

**The Center on Philanthropy and Public Policy
University of Southern California
2003-04 Distinguished Speakers Series
April 14, 2004**

**Michael and Jane Eisner
Founders
The Eisner Foundation, Inc.**

“Philanthropy as a Family Affair”

The USC Center on Philanthropy and Public Policy concluded its 2003-04 Distinguished Speaker Series with Michael and Jane Eisner on April 14, 2004. An integral part of the Center’s work and its mission is to provide a forum for bringing together leaders in the philanthropic, nonprofit, policy, and business communities to consider the promise and potential of philanthropy for public problem solving, and what it takes to realize those aspirations. The theme of this year’s series was “Philanthropy and Public Policy: Leadership for the 21st Century.” In addition to the Eisners, the 2003-2004 series included Hodding Carter III, President and CEO of the John S. and James L. Knight Foundation (October 30, 2003) and Les Lenkowsky, former CEO of the Corporation for National and Community Service (February 19, 2004).

Esther Wachtell, Chair of the Center’s Advisory Board, welcomed the audience and introduced Jack Shakely, President Emeritus of the California Community Foundation and a Distinguished Senior Fellow in The Center on Philanthropy and Public Policy. Having worked closely with the Eisners during the formation of their foundation, Mr. Shakely introduced Michael and Jane Eisner and then moderated a question and answer discussion with them. The following is a transcript of Mr. Shakely’s introduction and remarks by Michael and Jane Eisner.

JACK SHAKELY: It’s a pleasure to be here with all of you. Dwight McDonald was a writer for *The New Yorker*. And he described a foundation as a large body of money completely surrounded by people who want some. Imagine that large body of money having the name Eisner, and you get some inclination of just how interested the funding community would be in that island.

It was my pleasure to be witness to the light. I think it was only a few months after you decided to create the foundation that I got a chance to be with you. Thank you, Ki Suh Park, for that introduction. And since 1996, I’ve had an opportunity to be with Michael, Jane, Eric, Anders, and Breck as they have created this fantastic private foundation.

Two distinct images stick with me. One is a family meeting that The Eisner Family Foundation had in Snowmass about seven years ago. And it wasn’t just the immediate family; it was aunts and uncles and cousins and brothers-in-law. And everyone had a stake in this Foundation, and everyone had a lot to say. And we had an awful lot of people there giving us great advice.

And I remember sitting in a screened-in porch one afternoon and having a very robust conversation about Mel Levine. I’m reminded five years later that that conversation bore some extraordinary fruit, which we will talk about later on.

My other image is walking across the asphalt yard of Gage Elementary and Middle School. It was a mighty hot day in June or July, and Jane and Michael and Anders and I were all walking together and the third-graders were just all over us like little lambs on a shepherd. And they didn't know Michael Eisner from Michael Jordan. And yet, they were having the best time in their life. They were curious. They were poking at him and asking him all kinds of "suit questions" because we were all in suits. Looking at all of us, I think we all had the same experience. That this was fun, and this was anonymous, and a little bit out of the ordinary, and this was important.

I've made a lot of big grants in my life, but I don't think I ever had anything quite move me as much as that one little incident did there on that Gage Elementary School asphalt playground. We hit three or four levels of Moses Maimonides that one afternoon.

Let me set the stage for you here and provide a couple of ground rules. In just a moment or two, I'm going to introduce Michael to you, although he doesn't really need much introduction. Then, he and I will stay up here on the podium, and we'll be joined by Jane, and I will ask a few questions.

Before I introduce Michael, I'd like to introduce some other folks that are important to the Foundation. Eric Eisner, would you please stand up and be recognized? Thank you for joining us today. One of the men who was able to stitch this all together and make sure everything was going legally, Irwin Russell. Irwin, thank you so much for being here as well. And thanks to the woman who provides the day-to-day glue, Laura Hobart, the Executive Director of the Foundation.

Michael Eisner really needs no introduction. He has, after all, been coming into our living rooms every Sunday night for 20 years. And certainly, as a giant of entertainment, he does not need an introduction. In his 20 years or more at Disney, and before that, a decade or so at Paramount, and before that, at ABC, he has been involved in the some of the great television and movie productions and, now, the entire spectrum of entertainment. But perhaps you don't know him as well as a philanthropist.

