MICHAEL MILKEN

THIS GENIUS GAME CHANGER IS SAVING LIVES
BY ACCELERATING MEDICAL SOLUTIONS WORLDWIDE
A LIFETIME OF INNOVATION

How legendary financier and philanthropist Michael Milken has been creating value for half a century.
The economic and political shocks that preceded the 1974–75 recession sent financial markets into turmoil. The Organization of the Petroleum Exporting Countries’s (OPEC) oil embargo was contributing to U.S. inflation of more than 11 percent. By December 1974, the Dow Jones Industrial Average had fallen 45 percent, interest rates nearly doubled, and large financial institutions had stopped lending to all but their highest-rated borrowers. The gloom on Wall Street was palpable. Yet, speaking to corporate and financial leaders at his annual institutional research conference, 27-year-old Michael Milken was remarkably optimistic.

He outlined a persuasive argument about why it was a great time to invest. (It was—over the next two years, stocks and bonds recovered strongly.) Then he put his remarks in a broader context: “Successful investors don’t just analyze balance sheets. The best investors are social scientists. They understand current social and regulatory trends and project them to the future.” He continued: “And successful entrepreneurs almost never start businesses with the primary goal of achieving great wealth. Rather, they have a vision of creating a product or service that delivers unique value. Their wealth is simply a by-product of that value creation. But no matter what level of success or wealth we achieve, we all want a meaningful life for our children. And your children won’t have that unless all children in society have the opportunity for a meaningful life. That, I believe, is the goal we should pursue.”

As Milken’s business grew from the late 1960s through the 1980s, he repeated this message often, not only to his employees, but also to investors and to the entrepreneurs whose growing enterprises he financed. Today, dozens of his former employees lead major financial firms around the world and many of his clients have gone on to become household names through the successful businesses they built. Part of a global philanthropic diaspora, these leaders have clearly taken Milken’s words to heart, creating foundations and programs designed to assure children have the opportunities these leaders want for their own families. Decades later, they continue to pursue these efforts enthusiastically.

Milken (who prefers to go by Mike) is widely known for his own extensive philanthropy in medical research, education, access to capital, and public health. His family and foundations have given hundreds of millions of dollars directly to organizations in those fields, and their funds have been matched or extended by billions more in public donations and follow-on investments from industry and government agencies. Just as venture capitalists seed promising business ideas to get them started, he acts as a “venture philanthropist,” strategically deploying philanthropic assets in ways that others then leverage for as much as 15 or 20 times the original contribution.
The Milken Diaspora: Giving Back Becomes a Habit

Mike Milken’s own philanthropic efforts began in earnest in the 1970s and were formalized by the 1982 establishment of the Milken Family Foundation. But a full accounting of his philanthropic impact would include the influence he’s had on others. Here are just a few of several hundred former colleagues at his firm who—often with their own family foundations—have become noted philanthropists.

MARK & DEBBIE ATTANASIO
Mark is co-founder and managing partner of Crescent Capital Group and lead owner of the Milwaukee Brewers. Debbie is a board member of the Jewish Federation of Los Angeles. Their philanthropy includes the arts, environment, and the Brewers Community Foundation which supports Wisconsin children’s health, education, and recreation.

LEON & DEBRA BLACK
Leon is founder and CEO of Apollo Global Management. He and Debra endowed the Black Visual Arts Center at Dartmouth. He is on the boards of FasterCures, Mount Sinai Hospital, and the Asia Society, and co-chairs the Metropolitan Museum of Art. Debra serves on the boards of Rockefeller University and the Metropolitan Museum. Together they also founded the Melanoma Research Alliance.

JOSHUA & BETH FRIEDMAN
Joshua is co-founder and co-CEO of Canyon Capital Advisors. His board affiliations include Caltech, Harvard Management Company, the Los Angeles County Museum of Art, and the Los Angeles Philharmonic. Beth, a graduate of Wellesley and the UCLA Anderson School of Management, serves on many boards including Mattel Children’s Hospital UCLA and Jewish Community Foundation Los Angeles.

RICHARD & MARTHA HANDLER
Richard is CEO of Jefferies Group and Martha is board president of the Wolf Conservation Center. Together they made the largest contribution ever given for student scholarships at the University of Rochester. They support a South Africa-based clinic, providing medicine and childcare for HIV patients.

MITCH & JOLEEN JULIS
Mitch is co-founder and co-CEO of Canyon Capital Advisors. He endowed the Julis-Rabinowitz Center for Public Policy and Finance at Princeton as well as the Jewish and Israeli Law Program at Harvard. Joleen is a trustee of the Smithsonian’s Hirshhorn Museum. Both are major donors to the Jacobs Technion-Cornell Institute.

KEN & JULIE MOELIS
Ken is founder and CEO of Moelis & Company. He is a trustee of and major donor to the University of Pennsylvania, which he and Julie attended (as did his parents, all four of their children, and other relatives). They give to a range of medical research programs including the Tourette Association of America.

