

Effective Philanthropy

An Interview with Howard P. Milstein,
Co-Chair, Howard & Abby Milstein Foundation

EDITORS' NOTE Howard Milstein leads the third generation of his legendary business and philanthropic family. An entrepreneurial builder of innovative large-scale companies, Milstein is a leading figure in local, national, and global affairs. His ability to marshal business, government, philanthropic, and family resources drives a breadth of initiatives across health, civic, educational, and security matters. Milstein is currently



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Chairman, President, and Chief Executive Officer of New York Private Bank & Trust and its operating bank, Emigrant. He also chairs and operates the Milstein family's real estate companies including Milstein Properties, Milford Management, and Milstein Brothers Real Estate Partners. In the philanthropic arena, Milstein is Chairman of the New York Blood Center, the American Skin Association, and the Milstein Medical Asian American Partnership Foundation (MMAAP Foundation). He is a Trustee at Cornell University and an Overseer of Weill Cornell Medical College. He serves on the Dean's Advisory Board of Harvard Law School and on the board of the National September 11 Memorial & Museum. Milstein has received numerous awards, including the 2008 Entrepreneur of the Year award from Cornell. He is a 1973 summa cum laude graduate of Cornell, and earned both his law degree and M.B.A. from Harvard University. In late 2012, as Chairman of the New York State Thruway Authority, Milstein orchestrated the landmark design-build contract for the new Tappan Zee Bridge in Westchester County, New York, at a savings of nearly \$2 billion to New York taxpayers.

ORGANIZATION BRIEF The Howard and Abby Milstein Foundation (www.howardandabbymilsteinfoundation.org) participates actively in the organizations they support, typically with hands-on leadership and long-term financial support. Eight core areas of focus have emerged from their vision: medical research and care, biotechnology and science, higher education and youth, history, religious and communal organizations, arts and culture, law enforcement and homeland security, and civic engagement. The foundation's involvement, leadership, and giving align with the essence of "Venture Philanthropy," which brings the principles of venture capitalism

to philanthropy, including active engagement in organization and operations; encouraging an entrepreneurial approach to innovation and change; and finding and investing in leaders in the field.

You have been a leader on issues related to competitiveness and renewing America. Earlier this year, you contributed \$2.26 million to the University of Virginia's Miller Center to launch the Milstein Symposium: Ideas for a New

American Century. What is your vision for the Milstein Symposium and the impact that it will have?

I firmly believe that solutions are built on a foundation of innovative ideas. We worked with the Miller Center to create a platform to advance original, consensus-based approaches to some of the most pressing challenges facing the United States. While there is no shortage of studies, academic papers, and blue ribbon commissions, the failure to turn these ideas into action makes finding real solutions increasingly difficult, particularly in today's political climate. We feel that by connecting leading scholars with distinguished members of the public and private sectors, and framing each topic in a historical context, the Milstein Symposia, meetings, and PBS broadcasts will introduce innovative, bipartisan ideas into the conversation on issues vital to the nation's future.

Why did you choose the Miller Center at the University of Virginia and what types of issues will the Milstein Symposia cover? What are the practical ways the Miller Center will have an impact on public policy and discourse?

I have known the Director and CEO of the Miller Center – former Virginia Governor Jerry Baliles – for a very long time, and knew of the Miller Center and its programs quite well. It is an institution of excellence, and these are exactly the types of institutions we support. I also have a long history of involvement with the Charlottesville area and Virginia, including serving on the board of the Thomas Jefferson Foundation, where I worked with Dan Jordan and played a crucial role in developing the Visitor's Center, where visitors view an introductory film in the new Milstein Theater. So it was a natural fit.

As to the topics we will cover, as our program's title suggests, we are looking at issues and ideas that will help reinvigorate the American dream in a new century of opportunities and challenges. We intend to take a fresh look at important unresolved issues and come up with practical solutions for policymakers, business leaders, and others who impact public debate. We'll address issues like discovering a business model for the American economy that works for the middle class in the 21st century. In the 20th century, the American dream for most families was to see each succeeding generation do better than the previous one: to own a home, be better educated, etc. It certainly was my grandfather's dream when he came to this country in the early part of the 20th century. We need to ensure that the American dream is still within reach. To focus on these types of issues, we will bring together leading scholars and stakeholders who will share ideas and build consensus around recommendations. Based on deliberations of this group and other experts, a report will be produced and presented at a Miller Center Forum, a weekly series that airs nationally on PBS.

