yorker you’ve never heard of.” He is resolutely private, and naturally self-effacing.

You get a hint of the lack of pretension in Bruce’s clan from a family story about pronouncing his surname. Bruce and his father always said “Kahv-ner,” but other relatives used “Kohv-ner” or “Kuv-ner.” Bruce recalls that “once, several of us who used different versions went to our grandmother, who didn’t speak English. Sitting at her feet, we said, ‘Tell us, once and for all, how do you say it?’ After she had spoken, each of us exclaimed, ‘See? I’m right!’”

By the editors of Philanthropy with reporting by Jay Nordlinger.
An American story
All four of Bruce’s grandparents were immigrants from Russia or Poland who came to America with nothing. Three were religiously conventional Jews. Bruce’s paternal grandfather was a militant communist atheist. “I sometimes wonder how these values get transmitted,” says Bruce—whose own politics could not be more different from his grandfather’s.

One thing Bruce does share with that grandfather is a love of books. When he founded his own company in 1983, he named it after William Caxton, one of the first book printers in fifteenth-century England. Kovner has always inhaled books. He collects rare ones, too. In the library of his Manhattan home he pulls out first editions of the Nuremberg Chronicle (1493), whose cover is in pigskin and wood, of Thomas More’s Utopia (1516), of Adam Smith’s Wealth of Nations (1776). Kovner has even commissioned his own collectible book: the monumental Pennyroyal Caxton Bible—the twentieth century’s only complete Bible from Genesis to Revelation that is newly illustrated by one artist (Barry Moser).

Kovner’s mother was a homemaker and his father did a variety of jobs, working in construction for a time, becoming head of the sheet-metal workers’ union, then training himself to be a mechanical engineer. “He was a clever guy and we debated politics all the time,” says Bruce. Izzy Kovner was basically an FDR Democrat.

The family moved from Brooklyn to Los Angeles when Bruce was eight. He went to Van Nuys High, and became student-body president and a good athlete. His best sport was basketball, but he was even better on the Knowledge Bowl team.

At the Knowledge Bowl he had an adversary named Michael Tilson Thomas—who is now one of America’s most famous orchestra conductors. “He has been a lifelong friend,” says Kovner. “But we have slightly different memories of who won what at the Knowledge Bowl.”

Bruce eventually decided he wanted to go to Harvard. Why? “First, my brother had gone to Stanford, and I wanted to outdo him. Second, I was tremendously enamored of Harvard grad John F. Kennedy.” Off he went, on a scholarship. More from Harvard Yard in a moment, after we get to know Suzie.

Another American story
“I have never been called ‘Suzanne’ except by my mother when I was in trouble,” explains Suzie Kovner. “I much prefer ‘Suzie,’ because then I know I’m not in hot water.” She was born into a prominent business family—her great-grandfather co-founded Fairchild Publications, which eventually published Women’s Wear Daily, among other magazines. Her grandfather didn’t go to college, jumping straight to work to help build up the company. A few friendships, though, made him an admirer of Colgate University in upstate New York, and he became a benefactor. That’s what got Suzie interested in attending.

Suzie and her three sisters grew up with charitable activity. “My parents served on boards and volunteered for this and that,” says Suzie. “So it was perfectly normal for me, when I turned 22, to volunteer at Sloan Kettering Cancer Center.” Chipping in like that “was just part of the air that we breathed, which was so lucky and wonderful for us.” Suzie serves at Sloan Kettering to this day.

Her family life, like Bruce’s, included regular political conversation, but the Fairchilds were Republicans and strong advocates of free enterprise. Suzie confesses that in 1992 she voted for the “Man from Hope.” “My mother was so disappointed in me,” she says. “The day after the election, she called me and said, ‘See what you’ve done?’” Suzie did not vote to re-elect Bill Clinton.

In 1981, when Suzie was 13, her mother took her to see a famous eight-and-a-half-hour-long theater production of The Life and Adventures of Nicholas Nickleby by Charles Dickens. There were dinner breaks, but Suzie was reluctant to leave. “It set my world on fire,” she says, and began her lasting passion for plays. She now raises funds for the National Theatre in London and serves on the drama council of the Juilliard School (which has a theater program along with its well-known academy for training musicians).

