Viewed from Pitt and Barbara Hyde’s office perched on the bluffs of Memphis, the Mississippi River appears to meander lazily on its way. But appearances can deceive. The river’s smooth, muddy surface hides a powerful flow of more than 300,000 cubic feet each second, moving boats along at a rate of up to three miles per hour amid threatening eddies and undercurrents.

Barbara and Pitt—winners of the 2017 William E. Simon Prize for Philanthropic Leadership—missed the memo to go with the flow. They riled teachers’ unions by funding the first Memphis charter school in 2001. That same year they led an effort to bring an NBA team to town amid local footdragging. In 2002, they gathered supporters to revitalize the city’s biggest park and put it under nonprofit management; the county commission stymied the plan.

But the Hydes weren’t going to give up.

Today the park, Shelby Farms, is a prime example for other cities of how to improve urban life quality through greenspace, and it’s privately managed. The NBA team, the Grizzlies, is not only in town—it’s made the playoffs for seven consecutive seasons. And now even the education powers-that-be are singing the virtues of school reform. The Hydes, meanwhile, continue to do what they’ve always done when problems pop up: gather concerned citizens, search for capable leaders, and offer lead gifts to make their community exemplary.
A retail revolution
Pitt Hyde is Memphis-born. His grandfather started the family food distributing company, Malone and Hyde. Growing up “we talked business all the time,” Pitt remembers. “I first started hanging about supermarkets when I was five years old.”

After graduating from local private schools—where he became fast friends with future FedEx creator Fred Smith—Pitt went off to the University of North Carolina to study economics. He came home and went to work at Malone and Hyde—and then tragedy struck. His father fell ill and had to withdraw from active management of the company.

By age 28, Pitt was CEO of the largest wholesale food company in the South.

At the time, Malone and Hyde supplied more than 1,000 independent grocers in 12 states, bringing in $500 million in annual sales. The company also operated about 100 supermarkets and had a regional drugstore chain. It would have been a management challenge for a seasoned executive, much less a young man only a few years out of school. Pitt remembers it as a “baptism by fire.” But he must have been a natural, because the company grew into the third-largest wholesale food distributor in the country.

Contributing editor Evan Sparks, who grew up in Memphis, is editor-in-chief of the ABA Banking Journal.
For advice he consulted another Southern entrepreneur he’d come to know: Sam Walton. The older man had founded Walmart about a decade before Pitt took the reins at his family company, and operated in the same small-town markets that Malone and Hyde supplied. The two men, though a generation apart in age, took a shine to each other. In the early 1970s, Pitt became one of just two non-Waltons on the Walmart board. “I learned a hell of a lot from him,” Pitt reflects. “He was the most amazing retailer.”

At that time Walmart was years away from disrupting the local grocery trade, but Pitt was nonetheless growing worried about the future of small independent grocers—his company’s bread and butter. “I was concerned about the long-term outlook for the food wholesale and distribution business,” he says, “even though we were doing very well.” In the grocery business, a good profit margin is 1.5 percent. He started searching for a less cutthroat market to expand into.

Auto parts caught his eye. “That was the first time I’d been exposed to the do-it-yourself market,” he says. He and his team started investigating, and what they found smelled like opportunity. There was no nationally dominant auto-parts retailer. “The general quality of the regional companies was not good—yet everybody was growing and making money.” Profit margins on auto-part sales were so high—around 10 percent—because when a customer is buying a part, he really needs it. He doesn’t have time or inclination to shop around; he has to have an alternator now.

Pitt—who notes with a chuckle that he has never been a “car guy”—decided to try it out. His team opened Auto Shack in a small town about 40 miles west of Memphis in 1979. Though he didn’t know auto parts, he was a merchandising expert, and figured out how to get the specialized parts customers needed into stores faster than the competition. In 1987, Auto Shack spun out of Malone and Hyde and ultimately became AutoZone. “He took his family business and completely revolutionized it,” marvels Fred Smith.

What really set the company apart were helpful employees and strong customer service. “When we first got into the business our approach was very unique. Once competitors saw what we were doing they copied our store layout, and everything else,” Pitt says. “The one thing that has continued to differentiate us to this day is the AutoZone culture of putting customers first.”

Looking homeward
But while AutoZone was flourishing, Pitt’s hometown was struggling. In 1968, the first year Pitt took on major responsibilities at his family’s company, Martin Luther King Jr. was assassinated at the Lorraine Motel. Unrest, crime, and white flight followed. “The city took an incredible hit,” Pitt remembers. “The economy just went flat.”

