

Weill's Work

An Interview with Sanford I. Weill,
Chairman Emeritus, Citigroup Inc., New York

EDITORS' NOTE After graduating from Cornell University, Sandy Weill cofounded the securities brokerage firm, Carter, Berlind, Potoma & Weill, which later became Shearson Loeb Rhoades Inc. and was acquired by American Express in 1981, while Weill was serving as Shearson's Chairman. He proceeded to serve as President of American Express and Chairman and CEO of its Fireman's Fund Insurance Company subsidiary. In



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1986, he was appointed Chairman of Commercial Credit Company, which, through a series of acquisitions, changed its name first to Primerica Corporation and then to the Travelers Group. In 1998, during Weill's tenure as Chairman and CEO of Travelers, the firm merged with Citicorp. Weill served as CEO of the merged company, Citigroup, until October 2003, and as Chairman until April 2006. Today, he holds the title of Chairman Emeritus. Among Weill's numerous professional affiliations, he has served as a director of the Federal Reserve Bank of New York (2001-2006) and as a director on the boards of United Technologies Corp. (1999-2003), AT&T Corp. (1998-2002), and E. I. Du Pont de Nemours and Company (1998-2001). The 1997 recipient of the New York State Governor's Art Award, Weill has been Chairman of the board of trustees of Carnegie Hall since 1991, is Founder and Chairman of the National Academy Foundation, and is Chairman of the board of overseers for the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences of Cornell University. He is also Honorary Chairman of the Committee Encouraging Corporate Philanthropy.

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Corporate philanthropy is an issue close to your heart. Was this instilled in you at an early age?

My interest in corporate philanthropy started in the late '70s. I care a lot about New York because New York has been very good to me, and at that time, a lot of financial companies were thinking about moving out of New York City. That industry was a great engine of growth for New York's economy, and I thought it would be a shame. I looked around at New York's schools, and the vocational prepara-

tion the students were getting was related more to the turn of the 20th century than it was to the jobs now available to graduates. There was no match between job opportunities and what was being taught. So I went to the then Chancellor of the Board of Education, Frank Macchiarola, who now runs St. Francis College in Brooklyn, and I said, "Do you think we could create a public/private partnership between the financial sector and the Board of Education to create a curriculum that trains young people for a career in the financial services industry, so that they become interested in business?" And he thought it was a great idea. We then reached out to Sandy Feldman, who at the time was the number two at the Teachers' Union, and we received their support. We also decided to attach internships to the program and worked with industry experts to create the curricula. We started with just one school in Brooklyn, John Dewey, and the National Academy Foundation is now a four-year high school program in over 530 schools in 41 states, with over 50,000 kids participating. Little did I know that 20 years later our program would expand beyond just financial services to include hospitality, tourism, and information technology. The concept of the program was to give kids an opportunity to see what lies beyond education, and entry-level jobs, and show them that education is really the key that unlocks the door to the future. Over 90 percent of the kids graduate and over 80 percent of them go on to college – and these are all kids from inner cities. The way to shrink the differential between the very highly paid and the low paid is through education – making our education system more modern and responsive to today's world. So we're starting a new program this fall in engineering. Less than 3 percent of U.S. engineers come from minority communities and less

than 10 percent are female. It's important for our country to have more engineers, so we can compete with other countries that have tons of engineers. So to make a long story short, that's how I got started: I was interested in my industry and in New York City. And from that, my interest expanded into the arts and into health care, as well.

How important and how possible is it to measure the real results of philanthropy?

I think it's very important. It's no different than running a business. I was lucky enough to have an incredibly successful career in the for-profit business world, so I am just transferring what I've learned there into the nonprofit area. Education is at the heart of everything that my wife and I do. We have to modernize and change our education system if the United States is going to be successful 50 years from now. The National Academy Foundation has gotten two grants from the Gates Foundation, which has been a major help in defining our focus as an agent of reform. This program is replicable. It does work. It can be relevant in many different educational categories and it gives students opportunities.