The Eisner Foundation was started back in 1996. And I think it's amazing what has happened and how much of an impact this Foundation has had in only eight years. I'd like to mention just a few of them.

One is the \$1.5 million that the Eisner Foundation gave that launched Project GRAD in the San Fernando Valley, now reaching tens of thousands of youngsters. Project GRAD stands for Graduation Really Achieves Dreams. And if you look at the Eisner Foundation web page, you know that their mission statement says, "Letting children achieve their dreams." These youngsters, if they go through the program for the full time that they're in school, can earn up to \$6,000 in scholarships to go to college. It's a fantastic program, and we're grateful to you for getting it started.

The \$2.5 million gift to the Eisner Pediatric and Family Medical Center in Downtown Los Angeles treats a group of youngsters that is almost 100 percent without medical coverage. It's a fabulous program.

And of course, the \$7 million gift to Cal State University, Northridge, to establish the Center for Teaching and Learning. This is not only the largest gift that the university has ever received, but also in honor of that, they have named the College of Education the Michael D. Eisner College of Education.

Now Michael will speak to us for a few moments, and then we'll be joined by Jane.

MICHAEL EISNER: I think this is pretty informal, so let me just give you some history of the evolution of our family foundation. I actually grew up in the family foundation world. My grandparents on both sides of my family had family foundations.

My recollection is a combination of good Thanksgivings and bad Thanksgivings. Because every Thanksgiving resulted in a family foundation four-hour meeting. This started when I was about six years old and went all the way to adulthood. So all of us were stuck in a room with my uncle and my father as they talked about family service. We would have periodic meetings throughout the year and over the years.

I learned an awful lot about family and family meetings where money was discussed. I learned about jealousy. I learned about envy. I learned about sibling competition. I learned about sibling competition at my level, at my parents' level, and my grandparents' level. I had complete panoply of what a family foundation could be and was. But at the root of the whole thing was an obligation, in the generation that the foundation was set up, for the family to get together and discuss something other than, how are you doing at school or who got thrown out of where.

We really centered on two things. One was economic, which was, for a young person growing up, an education in economics which you didn't get at school. And the other was how do you decipher people's interests, how do you come together as a team, and pick those things that you together feel are worthy causes in the nonprofit arena.

The same thing has happened exactly the way I would have liked it in our family

foundation, except I think we all get along better.

So we had these two foundations, and now the next generation was deciding how to break them up and how to deal with them going forward. At the same time I decided that, since I was in California, that I would take whatever portions I had of those foundations, add to them and have it be a California foundation.

When we set this up, the goal was really not to set up a foundation that forced the family to sit down four or five times a year in a meeting to discuss economics and to discuss goals on giving. The goal was to actually put money aside to give back to the community in which the money was earned. But the sub-goal was, and what's so great about the family foundation, is that so much more is achieved.

There probably is not a meeting we have that somebody does not complain that there's a meeting to be had. I'll tell you, I'm the first. Eric is usually the second or third. For Jane, it's never a problem. She's got it on her calendar. She's ready to go. She's read all the materials. It's like going back to school. Eric, Anders, Breck, and I are studying the night before so we can be somewhere near their mother in knowledge about what it is we're going to talk about.

The dynamic of a family foundation is exactly like the dynamic of a family at Walt Disney World. So my theory is that the family that plays together stays together. The family that has a family foundation stays together. It's kind of like all the symbiotic working relationships in my life.

When we decided that the time had come to set up a foundation of some size, we really had no idea what to do. And so, I had a friend at the University of North Carolina, Joel Fleishman, who is a great

philanthropist. I asked him what to do. He directed me to a group in Boston. And the next thing we knew, we decided we were going to have a meeting of people to advise us on what to do. And we decided to have a meeting in Snowmass.

The problem was, there were only five of us. But Jane insisted that we get the top people in the country. I said, "We can't have the top people in the country come and talk at a ski resort to the five of us. I mean, it's ridiculous." She said, "Absolutely we can." So she delivered people like Mel Levine and Howard Gardner and Ted Mitchell, really the *crème de la crème* of the areas we were interested in, which were education, abused children, learning differences and other children's issues.

So I decided that I would fill the room. I would invite my sister, my cousins, all of whom had their own foundations; all of whom got along reasonably well. So at least the room would be big enough that when these people got there, they would think we had some stature.

