



LAURA LAUDER

Laura and Gary Lauder Family
Venture Philanthropy Fund
UNITED STATES

- Made her first gift of \$5,000 to the UJA-Federation, an organization that cares for Jewish people in need (1986)
- Established her own donor-advised fund at the Jewish Community Endowment Fund (1991)
- Joined Lauder Partners, the Lauder family venture capital firm (1992)
- Married Gary Lauder (1994)
- Co-founded the Laura and Gary Lauder Philanthropic Fund (1995)
- Co-founded the Socrates Society at the Aspen Institute (1996)
- Co-founded DeLeT, a Jewish teacher-training program (2002)
- Hired an organizational consultant to review previous 10 years of giving, which resulted in an increased focus on high-impact activities (2005)
- Serves on 13 boards, including the Aspen Institute and the National Constitution Center in Philadelphia, and is vice chair of the \$2 billion Jewish Community Endowment Fund of San Francisco

Supporting young leaders to make the world a better place

In 1986, a young executive named Laura Heller made her first gift of \$5,000 to the UJA-Federation, a Jewish relief organization. It was 10% of her net earnings as a software sales representative and marked the start of her philanthropic career.

Ms. Heller had grown up with the Jewish tradition of *tzedakah*, the Jewish law requiring individuals to dedicate one-tenth of their incomes to promoting social justice. Her grandfather, Paul Heller, was president of the Jewish Welfare Society in their hometown in Ohio, and had petitioned American Jews to support the creation of a Jewish state during World War II.

In 1991, she met Gary Lauder, a grandson of Estée Lauder, the famous American businesswoman. A year later, Ms. Heller joined Gary at Lauder Partners, a venture capital operation, focused on technology investing in Silicon Valley. In 1994, she and Gary married.

Gary Lauder's family was also steeped in the Jewish philanthropic tradition. His father, Leonard Lauder, ran the family's company for nearly 55 years, and is now chairman emeritus. Leonard Lauder also chairs the Alzheimer's Drug Discovery Foundation and serves as trustee of the Aspen Institute, a Washington, D.C.-based policy and research organization. Gary's late mother, Evelyn Lauder, co-founded the Breast Cancer Research Foundation.

A year after marrying, the couple established the Laura and Gary Lauder Philanthropic Fund and embarked on their own mission of *tikkun olam*. This Hebrew phrase describes the Jewish belief that it is humanity’s shared responsibility to heal, repair and transform the world.

“Our faith encourages us to repair the world by helping others,” explains Ms. Lauder, adding: “Bringing innovative, transformative philanthropy to intractable problems demands great leadership. Jewish values provide fertile soil for great leaders to grow.”

VENTURE CAPITALISTS, VENTURE PHILANTHROPISTS

The couple aimed to strengthen the fabric of society by initiating projects that developed strong leaders in the Jewish and general communities. Their first project together was the Socrates Program at the Aspen Institute, which they founded in 1996 to develop young minds.

“To catalyze progress, start with networking young leaders who are determined to change the world,” says Ms. Lauder. That’s the purpose of the Socrates Program—over 5,000 young leaders ages 25–45 have participated in these seminars that focus on the most compelling issues of the day.

Over time, Ms. Lauder has refined her philanthropy, using more venture capital techniques.

In 2001, Ms. Lauder saw that Teach For America was growing and attracting bright college graduates. The Lauders’ children attended Jewish schools in California’s Palo Alto area, and Ms. Lauder saw a significant shortage of great teacher-leaders in the U.S. Jewish day schools.

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THE SOCRATES PROGRAM HAS PROVIDED A FORUM FOR OVER 5,000 YOUNG LEADERS (AGES 25-45) TO EXPLORE CONTEMPORARY ISSUES





▲ TO BE EFFECTIVE—Laura Lauder has refined her strategies and the number of initiatives/organizations she supports.

Having funded initial research to determine how to develop a successful teacher-training program, she engaged 12 other philanthropists to establish DeLeT, a Jewish “Teach For America”-type program at two universities.

Like traditional “seed” and “A” rounds, the funding was offered in two three-year cycles. The first round created, tested and launched the curriculum; the second supported the program while the universities found independent sources to continue the courses.

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This strategy of seed-funding a program, engaging like-minded philanthropists to bring it to scale and ensuring an “exit strategy” so she can move on to develop other programs, has been key to Ms. Lauder’s work. She is currently using this model to expand two programs:

- The Jewish Teen Foundation Board Incubator, based on giving circles, is a national initiative where Ms. Lauder has partnered with the Maimonides Fund to roll out the program in major cities in the United States and Australia.
- The Franklin Project of the Aspen Institute envisions a future in which a year of full-time national service is a cultural expectation, common opportunity and civic rite of passage for every young American.

FOCUSED GIVING

In 2005, Ms. Lauder sought to further increase her philanthropic impact with another important refinement: She dramatically reduced the number of organizations she supported, from 400 to just 40.

This shift was particularly challenging for a philanthropist whose giving was so community driven. But in 2005, an accounting showed of the 1,100 grants the Lauders had made since their fund's inception, 70% were in amounts less than \$1,000. "Our mistake was that we were giving small amounts to many; the total was millions of dollars, but those grants weren't having an impact," says Ms. Lauder.

Instead, Ms. Lauder initiated an extensive strategic planning process that resulted in defining a clear theory of change and a specific mission statement to focus her giving. Today, 70% of her philanthropy goes to the five key initiatives she started or to the seven organizations on whose boards she serves. For special occasions and to respond to friends' requests, she also created a "relationship bucket" to continue making smaller gifts, representing 10% of her total annual giving.

CONTINUING THE TRADITION

For all the application of modern business practices to their philanthropy, the Lauders are raising their two children, Josh and Eliana, in the tradition of *tzedakah*, or charitable giving. Ms. Lauder, a working mother, devotes half her time to philanthropic activities, setting an important example for her children of *tikkun olam* in action.

"We cannot just write checks, because we also need to teach our children that the responsibility of our good fortune is to actively help others," she says.

When their children became bar/bat mitzvah at age 13, the Lauders requested that, in lieu of gifts, friends and family consider making a small donation to help nonprofits that the children would select through their own philanthropic funds; then, over the ensuing five years, the family would match the children's contributions to a family pool. Using a "venture philanthropy process," the children would then make the decisions to allocate the funds to four to six nonprofits focused on a specific issue-area.

The aim, Ms. Lauder says, was to help their children find their own philanthropic passions, and that everyone must find their unique approach. For some, this will be a full-time commitment to innovate and create new ventures; others will be supporters and funders. Ms. Lauder's approach is a combination of the two.

"I applaud all approaches," says Ms. Lauder. "To make the world a better place, we each have to find a way to make philanthropy part of our daily lives."

Key notes

- The pressing issues of today require leadership and social cohesion
- Everyone should find a way to fit philanthropy into their lives—every amount makes a difference
- Giving strengthens the values of communities, which in turn strengthen wider society