JONATHAN & SHERYL SOKOLOFF
Jonathan is managing partner at Leonard Green & Partners. He and Sheryl endowed the Sokoloff Family-Melanoma Research Alliance (MRA) Team Science Award at Yale Cancer Center. He is on the MRA board and those of Williams College and the Los Angeles County Museum of Art, and they support many Jewish organizations.

TED & DANI VIRTUE
Ted is founder and CEO of MidOcean Partners. He and Dani met at Middlebury College, which two of their children also attended and where he is a trustee. Ted is chairman of Youth INC, a venture philanthropy serving more than 600,000 under-privileged New York City children, and he and Dani support various medical research.
Less well known is the widening impact of Milken’s former colleagues and clients who learned from him the importance of strategic philanthropy. To understand the depth and influence of his commitment to bettering society, one needs to go back to the 1950s.

**AN ORIGINAL THINKER**

Soon after the Soviet Union first successfully tested a thermonuclear device in 1953, homeowners across the United States began building fallout shelters. Because these backyard structures couldn’t help kids while in school, teachers often led duck-and-cover drills that sent students diving under their desks. At the Hesby Street Elementary School in Encino, California, Milken questioned whether this would do any good.

“If an atomic bomb hits our school,” he told his sixth-grade teacher, “ducking and covering won’t save us.”

He loved that school and its teachers, but an agreement had to be made: “I’d stop interrupting the class with my skepticism about safety drills and the teacher would stop trying to convince me that our desks would help when nuclear weapons started flying,” says Milken, laughing.

Throughout his 70 years, he has consistently questioned accepted views. It’s an approach that has disrupted and improved the status quo in both for-profit and charitable endeavors.

*Fortune* magazine called Milken “The Man Who Changed Medicine;” *Esquire* said he is one of the “most influential people of the 21st century;” and *Forbes* included him with other philanthropists named “Best in Class—The Visionaries Reimagining Our Children’s Future.” But when asked what achievements have brought him the most satisfaction, he points to his roles as Lori Milken’s devoted husband, the father of their three children, and a grandfather of nine.

“Times were tough for everyone during the Depression, but they were especially hard for my dad. His mother died during childbirth when he was three years old. Several years later, his father perished in an auto accident, forcing him to live in a home for orphaned boys. On top of that, he had been stricken with polio and walked with a limp. But even without the support of parents, he managed to work his way through college with multiple jobs, one of which was filling peanut machines around campus for a penny a bag. Later, when he was in law school, he took a job as a waiter at a sorority house.”

That’s when Bernard’s fortunes turned up because one of the sorority sisters was Ferne Zax. They fell in love, married, and eventually moved to Los Angeles, where they had three children: Michael, Lowell, and Joni. Mike, the oldest, was born on July 4, 1946. Bernard’s early struggles gave him a determination to succeed—a characteristic he passed on to the next generation.

It’s also clear that the values of their Jewish culture—*tikkun olam* (healing the world), *tzedakah* (charitable giving), and learning—were core tenets of the family.

Milken says he’ll always remember the family’s dinner-time conversations. “The whole family would debate current events and our parents often quizzed us on our schoolwork. We’d discuss everything from the latest TV shows to world events to how the post–World War II changes in Los Angeles neighborhoods...
were affecting my father’s business clients. As a lawyer and accountant, my dad saw people’s changing fortunes up close and he gave us an early understanding of the risks entrepreneurs took every day."

The family household gave real meaning to the concept of charity. As a schoolboy, Milken went door-to-door to collect dimes and quarters for the Community Chest (now the United Way). By the time he graduated from Birmingham High School, where his classmates included actress Sally Field and super-agent Michael Ovitz, he had been awarded the first-ever Encino Junior Chamber of Commerce Outstanding Young Man Award for effective leadership, outstanding community service, and academic achievement. Notably, it was not Milken, but his classmate and girlfriend, Lori (now his wife of nearly 50 years), who was elected “Most Likely to Succeed” in their senior class. Milken was named “Most Spirited” and “Friendliest.”

AN EARLY INFLECTION POINT

As a freshman at the University of California, Berkeley, Milken looked forward to the intellectual stimulation of pursuing a double major in math and physics. He even dreamed of one day running the U.S. space program. But those plans changed—his entire outlook on life changed—in August 1965, when he saw disturbing news reports of urban rioting that continued for five days and nights only a few miles from his home. Defying his father’s warnings, he drove to South Central Los Angeles in the aftermath of the Watts Riots to see for himself what had happened and—more importantly—why it happened. There, he met an African-American man staring at the charred remains of the factory where he had worked.

“We talked for a while,” Milken remembers. “He had no savings and now, with that building gone, he had no job. Yet he had just stood by and watched as the rioters torched the structure. I couldn’t understand his logic.”

The man said that he had always felt like an outsider in white society, that there were no opportunities for a black man to get ahead. His father had been unable to raise money to start a business and he was resigned to the same fate.

“Here in Los Angeles—what I considered the city of dreams—the American Dream was denied to this man and others like him,” says Milken.