We had these three days of meetings. Of course, I didn't think anybody heard anything. It was very loose. And ironically, everything we heard, we ended up implementing. Everything we heard, we ended up having as part of our foundation. We learned that we probably were not equipped to do all of the analysis of all the people who needed money.

So we made an arrangement with the California Community Foundation to do the back-of-the-house work for us, do the probing, the systematic looking at grants and so forth. Irwin, and me to a lesser degree, were looking at the financial applications of it. We finally went to a group called Cambridge Associates that helped us with the Foundation's investments. So we really got extra people around us.

But at the end of the day, our one rule is that we have to go visit the sites in which we participate. So if we participate in the San Fernando Valley with Project GRAD, we have to go look at it. This is a way for all of us to stay somewhat in touch.

That really is the backbone of how we decided this. I was taught, emphatically, by my grandparents on both sides that giving should be completely anonymous; that you should never name anything; that if anybody asks you what you give, you should look at them and look dumbfounded. Ideally, we started that way. But then I deviated slightly when I found out that I needed a little good P.R. I was doing just great by people saying I was the cheapest person in America. That was just fine. Then I thought, reluctantly, that I should name something. I'm beginning to enjoy that now, actually. No, I'm kidding.

But I think there is a big value in anonymous giving. And I guess there is also some value, under certain conditions, which I can use now quite a lot, of being associated with pro-social activities. That is not the reason that we went into this, to say the least.

Up until recently, I thought it was much easier to make the money than to give it away. I discovered recently it's not too easy to make the money either. But up until recently, I thought making the money is really no big deal; giving it away is a nightmare. It is really difficult work.

First of all, there are the same numbers of people in the nonprofit world who are shady as there are in the profit world. So you can't assume that anybody in the nonprofit world is automatically aboveboard just because they say they're in the nonprofit world. Secondly, there are more needy causes than there are funds available. So you actually have to make decisions. And now you're

making decisions like you do in the movie business where you're saying "no" to a writer who may have a pretty good script, but you don't think it's as good as some other writer's script. So there's that selection process. But the problem is, if you say "no" to a writer, the writer goes on and gets another job from somebody else. When you say "no" to some childcare center, it could actually fold.

So the process by which we figure out what to do and how to do something meaningful enough to make a difference is the hardest part of foundation work. Having somebody like Laura Hobart, who runs our foundation, and Irwin Russell and, of course, the California Community Foundation, and then having a wife who is smart, is a pretty good solution.

So with that, if you want us to answer questions, we'd be happy to.

JACK SHAKELY: Jane, will you join us up here? This is going to be informal.

The two of you made two very important decisions when you started very early on. One of them was to focus on children, and the other was to focus on Southern California. Now, you're both citizens of the world, and you have many, many interests. Why did you choose these?

JANE EISNER: I think Michael touched briefly on this. One of the answers was that since we reside in California and the good fortune that we've had came in California, it seemed appropriate to put it back into this community.

And in terms of children, it just seemed right for us. There was no deep thought or strategy or vision, it just seemed like the right thing. And fortunately, it was something we all agreed on as a family. So

it was the beginning of a value-based decision.

MICHAEL EISNER: There's another reason we positively decided on California, as Jane said. On the one hand, if you have a family foundation and it doesn't have a target, it is unmanageable as far as requests for money, especially if you don't have a Bill Gates-size foundation. So, if we had said that this foundation was for anything in the United States, I think we would have been inundated, and, actually, it would have killed our focus.

JACK SHAKELY: Well, that gets us to the next question. Many private family foundations have the pitfall where they give \$25,000 to every organization they can because they see such a need, as you mentioned. You've decided to focus on very large, significant grants. And, rather than unrestricted grants to an institution, they're far more programmatic. Could you talk about that? Why have you decided to make such large gifts? You must disappoint quite a few people.

JANE EISNER: I think that we had a short evolution into that thinking. I think we started that day in Aspen. But it was a short evolution to come to that point.

We still give what we call "the hostage gift," where you have to give to your friends' charities. So you still have that level of gift. But we just found it was more satisfying and you achieved more with a large gift. It's more satisfying for us to be off in this policy-focused giving. And it's not that we don't do other grants.

