



PhilanthropyRoundtable

STRENGTHENING OUR FREE SOCIETY

**William E. Simon . . .**

. . . and the Social Entrepreneurship Awards That Honor His Legacy

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Bill Simon often struck people as a force of nature. Bond traders used to say that he could think faster than anybody else in the business. Standing next to his desk, chugging gallon after gallon of ice water, he led the government bond department at Salomon Brothers from the mid-1960s to the early 70s. He put in 16-hour days, long before it was common on Wall Street. Through it all, he was perfectly comfortable making split-second decisions with tens of millions on the line.

Simon was legendarily tough. When his kids would sleep in on the weekends, he woke them up by dumping a bucket of cold water on their heads. Part of it was basic necessity. He enlisted in the Army—infantry—as soon as he finished high school. By the time he graduated from Lafayette College, he was married with one son and a second on the way. He got into finance, as one writer put it, “by virtually camping out in the waiting room of Union Securities.” Simon landed a \$75-per-week job in 1952. Two years later, he was the youngest officer at Union.

He was hired by Salomon Brothers in 1964, and made partner 10 months later. “When I first came into the business, trading was not a respectable profession,” Simon once explained to the *New York Times*. “I used to tell my traders, ‘If you guys weren’t trading bonds, you’d be driving a truck. Don’t get intellectual when you’re in the marketplace. Just trade.’” By 1970, he was a senior partner, a member of Salomon’s executive committee, and a consultant to the Treasury Department.

Simon accepted an offer from President Nixon to run the Federal Energy Administration during the oil embargo of 1973. (“I’m the guy that caused the lines at the gas stations,” he would later joke.) Nixon later named Simon the Secretary of the Treasury; President Ford asked him to stay on. Simon fought for tax reforms, battled to balance the budget, and convinced Ford not to bail out a bankrupt New York City.

After the 1976 election, Simon found himself out of a job. He also discovered that he was broke. His assets had been put into a blind trust during his government service. When he finished, they were worth half what they had been—and what was left consisted largely of home equity. But Simon didn’t despair. He got to work.

First, he co-founded Wesray, a leveraged buyout firm, with Ray Chambers. Then he launched WSGP International, a real estate and financial service investment firm. (In his free time, Simon also served as president of the U.S. Olympic Committee from 1980 to 1984. Under his leadership, the Los Angeles Olympics were the first games to turn a profit, which he used to establish the U.S. Olympic Foundation—which supports American Olympic athletes to this day.) In 1988, he and his sons founded the global merchant bank William E. Simon & Sons. Two years later, he partnered with several investors to form the private equity firm Catterton-Simon Partners. By the time he passed away in June 2000, his net worth was estimated around \$500 million.

But if Bill Simon seemed like a force of nature, he could also appear as an agent of grace. Christmas Day would find him at Covenant House in Hell’s Kitchen, with all seven of his children, where the Simon family served food and played games with homeless street kids. In his later years, Simon became a Eucharistic minister. He took Holy Communion to AIDS patients, and gave comfort to the lonely and dying old. “It’s good to donate money for a new hospital,” he said in a speech at Pepperdine University. “But even better is walking into that hospital after it’s built and praying with a cancer patient.”

Such personal commitment coupled with such uncommon foresight made Simon a force within philanthropy. He served as president of the now-sunsetted John M. Olin Foundation, where he helped lead the great revival of serious conservative ideas about public policies and principles. And he established the William E. Simon Foundation, which is now spending itself down on programs that “strengthen the free enterprise system and the spiritual values on which it

rests: individual freedom, initiative, thrift, self-discipline, and faith in God.”

“While writing checks for charities is necessary and important,” Simon once wrote, “it cannot compare in importance with the corporal works of mercy, which are infinitely greater. Your time, your energies and, most especially, your love are the greatest gifts you can give.”