The experience in Watts made such an impression that Milken decided to change his math/physics major to business so he could help increase access to capital for a wider range of people. He graduated from Berkeley and went on to receive his M.B.A. from the Wharton School at the University of Pennsylvania. After intensive study of business and its history, he concluded that any nation’s true prosperity was more than just the total of its gross domestic product; a complete measure had to include the economy’s capacity to create financial security, entrepreneurial opportunities, jobs, and a meaningful life for all its citizens.

Soon he had developed an equation to explain the components of prosperity: \( P = \sum F_{ti} \left( \sum H_{Ci} + \sum S_{Ci} + \sum R_{Ai} \right) \). Prosperity equals the collective value of financial technologies acting to multiply the total of human capital, social capital, and real assets.

**Milken’s Formula for Prosperity**

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and real assets. “Financial technology” includes innovative processes and components such as convertible bonds, preferred stock, high-yield bonds (also known as “junk bonds”), collateralized loans, equity-linked instruments, securitized obligations, and derivatives. “Human capital” is the collective talent, training, and experience of people as well as programs that increase the length and quality of life. “Social capital” includes—among other concepts—the rule of law, property rights, education, public health, and transparent markets. “Real assets” are tangible items on the balance sheet.

This prosperity formula later guided Milken’s work in financing thousands of companies that created millions of jobs. When major banks ran into problems in the early 1970s and turned off the lending spigot, he stepped forward and made capital available. As a 2008 New York Times article put it, “Mr. Milken helped create a new generation of companies and an entirely new way to finance nascent ideas that have helped fuel the global economy.”

Based on his studies of credit at Berkeley and of capital structure at the Wharton School, as well as his early practical experience on Wall Street, he provided financing for key industries such as cable, cellular, energy, health care, housing, media, private equity, telecommunications, and more.

BUILDING BUSINESSES

Unlike many financiers, Milken considered human capital to be part of any company’s balance sheet. And he emphasized future cash flow instead of “looking in the rearview mirror” at book value and reported earnings. He played this out by backing such pioneers as Eli Broad (real estate and finance), Dr. Armand Hammer (energy), Henry Kravis and George Roberts (private equity), Carl Lindner (insurance), Craig McCaw (cellular telephones), Bill McGowan (telecommunications), John Malone (cable), Rupert Murdoch (media), Steven and Mitchell Rales (industrial), Leonard Riggio (book retailing), Steve Ross (entertainment distribution), Mel Simon (shopping malls), Bob Toll (home building), Ted Turner (cable networks), and Steve Wynn (resorts), among many other leaders of the companies he helped build. They earned his respect and backing because they had greater vision than the risk-averse managers who historically had counted on banks for financing.

Canada’s Globe and Mail newspaper called Milken’s financial innovations “one of the greatest achievements of modern capitalism.” He and his colleagues created what today’s business schools teach as a cornerstone of global finance. Previously, capital structure was essentially a binary world: investment-grade debt or equity. Milken created a broad spectrum of securities where risk could be matched to the needs of individual companies and investors. When Bloomberg Businessweek chose the 85 most important economic innovations of the past 85 years, the Milken revolution was 7th, ahead of DNA sequencing, Social Security, and email.

The nonprofit programs of Mike and Lori Milken over the past four-plus decades place them among the leaders of American philanthropy. And the charities of former employees add to their impact.

The many entrepreneurs Milken financed have created another legacy. Fellow Giving Pledge member Ted Turner, for example, has had a profoundly positive effect on environmental programs and international relations.

In 1980, when Turner launched CNN—then still referred to as “Cable News Network”— skeptics said it was impossible to provide TV news around the clock and to compete with the established networks. With Milken’s financial backing, he proved the doubters wrong. Today, CNN reaches every corner of the globe.

From the beginning, Turner vowed to give back much of his wealth to society. The ways he has done that have made him a charitable legend. He sees protection of water, air, and land as no less than “an effort to ensure the survival of the human species.”

Since 1990, his conservation grants have exceeded $350 million; he gave an historic $1 billion gift to the United Nations Foundation; and $250 million went to the Nuclear Threat Initiative, which he helped create. Other major grants have supported arts and culture, community development, and health.

Despite remarkable business achievements, he says, “I consider my contributions over the years the best investment I’ve ever made.”
Moreover, because of his early experiences, barriers facing minority-owned businesses also began to fall. Milken funded Reginald Lewis, the first African-American to own a billion-dollar company, and Linda Wachner, the first woman to operate a Fortune 500 company without inheriting it. Media companies in the Hispanic market, such as Univision and Tel-elmundo Group, grew and created jobs thanks to his financing.