A point that was touched on in a couple of conversations is getting inundated. I don't know what any of your experiences are in terms of family foundations. People I talk to say they don't get inundated. I'm not sure

that really happens. I'm not inviting more, but I'm not sure that's the reality.

MICHAEL EISNER: We did start off giving \$25,000 to everybody, and it just became, again, unfocused.

JANE EISNER: It was unfocused. It was unsatisfying. You don't feel like you've achieved anything.

MICHAEL EISNER: Well, I think we still probably do a hundred or fifty gifts a year in that category because it's very hard to have an after-school program, day care center, inner-city program, a reading program, or an arts program where their budget is a million dollars a year, and that \$25,000 does mean something to them. So you have to weigh the two.

JANE EISNER: And we're pretty flexible. We give gifts to start-up organizations. We don't limit it, like some foundations. So a \$25,000 gift to a start-up organization may be significant.

JACK SHAKELY: This leads us to the largest gift that you've made, a gift of \$7 million to Cal State Northridge. But I believe it's far more meaningful than just the \$7 million might lead you to believe. Tell us about how that gift developed. Where did it start? Was it at that screened-in-porch meeting out there in Snowmass?

MICHAEL EISNER: Well, I think it evolved. Jolene Koester, Mike Spagna, and Phil Rusche, the people at Northridge, are unbelievably impressive. And I've spent my entire career looking at the management before I look at the institution. So they're extremely impressive. And they happen to believe strongly in the idea that teachers should be able to recognize that not all children are wired the same way.

Mel Levine's history, from Harvard to North Carolina, has been pioneering the idea that all kids are wired differently and all kids have a special, unique potential. And that a kid who has some kind of learning deficiency is not recognized in the classroom by a really competent teacher. For a teacher to recognize that that child is not a disciplinary problem, that teacher has to be educated in a slightly different way.

And if you have three sons and you went to school yourself, you recognize that some of the people that were wired in the way that was appropriate for the SAT test and the chemistry exam and the calculus exam and won all the awards, are now very ineffectual in their adult life. As opposed to some kid that everybody thought was a screw-up and couldn't understand the theory of relativity, but he could do something else. And then you see that that kid, just by luck or by having had a teacher who recognized that kid had a special, unique skill that, if encouraged by a teacher, could become something amazing.

So learning from Mel and Howard Gardner, led us to start to fund programs in this area. Also, being involved with Etta Israel and Schools Attuned, and then finding this institution that educates most of the teachers in the state of California. It doesn't have the fancy name of USC or UCLA, but has an unbelievably dedicated group of people. That's where we decided to step up.

And I think they came to us because they were believers in Mel, as we were.

JACK SHAKELY: They have adopted Mel's curriculum. Is that correct?

JANE EISNER: They are integrating it now. Mike's been in North Carolina working on curriculum with them. And it's pretty amazing how this has developed. And it started with us.

We met through the teacher training programs, and then Northridge got more and more interested in doing it. And they came to us with some of the faculty that was involved in teaching these teacher training programs with Mel.

But they put together this proposal. They told us they could implement it immediately. And it was astounding. And they did it all. In a big public institution, these people achieved this amazing work. And they continue to do it day in and day out.

And, when you look at the people, you know they can do it. So we decided, let's give them the money and let them run with it.

And it's totally unique. Now they have teachers coming from all over California. Faculty from all of the teachers' colleges in California are training already. There's no end to their ambition and goals. It's inspiring to see.

MICHAEL EISNER: Also, we see all of these teacher and school initiatives, whether it's project grants or the Annenberg initiatives. I've always thought business was about common sense, and I'm now beginning to see philanthropy is about common sense. And this works.

A lot of things we fund don't work. Either they're experimental, or they don't work or, you know it's a good program, but there are other good programs.

This program recognizes that children are not all the same, and that kids in high school and grade school who appear to be disciplinary problems may have learning problems. They're hiding their learning problems by acting up because they're embarrassed about it. Examples that you see of this type of program, whether it's at Northridge or anywhere around the country, it's just really important. And I think that

you shouldn't have a teacher trained in California or anywhere that doesn't recognize that there are differences.

JANE EISNER: The other thing about this particular area that we chose was we realized that nobody was doing the work in Los Angeles. So there was a need. It was easy to get into it. It was easy to begin to work at it, because there was no one else doing the work.

