



# Philanthropy Roundtable

STRENGTHENING OUR FREE SOCIETY

## Interview with Charles Bronfman

Handing down heritage in Canada and Israel, spending down by 2016

Interview from

*Charles Bronfman, heir to the Seagram Company fortune and a signatory of the Giving Pledge, established a family foundation in 1986 that will sunset out of existence in 2016. Most of his philanthropy has been dedicated to preserving Jewish identity; he is a founder of Taglit-Birthright Israel (profiled on page 6). A Canadian, Bronfman once owned the Montreal Expos baseball club, and threw the opening pitch at the first World Series game played outside the U.S.—at the Toronto Skydome in 1992. Bronfman and Jeffrey Solomon, president of the Bronfman Philanthropies, collaborated on two books that distill lessons from their three decades of giving. Philanthropy recently sat down with Bronfman and Solomon to discuss the foundation's legacy and how the spend-down process is unfolding.*



**Philanthropy:** Birthright Israel, your signature initiative, recently marked its 13th year. How would you rate its success?

**Bronfman:** The target market for us at Birthright is young people who've either been turned off being Jewish or never been turned on being Jewish. Judaism is a people, it's a culture, it's a way of life. The Jews are taught to ask questions and inquire and not take things for granted. You don't have to follow it. Many young adults today dislike institutions, and we go after that group. The mark of success isn't whether people have a good time on the trip, although they have to have a good time to learn anything. That is one

of our mantras. But does it change them at all? Do they decide to be Jewish on terms that are meaningful to them? We seek three things: that the participants decide that they like being Jewish, that they identify with the Jewish people, and that they have an emotional attachment to Israel. And the answer for typical participants is, happily, yes on all counts.

**Solomon:** Birthright's success is really built upon the failure of another program that the foundation supported in the 1990s called the Israel Experience and aimed at high-school students. Lessons we learned in that failure led to Birthright's extraordinary success. Something that we don't do enough of in philanthropy is recognize instructive failures and learn from them. Charles often says that philanthropy is like being a miner. You keep plunging away in hard rock. Then you hit a huge gold deposit and suddenly everything was worth it.

**Philanthropy:** Your foundation is very active in Israel. What characterizes the philanthropic culture there?

**Bronfman:** Go back in history and think about who the original Israelis were. The Jews were always a minority. They struggled; they had very little money. They just didn't have resources to do much. With the establishment of the state in 1948, overseas Jews started to send support. The problem then was that Israelis got used to handouts, and the handouts kept coming. Even when they started building wonderful institutions like the Weizmann Institute and the Technion, overseas residents were giving to those, and Israelis were used to being on the receiving end. They also didn't have tax benefits for charitable giving; they still do not have the same tax incentives that we do. Today, there is a lot of new wealth in Israel, and people are giving. They always gave locally and quietly, but now they're building a richer tradition of philanthropy.

**Philanthropy:** Your foundation has also made major investments in Canada. What can you tell us about philanthropy in our neighbor to the north?

**Bronfman:** Most Americans think that Canada is like the United States, only they freeze. That does not happen to be true. There, more so than in the U.S., society depends a lot on the government. For instance, there are few private universities in Canada, and people don't have the same loyalty to their schools as in the U.S. Even Americans who give to nothing else tend to give to their alma mater. Canadians just don't give as much; they've come more recently to the game of philanthropy. In America, you can give capital gains to your foundation and not pay tax on them; Canada did not have that until lately, so there was less incentive to form foundations.

Also, while the umbrella infrastructure for some of the major charities is similar in both countries—the cancer organizations, the heart organizations, the United Ways, etc.—Canadians, per capita, just don't give as much as do Americans. And in the foundation world, Canadians could learn from Americans about how to partner, how to look for a common goal; they are not as creative and inventive about philanthropy as perhaps they should be.

**Philanthropy:** You recently signed the Giving Pledge and went public with plans to expire your foundation, but you were intending to spend down long before. What inspired your decision?

**Bronfman:** Some people want infinity. They bring their children into their foundations, and the children will change the agendas over time. When I asked my children if they wanted to join my late wife and me they said, "No, thank you. Our generation is going to be very different from yours. We'll do our own foundations." And they've both done that. Then we said, "Well, we don't want to rule from the grave." So we asked ourselves, how much money do we have, what can we do with it, and do we make it forever or do we spend it down? And we decided in 2001 to spend it down by 2016.

**Solomon:** At the time, 15 years seemed like a long way off. It was necessary for us to have a carefully developed plan, and we decided to be very transparent in our spend-down, because there is so little written about it and we thought we could be helpful to others.

**Philanthropy:** One hurdle donors who consider sunsetting struggle with is abandoning the beneficiaries they support most strongly, and perhaps even founded. How have you helped your programs achieve independence so they can thrive without you?

**Bronfman:** Our goal in any project was to incubate it and make sure it was worthy of partnership. With partners, we could reduce our support gradually until it could stand on its own feet. We gave our grantees fair warning. People accepted this, and many of them thanked us, because they had time to find other funders. Sometimes donors will just pull the plug, which is wrong.

**Solomon:** Historica, a leading provider of Canadian history, is a good example. In 2000, when we were deciding to spend down, it was a department of our foundation. A year later, it was an independent organization with a great board of business leaders and academics and professionals from all over Canada. We worked hard with all of our beneficiaries to be sure that they had the human resources and skills necessary to make the transition.

In many ways we followed the lead of the Irene Diamond Foundation, which did a good job documenting its spend-down experience. The early notification of stakeholders was something that Irene Diamond modeled beautifully. They started as a time-limited foundation, so from day one everybody knew the plan.

**Philanthropy:** What would you say about the value of spending down to someone who is considering it?

**Solomon:** The problem with many family foundations is that the default position is to run the foundation in perpetuity, and that shouldn't be the default; it should be a conscious decision on the part of the donor or the founder. Philanthropy can be the weak spot in the lives of busy people, where they don't think through all of the aspects. So we all know many foundations that are engaged in activities that would be abhorrent to their original donors.

**Philanthropy:** Who are your philanthropic heroes?

**Bronfman:** First of all, my father. And Bill Gates. And the people who founded the Jewish Federations, the United Ways, the Catholic Charities, the Red Cross. Those are the pioneers. And the so-called robber barons, Carnegie and Rockefeller. They may have been robber barons, but by God, they paid back.

**Philanthropy:** How do you hope your giving will be remembered 50 years from now?

**Bronfman:** The Canada of today is a very different place than it was when we started our heritage programs; it's a much more confident country. People now take pride in being Canadian. And Birthright has had a strong effect on participants' Jewish identities. The real measure of Birthright's success is the words you hear from young adults. People's eyes light up. To me, it's an astonishing success.

**Solomon:** We'll help people see that you don't have to be a Gates or Buffett to change the world.

[http://www.philanthropyroundtable.org/site/print/interview\\_with\\_charles\\_bronfman](http://www.philanthropyroundtable.org/site/print/interview_with_charles_bronfman)