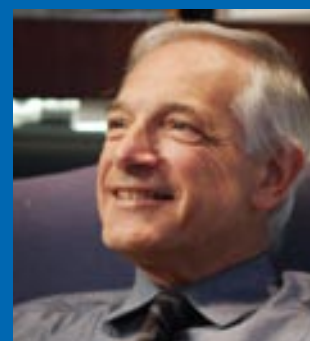


Robert L. Gallucci, a former diplomat and nuclear security expert, joined MacArthur in July 2009 as the Foundation's fourth president. Below is a conversation with him about his past experiences, early impressions of philanthropy, and long-term goals for the Foundation. A video interview with Gallucci is available at www.macfound.org/AR2009.



A Discussion with **Our President**

You have had an interesting career as a diplomat and security expert. How do these past experiences inform your work at MacArthur?

I think of connections in terms of both the substance of the work and my approach to getting the job done. Before coming to MacArthur, I was dean of the School of Foreign Service at Georgetown University and had also spent 21 years in government service, working to reduce the proliferation of ballistic missiles and weapons of mass destruction. This, of course, is also a focus of the Foundation's grantmaking, an area in which I have experience and expertise and where I hope to add value directly.

But there is also a connection to the way I approach my job as President of MacArthur. If you look at the kinds of decisions we make at the Foundation, they involve complex issues and diverse perspectives. We are often asked to make decisions with less-than-perfect information. In such circumstances, values play an important role — they must guide you. You have to have good instincts and trust those instincts. I worked under very similar circumstances in my past career — both in government and at the university — and I like to think that the Foundation will benefit from those experiences.

Having served in government and the academy, how do you see the role of foundations in society?

Governments and universities do vital work and serve our country and the world. But philanthropy holds out the prospect of a quite different, and, in some ways, more exciting approach to difficult problems. Philanthropy has a great deal of flexibility, the opportunity to respond quickly to challenges or threats guided by the best thinking available. Unconstrained by politics, or virtually anything else, we can pick and choose the spots where we will have the most leverage and impact. Foundations are free to do the right thing. It's extremely exciting to have this kind of opportunity every day.

How do you think foundations can have the greatest impact?

The way for foundations to have the greatest impact is through leverage. That means not only through our own grantmaking but also through alliances.

The other foundations that work in our areas share our interest in having an impact. We can complement one another, doing some bootstrapping. We can share information, share ideas, and learn from each other's grantmaking. I've found the community of foundation presidents to be enthusiastic about helping me think about leading MacArthur.

MacArthur supports community and economic development efforts in 16 Chicago neighborhoods, including Englewood where this small business is located.



We work extensively with civil society and nonprofits, but we need to think more about how to make the most of alliances in this sector.

Partnering with the private sector can be extremely productive. Sometimes the private sector has resources and insights no one else has. As long as we are careful about how we do it, I see great potential here.

And finally, of course, there is government. Foundations can have very productive collaborative arrangements with federal, state, and local governments, and we must look for every opportunity. In every arena, we need to leverage the resources we have and maximize impact. That's how we express the values of the MacArthur Foundation.

How has the economic downturn impacted MacArthur?

Of course, over the past year there has been something of a recovery, and we hope this trend in our portfolio's performance will continue. But our endowment certainly dropped significantly, as did just about everybody else's, after some very good years.

So I arrived at the Foundation just when grantmaking had to be somewhat reduced. While resources are diminished, I think we have managed to find ways to absorb the reduction and have accomplished that without adverse impact on our programmatic areas or on specific grantees.

You moved to Chicago from Washington, D.C. What are your impressions of Chicago?

Chicago is a great American city, and my first year here has been a happy experience. The cultural life seems boundless, with every art form represented at the highest level, and all sorts of new and experimental work.

I think the Foundation thrives in Chicago, and that our identification with the city is a great plus. The city gives MacArthur a culture and an identity that is solid and substantial.

Chicago also has a government that works in the most cooperative and constructive way with community leaders, business leaders, and nonprofits. It is a city that shares values MacArthur is committed to in education, arts, and the development of communities and individuals.

What are the most important lessons you have learned in the past year at MacArthur?

It pays to listen. As someone once said, "it's very hard to learn anything while you're talking." But it is possible to learn when you're listening to the experts. At MacArthur, that's our staff. Over the past year, they have helped to educate me about the work of our grantees

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Chicago Chamber Musicians, which received support to increase its international connections, perform a piece about child soldiers in Uganda and the Congo.





My first priority is to be sure we are making the right choices to have a significant impact.



Stable, affordable housing is important for building strong communities and families. MacArthur is investing \$150 million to preserve and improve up to one million affordable rental housing units across the country, either directly or through policy changes.

More than 340,000 women die each year in childbirth. MacArthur supports efforts to reduce maternal mortality in places such as Nigeria.



and the impact they have in the fields we support. It is the first and most important step in helping me make the decisions that set new directions for the Foundation.

I also feel that the closer one can get to the hands-on work of an organization the better off one is. I have taken time this first year to visit grantees and see their work in action. I have been able to visit neighborhoods in Chicago and talk with grantees and other community members to learn about our community development work. I accompanied staff to Louisiana to see firsthand the challenges of juvenile justice reform. I talked with kids in the system and learned from grantees about their efforts to improve the lives of those young people.

On a site visit to Madagascar (a geographic focus of our conservation grantmaking), I experienced our staff interacting with grantees, and grantees interacting with the local populations. That experience helped me internalize our strategy and better understand the nuances of climate change and its impact on both biodiversity and the people who depend on the land for their livelihoods.

I expect to continually visit our grantees in the field to help keep me informed about the importance and impact of our grantmaking.

What are your goals for the Foundation?

My first priority is to be sure we are making the right choices to have a significant impact. Most important, we must fulfill our responsibility to use our resources wisely.

A number of things follow from that statement. It implies constantly reviewing our areas of work, the strategies we use in those areas, and the grantees we choose to support. Our resources could be used for any number of worthy causes. We must have good reasons for the choices we make.

We are currently undergoing a strategic review, as foundations generally do when they're under new leadership, and we'll see if we ought to be doing any things differently. But broadly, I think we are going in the right direction.

And we need to have the resources to make the impact we aspire to. This means solid investment decisions, and I feel we have a very strong team guiding us in this area. My goal is to ensure that the Foundation is well run, well managed, efficient, and — most important — that we're making good use of our resources in service of our values.



Video available at www.macfound.org/AR2009.