

The words “philanthropy” and “controversial” are rarely used in conjunction with each other, however, Catherine B. Reynolds, recently selected by Business Week as one of the 50 Top Givers in the US, is a person to whom both can be applied. Who is Catherine Reynolds and how did she become the first self-made woman ever to make the Business Week list? The Peninsula finds out.

Text: Ann Tsang and Virginia Ngai Images: Courtesy of Catherine B. Reynolds

Unlike many of her peers, Catherine Reynolds wasn't born with a silver spoon in her mouth. She grew up in a working-class family in Jacksonville, Florida with her father working as a career serviceman in the Navy and her mother a homemaker. Reynolds literally worked her way to earning millions of dollars. Her success story began with a struggling student loan business, Servus Financial Corporation. When she joined, it was on the verge of bankruptcy and Reynolds was brought in to try and save the company. And that was exactly what she did. When Wells Fargo bought the company 12 years later, the sale was reported to be close to US\$100 million. In addition, the remainder of the money generated by the company, almost US\$500 million, went into a charitable foundation now that bears her name.

Most people in Reynolds' situation would have retired and lived off the hundreds of millions earned, but this remarkable woman continued to work and eventually became the leader of two businesses. Reynolds created a new and affordable way for Americans to finance a college education through her privately-funded alternative to government student loan programmes. In just one decade, this innovative approach to private educational financing had revolutionised student lending, and spawned a multi-billion dollar

industry of 65 lenders offering more than 2,000 financial products.

In addition to her business endeavours, Reynolds also devotes much of her time and energy to philanthropic work. The Catherine B. Reynolds Foundation is one of the largest in the United States and its mission is simple: “to help educate young people, to inspire them to believe in their power to make a difference as individuals and to motivate them to reach their greatest potential as citizens and productive members of society.”

The Foundation seeks to identify programmes which best embody that vision, and it has supported a wide variety of innovative programmes in the fields of cultural and performing arts, the sciences, academics and public policy. One notable institution that the Foundation supports is the National Gallery of Art in Washington DC, the counterpart to European galleries such as The Louvre, The Prado and The Tate. The Catherine B. Reynolds Foundation supports the National Gallery by sponsoring exhibits that display the world's greatest paintings, sculptures and other artworks.

Recently, the Foundation sponsored an exhibition entitled *The Courty Art of the Maya*. On display were works of Mayan art from Mexico, Honduras, Guatemala, and museums around the world. Another exhibit that the Foundation provided

funding for was *Goya: Images of Women*, a large scale exhibition that featured approximately 110 paintings and prints by the Spanish master. Many of the works were amongst Goya's most famous, some of which are rarely lent or even seen.

Reynolds has an interesting philosophy regarding her Foundation. She prefers to have a hands-on approach and feels that simply writing a check and saying, “problem solved” is not enough. This philosophy has led to much criticism and sparked a major controversy in 2001 when Reynolds decided to donate US\$38 million to the Smithsonian Institute on the condition that a 10,000 square foot hall of achievement be dedicated to “the power of the individual to make a difference.” Reynolds had hoped to inspire young people by showcasing a selection of contemporary role models including Oprah Winfrey and Pulitzer Prize-winning author Frank McCourt. Her generous contribution met with outraged accusations. Some critics believed that Reynolds was trying to buy her way into Washington society, whilst others, including curators, were afraid that the hall of achievement would become a celebrity exhibit. Many believed that Reynolds didn't have the right to dictate how her money should be handled, but the fact is that she did in fact have a signed contract that gave her the right to

One would think that in light of this debacle, Reynolds would refrain from making further donations or offer endowments in smaller amounts, but she is not a woman who likes to be dictated to

help decide what would be in the exhibit she was sponsoring. When the curators and historians at the museum learned about this contract, more than 70 of them fired off angry letters of protest stating that Reynolds was trying to take over the Smithsonian.

Following nine months of frustration, Reynolds finally decided to withdraw her donation to the Smithsonian Institution and focus on other programmes that she felt would benefit from her support. She was astounded by the extreme reaction to her hall of accomplishment idea. "I believe that individual achievement is important to American history and the American History Museum at the Smithsonian has all the artefacts of history but no story about the individuals," states Reynolds. "It's important to inspire children by having these people come alive for them, but unfortunately the curators at the Smithsonian didn't agree. They basically said that the heritage of individual accomplishment in America was meaningless and so I withdrew the gift. It was a very controversial decision and I ended up being on 60 Minutes. The reaction was amazing and I think that we really hit a note with the audience."

One would think that in light of this debacle, Reynolds would refrain from making further donations or offer endowments in smaller amounts, but she is not a woman who likes to be dictated to. The following year, she bestowed US\$100 million to The John F. Kennedy Center for Performing Arts in Washington. The gift was the largest in the history of the 30-year old Center and is the main donation which will contribute towards a major expansion initiative scheduled to unfold

over the next decade. This expansion includes creating an eight-acre plaza and two new buildings that will connect the Kennedy Center to the community and the national monuments that surround it. The money will go towards constructing a new Education Center, the centrepiece of which will be a state-of-the-art museum. The museum will feature a number of interactive exhibits to highlight the role of the performing arts in American history. In addition, the Education Center will pay tribute to individual achievements in the performing arts, and feature art from the collections of the Library of Congress and the Smithsonian Institute.

Reynolds and her husband, Wayne, are also involved with the Academy of Achievement. Wayne Reynolds is the chairman and CEO of the Academy, while Reynolds is Vice Chairman. Each year, the Academy invites 50 men and women who have achieved exceptional accomplishments to share their wisdom and experience with 200 outstanding graduate students from more than 40 countries. The four-day International Achievement Summit allows these students to meet and discuss issues related to every facet of human accomplishment, including the sciences, business, sports, literature, entertainment, the military, the arts and public service. "Students are selected through scholarships from a variety of schools that participate in the programme and there are multiple fields of endeavour. When they are selected, students sometimes don't believe it themselves. The whole process is like social entrepreneurship," says Reynolds.

As the biggest sponsor of the Academy, Reynolds now finds herself surrounded

by Nobel Prize winners, Pulitzer Prize winners and world leaders. At the 2004 International Achievement Summit, held at The Peninsula Chicago to induct 34 new honourees, former U.S. President Bill Clinton; Afghan President, Hamid Karzai; former Israeli Prime Minister, Ehud Barak; civil rights activist and widow of Martin Luther King Jr., Coretta Scott King; two recipients of the Nobel Peace Prize – Archbishop Desmond Tutu and Shimon Peres; and His Majesty King Abdullah II of Jordan were all in attendance. Add to that Star Wars creator George Lucas; musicians Kathleen Battle, Chuck Berry, Aretha Franklin, and Emmylou Harris; and authors A. Scott Berg, Maureen Dowd, Norman Mailer, N. Scott Momaday, Neil Sheehan and John Updike, all recipients of the Pulitzer Prize, and you begin to understand just how influential the Academy has become.

"We see the Academy as a workshop of living history. Think of Shimon Perez speaking of his experiences. Whether they are scientists or in public service or business individuals, all these people share a strong vision and passion. It's not a job, it's their life. My goal is to sponsor young people who I believe can make a difference and it's not only limited to Americans, it's for all students over the world," declares Reynolds. "Our goal is to foster the fact that you can achieve something incredible. We bring leaders of such high achievement together to create a vision for others. What brings us satisfaction is that we raised the bar. For example, four years ago in London there were two student delegates from Stanford who put together a small company called Google. Look at where they are now."

Not bad for a working class girl from Florida.