Campus politics
Bruce entered Harvard in 1962. As part of his scholarship he worked various campus jobs. For instance, he got up early in the morning to make breakfast for the law students, learning to crack eggs two at a time, one in each hand. Asked if he can still do that, Suzie chimes in before he can answer: “We crack his eggs for him now.”

He was a Young Democrat, and early in his freshman year took a trip to Washington with other Young Democrats. They did not meet their hero from Camelot, but some members of his Cabinet talked to them, including the President’s brother, the Attorney General. “I had a certain amount of chutzpah,” says Kovner, and he asked Bobby...
failing to finish his Ph.D., deciding in the early 1970s
to head in other directions. “Poor Bruce,
he never got to be an assistant professor
somewhere,” Wilson liked to quip.

Seeing the numbers
Kovner knocked around a bit
after leaving graduate school. This
included some time working on
political campaigns. It included some
taxi-driving.

In 1973, Bruce was in New York
City while his fiancée Sarah Peter (with
whom he eventually had three children
before they divorced in 1998) was off
in Germany, studying. He wanted to
join her abroad for a few months, but
needed money to make that happen. So
he wrote reports for a Congressman on
tariffs and trade. He sold memberships
in a singles club that his brother had
started. Then he started driving a cab
during the graveyard shift from 10 p.m.
to 6 a.m.

“There were often sagas in the
back seat. Some were hilarious. Some

Kennedy how the Justice Department
could support I. G. Farben, the German
chemical giant which had collaborated
with the Third Reich.

The Holocaust made a big
impression on Kovner. When he
was a kid in Brooklyn he went to
Hebrew school, and his teacher had a
labor-camp tattoo on his arm. He’d
also had an eye burned out, and refused
to wear a patch over the empty socket.
“I remember sitting there thinking
it was beyond comprehension. It has
never left me.”

That’s one of the reasons Kovner
wanted to study international politics. In his
freshman year he had a class with Henry
Kissinger. “He is a very deep thinker and
a wonderful teacher, and he exposed me
to a world of thinking that was extremely
helpful,” says Bruce. There were other
important teachers. One was James Q.
Wilson, who would turn into an influential
political scientist. He and Kovner became
lifelong friends. Foremost was Edward
Banfield, a seminal political scientist a
generation older who became a mentor to
Bruce, indeed a kind of foster father.

Bruce majored in government but took
a lot of economics. Classical economics
and the classical political theories of liberty
bowled him over. Owing to his leftist
family background, “I had zero appreciation
as a kid for the nature of markets, or the
political philosophy that underpins the
American experience.”

Hungry to learn more, he entered a
Ph.D. program at Harvard in government.
One of his professors was Daniel Patrick
Moynihan, who was recruited into the
Nixon White House after the election
of 1968. He did some recruiting himself
among his students, inviting Bruce to come
along. “Banfield and Wilson said to me,
‘No, finish your Ph.D. You can always go
into government later.’” Kovner never did

finish his Ph.D., deciding in the early 1970s
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“There were often sagas in the
back seat. Some were hilarious. Some
The Kovners aren’t generally interested in naming their gifts. One big exception: the $60 million merit-based fellowship they created at Juilliard, where their desire to build personal relationships with the students convinced them to put their name on the program.
unrepeatable. And the places you wound up…”

While hacking, Kovner learned two serious things that helped edge him toward his ultimate career. First, he appreciated the concrete accumulation of money. “I loved starting every evening with about $20 in change, then having three or four hundred dollars at the end of my shift.” A nice wad.

Bruce also appreciated what he calls the “autonomy” of driving a cab. That got him thinking about how he wanted to make his living in the long run. “I’m not an organization guy. I’ve never worked long for a big organization. One of the things I loved about the financial markets is that they grant you total autonomy. I felt very comfortable in the marketplace, because, if you do it well, it gives you autonomy in life.”