Pitt was convinced, along with most of Memphis’s black leaders, that the Lorraine Motel needed to be dealt with properly—unlike most of his fellow white civic leaders, who “wanted to bulldoze it and erase it,” he says. So he began working with a black leadership group on a plan to build a civil-rights museum that could convert a source of tragedy and shame into a place of education.

The National Civil Rights Museum was Pitt’s first major philanthropic project—one he says he’s devoted more hours to than any other. He spent five years “busting my rear,” navigating the initial resistance of the Memphis business community, infighting among the...
fellows proponent, and general suspicion of his motives. "It was challenging," he recalls. "I kept thinking, 'You have to keep the long view in mind, because this is something that is important to the city and to the country.'"

When the space opened in 1991, tension turned into healing. Visitors today are presented with a detailed history of the civil-rights movement. The exhibits culminate in a view of King's room, number 306, preserved as it was the day he died. "We have our issues today," says Pitt, "but the museum helps us think of the progress that has been made, and be thankful for the people who made that possible."

Soon, Pitt would have help on his civic projects. Long before she married into the Hyde family, Barbara Rosser's life was shaped by philanthropy. A native of Atlanta, she attended the University of North Carolina on a Morehead Scholarship, endowed by a Carolinian who built his wealth through the Union Carbide company. After graduating she did a stint as a teacher in Kenya, then returned to UNC as a development officer. She raised funds for the college's first million-dollar-endowed professorship.

In 1990, Barbara called as a fundraiser on a 1965 graduate named Pitt. Not long after, Pitt joined an alumni trip to the former Soviet Union that Barbara led. Romance blossomed; the pair were married in 1992.

In Memphis, Barbara became the leader of what is now the Hyde Family Foundations. "As somebody who used to raise money for a living, it feels like a dream to get to be on the other side of the table," she says. "While it is a privilege, I've learned how hard it is to give money away in a manner that makes a real difference—and that doesn't have unintended consequences."

Barbara's gift for fundraising has fueled what has become a Hyde signature strategy: partnerships. The Hydes are leaders in Memphis philanthropy, but
they almost never go it alone. “In almost every major project that we’ve been involved in, I’ve helped raise a significant amount of money in addition to what we give,” she comments. “That skillset of not being scared to ask other people for money has been helpful.”

They seek not just co-founders but partners to ensure that projects succeed, and they earn trust by listening. Rip Rapson, president and CEO of the Kresge Foundation, recalls a dinner that Pitt and Barbara hosted to discuss possible improvements to the downtown riverfront. “They essentially receded and let other people talk about what their priorities were and where they saw the community going. They are great table-setters.”

Pitt and Barbara’s personalities and strengths balance each other as well. “She’s got her eye on the horizon, on the big picture. And he wants to know, ‘Will it work?’” says Jen Andrews, executive director at Shelby Farms Park. “It’s almost like insurance, protecting the success of the organizations they help lead.”

Pitt credits Barbara with an important shift in the family giving. “I’d always been engaged in philanthropy,” he says. “But it was more responding to the good organizations within the community, traditional support. Then we started thinking, ‘Look, if we’re going to really make a difference in this town, we’ve got to be instigators of positive change. How do we stretch ourselves to do that?’”

Their strategy had two parts. First, they would focus “all of our energies on Memphis,” says Pitt. They knew that their vision of a revitalized hometown would require a lot of money, far more than they had themselves. It would also call for intense personal engagement with community leaders. Extending beyond Memphis would dilute their efforts.

Second, they would seek to make the city a model for urban revival. “We saw Memphis as the perfect test,” Pitt says. “Memphis is a big enough city to have all the same problems and opportunities as any urban center. We have a minority-majority population, and a high poverty index. If we can demonstrate that we can turn these factors to a positive, Memphis could become a model.”

One model result can be seen while walking the streets of south Memphis. St. Andrew’s AME Church is housed in an impressive modern building surrounded by trim bungalows on tree-lined streets. Two decades ago, it was at the end of a long spell of “disinvestment, devastation, disenrollment,” says Kenneth Robinson, who arrived to pastor St. Andrew’s at the time. “It was, charitably, a dying church.”

And the neighborhood was suffering the same fate. When churches like St. Andrew’s that anchor a community start to decline, the entire area can struggle. Gone are the community volunteers. Gone are the relationships among parishioners. Gone are the open doors and shared spaces.