Philanthropy is not just about money; it's about using your brains, your passion, your time, and your energy to make things better. It has created a way for me to move seamlessly from running a major company to another part of my life in which my contributions may be even more important than they've been so far.

You mentioned the arts. What are some examples of the efforts you have made in that area?

When I worked at American Express, I got involved with Carnegie Hall. At the time, Carnegie Hall had a dilapidated building and had trouble raising money. Jim Wolfensohn [former President of the World Bank] and I co-chaired a major capital campaign to raise money to refurbish the hall. I've been Chairman of Carnegie Hall for 16 years now, and as with the other organizations that I work with, I feel that it is always important to lead by example. On my 70th birthday, my wife and I made the largest gift to Carnegie Hall's education campaign to create an endowment to expand music education. Carnegie Hall has also built Zankel Hall, a \$70 million facility to broaden our musical

Sanford Weill with the National Academy Foundation students from the High School of Economics and Finance in New York

repertoire to reach much younger audiences. We've also begun distance-learning programs for children in other countries, and those have been very effective as I believe that the arts is a way to help bridge cultural divides. I am also excited to tell you that we have built a \$270 million endowment.

And, obviously, Cornell's Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences is close to your heart.

Absolutely. Just to give you an idea of how Weill Cornell has really gone global, we're developing a medical school in Tanzania, in partnership with the Catholic Church, the Tanzanian government, and the Touch Foundation, and we're working to improve the hospital system there as well. People who see what we're doing there are so motivated by it. They say, "This is why I became a doctor in the first place – to help people and make life better for them." We also have a research operation in Haiti. Our medical school in Doha is six years old and our first class will graduate next May. We are also working closely with the Qatar Foundation on the development of a specialty teaching hospital in Qatar. This institution will have a \$9 billion endowment from the Qatar Foundation. Following our lead, three other major American universities have built campuses in Doha – Texas A&M, Carnegie Mellon, and Georgetown. Northwestern has plans for a school of journalism.

Your partnership with the Gates Foundation seems to be a successful one.

I agree. I think what Bill and Melinda and the Gates Foundation are doing all across the world is terrific. It is a great example and Warren Buffett, one of the best investors of all time, has recognized that and invested in their philosophy. There is no doubt that they will make a difference. We are proud to be partners with the Gates Foundation.

Do you think the current relationship between the public and private sectors is an effective one?

Yes, I do, and I think it is continuing to evolve. Recently, President George W. Bush asked five business leaders, including myself, to raise private money for the victims of the South Asia earthquake. Given my affiliation with the Committee Encouraging Corporate Philanthropy [CECP], it was a natural fit to funnel relief funds into Pakistan. We ended up raising over \$116 million in cash and in-kind gifts. This was an important message to send to the people of Pakistan, who are accustomed to government money that often has political overtones. The fact that the American people did so much and cared so deeply has helped bridge our cultural differences with this country, which is an important ally in the war on terrorism.

The public's perception of business leaders is less than favorable these days. Yet, corporations seem to be doing more than ever to give back to their communities. Are corporations doing enough to build an understanding among the public of just how much they are investing in society?

I think a lot more can be done and that's why I think organizations like CECP and the Business Roundtable are so important. I think

it's interesting to think about the American culture, and the fact that a lot of people who are lucky enough to benefit from being part of our society are less interested in building a personal dynasty than they are in giving back to that society. We're also seeing that more in other countries. That idea is developing, to some extent, in Asia as well. It's a terrific thing. Looking back 100 years, you have Rockefeller, Carnegie, and Ford, and today you have Gates and Buffett. Those are great examples of philanthropic American businesspeople. And it's not just in the U.S. Our world is becoming more global each and every day. We're working with leaders in Qatar. We have taken our National Academy Foundation concept to Europe, where it has grown. We've been in the U.K. now for six years, growing from three academies to over 40. The public sector there has worked with the different schools to create internships, just as they have done in the States. We just opened our first academies in Ireland. So I think that if the hardest-working and most passionate CEOs would devote some of their passion and brainpower to the not-for-profit world, it would help a lot.

