David Rubenstein

David Rubenstein’s mother hoped he would become a dentist. But the life path for her only son would take some unexpected turns. Using scholarship money to attend Duke University and later University of Chicago Law School, Rubenstein was bit by the public-service bug and bad hopes to both work as a lawyer (to pay the bills) and serve stints in government (to serve America).

After toiling at a law firm and in the Carter administration, Rubenstein would joke that he wasn’t particularly excellent at either. Then he tried something new—a private-equity firm, located in a place without private-equity firms: Washington, D.C. Teaming up with Daniel D’Aniello and William Conway, he founded Carlyle Group in 1987. Today, Carlyle is one of the largest private-equity firms in the world, with $170 billion under management.

During his 50s, Rubenstein began serving on numerous nonprofit boards. He’s currently the chair of the Kennedy Center for the Performing Arts, the Smithsonian Institution, and the Council on Foreign Relations, and an active board member of the Harvard Corporation, National Gallery of Art, University of Chicago, Memorial Sloan-Kettering Cancer Center, Johns Hopkins Medicine, Lincoln Center for the Performing Arts, and more. His philanthropy has focused on traditional targets: higher education, medical research, the arts.

But a smaller percentage of his giving has garnered the most attention—what he calls “patriotic philanthropy,” like placing an original Magna Carta at our National Archives, or repairing the Washington Monument. Philanthropy spoke with Rubenstein about his interest in history, his take on civil discourse today, his Bloomberg TV interviews of other leaders, and more.

Philanthropy: You joke that private equity is the highest calling. Is it?
Rubenstein: I only say it for laughter. The highest work of mankind is using your time, energy, ideas, and money to help other people improve their lives.

Philanthropy: When did you get serious about philanthropy?
Rubenstein: I came from very modest circumstances. Most of my life as a young person was spent trying to figure out how to make a way in the world, pay for my kids’ educations, things like that. But then as Carlyle became more successful, and people began to publish statements about my net worth, I realized that I had a lot more money than I could spend wisely on my family.

When I turned 54, I read that, on average, a person that age had already lived two thirds of his expected actuarial life. I realized if I waited until I was 64 or 74 to start giving, I might not see what happened with my gifts. So I decided to spend the latter third of my life giving away my money. But donating intelligently is not as easy as it might seem.

I like to remind people that philanthropy is not synonymous with handing out money. It’s a derivative of an ancient Greek word that means loving humanity. And you can show love to humanity in lots of ways, including giving money. I’ve gotten very involved in nonprofit boards, and in capital campaigns for charities. I probably am on more boards than a sensible person should be, but I enjoy it as a way of helping these organizations with more than just checks.

Philanthropy: How did you arrive at your philanthropic priorities? I’m particularly curious about your emphasis on “patriotic philanthropy” and historical preservation.
Rubenstein: I got scholarships, so I helped the university that gave me scholarships. I live in Washington, D.C., so I helped D.C. in various ways. Most of my money goes to education and medical research, but since so few people are doing what I have coined “patriotic philanthropy,” that piece of my giving gets more attention than maybe it deserves. A lot of people give hundreds of millions of dollars to medical research. But a relatively modest grant to fix the Lincoln Memorial is something novel, so it gets lots of attention.

Like most things in life, this started by serendipity. I happened to go to an auction of the Magna Carta in New York. I bought it, and it put on permanent loan to the National Archives. Then I got to thinking that other historic documents should be put on display so all Americans could see them. So I started buying rare copies of the Declaration of Independence, the Constitution, the Bill of Rights, the Thirteenth Amendment, things like that. And I began putting them in places where people could see them, on the theory that if people saw the originals, they might be inspired to go back and learn more about American history, and become more informed citizens, and there might be a modest contribution to improving our democracy.

When the Washington Monument had its earthquake damage, I offered to put up money to repair it. I began to realize that there were a lot of other monuments and memorials that weren’t getting the funding that they needed: Monticello, Thomas Jefferson’s home; Montpelier, James Madison’s home; the Iwo Jima Memorial; Mount Vernon. I put up money to help repair these things to make them better, to have people go there and enjoy the experience more, and hopefully be inspired to learn more about American history.

Philanthropy: Why do you think few people invest in that kind of thing?
Rubenstein: When you fix the Washington Monument or the Lincoln Memorial, people say “Why are you doing that? Why can’t the government do that?” I’m probably one of the largest donors to the Smithsonian, the Library of Congress, the National Archives, maybe the National Gallery of Art, and certainly the Kennedy Center. Many people say, “Why are you giving money to these organizations? They are federally oriented and the government should come up with the money.” But the truth is, the federal government is running a large deficit. We have $20 trillion in debt, and the government just isn’t going to fund these organizations at the level they need. I’m trying to fill the gap a little bit.
Philanthropy: Just a short while after it reopened following the earthquake repair you paid for, the Washington Monument suddenly closed again for two or three years. Is that frustrating?
Rubenstein: It’s closed for two reasons. The elevator now needs repair, and I am putting up the money for that—about $3 million. That could be fixed in much less time. The reason it’s going to be closed again for so long is because they are trying to build an entranceway that is very secure so when people enter the monument it will be clear they are not carrying anything contraband. Additional security is what’s taking the time.