Then in the mid-1970s Kovner turned his studious instincts toward a new field: financial markets. “I immediately found an affinity for them. I just got it. It was like everything clicked. I’m very comfortable with mathematical relationships, and I could see the numbers. I could literally see the arbitrages. I don’t mean this in a metaphorical way. I could see them as a matrix. I could see what was out of place. It was a moment of self-revelation.”

Eventually, the theorizer began to put his money where his mouth was (or where his brain was). With $3,000 borrowed on his credit card, he made his first trades in February 1977. One of his three trades resulted in a small loss. The second produced a small immediate gain. The third trade—a Jewish kid from Brooklyn buying soybeans—exploded. In two months it was worth $50,000. But Bruce didn’t sell until his stake had fallen back to $25,000.

For a couple days he didn’t feel like eating. It wasn’t so much that he had $25,000 in the bank instead of the $50,000 he might have captured. “It was the feeling that I had lost control of the process. I realized that I had attempted to play this game without a full toolkit. I did not understand how to manage risk.” Finding trades is one important skill. Managing risk is another. He began to school himself. In a hurry, Bruce Kovner got good.

By the end of his first year of trading he had a million dollars in the bank. Wanting to give up his amateur status and go pro, as he puts it, Kovner joined an established commodities trading firm, then left after a few years to found his own company. He ran Caxton Associates until 2011.

What did his former Ph.D. adviser Ed Banfield think of all this? “He was originally perplexed about why I gave up academic life,” says Kovner, “because he was a pure soul and didn’t understand why anybody would choose to do anything but read books, write, and teach. But when I started to succeed in the financial world, he was pleased.”

One day, Banfield asked Kovner if he could come into the office and just watch. Kovner said, “There’s nothing to see, really—it’s like watching paint dry—but sure.” Around then, Kovner opened a trading account for his old mentor. It made the academic’s life easier in his final years, and gave Kovner another reminder of the pleasure that comes from helping another person.

**Public-policy philanthropy**

When Bruce accumulated big money, he gave. He started with what he calls “minor civic giving.”

Donations to various local institutions. “I wanted to be a good citizen.”

Soon, though, he dove into major national philanthropy. College classmate Christopher DeMuth had become president of the American Enterprise Institute, a leading think tank in Washington, D.C. He called Kovner and asked whether he would like to play a part in AEI. The answer was yes. AEI was a natural fit for Kovner. It defended free enterprise, individual rights, and personal accountability. It advocated for a strong military and a tough-minded foreign policy. Kovner joined the AEI board in 1989, became its chairman from 2002 to 2008, and continues on the board today.

Another object of the Kovners’ public-policy philanthropy has been the Institute for Justice, a D.C.-based law firm that litigates—with a very high success rate—to limit intrusions of government power on individual liberties. “They do so much to defend the least empowered and least well off in our country,” says Suzie. “There are so many barriers to small business, for instance. Shouldn’t American citizens who pay taxes have the right to run their own hair-braiding operation, or sell hot dogs on the street, or start a bus line?”

The Kovners first began supporting the Institute for Justice after Bruce noticed “that they were the principal defenders of school choice in the courts. And they did a great job of it.”

Both Kovners are on fire for school choice right now. They have been tremendously impressed by the results at “no-excuses” schools that offer low-income and underprivileged children excellent, demanding education outside the bureaucratic encumbrances of conventional public schools. “Education is the fundamental tool of empowerment...”
Their little group’s membership grew, and took on a more activist role. In addition to the direct charity of scholarships and the tablesetting academic research they funded, they found it necessary to launch public education, advocacy, and political-action efforts and organizations. Their heavy investments of time and energy, and steady donations of resources, were crucial in preparing and promoting the legislation that finally passed in a nail-biting vote in the last hours of 1998—authorizing an initial trial of 100 charter schools in New York State.

Almost as soon as they opened, public demand for charter schools surged. There were creative experiments in school structure, culture, and curriculum. Before long, charter schools were producing dramatic successes with students who had been badly let down by conventional public schools. Today, there are about 200 charter schools in New York, serving more than 100,000 students. Kovner has been personally and financially involved in supporting many of them, including spectacularly impressive school chains like Achievement First, Uncommon Schools, and Success Academy. In the process he’s learned a lot about working out the kinks as an idea progresses from theory to reality.