So it was nice to feel that you're filling a niche that hasn't been dealt with before or addressed before, and that was appealing to us.

JACK SHAKELY: There's a huge niche. And I think Mel is now sort of the darling of PBS, isn't he?

I sat in on one of his sessions at Northridge. And as he was going through these various differing types of learning, women in the audience were saying, "That's my Jamie." "That's my Susan." And I was so profoundly moved by that. This is an enormous cause, tens times more than the \$7 million you have invested in it.

MICHAEL EISNER: I called Oprah to tell her about this program. I talked to her producer who was completely skeptical. They thought Disney must be publishing the book. "No, we're not publishing the book. I just think you ought to look at this." Well, they went from very skeptical to loving Mel, loving his point of view.

Everybody has a relative who has children or their children at home who have unbelievable potential, but in our system can't evolve.

JACK SHAKELY: Let me switch gears a little bit with you. A lot of private foundations spend as much time hiding from grantees as they do making grants, and your

foundation is out there. You have a website that's very active and robust. You've even hired an outside public relations firm. What's your thinking about that? You say you don't get all that many proposals, but apparently people think they get too many. What do you think about that?

JANE EISNER: Well, you want to present the true information. It's like any other venture. You're the best source of the real information on whatever you are doing. So that was a motivating factor. And, I think if you take in the public trust, you have an obligation to present yourself and your information.

MICHAEL EISNER: Well, honestly, we would have done it 180 degrees the other way. We would not have been as public as we've become. We would not have had a PR firm. It just runs against our general feeling.

As I said before, it absolutely became a necessity for us because when you're in a public company and you're a public proxy, and if you have a big year, they see that you've made money, and they have no sense that you are at all philanthropic. Then you have to deal with it from a public relations aspect.

But I'm not sure that's the best thing. My grandparents had foundations, as I said before. Then there was no internet, no public relationship to it. And it ran very smoothly. So I think we have a slightly different motivation here.

JACK SHAKELY: And yet, I was just looking at your website yesterday, and it is very thoughtful. And if you can't figure out what you give from that website, you're really not reading it very well. It is really honed in. And as far as I'm concerned, the best-known private foundation in the world that lets everyone know what they do is

going to get the best proposals. If you hide, you're going to get a bunch of weird stuff that you don't know how to handle. And I can tell you after 30 years in this business; it's the weird proposal that takes you longer to deal with than all the good ones combined. So I applaud you for that.

MICHAEL EISNER: Our strategy was having the California Community Foundation be the people that protected us from the weird and advance forward the positive. Because we figured it was better to pay the money to hire professionals, who didn't work for us, rather than to staff up and take the risk in trying to find people.

So we have a special relationship with the California Community Foundation and we feel lucky about it. You come to us with ideas because you've seen a lot of ideas. And you say, "Well, I know where there's some money." And you call us up. But that's good, because you are the public face, and you get a lot of proposals a year and are doing our dirty work. You know what we want and what we're looking for, children's and families' areas. So I think we lucked into the perfect way of operating this foundation.

JACK SHAKELY: Thanks for the compliment.

It's a family foundation; it's a family affair. You've mentioned this a couple of times. What were the most interesting conversations the five of you had as you were developing the various areas of the foundation? And, how do you intend to pass on the torch?

MICHAEL EISNER: I think when we actually go do a site visit is when it becomes real. If you live in West L.A., you may not see what Los Angeles is really like. When you get out in the San Fernando Valley, you

get to Project GRAD; you get to see what it is really like.

My oldest son made a film about the Princeton program, Teach for America. The conditions of the rooms you saw on the film and the level of the bathrooms and the schoolrooms and the kind of facilities that kids in Los Angeles and East Los Angeles are subject to, and the chaos in the school. We've seen all that. I think that, as a family, site visits keep things in perspective about how lucky we are that we have the good fortune of taking advantage of the California largess, as opposed to being part of the immigrant group, coming in and trying to pull ourselves up from that.

JACK SHAKELY: And how about the passing of the torch?

JANE EISNER: We're fortunate in being the first generation. I think it's a little easier because we're all united right now. In anticipating the future, it might be difficult. When we first discussed this with one of our friends, he said to us immediately, "Set up three foundations, for the future, then you'll never have a problem. You can operate as one, but make it three, and then you'll be set."