Robinson was a physician, ordained minister, and developer when his bishop sent him “kicking and screaming” to Memphis. Under his leadership, St. Andrew’s started a community development corporation to help catalyze investment alongside the church members’ own contributions to the neighborhood. In the big cities of the North, church-related CDCs were common, but “in Memphis, which had been stuck in the late ’60s,” there were no counterparts, Robinson says. Pitt and Barbara took note.

The Hydes’ first major project with Robinson, in the late 1990s, was renovating the gym at the St. Andrew’s community center, then financing an 80-unit apartment building. “After building three or four single-family houses, our little faith-based CDC took on a huge administrative, managerial, red-tape project. But we worked it through Pitt and his property management company,” Robinson remembers. “We figured out how to get it done and generated, with a huge commitment from the Hyde Family Foundation, this marvelous high-end apartment community.”

The Hydes doubled down on St. Andrew’s with support for its Circles of Success Learning Academy, the first elementary charter school to open in Tennessee. “It was a risky investment at that time, but it didn’t really matter to Pitt and Barbara that the state had very restrictive initial charter-school legislation. We were interested in new opportunities for kids who had potential but were languishing. So were they. And they just kept plugging and pushing.”
A new career in civic reform
In 1996, at the age of 53, Pitt was diagnosed with prostate cancer. He began the process of stepping down from the top spot at AutoZone and dedicating the majority of his time to philanthropy and civic leadership with Barbara. He got interested in his surgeon’s scientific research and began supporting it philanthropically.

He also created a for-profit company to develop new therapies. (“I wish it were actually for-profit,” he laughs ruefully. “I’m still struggling through the profit part.”)

Building on Memphis’s reputation as a cancer-treatment center and as the home to Tennessee’s oldest medical college, Pitt also launched the Memphis Bioworks Foundation, a nonprofit to help develop the
schools were featured on “60 Minutes” in 2000, Gap founders Don and Doris Fisher poured an initial $15 million into expanding their program. The Hydes helped bring KIPP Diamond Academy to Memphis in 2001—as a “contract school,” because charters were not yet permitted in Tennessee.

Pitt helped change that. He lobbied the Tennessee General Assembly in 2002 to get the state’s first charter-school law passed, literally walking the halls and finding allies wherever he could. As a former CEO of one of Tennessee’s largest private employers, he had the confidence of many lawmakers, and his personal engagement was a key reason the bill passed, notes Jamie Woodson, then a Tennessee state representative and now the leader of a statewide education advocacy organization. The new charter-school law was restrictive—limiting charters to areas where the existing schools were categorized as poor. And Pitt knew that charters alone wouldn’t solve the myriad problems afflicting the public schools.

“They never bought into the idea of a silver bullet,” says Carol Coletta, a longtime Memphian and Hyde family friend now at the Kresge Foundation. The Hydes sought to use all available tools and methods to increase the overall number of high-quality school spots. This meant bringing in new charter networks like KIPP, and supporting private schools with good outcomes. It also meant trying to improve the quality of teachers and principals in Memphis’s conventional public schools by attracting and supporting talented educators. Barbara led the way in persuading Teach For America, TNTP, and New Leaders in the mid-2000s to bring their energetic young teachers to Memphis, an effort that continues with the Memphis Education Fund initiative the Hydes helped found. They also used political and public-policy levers to prod the school district to improve schools.

These local efforts by Pitt and Barbara gained national attention in 2009, when Tennessee threw its hat into the federal competition for $4.4 billion “Race to the Top” money, for the best state plans to raise student performance. Pitt worked with former U.S. Senate majority leader Bill Frist, a Nashvillian, to put together a group of CEOs and civic leaders to advocate for strong statewide education reforms.

One idea was to use student-performance results in assessing, retraining, and paying teachers. Tennessee collected good data on student achievement, but “the teachers’ union had it written in legislation that these results could not be used for teacher evaluation,” Pitt points out. “So here we were spending $7 or $8 million to gather information that served no purpose.” Pitt’s group got written into the state’s Race to the Top application a commitment to use student-performance data to improve teaching. A bill legalizing that, and making a raft of other reforms, was signed into law.

several local high schools enrolled freshman classes in the hundreds but graduated seniors only by the tens. In 2001, 39 percent of Memphis’s 165 public schools were on a state watchlist for poor performance. And poor schools were a direct driver of the high poverty levels that held Memphis back. “Economic development is based in large part on the ability of your workforce,” says Memphis mayor Jim Strickland. “I want to build a city where high-quality workers want to live.”