“You actually have to learn to teach better, and we had a process of trial and error.” After laborious inventing, erring, adapting, and learning as they went (which is what the mechanisms of competition and choice spurred), charter supporters have not only dramatically brightened the futures of hundreds of thousands of local children, but also refined a social reform with demonstrated power to change any locale it spreads to.

For all of us, and especially for those who don’t have other advantages,” says Bruce. “And we know how to fix the education system in the United States. Break the Post Office-style monopoly. It’s awful that so much of the education establishment resists this.”

The Kovners are major backers of Success Academy Charter Schools, among others. Suzie is a Success director. This New York City network founded by Eva Moskowitz in 2006 has produced some of the best test scores in the city with children living in some of the poorest neighborhoods. Moskowitz says the Kovners are bold givers and participants, and points out that Bruce was a very early supporter of the nascent school-choice movement. His example has encouraged
other givers, she says, because “they know he is a serious person. So his influence goes beyond his gifts. He is a leader.”

Asked why people aren’t more impressed and grateful with the astonishing successes of the school-choice movement in just a couple decades, Suzie says, “These are still early days. I can’t look for thank-you notes at this point. Yet when you shake the hand of one of those kids and you look into his eyes and he tells you that he loves how he reacts when people doubt or criticize his public-policy giving, he answers, “I never fight back.” However, “I do sometimes find an opportunity to explain why certain principles are effective. If I have a chance to explain how markets work, I take it. If I have an opportunity to explain the nature of innovation, competition, creative destruction—all of the principles that power not just economic markets but the entire intellectual progress of modern enlightenment—I do so.”

Mozart, Beethoven, and other close friends
It’s not possible to talk to Bruce and Suzie how he reacts when people doubt or criticize his public-policy giving, he answers, “I never fight back.” However, “I do sometimes find an opportunity to explain why certain principles are effective. If I have a chance to explain how markets work, I take it. If I have an opportunity to explain the nature of innovation, competition, creative destruction—all of the principles that power not just economic markets but the entire intellectual progress of modern enlightenment—I do so.”

Mozart, Beethoven, and other close friends
It’s not possible to talk to Bruce and Suzie for long without music popping into view. Suzie is steeped in music, and a trustee of Carnegie Hall. Bruce is an amateur musician and music scholar, 15-year board chairman of the Juilliard School, and a member of the Metropolitan Opera and Lincoln Center boards.

At age 15, Bruce was in the car with his mother when something mesmerizing came on the radio. “What in the world is that?” he wondered. It was actually something otherworldly: the movement “Mars” from of Gustav Holst’s piece for orchestra The Planets. It set him searching for more classical music, and on a path to an engrossing avocation.

The first record Kovner ever bought was Beethoven’s Fifth Symphony. He collected many more records after that.
The Kovners have watched school choice evolve from pretty picture and long-range vision to thriving reality.

Among the documents is the printer’s proof of Beethoven’s Ninth Symphony, with the composer’s hundreds of final corrections and changes scratched across its surface in his own pen. This is the music Beethoven had before him while conducting the symphony’s premiere. Totally deaf by that time, Beethoven had to be nudged by one of the musicians at the end of the performance to see that the audience was standing, weeping, and thundering an ovation at him.

For about a decade, Bruce collected rare musical documents of high importance: hand-written scores, sketchbooks, first-editions, all linked to pieces or people important to the evolution of classical music. Then in 2006 he donated his collection to Juilliard. It includes treasures from Bach, Mozart, Beethoven, and other greats, and has deepened musical scholarship in New York.