THE MILKEN MYTHOLOGY

It’s often said that innovators get the arrows in their backs. That’s never been truer than in the case of Milken. Many appraisals of his career rely largely on myths. He has been compared to John D. Rockefeller, whose 19th-century business practices provided grist for the mill of muckraking journalists, and who was said to have “redeemed himself” by good works after retiring from active management at Standard Oil. This comparison is flawed because Milken’s philanthropy began long before his visibility in the public media and developed in parallel with his business accomplishments. Like Rockefeller, Milken created a new business model for those who followed. But unlike Rockefeller, who concentrated on industrial power, Milken’s lifelong goal was just the opposite—he sought to “democratize capital.”

A 2014 book, Roy C. Smith’s The Money Wars, concluded that Milken is “the greatest financial genius this country has produced since J.P. Morgan.” One review of Smith’s book said of Milken, “Every now and then, an individual comes along at the right time and place in history who knows exactly where he or she is in that history, and leaves a world-historical footprint as a result.”

Milken’s “footprint” goes well beyond finance. In health and education philanthropy, he believes the same entrepreneurial approach that was so effective in business can have a powerful impact when it seeks out best practices and empowers people to change the world. It is never, he stresses, just about writing checks.

Some of the myths about Milken emerged during a brief period in his life during the late 1980s and early 1990s, when he was dealing with the immense strain of a legal battle that had become one of the 20th century’s most overwrought media events. Wall Street Journal columnist Holman Jenkins, echoing the view of many other observers, recently called it “a case that hasn’t stood the test of time.”

But 30 years ago, anti-business publications often attacked him for his role in mergers and acquisitions, which they claimed were eliminating jobs. These claims were not supported by facts. Some publications have tried to set the record straight: The Economist said Milken’s financial innovations “are credited with fueling much of America’s rampant economic growth by enabling companies with bright ideas to get the money they need to develop them,” adding, “This was a boon to the American economy.”

The mythology that grew up around him eventually took on a life of its own. In his introduction to Fenton Bailey’s 1992 book, Fall From Grace, Harvard Law School professor Alan Dershowitz admits that at first he “had been taken in” by the media stereotype. But after meeting Milken and conducting “a vast amount of research on the man,” Dershowitz wrote: “Old orders have never given up their reigns easily, whether they represented the Roman Empire, the British Empire or the Soviet ‘Empire’. Michael Milken was not part of the old order on Wall Street, with its strong ties to the government. Nor were most of the individuals whose ventures [he] helped finance. By being a visionary and an innovator, who lent his support to others of the same persuasion, and by being enormously successful at it, he provoked the wrath of the political and economic power structure.”
EARLY ADVERSITY

Just when Milken’s business career was starting to flourish in the 1970s, he and Lori were devastated by the diagnoses and early deaths of his father and, later, her mother, from different forms of cancer. Their search for cures led to their first medical research grants, the beginning of a series of philanthropic initiatives that now includes:

**Milken Family Foundation**

Since its establishment in 1982, the Milken Family Foundation (MFF), co-founded by Milken and his brother, Lowell, has led groundbreaking initiatives in education, medical research, the arts, and public health. Lowell serves as chairman and has built many of its nationally-known education programs. Milken has been active in several of its activities including the Milken Educator Awards, America’s preeminent teacher recognition program. Often called the “Oscars of Teaching,” the program rewards and inspires excellence in education. As of 2016, more than 2,700 educators have each won an unrestricted $25,000 award in surprise announcements at their schools. Awardees can also join a national educator network dedicated to strengthening K-12 education.

MFF has worked closely with more than 1,500 organizations around the world to address difficult urban issues, assist families of children with life-threatening diseases, and build youth programs. In addition to education reform initiatives that attract, develop, motivate, and retain the best talent for the teaching profession, the foundation has highlighted the importance of early childhood education and advanced the effective use of education technology.

Mike’s Math Club, an MFF curriculum enrichment program run by Milken’s sister, Joni, shows thousands of inner-city elementary school students that math can be useful and fun. Milken created many of the techniques and regularly teaches classes. He has also taught at The Help Group, the largest U.S. organization of its kind for children with special needs related to autism, learning disabilities, ADHD, abuse, and emotional challenges. When Milken and Lori began supporting The Help Group three decades ago, it had one location and served 300
Addressing Global Challenges . . .

"Charity is writing a check to support a worthy cause and hoping for the best," says Mike Milken. "Philanthropy is much more than charity—it’s a profound commitment to understanding the needs of society and then rolling up your sleeves to help get it done."

Milken’s sleeves have gotten quite a workout over the years as he and the organizations he leads dive deep into global challenges and then construct carefully targeted programs to address them. The programs on the facing page are part of his efforts to find solutions to the challenges below:

- **Medical Research**
  Eliminate bureaucratic and financial barriers that slow progress against all life-threatening diseases.

- **Education**
  Develop/elevate the teaching profession and mentor tomorrow’s leaders and education professionals.

- **Access to Capital**
  Address financial illiteracy, misallocated resources, misguided incentives, and absence of financial markets in many countries.

- **Public Health**
  Reduce the social and economic burdens of lifestyle-related chronic diseases through prevention.

- **Demographics**
  Respond to entitlement issues in aging developed nations and job needs of young populations in emerging economies.