MICHAEL EISNER: I have the opposite point of view, which is to stay together, work it out, and help each other.

JANE EISNER: Well, it's the fact that he's the second or third generation looking at it, among his siblings. I think it gets more complicated.

MICHAEL EISNER: Once it gets down to the third or fourth generation, it's now a Ford Foundation. It becomes a professionally run foundation that really doesn't have the family involved in it. But when it's set up by the first family or at least a family has added money to an existing

foundation, it does the kinds of things that I described before.

Now, by the way, I am sure if I was speaking in Washington and talking about the advantages of family foundations, about the family that has a foundation stays together and all those things I've said, I'm sure the tax department would be after me. Because a foundation is not really meant to enhance the interpersonal relationships of the family; it's meant to enhance the interpersonal relationships of the families you give money to. But I'm telling the truth. It's just a great thing for a family to do, at least in the first generation.

JACK SHAKELY: To one softball question: When do you feel the bliss? What's the best part of this?

MICHAEL EISNER: Probably when we have a good meeting because the economy was up and the Foundation was up five percent; that was pretty good. Two years ago it was the other way.

JANE EISNER: Right. Just one additional thing. When you're involved and can touch the recipient or see what you've achieved and accomplished, it's more gratifying at that moment.

And for our kids, the way that they have really gotten involved or felt really connected is always a good sort of personal experience. For example, we have this camp program, and our kids take the campers up from Southern California to the camp in Vermont. They orient them to the camp and have continuing relationships with the kids.

And that's what really engages them in meaningful philanthropy. And you can see finally, oh, they've caught it; they've gotten something out of it; they'll continue to grow it.

MICHAEL EISNER: One of the strategies we have is the camp strategy. We are big believers in kids having that camp experience, not only for advantaged kids, but also for disadvantaged kids.

So a growing part of our foundation is to find ways to get kids without the economic advantage out of California and to a camping experience, whether it's two weeks or four weeks, in some other part of the country. Kids that have never been on airplanes and English is their second language.

And we've funded some programs to build things, but this is not a building program. And we're now in our third year. It's getting a little bit bigger than we can handle ourselves. We've got twelve kids now, six from the San Fernando Valley, and six from the Anaheim area that we get to the Northeast. It's a very small program.

But the amazing thing is we had so much trouble getting our first four kids. The parents didn't know where Vermont was, etc. Two kids dropped out of the program after 9-11 because the parents didn't want them to fly. Now it's just exploded. These kids come back, and they're talking to other kids in their schools. And now we have a problem of having to put in rules, like we can't take siblings. Right now we're looking at other camps in other states to give these kids a second look at things.

JACK SHAKELY: I want to open it up to the audience now.

AUDIENCE MEMBER: Do you have to be unanimous? Can each child decide what they want to do themselves? How do you work it?

MICHAEL EISNER: Well, first of all, I'm the father. Come on. No, we don't vote.

There hasn't been a conversation we don't all kind of agree on.

In addition, although this has been hard to get accomplished, we say to each of our three kids, "Here is a piece of the Foundation. You just go do what you want unilaterally. You don't have to come back." So they have the ability, if they get involved with something that they think is worthwhile, to do it.

JANE EISNER: Even if it's outside of the mission, they have the ability to do it.

MICHAEL EISNER: But we all get along. And so I don't think we've ever had a vote. But then again, we never had a vote at Disney up until about two years ago either.

AUDIENCE MEMBER: Jane and Michael, both of you are generous, obviously, and big-picture people. I want to take it to the next generation, because you're preaching to the choir in this room. Everybody loves the two of you and wants to do what the two of you are doing.

You know what would be wonderful, would be to have, for example, the Eisner kids talk about their role in their foundation and how they got involved and what they would recommend by talking to their peers, talking to our kids, and in some cases maybe even to our grandkids. Because I'm more worried about the next generation than about this generation. This generation is there. They've bought it. They see it. They can understand it. It's the next generation that has to feel it, that has to have the passion and the motivation. And if they heard from their peers, like Eric and his brothers and, hopefully, our kids and others, I think it'd go a long way towards working from the bottom on up and continuing the traditions that you've started.

