

Greenberg on Giving

**An Interview with Maurice R. Greenberg,
Chairman and Chief Executive Officer, C. V. Starr & Co., Inc.**

EDITORS' NOTE *Maurice (Hank) Greenberg is Chairman and CEO of C. V. Starr & Co. He joined C. V. Starr as Vice President in 1960, was elected Director in 1965, Chairman and CEO in 1968, and continues in that role. He retired as Chairman and CEO of American International Group, Inc. (AIG) in March 2005, after serving as Chief Executive Officer from 1967 until March 2005. Under his leadership, AIG became the largest insurance company in the world and generated unprecedented value for AIG shareholders. During the nearly 40 years of his leadership, AIG's market value grew from \$300 million to \$180 billion. Greenberg is Chairman of the Starr Foundation where he oversees the disbursement of major financial support to academic, medical, cultural, and public policy institutions.*



Maurice R. Greenberg

COMPANY BRIEF *With its origin in enterprises founded by Cornelius Vander Starr in 1919, New York-based C. V. Starr & Co., Inc. (www.cvstarrco.com) is a privately owned holding company with insurance agencies and a portfolio of global investments. C. V. Starr sold the bulk of its assets to AIG in 1970 in exchange for AIG common stock, retaining several small domestic agencies along with certain real estate properties and other investments.*

With so much charitable need, how do you focus your philanthropic efforts?

It changes; during the recession, human need became a priority.

Over Thanksgiving, as we have for years, we gave out a massive number of turkeys. We have donated tens of millions of dollars over many years to emergency food programs. We have not only helped individual families, but also organizations that provide support to people who are homebound because of age or infirmity.

Education is another priority, because the U.S. has fallen behind. Our primary school education system is an issue. We have the best universities in the world, but American children are less and less prepared for that level of study, and many universities have a major part of the student population made up of foreign students. I'm all for attracting them, but

many go back to their own countries and don't contribute anything to our country's economy.

We also care about health care and have done a lot there, not just in managing current health care issues but also in conducting research that will take care of tomorrow's problems. We have a long way to go in getting the answers to cancer, but we have some of the best researchers in the world working on it. We have been involved in it corporately and I've been personally involved.

We've also done a lot in Africa in trying to help stop the ravages of so much disease and developing ways to contain it.

Are you surprised that, for instance, homeless children are still an issue in a country like the United States?

Always. We have given generously over the years to organizations that serve the homeless and develop affordable housing. But it's something I can't change. I can only try to help those who we can help. We can't solve every problem there is.

What troubles me is that, in New York State, the burden isn't properly shared; private finance has had to take over the burden of doing what government should be doing. That doesn't mean that government can solve all problems, but there are some things they have to step up to do. They spend money so foolishly that there isn't enough left to do the things that should be done.

There was a long debate on health care reform in the U.S. Did true reform take place with the reform bill and was the dialogue the right one?

No, the Obama health care plan will break the system – many doctors will leave the practice.

We have to find a better way of dealing with the end-of-life costs of medicine. I don't mean that you stop treating people in the last six or nine months of their lives – you have to find a better way of doing it. It has to be humane. We can't just say, if someone is old and sick, put them in a bed and give them painkillers – that's not America. We have to set an example, not just give up.

You have collaborated with Yale University on a program to create a better relationship with China. Why did you feel

that was important and has it progressed the way you had hoped?

Yes, although it is important to note that we have been supporting programs to foster better relations with China for decades. We have to have a better relationship than we currently have with China. We have to help young Chinese people to know more about us and to understand us. When somebody understands you, they're less likely to be your enemy. If they go to school in the U.S. and make friends here, they will be more likely to be our allies when they go back to China and become leaders. So it's a long-range plan, but it will pay off.

Is the U.S. really falling behind and, long term, will it remain competitive on the world stage?

I haven't lost faith in America. We have gone through a period that is not our proudest, but we will get our act together.

The basic fact is that we've always believed in smaller government with the private sector being the engine of growth; the government can't be the engine of growth. The private sector has got to lead the charge. There has to be incentive for people to go into business and invest.

If you have the highest taxes and the most dire regulatory environment, why would people want to go into business here? Germany, China, and Brazil are now booming because they recognize what it was that made us great and they've adopted it.

With its regulatory environment, is the U.S. going to lose its entrepreneurial edge and can more be done to spur young people into growing companies?

First of all, you have to have funds to invest. This environment makes it very difficult for companies to get start-up money. Lending is very scarce at banks now. You also need a regulatory environment that doesn't lead to foolishness but instead to opportunity.

The Dodd-Frank Act that was passed is a nightmare. If you tried to comply with all of those regulations, you'd be tied up in knots for years. Companies throw their hands up and say, we're going to move offshore; we just can't do it.

But there has to be common sense. The people who are writing the regulations have never run a business. How can they possibly write informed regulations unless they get input from those who have run businesses. ●