- **Philanthropy**
  Advise on intergenerational wealth transfers and charitable giving to maximize the social returns on philanthropy.

- **Human Capital**
  Develop skills for all groups as technology, globalization, and the movement to an information society disrupt traditional jobs.

www.mikemilken.com
... With Global Solutions

The Eight Milken Institute Centers

- FasterCures (Washington, DC)
- Center for Financial Markets (Washington, DC)
- Lynda and Stewart Resnick Center for Public Health (Washington, DC)
- Center for the Future of Aging (Santa Monica, CA)
- Asia Center (Singapore)
- Center for Strategic Philanthropy (Washington, DC)
- Center for Jobs and Human Capital (Santa Monica, CA)
- California Center (Santa Monica, CA)

Other Milken Institute Initiatives

- Melanoma Research Alliance
- Milken Institute School of Public Health at George Washington University (GW)
- Global Capital Markets Advisory Council
- Capital Markets Program (jointly with International Finance Corporation at GW)
- Milken Innovation Center at the Jerusalem Institute for Israel Studies
- Partnership for Lending in Underserved Markets (jointly with the U.S. Small Business Administration)
- Milken Institute Review
- Financial Innovation Labs
- Young Leaders Circle
- Milken Institute Senior Fellows

Other Philanthropic Programs

- The Giving Pledge
- National Museum of African American History and Culture
- The Help Group
- Focused Ultrasound Foundation
- Epilepsy Foundation
- Museum of Tolerance’s Simon Wiesenthal Center
- Los Angeles Urban League
- Mattel Children’s Hospital at UCLA
- Archdiocese of Los Angeles
- Los Angeles Ballet

...and more than 1,500 other organizations

www.mff.org

www.milkeninstitute.org

www.pcf.org
children. Today, its six campuses, including the Michael and Lori Milken Education and Therapy Building, serve 6,000 children, adolescents, and young adults.

The Milken Archive of Jewish Music/The American Experience, led by Lowell, is a unique repository of cultural and historical work that documents, preserves, and disseminates the vast body of music pertaining to the American Jewish experience over 350 years. It has recorded more than 600 compositions by some 200 composers on 138 albums and also includes video documentaries, photographs, oral histories, program notes, and essays, among other historical documents.

**Milken Scholars**

Milken and Lori established the Milken Scholars program to provide support and lifetime mentoring for college-bound students with significant financial need who have excelled academically, served their communities, and triumphed over major obstacles. Since its founding in the 1980s, the program has grown to encompass a network of more than 400 graduates and current students who have attended the nation’s most competitive universities. These include 87 who have gone to Harvard University; 49 to Stanford University; 38 to Yale University; 33 to the University of California, Berkeley; and 26 to the University of Pennsylvania. Many Milken Scholars are the first in their family to attend college and they often come from diverse backgrounds—one quarter were born outside the United States, and three-fourths of their parents are immigrants, originating from 66 countries.

**National Museum of African American History and Culture**

After four decades of supporting minority entrepreneurship, Milken and Lori recently became founding donors of the new National Museum of African American History and Culture on the National Mall in Washington, DC. Part of the Smithsonian Institution, the museum is described as “a place where all Americans can learn about the richness and diversity of the African-American experience and how it shaped the nation.” Milken and other donors joined President Barack Obama at the formal opening ceremony in September 2016.

**Milken Institute School of Public Health at George Washington University**

As important as research is to finding medical solutions, Milken believes that it is equally important to pursue prevention and wellness initiatives—key components of public health—because preventing disease in the first place is as good as a cure. George Washington University School of Public Health was renamed after the Milken Institute contributed $40 million, the Milken Family Foundation added $10 million, and philanthropist Sumner Redstone gave another $30 million to establish the Redstone Global Center for Prevention and Wellness in the Milken Institute School of Public Health.

**The Milken Institute**

This non-partisan economic think tank addresses job creation, health, financial innovation, aging, energy/environment issues, human capital, and philanthropy. The Institute hosts more than 200 events a year, including major annual conferences in Los Angeles, London, Singapore, New York, and Washington, DC. Its signature event, the Milken Institute Global Conference, has been called “the equivalent of a [one-week] university with multiple seminars every hour” (Barron’s) and “Davos with palm trees” (New York Times). Nearly 4,000 thought leaders attend.
leaders and decision makers from some 50 nations interact with more than 700 panelists each year.

Global Conference speakers include current and former heads of state as well as senior industry, government, and public policy leaders from around the world. When he spoke at the Global Conference, former president Bill Clinton said, “Michael Milken asked me to come, so I’m honored to be here. I want to thank Mike and all the people who work with him for the wonderful work that’s been done over the years.”

“It’s a great learning experience every year,” says Milken. “We bring together leaders and influencers from a wide range of sectors—people who would rarely meet each other—and they always leave Los Angeles with new insights.”