JANE EISNER: It's a wonderful idea. It sounds like a Community Foundation project.

AUDIENCE MEMBER: This is sort of a generic question to the three of you. Many people are considering a family foundation, but with lesser pools of capital, how do you get their children to buy into the concept of taking what might have otherwise been theirs and investing it?

MICHAEL EISNER: We discussed this early on. My children never questioned it. They thought this was great. They see kids in their classrooms who were struggling with learning problems and so forth. I think the conversation had been going on so long that it was just like when you talk about going to college in some families, it's just accepted that's what you're going to do.

JACK SHAKELY: Well, I think that's the key. When you talk about it around the family dinner table for years and years, it's going to be accepted by everybody. If, on the other hand, you're a little afraid that the children might not like it, so you don't talk about it, then you're gone, and the kids are walking around in the foundation singing, "This nearly was mine," and they don't like it. And they'll abandon the foundation. I've seen more than one family foundation completely abandoned because we didn't do our homework to bring in the youngsters at an early age.

But I think the key to it is, it's what's in the heart. And if you thought about it when you were at Thanksgiving at 8, 9, 10, 11, 12, it's going to be just like *de rigueur* for you. You're just going to do it.

AUDIENCE MEMBER: This discussion is delightful because it humanizes a family that is sort of iconic in Los Angeles. It takes you out of your normal venue. So I want to appreciate that.

I also want to know, you're both a philanthropic family and an entertainment industry family. And to what extent have entertainment industry values influenced the philanthropic behavior that you have adopted in the Foundation, and what have you tried to leave behind?

MICHAEL EISNER: Well, it depends what you're talking about as the entertainment business. If you are talking about the entertainment business, Lew Wasserman, he is a great model, very philanthropic. If you're talking about the Motion Picture Home, which is supported by the entertainment industry and probably offers the highest level of geriatric care, in the country; if you're talking about the Entertainment Industry Foundation, which is the entertainment industry philanthropy; then that's one area.

If you're talking about political, in, hip, stuff, that's also the entertainment business.

JANE EISNER: Also arts funding.

MICHAEL EISNER: Well, arts funding is like a Cal Arts, and that would be what Walt Disney set up, and that began with Lew Wasserman, the side of the serious.

So there is a complete serious side, and then there is the less serious, save the 25 cats of Doris Day side. Just like any other industry, there's some that are great.

But the entertainment business is incredibly generous in almost everything they do, but they're also very public. So it's good and bad.

AUDIENCE MEMBER: Is this foundation more concerned with seed grants? Do you do get involved with some of the start-up organizations? Is there a mentality towards one or the other, or doesn't it matter?

JANE EISNER: Not really. We really don't have a policy towards that. We do like proposals that are for programs and seed money. So it would fit in to both areas that you're mentioning.

AUDIENCE MEMBER: You've been doing this now for a number of years. Do you have any thoughts on what you know now about this new field of philanthropy that you wished you had known at the beginning, when you started? And, how do you advise your friends that maybe don't know Jack Shakely and Ted Mitchell and TPI if they're trying to set up a giving program?

MICHAEL EISNER: I don't wish I knew what I know now at the beginning of my program. But I do wish I had known what I know now when my grandparents and aunt and uncle were running their foundations. Because I look back and see how they did it. And they didn't have Jack Shakely, and they didn't have the sophistication that we lucked into here.

I've done a lot of things that I've started from scratch that have been disasters. And you look back and you say, "I picked that person?" In this particular case, probably because I listened to Jane, we got off on the right track.

As far as getting a meeting together with important people, I think you'd be surprised how many people, who are very knowledgeable in their fields, are willing to sit and give their time to people they've never heard of who are interested in doing something good. We thought we would not get any of the people that we got to come to the middle of the country to address, basically, five people. And it wasn't me that was calling, and it wasn't because of Disney and so forth. People that are in the philanthropic world doing the work are also

very generous with their time. I don't think that is a problem.

JACK SHAKELY: And speaking of generosity of time, I'm going to have to close it down. And I want to thank you for the generosity of your time, Jane and Michael.

The Center's 2004-05 Distinguished Speakers Series will kick off on Monday, October 4, 2004 with Dr. Vartan Gregorian, President of the Carnegie Corporation of New York.

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