Philanthropy: Have you always had a fascination with history, and how did you cultivate that?
Rubenstein: I don’t have a brain that’s very good for science or math or physics, so I read a lot of history. As a young man, I worked at the White House.

I have a program now where I try to educate members of Congress about American history by interviewing great scholars. We have dinners at the Library of Congress every other month or so, and we will have people like David McCullough or Doris Kearns Goodwin come in. I’ll interview them, members of Congress will ask questions, and we have a very pleasant and informative session.

Philanthropy: You’ve given to Robert E. Lee’s mansion at Arlington National Cemetery. There’s been a fair amount of strife right now about Confederate remembrances. What’s your take on the controversy?
Rubenstein: The mansion was created by the step-grandson of George Washington as a monument to Washington. Some people call it the Custis Lee Mansion because George Washington Custis married into the Lee family. Eventually, Robert E. Lee lived there.

I gave to the house for a couple reasons. I felt that if you go to Arlington Cemetery, which to me is the most sacred land in the United States, the structure at the top of the hill should be well kept and worth seeing. But the house had been run down. Restoring it was a way to have an attractive place that reminds people of American history, the good and the bad. I also made clear that I wanted the slave quarters built out, so that people can recognize that slaves worked there. I also did that at Thomas Jefferson’s home, and at James Madison’s home. I want people to understand that these Americans were slave owners.

As to the wider Lee controversy, I don’t think anyone is saying that you should pay homage to Robert E. Lee statues because he defended slavery. I think we should understand historic figures in their complexity. Christopher Columbus had his faults, George Washington had his faults, Abraham Lincoln had his faults. I have my faults, everybody has faults. And when we learn about history, we should recognize the good and the bad.

Philanthropy: Some donors get nervous about funding something in partnership with the government. They are afraid of red tape, or stalled projects, or general incompetence. Any tips on how to make sure your money is effective if the government is a co-funder or recipient of your gift?
Rubenstein: It’s a legitimate concern. The government doesn’t move with the speed that you might want, and it does have bureaucratic issues. What I’ve tried to do is work with the foundations that support the government. For example, the National Park Foundation is often involved with the things I support.

Second, make sure you meet with the various people who are involved in the process, so you can be certain that you get answers when questions arise and you know who you’re dealing with. Third, make sure that this is something that’s not going to have undue controversy or bureaucracy associated with it, so that you can get it...
Philanthropy: You didn’t grow up in wealth. What were some of the experiences and decisions that helped you succeed?

Rubenstein: My parents had modest economic circumstances and were modest in their ambitions for me. But I was very lucky. It’s an advantaged upbringing if you have an intact two-parent family and the unconditional love of your parents. There’s nothing you can get growing up that’s more valuable than that.

Philanthropy: I wanted to do something different than living in Baltimore and having a blue-collar job like my father had. I did well in school. And caught some breaks. Now I’m trying to repay my good fortune by giving away the money.

Rubenstein: Well, you have to ask, “What is life all about? Is life all about just making money, and having big houses?” No. As President Kennedy said, “When the dust settles over our civilization, we will be remembered more for the spirit of our civilization than the battles we fought or the elections we won.” What’s important about human life is our ability to create.

Philanthropy: And arts give people great pleasure. When people leave a symphony or a museum, they tend to be smiling, happy. Some are inspired to create themselves.

Rubenstein: There’s a fair amount of grousing about the 1 percent and concentrated wealth. For those who do find themselves in that category, what is their responsibility to the nation?

Rubenstein: I think it’s to say, “I have more wealth than I need to spend on myself. I’ve been fortunate to get this. I should do something that makes other people’s lives better.” Most people who are in the upper 1 percent (though not all) are involved in giving. I signed the Giving Pledge that Bill and Melinda Gates and Warren Buffett developed; we now have about 170 signatories. These people want to help others and give away most of their money. But you don’t have to be very wealthy to give away money. People at all levels of wealth can give, do give, and should.

Philanthropy: You’ve started doing long interviews of business and political leaders for Bloomberg TV. Why? I thought private-equity people were reserved?

Rubenstein: I don’t have a staff because then I’d have to convince them to do what I want to do, and they’d be trying to convince me to do what they’d prefer. I give away a fair amount of money every year, and I know what I’m interested in. I get involved with lots of organizations, and make the decisions myself. So I don’t feel a need to have a staff. Or to get a lot of follow-up. I’m able to keep on top of it.

Philanthropy: How is that working out for you?

Rubenstein: Each campus is different. I have been on four university boards: Johns Hopkins, Duke, Harvard, and the University of Chicago. Robert Zimmer, the president of the University of Chicago, released a very important statement about the importance of free speech at universities. Universities should encourage speakers of different backgrounds and perspectives. In general, universities should expose students to a range of thought.

Rubenstein: The higher-education system in the United States is the envy of the world. Our universities are spectacular in the education they give and the research they do. But their costs are very high, and they’ve got to make certain that people can afford to attend.

Philanthropy: You seem to care a lot about civility and bringing together politicians from both sides of the aisle.

Rubenstein: If I had the answer for that, I would be in Iowa getting ready for the caucuses. I don’t know. I think as a general rule of thumb, if people talk with each other and meet with each other, people will be more civil. The breakdown happens when you don’t know the other person, you don’t engage with him. What I’m trying to do is bring people together and have them hear from others.