The Milken Institute carries its work forward through eight centers dedicated to increasing global prosperity by advancing collaborative solutions that widen access to capital, create jobs, and improve health:

1. **FasterCures** (Washington, DC) works to improve the medical research system and accelerate progress against all life-threatening diseases. Among its several programs is TRAIN (The Research Acceleration and Innovation Network), a working coalition of more than 80 disease-specific organizations that share best practices and research successes. This has strengthened these groups and helped place patients at the center of the research process.

   In 2012, FasterCures hosted “A Celebration of Science” in Washington to reaffirm the nation’s medical research commitment and honor scientific achievement. In three days of events at the National Institutes of Health, the Kennedy Center for the Performing Arts, and George Washington University, senior members of Congress from both parties joined more than 1,000 leaders in medical research, bioscience, patient advocacy, industry, philanthropy, and public policy.

   In 2016, Milken met with Vice President Joe Biden to discuss the goals of the Obama administration’s “Cancer Moonshot” program—an initiative dedicated to making more therapies available to patients and improving the ability to detect cancer at an early age—within a broader strategy to accelerate medical research. Fittingly, the director of the Moonshot is Greg Simon, a Milken protégé—earlier in his career, he was the first leader of FasterCures.

   FasterCures, which hosts the annual Partnering for Cures conference in New York, also works to help establish and guide new disease-specific research organizations. This includes giving executive and administrative support to the Melanoma Research Alliance (MRA). Founded by philanthropists Leon and Debra Black, MRA is the largest private funder of research on melanoma—the disease that killed Bernard Milken. Over the past decade, MRA has energized research; since its founding, the U.S. Food & Drug Administration (FDA) has approved 11 new therapies to treat the disease. These therapies give increasing hope to the more than one million Americans living with advanced skin cancer.

2. **Center for Financial Markets** (Washington, DC) promotes financial market understanding and works to expand access to capital, strengthen—and deepen—financial markets, and develop innovative financial solutions to global challenges. Jointly with the International Finance Corporation (IFC—part of the World Bank Group) and George Washington University (GW), the Center recently launched the IFC-Milken Institute Capital Markets Program at GW to bring mid-career finance practitioners from Africa and other developing regions to the U.S. for training that will help build their economies and create meaningful job opportunities in their home countries. Another partnership, with the U.S. Small Business Administration, facilitates lending in underserved domestic markets.

3. **Lynda and Stewart Resnick Center for Public Health** (Washington, DC) hosts the annual Milken Institute Public Health Summit and seeks solutions to complex public health challenges as an integral part of the Institute’s mission. It serves as a hub for an exchange of best practices among dozens of schools and programs in public health. The Resnick Center’s organizing principle is that extending life and promoting health and wellness at all ages are among the most effective strategies for spreading prosperity. By conducting research and raising awareness about such areas as nutrition, smoking, and substance abuse, it works not only to improve health, but also to reduce the negative economic effects.

4. **Center for the Future of Aging** (Santa Monica, CA) moves beyond the stereotypes of dependency and decline that have defined older age to look at aging in new ways. The Center studies and reports on the dramatic demographic shifts of recent decades as longevity and declining birth rates create a mature population of unprecedented size and significance. It leads initiatives to improve lives and strengthen societies by promoting healthy, productive, and purposeful aging, particularly in more-livable cities where older adults increasingly make civic contributions. It also examines the dramatic opportunities of the health and wellness revolution emerging from the fields of genomics, medicine, and technology.
Asia Center (Singapore) promotes the growth of inclusive and sustainable financial markets in Asia by addressing the region’s demographic trends, trade relationships, and capital flows. It develops collaborative solutions and identifies strategic opportunities for the deployment of public, private, and philanthropic capital. As Asia’s economic influence grows, the Center provides research and thought leadership that can assist governments, investors, and industry.

Center for Strategic Philanthropy (Washington, DC) counsels philanthropists, family offices, wealth advisers, and foundations seeking to make transformative charitable gifts. It applies the discipline of business to create success metrics that can maximize the social return on the more than $350 billion (and far more worldwide) given annually. It does this by taking a 360-degree view to “landscape” issue areas and identify potential roadblocks that help donors structure their contributions for the greatest impact. When a philanthropist wants to support research on a particular disease, the Center creates a detailed “Giving Smarter Guide” to assess everything going on in the field both domestically and internationally. As an example, this process helped lead to the establishment of the Melanoma Research Alliance, now one of the most effective disease-specific organizations.

Center for Jobs and Human Capital (Santa Monica, CA) promotes prosperity and sustainable economic growth around the world by increasing understanding of the dynamics that drive job creation and promote industry expansion. Milken Institute research shows that the most prosperous regions have at their foundation a wealth of knowledge-based industries and an educated workforce with the skills those industries demand. The right policies can help reproduce these environments and spread economic growth. The organization is a resource for policymakers and businesses seeking rigorous, accessible research that shows how their geographic area compares with others that are competing for the same industries and human capital.

