

Roger Hertog's speech accepting Philanthropy Roundtable award  
October 15, 2010

I'm truly honored to be receiving this award in the name of William Simon, a great entrepreneur and philanthropist.

But you've asked me to talk about my own approach to philanthropy. I must admit that I'm a bit uncomfortable talking about myself. Not that I'm so humble; ask my wife. Still, I'll do my best given the honor of the William Simon Prize.

Most personal journeys start with a biographical story. In my case there are two. The first led to political questions and, ultimately, a political world view. The second led to a deep respect for entrepreneurship, free markets, and capitalism. Taken together, these have done much to shape my philanthropic vision.

So let me begin.

My parents were blessed to be able to come here as refugees from Hitler's Germany in 1938, three years before I was born. Neither of them had any skills that were immediately marketable in this country. They didn't even speak the language.

Almost all the rest of my family on both sides was murdered in the Holocaust – grandparents, aunts and uncles, cousins and all. Aside from my parents, I had one relative in this country and one in England.

One thing that concerned me during my early teen years was the fact that the only pictures we had hanging in our single-bedroom apartment in the Bronx were two newspaper photographs of Franklin Delano Roosevelt.

I knew of course that he had been our President, and a great one in many respects. My mother absolutely revered him. But why didn't he allow European Jews to come here? Why didn't he pressure England into letting more Jews into Palestine?

Why weren't my parents and teachers more concerned with these questions? I asked, but I never got good answers.

The experience made me a skeptic, even as a young adult, about governmental power. Yes, it could be a potent force for good. But it could just as easily fail at the most critical moments, which it did.

Over time, this skepticism led to even more fundamental questions about the size and nature of government. Questions like – how should free people govern themselves? What should government do? What should it leave to others? What could we learn from government successes and failures?

The second life story led to my commitment to the ideas of entrepreneurship and capitalism.

I needed to work during my years at night college, and I got a day job on Wall Street – a small job, but one that gave me enough of a glimpse into the business world.

My interest intensified when, at the age of 27, I became part of a small group that helped the young investment and research management firm Sanford C Bernstein & Co. get on its feet. Participating in building that firm taught me not only how incredibly difficult it is to start an enterprise from scratch.

It meant navigating the most complex environments with a small group of partners, and usually no map. The ups and the downs were frustrating. But on balance there were more ups than downs. The experience of being a part of a firm

that started with 13 people and 30 years later had 1,000 imbued in me the deepest kind of respect for what entrepreneurs in the capitalist system could accomplish.

Now in my early 20s, if you had asked me about my priorities, in truth, I'd have said three things. First, making money. Second, meeting girls. And a distant third was the world of ideas.

By the time I was 25, I had checked off one of them. I'd married a terrific young woman, still my bride today, after 45 years, three grown children and three grandchildren.

Twenty years later, the success of the Bernstein firm had also made me confident on the score of financial security. Not that I didn't still have to work. But at that point, two of my children were already in college, and I could concentrate some of my energy on the third priority, ideas.

I spent a lot of time reading small journals like *Commentary* and *The Public Interest*. I tried to deepen my understanding of American history, of the governing political and economic principles of America and the West, of the existential challenges facing Israel and the Jewish people, and of the great figures of the past who helped shape the future.

At 68 years of age, in the final chapter of my life, my full-time occupation is investing in the world of ideas. It is hard work — requiring the same creativity, judgment, and strategic sense that were necessary in business.

My governing purpose is to find, support, and hopefully influence the next generation of leaders, be it in politics, the academy, history, religion, or national security.

Two foundations are the means to my philanthropic ends. One is the Tikvah Fund -- Tikvah means “hope” in Hebrew -- which was funded by my partner Zalman Bernstein, and focuses on bringing the richness of Jewish ideas to the very best young minds; and second is the Hertog Foundation, whose purpose is to bring the very best ideas in defense of Western civilization -- especially political and economic thought – to, once again, the very best young people.

While the two foundations have different purposes, they follow similar strategies. Chiefly, they try to invest in the people who are conceiving the best ideas, in the institutions that transmit them, and in the young minds that are receiving them.

Both foundations also have certain tenets in common. To begin, there's the importance of a sunset clause. We've set approximately a twenty years time horizon by which all our money should be given away.

The second tenet is a hesitancy to fund endowments. I'm suspicious of support where, once the check is cashed, the donor has little if any influence.

Finally, there's the willingness to speculate. To take chances of making a mistake. There's irony in the fact that most entrepreneurs make their money by taking risks – betting on what they believe in, even though they may be wrong. Then, when they become philanthropists, they forget what sparked their success in the first place. They become too risk-averse.

My greatest worry, however, is that conservatives like me haven't invested enough time, energy and treasure in the many spaces where young minds – and even more mature adults -- are influenced. History teaches that political philosophers, both when they're right and when they're wrong, have more impact on the way the world goes than is commonly understood. Over time, the world is often shaped by the greatest thoughts—or most destructive theories—of the most powerful minds. But even the greatest minds begin life as young people. They need mentors. They

need teachers. They need to be introduced to bodies of thought and worlds of ideas that might enable them to become great thinkers themselves.

This job—the education of the young—should reside with the universities. Every single year, the smartest, most capable young men and women – those who will be the leaders of the next generation – are to be found at the top hundred or so campuses around the country.