In your role as Chair of the New York State Thruway Authority, you were instrumental late last year in the procurement of a design-build contract for replacement of the Tappan Zee Bridge. The contract came in billions of dollars under expectations. What lessons can be drawn from this project, and how can they be applied to government and nonprofit endeavors?

When business leaders apply their knowledge and experience to philanthropic and civic affairs, the results can be truly historic. With Governor Cuomo's leadership and support, we were able to negotiate a design-build contract for the Tappan Zee that came in nearly \$2 billion under budget. From my private sector background in development and real estate, I knew that bidding both the design and construction of the bridge in the same contract would lower costs and bring efficiencies and minimize cost overruns. It is a vivid example of how private sector knowledge and experience can benefit the government and nonprofit sectors. By offering leadership based on knowledge and experience, business leaders can deliver real value, not just in dollars and cents, but also in terms of positive societal impact.

This is a fascinating example of how business acumen can impact civic and philanthropic needs. Would you talk more about the ways business experience has helped?

The design-build contract for the Tappan Zee Bridge is the perfect example of how the incentives that naturally exist in a for-profit environment can be applied in public and nonprofit sectors with great success. As a builder, I know all too well that if you bid out the design and construction of a project separately, you are almost guaranteed to have higher initial costs and cost overruns – because the designer of the project is not thinking in practical terms about how much it's going to cost to build, while the construction company often doesn't understand completely what it is going to take to turn design into reality. Frequently, as problems develop, each blames the other, particularly as cost overruns pile up. With a design-build contract, there is a comprehensive understanding of the project's scope and costs, and one bidder with responsibility for designing and bringing the project in on time and at a fixed cost. A cohesive approach provides efficiencies and savings throughout the entire process. This is true whether you are building a bridge or a new building at a nonprofit institution. Again, I credit Governor Cuomo for understanding this concept when it was first presented and paving the way legislatively so that design-build bidding could become a reality. It is a true testament to his leadership – that New Yorker taxpayers and Tappan Zee commuters will reap the benefits of the nearly \$2 billion in savings compared to original state and federal estimates.

Another major focus for your philanthropic work has been to ensure widespread access to the arts, culture, and education, all areas that have been a long-standing focus for your family. Would you highlight your charitable involvement with regard to ensuring that education, history, and the arts are available to all?

Arts, history, and culture are the building blocks of wisdom, citizenship, and responsible participation in American democracy. So it is vital that cultural and educational resources be available



Howard P. Milstein, in his role as Chairman of the New York Blood Center (NYBC), with New York City Fire Commissioner Salvatore Cassano at the annual "Honor Roll of Life" ceremony for FDNY bone marrow donors.

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to all. It is one of the pillars of American excellence and, therefore, a key focus for us. This year, in fact, marks the 50th anniversary of my family's support for New York-Presbyterian Hospital and the 10th anniversary of our support for the Milstein Hall of Ocean Life at the American Museum of Natural History. Each connects us to great New York institutions. Some of my fondest childhood memories were family visits to the "Whale Room," as it's known. Today, we sponsor an array of educational initiatives that bring the complex world

business experience and expertise impact your philanthropic work?

Effective philanthropy requires planning and focus, but like in business, you must be prepared to respond to immediate human needs, particularly in the wake of a disaster or crisis. For example, after Superstorm Sandy, we donated \$2.3 million to the first responders at New York City's Fire and Police Departments, who worked tirelessly to rescue New Yorkers even as their own homes were being severely damaged or destroyed. We were touched by their dedication and selfless acts of heroism and humanity. I was very proud that more than 2,000 Police and FDNY first responders received grants almost immediately, and before Thanksgiving. I wanted to ensure that each firefighter, police officer, and emergency medical worker knew they had support from our community. In a small way, I hope we made their holiday season a little brighter. ●

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