California Center (Santa Monica, CA) identifies ways to keep the state’s economy vibrant and growing. Because of the booming high-technology industry and a broader statewide upswing, California leapfrogged France and Brazil in 2016 to become the world’s sixth-largest economy. At the Center’s annual California Summit, the focus is often on ways to keep the state a global incubator for innovation and to overcome the challenges of revitalizing education and creating a friendlier business climate.

Prostate Cancer Foundation (PCF)
In 1993, two decades after he first began supporting medical research, Milken learned he had prostate cancer. “From my earlier experience funding research, I knew a lot about melanoma,
breast cancer, and other cancers,” he says. “But my knowledge of prostate cancer, a disease that hadn’t received much notice or funding from public agencies, was very limited. It was clear that I had work to do.”

With the typical thorough approach Milken took to any challenge, he learned all he could. What he learned shocked him, not only because he was given just 12-18 months to live, but also because so many men were dying and so little was being done. He vowed to change that starting with a revolutionary idea.

Traditionally, investigators had to write massive funding applications that reduced their time for research. At his new research organization—the Prostate Cancer Foundation (PCF)—medical reviewers promised to read only the first five pages of grant proposals, and those that were approved would be funded within 90 days. Moreover, applicants were not required to submit clinical data—a promising idea would suffice.

This was unheard of in the field of medical philanthropy and welcomed by researchers who felt their progress against disease was being slowed by needless bureaucracy in other funding organizations. The number of articles about prostate cancer in the popular press took off and had the salutary effect of sending millions more men to their doctors to get screened for the disease. But some other disease-specific groups became concerned that PCF would divert funds from their research programs. Milken assured them that his goal was to dramatically increase the size of the pie for all medical research, not just to expand the slice for prostate cancer.

In 1995, he hosted the first Cancer Summit and laid out a 10-point plan to rethink the war on cancer. Eventually, all 10 points came to fruition, but not without tremendous efforts. In 1996, Milken began extensive planning for an unprecedented March on Washington in support of increased funding of biomedical research, especially at the National Institutes of Health (NIH). Finally, in September 1998, close to half a million patient advocates, doctors, and other providers came to the National Mall in Washington and to medical research centers across the United States.

“It was inspiring to see thousands of people on the Mall,” Milken remembers. “But we were determined that this would not be just a soon-forgotten, one-day event. Our goal was to double the NIH budget and triple the resources of the National Cancer Institute (NCI). So we joined with many other groups in making calls on members of Congress.”

Later that year, Congress agreed to increase the NIH budget from an annual $14 billion to $27 billion over the next five years including a three-fold increase for the NCI. The yield on that investment is accelerated scientific discovery that has saved, enhanced, and extended lives around the world.

PCF has raised awareness and funding through a broad range of events that bring patients, their families, and the broader community into an ongoing dialogue. The Home Run Challenge, for example, involves Major League Baseball fans at all 30 MLB stadiums each June. Milken sometimes throws out the first pitch, makes pregame announcements on the field, and joins play-by-play announcers in the broadcast booth to encourage donations for every home run. Since 1996, this single promotion has raised more than $45 million, part of the $650 million the public has given PCF for research.

**BREAKING OUT OF SILOS**

It’s not just the amount of money, but the way it’s been used that has made the organization so effective. Ever since its founding in 1993, PCF has sought to break through research silos by requiring the investigators it funds to collaborate across institutions and report their results at annual scientific retreats. More than 600 scientists from approximately 20 countries in an ever-widening range of organizations and disciplines now participate each fall.

One example from some 2,000 PCF research grants shows the organization’s powerful leverage. In the mid-1990s, with support from NIH, Dr. James Allison—then a professor of immunology at the University of California, Berkeley—had been studying the process by which cancer spreads by turning off the
body’s normal immune-system response. At a crucial point in his research, when NIH grant money ran out, his very promising work on a new antibody might have stopped. But Milken was convinced it was worth pursuing. An award from PCF kept it going long enough for him to demonstrate market potential to a commercial partner. After further development, Berkeley received an initial licensing payment of more than $87 million from Bristol-Myers Squibb for Allison’s antibody. These funds were plowed back into further research.

In 2011, the FDA approved Yervoy, developed from Allison’s “immune system off-switch blocker,” after clinical trials showed dramatically extended survival times for many patients with advanced melanoma. And because today’s precision medicine can identify the specific sub-type of a tumor anywhere in the body, Yervoy and similar immunology drugs, such as Keytruda and Opdivo, are now being used against several other types of cancer. In recognition of this work, Allison won the 2015 Lasker–DeBakey Clinical Medicine Research Award, popularly known as the “American Nobel.”

Bolstered by significant research contributions from PCF-funded investigators, the FDA has approved six new prostate cancer treatments since 2010. Four PCF-funded discoveries in prostate cancer now extend to saving lives in eight other forms of cancer. And most importantly, deaths from prostate cancer have been cut in half since PCF’s inception. That’s 80 percent below early projections of what was expected to be a growing number of deaths as the baby-boomer generation of men reached retirement age.