To honor its namesake’s legacy, the William E. Simon Foundation supports an annual series of Social Entrepreneurship Awards, administered by the Manhattan Institute. “A successful social entrepreneur has to be truly innovative—and the program needs to have a self-funding mechanism,” says J. Peter Simon, son of William E. Simon Sr. and co-chairman of the Simon Foundation. “And there has to be a great leader behind it. Dad loved these people. They are inspirational leaders who make their ideas come to life.”

“All the recipients,” adds Howard Husock, director of the Manhattan Institute’s Social Entrepreneurship Initiative, “follow in the Simon tradition of patriotism and furthering the greatness of America.” The prize carries a \$25,000 award, and was given to five winners this year: Fr. John P. Foley S.J., Eric Greitens, Scott Stimpfel, David Umansky, and Greg Zaff. In addition, Richard Gilder and Lewis Lehrman were recognized with a \$100,000 lifetime achievement award for social entrepreneurship.

Fr. John P. Foley S.J. founded Cristo Rey Jesuit High School in 1996. Today, the model he pioneered is at the heart of a network of 24 schools spanning 17 states. Cristo Rey schools employ a work-study program that gives low-income students real-world, white-collar experience. Student salaries are used in turn to underwrite the schools’ operating costs. (For more on Cristo Rey, please see [Philanthropy, Spring 2010](#).) Cristo Rey challenges its students, Simon notes, and the model yields undeniable results: 100 percent of Cristo Rey graduates, all with professional experience under their belts, are accepted into two- or four-year colleges.

Eric Greitens is a Navy SEAL officer who has led Special Forces operators in Afghanistan, Iraq, Southeast Asia, and the Horn of Africa. In 2007, having returned from Iraq, Greitens was visiting wounded Marines at Bethesda Naval Hospital, where he was inspired by the desire of so many disabled warriors to continue serving their country. He used his combat pay to co-found a nonprofit dedicated to harnessing that spirit of service. The Mission Continues offers a fellowship program that places and supports post-9/11 wounded and disabled veterans in community-based nonprofits for up to seven months.

As a student at Pasadena City College, Scott Stimpfel saw the need to improve transfer rates from community colleges to four-year universities. How could he help community college students achieve their professional goals? His solution: Resources for Educational and Employment Opportunities (REEO). REEO offers workshops on preparing transfer applications, personal statements, and interviewing skills. Today, 10 community colleges in California and New York are working with REEO to help community college graduates earn their bachelor degrees.

David Umansky believes in the promise of charter schools. In 2002, he founded Civic Builders, which works to help charter school operators focus on education by relieving them of the burden of planning, developing, financing, and managing real estate. But Civic Builders is not content simply to hand over the keys. Its partnering charter schools must fulfill a pledge to meet certain academic standards, including meeting a minimal level of absolute proficiency and exceeding the three-year average of local district schools.

Greg Zaff played squash on the pro circuit before starting Squash Busters out of his bedroom-turned-office. The program teaches inner-city youth sportsmanship, self-discipline, and persistence, while promoting physical fitness with a regimen that includes treadmill running, circuit training, and stretch routines. Over the past 7 years, 28 students in the program have won full scholarships to private high schools; since 1996, 100 percent of the program’s seniors have graduated from high school, and 83 percent have gone on to college. Zaff is also executive director of the National Urban Squash and Education Association, a national organization of city-based urban squash programs.

Finally, the lifetime achievement award for social entrepreneurship was given to Richard Gilder and Lewis Lehrman, co-founders of the Gilder Lehrman Institute of American History. (Please see “[The Growth Investor](#),” *Philanthropy*, Summer 2010.) The Gilder Lehrman Institute has worked since 1992 to promote the study and love of American history. Its innovative efforts range widely, from working with history-focused schools, organizing summer seminars for teachers, and administering a History Teacher of the Year Award in every state and territory, to hosting lectures by eminent historians, producing traveling exhibitions, and offering national book prizes and fellowships.

“My father was an extremely creative, open-minded giver who believed in people and believed in helping people—

particularly when they wanted to help themselves,” says Peter Simon. “That was the model he left us with, and it’s the model we’ve been carrying out ever since.”