One only needs to check on where our Congressmen, Senators, Supreme Court Justices, Cabinet members, and business and religious leaders have studied or taught. Then you recognize why the top universities are so important.

The teachers at those places are the arbiters, maybe not the final arbiters, of what our children learn and believe. If their teaching is one sided, in either direction, it does a tremendous disservice to these young men and women.

Unless we populate the humanities with an alternative to the ascendant ideology, conservative ideas about limited government, rule of law, individual liberty and the role of religion will over time lose out.

This doesn't mean we should indulge in indoctrination. That shouldn't be necessary! If we can simply get our ideas on the table, we'll win our fair share of minds.

But universities are only one piece of the puzzle. There are also opportunities to fund, or even originate, summer programs – not necessarily university-based -- where the best students can be brought together with the best faculty. The advantage here is that you, the donor, can play a role in choosing the students and the faculty and influencing curriculum.

By way of example, let me mention the Hertog Program in Political Thought, which just completed its first summer session in Washington, D.C. More than 160 students from 65 universities applied for the 20 seats this program had to offer.

The group spent seven weeks on site, devoting their mornings to studying political theory in depth, be it Aristotle, or the Federalist Papers, or Machiavelli, and the Bible. The afternoons were devoted to lengthy meetings with real-world practitioners including Henry Kissinger, Charles Krauthammer, David Brooks, General Jack Keane and many others.



If educational programs are the essential long-term investment, think tanks, small magazines, books and other free-standing institutions are the best middle-term investment, especially if the aim is to develop and disseminate ideas. There are many good think tanks and magazines around the country, both left- and right-of-center. They don't usually have much overhead either. They're all about ideas.

One of the best, the Manhattan Institute, actually helped reshape New York City during the Giuliani era. It was their scholars that came up with the new conception of policing that did so much to create safe streets in New York. It was they who pioneered new welfare-to-work systems and key innovations in our public-school systems, both K-12 and at the City University.

Imagine what a high return an investment in that kind of institution was, when it meant helping to turn around the largest, most powerful city in the country if not the world – a city that was considered ungovernable.

One of the nation's truly premier think tanks is the 30-plus year-old American Enterprise Institute in Washington, D.C. There are 60 scholars on their roster, with a remarkable set of achievements over the last 25 years. Just contemplate their most recent success, achieved by military historian and strategist Fred Kagan.

During the worst period of the war in Iraq, Kagan and his team came up with the idea of the surge. By 2006 everyone knew that a new strategy was desperately needed. But it was a small group of thinkers at AEI that developed the strategy and ultimately sold it to the White House. It changed policy and turned around a war that had seemed to be hopeless.

There's also been a long tradition in this country of extremely influential small magazines. One of the best is *Commentary*, which in the postwar era has been in the middle of the debate -- and I would argue winning the debate -- on the largest questions facing our nation regarding national security, foreign policy, cultural issues, and U.S. support for Israel.

A number of us started a new magazine this year in D.C., called *National Affairs*, concentrating on the domestic side of the agenda. It comes out quarterly and links often unknown scholars, who are writing soberly, and persuasively about our nation's largest social policy issues—such as public-sector unions, school choice, the future of the welfare state, and the racial achievement gap.

There are other kinds of institutions that can also have an important impact on big issues. I'm involved with the New-York Historical Society an important institution with a national mission. Its purpose is to help people of all ages –

including the very youngest – see and understand the great stories of American history as their birthright.

Sadly, public schools, and many private ones, no longer spend much time teaching the Constitution, the Revolutionary War, the Civil War and even World War Two. Efforts like those of the Historical Society are helping to fill the gap not just in New York, but around the country.

There are also other important challenges in the world of public education. It's sad but true that bad ideas usually hurt the most disadvantaged members of our society the most, and better ideas are often their best and only hope.

As things stand, inner-city children are forced to begin life with very unfair disadvantages. They never get to understand the exceptional nature of this country, the history of free markets, what has been accomplished, and perhaps most important, what they themselves can accomplish. Charter schools, in essence, are about competition. They exemplify what this country is all about.

Let me close by saying something about my interest in Judaism and in the future of the Jewish people and the Jewish state. I have come to understand how so

much of who I am and what I believe—about politics and about life—is connected to religion, in my case to the Jewish question.

Whether stronger political leadership in 1930s might have prevented the Shoah we'll never know. But what seems self-evident is that strong political leadership will be needed in the days ahead if the Jewish people are to survive. And what I have come to appreciate, in the gradual return to my tradition, is that the Jewish people and the Jewish way of life are indeed worthy of survival. That many of the great moral ideas of the West have Hebraic roots, and that the Jewish tradition and the Jewish State are reservoirs of wisdom and beacons of hope that matter to all lovers of civilization and democracy, Jews and non-Jews alike.

I have no delusions of grandeur. Many well-intended philanthropic efforts amount to nothing or worse, and sometimes the best we can do is make a difference on the margins. But occasionally, and in ways that I may not see in my lifetime, the right investments in people and in ideas could really matter. Intellectual depth.

Political realism. Largeness of soul. These are the things can never be taken for granted, and Americans who, first and foremost, care for the future of our country must re-dedicate themselves to these noble purposes.

Thank you.