THE IMPACT OF MILKEN’S LEADERSHIP

On November 29, 2016, the lead op-ed article in the Wall Street Journal was written by Milken under the headline “Three Ways to Find More Disease Cures.” Among other recommendations, his article urged Congress to pass the landmark 21st Century Cures Act, legislation he had discussed with a bipartisan coalition on Capitol Hill for more than two years. The next day, the U.S. House of Representatives voted in favor of the Act by the overwhelmingly positive margin of 392–26. The Senate then passed the bill 94–5 and sent it to President Obama, who signed it into law.

Milken’s article also advocated expanded digitization of health data held by the Department of Veterans Affairs (VA) so researchers can develop more effective therapies faster for those who have served the nation in the military. On the same day the article appeared, Milken joined VA Secretary Robert McDonald in Washington to announce a $50 million partnership between PCF and VA that will speed development of cures and provide better access to the most advanced treatments for all veterans.

COMING FULL CIRCLE

Milken cites seven tenets that he believes lead to effective philanthropy:
1. Follow your passion: “Define the core beliefs that motivate you and stick with them...even if you get discouraged occasionally by lack of progress.”

2. Get personally involved: “Roll up your sleeves and work with people who make a difference. They get the benefit of your participation and you gain a direct understanding of the real problems and potential solutions, which makes you a more informed giver.”

3. Think big: “Never underestimate what you can accomplish. Philanthropists in the U.S. provide only three percent of medical research giving, yet when strategically deployed, these funds can be leveraged exponentially through other government and corporate sources to save and improve lives.”

4. Foster teamwork: “Insist on collaboration and true partnership. You’ll find new and better solutions you never thought possible. Investing in one area will pay dividends in others. Don’t be afraid to share what you learn.”

5. Do no harm: “The effective philanthropist recognizes that many nonprofits waste their money on programs that don’t solve a problem, or worse, have unintended negative consequences.”

6. Fight the zero-sum game: “Foundations don’t ‘spend’ money on grants. They invest in society to produce a greater return.”
Billions to Trillions

Mike Milken has always believed the best way to change the world for the better is to empower the right people at the right time in their careers to leverage their skills for the greater good. He calls it “building human capital” and says the same principle applies in many areas, including medical research and education. “Billions of dollars invested in people with the capacity to accelerate progress,” he says, “can ultimately produce trillions in future value for society.” Below are just a few of the hundreds of medical scientists whose early careers received a boost from Milken and who have since made major contributions to their fields.

Milken’s support is advancing the work of many young medical researchers.

LORELEI MUCI, M.PH, Sc.D.
Epidemiologist, Harvard T.H. Chan School of Public Health

STEVEN ROSENBERG, M.D., Ph.D.
Immunologist and Chief, Surgery Branch, National Cancer Institute Center for Cancer Research

ISLA GARRAWAY, M.D., Ph.D.
Research scientist, Jonsson Comprehensive Cancer Center, UCLA

ARUL CHINNAIYAN, M.D., Ph.D.
Director, Michigan Center for Translational Pathology, University of Michigan

PADMANEE SHARMA, M.D., Ph.D.
Immunologist, University of Texas MD Anderson Cancer Center

CHARLES SAWYERS, M.D.
Chair, Human Oncology and Pathogenesis Program, Memorial Sloan-Kettering Cancer Center

CHRISTOPHER LOGOTHETIS, M.D.
Chair in Genitourinary Medical Oncology, University of Texas MD Anderson Cancer Center

ISLA GARRAWAY, M.D., Ph.D.
Research scientist, Jonsson Comprehensive Cancer Center, UCLA

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Chair in Genitourinary Medical Oncology, University of Texas MD Anderson Cancer Center

ARUL CHINNAIYAN, M.D., Ph.D.
Director, Michigan Center for Translational Pathology, University of Michigan
Transfer skills, not just money: “Each one of us has skills that can be shared. The impact of financial giving can be magnified by transferring management or technology skills.”

The Giving Pledge, founded by Warren Buffett and Bill and Melinda Gates, requires members to give the majority of their wealth to philanthropy within their lifetimes. In their commitment letter at the time they joined, Milken and Lori wrote words that are familiar to all those philanthropists whom Milken has mentored over the years: “The kind of world in which our children and grandchildren reach their potential depends on the success of our efforts to provide opportunities for all children.”

Heading into his eighth decade, Milken continues to travel the world, speaking with an evangelical fervor to diverse groups about his unique perspectives on the challenges of the 21st century. His packed calendar of meetings seven days a week ranges from global leaders, government agency officials, and Nobel Prize winners to kindergarten teachers and high school seniors. It’s all part of his insatiable quest to learn, to question, to challenge, to mentor, and most importantly, to make an impact.

Nearly a quarter century has passed since Milken was told he had little time left to live. He’s acutely aware of his good fortune. Whereas he once wondered if he’d see his children grow up, he’s now seen all three marry and have kids of their own. At a recent fundraiser for medical research, he told the 800 attendees, “I feel like the luckiest guy in the room tonight, just to be able to join you.”