There's only so much one person can do. What are the parameters you use for deciding which initiative to lend your passion and brainpower to?

For my wife and I, it has to have an education component, and we are plenty busy with our various organizations. I was in business for over 50 years, and I saw a lot of things. I believe it always pays to ask the busiest person to do more, rather than ask somebody that has a lot of free time. If you go scattershot and can't concentrate, I question how successful you're going to be. I've always believed in being a hands-on manager, and you know what you know and you know what you don't know, too. You shouldn't be jealous of what somebody else is doing. You should wish them good luck and concentrate on something that you really care about, and that you're willing to devote the effort to. And it can't be everything.

Some retired leaders talk about not knowing how to spend their time.

I don't have that problem.

You do seem to be as passionate and excited as ever.

I am. I love it. I'm very lucky in that the people who manage the three organizations I concentrate on are incredibly good, and I love my partnerships with them. We have a new head of the National Academy Foundation. Her name is J.D. Hoyer and she ran the "School-To-Work" program during the Clinton Administration. And I think she is a phenomenal person to work with; she's very bright and energetic. She will take us to the next level, as I believe we have one of the models that will make a difference. The same thing is true with Clive Gillinson, who runs Carnegie Hall. I just love working with him. He is a real visionary. And again, I think he is somebody who can take Carnegie Hall to the next level. At the medical school, Dean Tony Gotto and I have a special relationship: He and I have signed up to raise, over the next five years, another \$1.5 billion on top of the \$750 million we just raised. As part of this effort, we will be bringing in more terrific researchers

and teachers to continue making the kinds of discoveries that will improve the world's quality of life. So, in short, I love my partners and I learn a great deal from them.

You and your wife have a unique and close working relationship. Is it important for you to have her involved in projects you are developing? Do you look at it as a team effort?

It is definitely a team effort. My wife and I have been married for 52 years. So we've gone the whole route together. When we started out, she made more money teaching two days a week in the New York Public School system than I did working for Bear Stearns, working five days a week. Given compound interest, she tells me that I still owe her. She is Chairman of two not-for-profit institutions. One is the Alvin Alley American Dance Theater, which is now based in the largest building dedicated to dance in the entire United States. Next year, they'll celebrate their 50th anniversary. That organization is a fantastic cultural ambassador for the United States. They do more traveling around the world than, I think, any other cultural group from the United States. She's also Chairman of Paul Smith's College in the Adirondacks, which specializes in the culinary arts, ecology, and forestry. She's trying to develop a nursing school, which would be a terrific thing for the community, and it's really needed. She is also a director of the Touch Foundation and the White Nights Foundation of America. She has been a terrific partner in all the things that I do, and I try and be a partner in what she does.

Do you ever take the time to step back and appreciate all that you have accomplished in the not-for-profit sector?

I'm always looking forward. I think the only way you can build a good organization is to keep moving forward in a controlled way. If you stand in place to be self-laudatory, you'll end up going backward. When I really retire – when I stop doing what I'm doing now – there will be plenty of time to think about that. But I don't see that on the horizon in the near future.

Given that philosophy, do you think you will ever slow down?

I hope not. I'm certainly spending a lot more personal time now with my grandkids, kids, and wife, which I really enjoy. I'm not as stressed as I was for the 50 years that I was in business. I'm now able to sleep on Sunday nights, not worrying about who was going to do something stupid next week. But I think that when you stop creating, you die. I've seen people do that. So I want to stay focused and engaged.

What advice do you give young people when it comes to their careers? What should they be doing early on to get on a path for success?

They should think about being a team player. They should not be afraid of saying what they think and try to think out of the box. They shouldn't be afraid of change. They should look at change as an opportunity. And I think, most importantly, they should get involved in the not-for-profit world early. When they make parallel contributions, they will find they will become a more well-rounded person. ●