Coincidentally, a new no-excuses school program emphasizing a mix of academic skills and personal character was just beginning its national expansion. After Mike Feinberg and Dave Levin’s first two KIPP
This in turn sparked good news from the Bill & Melinda Gates Foundation. It would grant Memphis schools $90 million for a teacher-effectiveness initiative—to complement the reforms Hyde and company pushed through the legislature. The Gates money “got the teachers union to agree to a host of reforms: measuring student outcomes, pay for performance, teacher evaluations based on student outcomes,” says Pitt.

Tennessee ultimately took home $500 million of federal money to implement its reform plan. The Hydes rejoiced in the supplemental funding—and in the new laws now in place to hold teachers and schools accountable. With the funds, the state created Tennessee’s Achievement School District, a state-run district that took over more than 30 especially troubled schools—some to operate itself, but most turned into charters run by new operators.

All but three of the ASD schools are in Memphis. In 2011, the remaining Memphis City Schools dissolved and merged into the Shelby County Schools system. The Hydes were also instrumental in working with Shelby County Schools to establish an “innovation zone” to give traditional public schools the same autonomous and flexible features as schools in the ASD. (For more on innovation zones, see page 51.) With these major changes in the public school ecosystem, the Hydes are busy—supporting the conventional district schools run by Shelby County, the state-run ASD schools, lots of charter schools, and more. “Our whole focus is on quality. We are agnostic about who delivers it,” says Pitt.

That willingness to work with all parties extends to faith-based schools as well—which is fitting for a city that ranks in the top five nationally in houses of worship per capita. “Some of our most powerful partners have been churches,” says Barbara. “The faith community is one of Memphis’s authentic assets. It helps bridge racial divides, and solve social issues of concern to all Memphians.”

The Hydes were part of an effort to reopen eight previously closed Catholic schools in Memphis—known as the “Miracle in Memphis.” It’s nearly unheard of for a Catholic school to be brought back once it has closed. But these so-called “Jubilee” Catholic schools are now thriving. Other faith-based grantees of the Hydes include the Memphis Teacher Residency, which provides training, living accommodations, and classroom experience to evangelical Christians who receive a master’s degree in exchange for a commitment to teach in an urban school for at least three years.

**Taking it outside**

On a mild summer Saturday, the place to be in Memphis is Shelby Farms Park. At 4,500 acres—nearly six times the size of New York’s Central Park—the grounds offer options for lovely solitude even when thousands of hikers, bikers, and picnickers are on the premises. On our visit, a young father rides by slowly, pulling his napping daughter in a bike trailer, while rambunctious twin boys follow on training wheels. Near the visitor center, on a massive green lawn, a free yoga class is concluding. At the other end of the lake, a new restaurant called the Kitchen—launched by Elon Musk’s brother Kimbal—hosts a packed patio of brunchers.

For anyone who had not been to Shelby Farms Park in the past few years, the place is unrecognizable. The park had been through previous incarnations as a failed utopian commune (in the nineteenth century) and a penal farm (in the twentieth). Starting in the 1970s, Shelby County shut down most of the penal-farm operations and began allowing recreational use as a county park. But it remained something of a hodgepodge—experimental fields here, an R.V. park there, an expo center at one end. A freeway shot through the middle. It became a popular spot for biking, hiking, jogging, and sailing, but with a modest appropriation from the county it was “undercapitalized and underdeveloped,” Barbara says.

As suburbs grew up around the park, pressure mounted for the county to begin selling off parcels for development. “Every major city in the country is interested in improving its green, recreational, outdoor areas,” Pitt explains. “We were struck by the fact that we had this huge asset just sitting there. Most cities have had to spend a fortune assembling park space! The stage was set.”

The Hydes joined with other activists and donors in an effort to place the park under a nonprofit conservancy, but developers who wanted access to the land and citizens suspicious of putting public lands under unelected charitable management convinced the Shelby County Commission to reject the plan by a two-vote margin. The Hydes regrouped and strengthened grassroots support for the park, and in 2007 the county awarded the conservancy a contract. The conservancy board, chaired by Barbara, commissioned a master plan. The Hydes made a $20 million challenge grant to jumpstart the initiative—the couple’s largest gift up to that point.

The park’s celebrated design came from a public competition. The winning entry came from James Corner, the landscape architect who created Manhattan’s beloved High Line. At the heart of the park is a lake—today named Hyde Lake—doubled in size and surrounded by native plants. A visitor center, event space, and eatery all opened for at least three years.

Tennessee’s Race to the Top application included a promise to use hard-headed measures of student performance to evaluate teacher effectiveness.