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In 2009, Kovner decided to make his devotion to Baroque music concrete by providing a $20 million endowment to Juilliard’s new effort in historically accurate music performance. Thanks to this gift, all of the students in this very specialized graduate program are now on full-tuition scholarship.
Gratified by their contact with brilliant students committed to this high art despite its long labors, obscurity, and low pay, Bruce and Suzie made an even larger gift four years later. They donated $60 million to create a merit-based fellowship program that allows talented students at Juilliard to have their entire musical education paid for. In addition to tuition and living expenses there are funds for travel, auditioning, instruments, and so forth. This allows nonpareil artists to begin their performing careers debt-free, opening opportunities and choices that might otherwise have to be foregone for economic reasons.

Contrary to their usual practice, the Kovners allowed their name to be put on this program—because they want to develop personal relationships with these students. When Bruce or Suzie get hold of them outside their studies, the Kovner Fellows get taken out to lunch or dinner. They go apple-picking in the country. They join Bruce and Suzie at plays and concerts. The donors treasure these interactions—like the time they took a student to a performance of Beethoven’s Ninth Symphony and he ended up speechless, overwhelmed, and red-eyed.

The business of philanthropy
From among the almost infinite possibilities out there, how do the Kovners choose where to put their gifts? Bruce says his philanthropy is personal; he supports what he is interested in. And when a ripe opportunity arises in a field he cares about, he acts with the aim of making a significant difference.

The Kovners have given themselves a philanthropic budget, and they stick to it, but allocating their gifts requires many judgments. They like to act in force, and helping some excellent organization fulfill a major institutional objective is one favorite mode of donating. To maximize the chances that their gifts will be informed and successful, the Kovners often assume leadership positions in the organizations they fund. Bruce has a long history of immersing himself deeply on volunteer boards at the organizations he supports.

Donors who can’t or won’t invest time along with their money sometimes attach strings and requirements to their checks in an alternate effort to influence the charitable outcomes. Though Bruce has done that at times, he generally avoids it. Binding organizations and trying to set rules without getting involved in leadership is risky, he says. Conditions may change and your strictures become counterproductive. Beneficiaries may give you only the news you want to hear. The talent necessary to execute a particular requirement may be absent at the recipient group. All of these risks can be minimized by “inserting yourself into leadership and taking responsibility to fight it out at the organizational level,” Bruce suggests. Recognizing that there is no substitute for personal involvement, he usually also gives lots of time and perspective to the places he sends his charitable money.

At the American Enterprise Institute, Bruce promoted the idea of independent review: outsiders who tell you how your organization is doing. Too often, says Bruce, organizations lapse into self-congratulation. Periodic outside assessments can be important to maintaining the health of a nonprofit, he believes.

Bruce and Suzie’s foundation will not exist in perpetuity. It will be spent down during their lifetimes. They want to oversee the expenditures themselves, rather than leaving the job to others. They know that successors sometimes do funny things with other people’s money.

Excellence in education
“A key to understanding Bruce Kovner,” states his old friend Chris DeMuth, “is that his first principle has always been excellence.” Whatever he supports, in whichever field, he aims for it to be done as well as possible. There is no substitute for mastery, and no excuse for shortcuts.

Succeeding DeMuth as president of AEI is Arthur Brooks, a scholar whose expertise includes charity. Moreover, he once made his living as a musician (French horn). He and Bruce have a lot in common. Brooks notes that policy and great art “are different things, to be sure. But Bruce understands that there is a moral dimension to each.” (For more, see Brooks’s interview with Kovner in the Fall 2015 issue.)

Editor Bill Kristol, who has received Kovner backing for some of his projects, says that “Bruce is a man who thinks for himself. He is not a camp follower, of any group. I think he was really shaped by his teachers, especially Ed Banfield, who was such an original thinker, a strict thinker, without any sloppiness in him. Bruce reflects that.”

Kristol puts his finger on one other unusual Kovner characteristic. “While Bruce is well educated, he continues to educate himself, which is not the case with all of us. We tend to coast on our previous learning.” Kovner is perpetually informing and retraining himself, along with others.

Joseph Polisi, president of the Juilliard School, makes similar points. The Kovners, he says, do “deep research.” They figure out all the angles. And “they don’t have their own agenda. What they do is understand the agenda of the institution that they support. And then figure out how they can help make that agenda sustainable.”