

NEW GOSPEL OF WEALTH / THE FUTURE OF PHILANTHROPY

Catalyzing the potential of our time featuring Robert Smith and Darren Walker

Robert Smith, founder, chairman, and CEO of Vista Equity Partners on giving and investing in the next generation.

This video is part of a collection of conversations with leaders, thinkers, and activists from philanthropy, business, the arts, tech, and beyond outlining bold visions for the future of philanthropy.

Transcript begins.

[Catalyzing the potential of our time. Robert Smith, founder, chairman, and CEO, Vista Equity Partners. A Black man wearing a white shirt, vest, and tie. Darren Walker, president, Ford Foundation. An African American man wearing glasses and a light blue dress shirt with gray pants.]

ANNOUNCER: Please welcome Robert Smith and Darren Walker.

[applause]

DARREN WALKER: So, my friend Robert F. Smith, on some levels, I wasn't surprised when I heard what you did, because I've known you to be just enormously generous. Whenever I have called to ask for anything, you—whether it's paying for somebody's funeral, whether it's a scholarship, whether it's a transformational gift to Carnegie Hall, to Cornell, to increase the numbers of black and brown engineers in this country—you've always been there as a philanthropist. But this, even by Robert F. Smith standards, was really remarkable.

[laughter]

So how did you come to decide to do this? To erase the student debt of an entire graduating class at Morehouse College?

ROBERT SMITH: Besides the fact you called me and told me you were going to do matching grants?

[laughter]

DARREN WALKER: No, I didn't.

[laughter]

ROBERT SMITH: The dynamic of being in this country, being African American and African American male in this country, as you know, is a complex one. I'm the first generation in my family to have all my rights in this country. I was born in 1962, the Civil Rights Act, 1965. And I think about that probably more often than I should have to. And when I have a chance to liberate the human spirit, I know there's no greater feeling. And I am sitting there thinking, I went to Morehouse the year before, was presented with a wonderful award and I made a grant and a gift to, in essence, create a park—they can design it and it'll be a beautiful place—and then you start to feel, again, the spirit of these beautiful men, at Morehouse. And I thought about what could I do that actually changes their lives in a way that liberates their spirits? The dynamic of freeing them and their families.

DARREN WALKER: Because you're paying for the parents, who also have students' debt on behalf of the students.

ROBERT SMITH: Correct. The federal student loans of the parents. The dynamic of freeing and liberating 400 families, that now these young people can think about how do I now go change my community? How do I change my people? How do I change my opportunity in America? That's what America's about to me, to have an opportunity to make a change. But if you are so burdened in certain ways—lack of rights in participating in the capitalist system, lack of rights to participate in education, the lack of an opportunity to actually participate in health care, because you have a certain melanin in your skin, makes no sense. It's just wrong. And so when you have a chance to change that, if you don't do it, that's just wrong. So for me, that's what it was about. And I said—I thought about what I know these 400 men will do now that they no longer have that financial burden, that, frankly, is disproportionate to other students who are graduating. And, typically, their jobs have a disproportionate pay, relative to others. I know they will pay that forward. And, what's so interesting—I'm now starting to see the ripples of hope and action in the communities where people are doing similar things. Some, it's paying off, you know, lunch loans. And for folks like my friends Sandy and Joan Weill, they said, "Let's underwrite Cornell Medical School, so it is free." Now we just need to make sure there's equal opportunity for people to participate in those sort of programs, like Cornell Medical. That's what I think about when I see now the importance of gifts like that to provide leadership and to provide structure. The second part of this thing, which I think is important, is, we put together a fantastic team with Morehouse, Skadden Arps, a good friend of mine who is a brilliant man, Fred Goldberg, and my team, to say, "How do you do this and create a model that you can now roll out and propagate," which is what we've now done. And now we can go to every—first we're starting with every HBCU— and say, "Guess what? You can now create a very efficient model for donors to alleviate the burden of those students in a very tax-efficient way for the donors and for the students." And so that model is now being rolled out. So—and every school can now embrace that. I think—I'm in the world of software, and part of the world I live in is a world of disruption. And this is a disruptive opportunity to make a change at scale in the country that needs that change for our students.

[applause]

DARREN WALKER: And how do you—it has raised some questions, though, about the role of private capital, private philanthropy, in solving what is a severe public policy challenge.

ROBERT SMITH: Right.

DARREN WALKER: How do you square the role of philanthropy with solving the large problem that you have identified, which is the fact that we will soon have more student loan debt than we have mortgage debt.

ROBERT SMITH: Right, which is atrocious. It's a catastrophe in the way that we are running our financial system as it relates to these young people's opportunities at a time when they have to have, in my view, more opportunity to innovate in order to compete globally. Because that's—the world I live in has massive challenges in the war on talent, that we have to get the brightest minds and the greatest minds in this—to this country, in this country working on solving these problems and innovating on these technological platforms that I get a chance to work with every single day. So, to a great extent, the way I think of philanthropy, the love of mankind, our job as private philanthropists is to think about how we do liberate our people to actually have the chance to contribute to society in very positive ways. I hope part of my class of 2019, I hope a quarter of them become brilliant chemical engineers, because I know a few of those. I hope a quarter of them become teachers who think about how do I now deliver, you know, software and computer science to the masses of children in America, especially from communities that they come from, who don't have access to that. I hope a quarter of them actually decide to become doctors, to actually take care of the disparity in health initiatives for African Americans, and I hope a quarter of them become politicians. Because I hope that quarter looks at this and says, "We need to make systemic change at scale that you can only do at the government level." Or if you have, you know, massive amounts of capital that, like you control.

DARREN WALKER: Exactly.

[laughter]

Well, Robert F. Smith, you make a better world for us all to live in.

ROBERT SMITH: Ah, thanks.

DARREN WALKER: Please join me in thanking Robert F. Smith.

[applause]

[New gospel of wealth. What does #GenerosityToJustice look like to you? Ford Foundation dot org forward slash new gospel.]

End of transcript.