All thanks to the leadership of the Hydes.
The event spaces provide earned revenue, enough to match the park’s considerable philanthropic support on the current track. Taxpayers provide just 12 percent of the park’s budget, a flat sum that has not increased since the pre-conservancy days, even as park attendance has tripled to two million people annually. A major driver of Shelby Farms Park’s growing attendance is improved access, a point of pride for Pitt and Barbara, who are avid cyclists. Bikers and pedestrians can now get to the park from a new bridge to the south and a ten-mile rail trail stretching from midtown Memphis.

The Hydes are actively supporting other efforts to extend the walking and biking network though Memphis’s green space. They co-funded a new bike and pedestrian path on an unused rail lane of a Mississippi River bridge, connecting downtown Memphis to Arkansas’s network of levee trails. The Big River Crossing, as it’s called, is the longest public pedestrian and bike crossing of the Mississippi. “You really get a perspective on the river out there, and sense of the power of it, and then the beauty of Memphis sitting there on the bluff,” says Barbara.

Pitt adds that bikers can now ride from Arkansas to Shelby Farms Park, 17
This work has restored not only land but also the Hydes’ enthusiasm for public giving. Being able to see large projects to completion “is just feeding our souls,” says Barbara. “It’s giving us so much back. It’s recharging our batteries so we can keep on with the long, hard work of education reform, for instance.”

The next generation
Talk with Pitt and Barbara long enough and the word “generational” will make an appearance. It’s the way they talk about the projects they take on. The work of improving schools is a multi-generational task, while Shelby Farms Park is a generation-defining public asset for the city. The word also applies to their investments in local leadership. “We’re beginning to think about that next generation: Where are the emerging leaders in Memphis coming from? Where’s the next generation of philanthropists in Memphis going to come from?”

The need for leadership development is something Pitt understands intuitively, having stepped into the top job at a big business at such a young age, and he and Barbara place a premium on mentoring rising leaders. Take Ekundayo Bandele. The playwright and stage director is founder of the local Hattiloo Theatre, which was hailed nationally when it hired Olivier Award-winner Katori Hall as artistic director. As his theater has grown, Bandele has had to complement his artistic talents with leadership skills. The foundation put him through an executive-training class that included one-on-one coaching, instruction in fundraising and board management, and introductions to other nonprofit leaders. “They invested in me personally as an arts administrator.”

Jen Andrews also found herself sliding into leadership roles thanks to Barbara Hyde. She was hired out of college a little over a decade ago as an entry-level employee at the Shelby Farms Park Conservancy. “Barbara saw an opportunity for me in development that I didn’t even see in myself,” Andrews says. “Having someone believe in you is an incredible gift. It seemed like a lot to take on but she thought I could do it.”

Barbara provided mentoring, made introductions, opened doors to instruction in management and money raising, and provided criticism. That coaching helped prepare Andrews to step up as executive director of the conservancy in 2016, responsible in her early 30s for a $4.6 million budget and oversight of nearly 40 employees. Pitt offers his own varieties of assistance. With his motto of “retail is detail” honed during his business career, he tells Andrews what he notices when he walks a trail or bikes the park.

The Hydes’ leadership investments are formal as well as personal. They support programs like the New Memphis Institute, which Barbara calls “probably our most powerful long-term strategic investment in leadership development in the city.” The group provides opportunities for emerging leaders—say, new Teach For America corps members or young FedEx managers—to “get really engaged in the city and ramp up their knowledge and involvement.” The Hyde Family Foundations “has been the training ground for cultivating our top millennial leaders,” says Micah Greenstein, senior rabbi at Temple Israel in Memphis.

Peer donors also learn from the Hydes. “They mentor people like my wife and me to be better philanthropists,” says Bill Rhodes, the current AutoZone CEO. “Not only are they leading with their financial resources, they’re intellectual leaders too.” Rip Rapson of the Kresge Foundation says that for national-level funders, “the Hyde Foundation is a sherpa, with rich ground-level intelligence.”

The Hyde seal of approval has become so well known in Memphis that private foundations and corporate givers are often happy to follow suit. “There’s hardly anything they’ve been involved in that we haven’t,” says FedEx’s Fred Smith.

This determined, intelligent, long-running, and (when necessary) brave giving and civic leadership is gradually changing the texture of Memphis. “It used to feel like there was a very small handful of philanthropists in the city who were willing to dig in and engage,” says Barbara. “Over the last 25 years I’ve seen that change. Other philanthropists are stepping up, in a huge way.” That’s what infectious success can lead to.