

## CONVERSATIONS WITH MIKE MILKEN



### **Peter Laugharn**

President and CEO, Conrad N. Hilton  
Foundation

*October 2, 2020*

---

**Mike Milken: So Peter, thank you for joining me today.**

Peter Laugharn: Pleasure to be here.

**I'd like to start with a little bit of background. The Conrad Hilton Foundation was founded and funded in 1944 during the war more than 75 years ago. Today, the endowment has grown to around \$6 billion and has awarded more than a couple of billion dollars. I'd like you, if you could, review with our listeners the mission of the foundation first, and then we'll talk about how your leadership and the team at the foundation responded to the crisis of 2020.**

The mission of the Hilton Foundation is the alleviation of human suffering, which is obviously quite a broad mission, but very important for us to be working with and for the people who are in the most difficult situations and experiencing the most disadvantage. But at the same time, recognizing that these are all individuals with dignity, agency and worth and that they are active partners with us in this work. We do about half of our grant making internationally and half in the States; the largest part of that domestic grantmaking is in Los Angeles, and we'll be doing about a quarter of our annual grantmaking in L.A., which is around \$60 million a year.

**My father, who had lost his mother in childbirth, his father in a car accident and had polio, really was focused on family. He told me that there wouldn't be the same opportunities or quality life for my children, his grandchildren, if everyone didn't feel they had a chance and was not treated with dignity. So when you talk about these challenges, whether we face a worldwide pandemic or whether we have this grim reminder of economic inequality, and racism that's institutionalized that we've had this year, it seems to me that this has brought you and Hilton Foundation's work to the forefront with a sense of urgency. So as the events of this year have unfolded, talk to us a little bit of how you've responded to them.**

It hasn't been the year we planned for, but it has been a year of many opportunities. In March when we realized that COVID was a serious threat, we made some of the quickest grants we have ever made –about \$15 million of grantmaking in 10 day's time.

A third of that was to protect the homeless population here in Los Angeles who were greatly exposed to COVID and working through local organizations that we know well and supporting the county; a third was helping ministries of health and Africa prepare for COVID, both through the World Health Organization, through UNICEF and through SHOFCO and organization that won our Humanitarian Prize two years ago and works in Africa's largest slum Kibera in Nairobi; and the third was simply to help or organizations that we've supported over a long time with the economic distress and the greater amount of work they needed to do.

---

***“The problems that we deal with are much bigger than we can pay for solutions for. We have to be looking for larger streams of funding. We have to be looking for better policies and we have to be looking for ways that whole populations can contribute to solutions.”***

---

The whole community of L.A. – philanthropic, business, government – is looking at is how Los Angeles steps out of this COVID moment. When we get the green light that it is possible to go back to work, how do we do it better than before? And how do we learn from our lessons of this time about disparities in health outcomes, about economic difference. It really is a step-up moment for philanthropy, for government, for business, that we hope to participate actively in.

**The Hilton Foundation has the largest humanitarian award in the world.**

That's right.

**How did it get started? What was the idea behind it?**

As a foundation funding around the world, we get exposure to all sorts of organization doing tremendous work. And about 25 years ago, our board said we would like many more people to know about these organizations than simply ourselves. We would like to establish a prize that will cast a light on really exemplary nonprofit organizations that are taking on challenges that people thought could not be solved, and doing it in a way that is not only at scale themselves, but could be copied by others. And over those 25 years, that Hilton Prize has gone to, for example, Doctors Without Borders; the Partners at Health, the organization that helped vaccinate hundreds of millions of children around the world; the organization that came up with Pedialyte or oral rehydration that saved 50 million children from death by diarrheal disease.

---

*“In March when we realized that COVID was a serious threat, we made some of the quickest grants we have ever made – about \$15 million of grantmaking in 10 day’s time..”*

---

So some very heavy hitting organizations, and typically they were global in scope and they were public health related. Over the last couple of years an independent international jury has selected organizations that are more homegrown, that are arising out of the communities they serve.

SHOFCO, I mentioned in Kenya, which serves a larger urban slum. Last year an organization serving refugees in Greece with Odyssey; and this year, Homeboy Industries here in Los Angeles.

And the idea of Homeboy Industries is that when people were leaving gang life or getting out of prison, there really was very little support network for them to get back on their feet, to have a sense of their own dignity, self-esteem, and to have a career path in front of them. And Homeboy, Father Greg and all of the people he's brought together, have really done amazing things to help that population get back on his feet and to help all of us recognize our shared humanity.

**So, Peter, the other thing you mentioned was a commitment to Africa, and this is an area we've discussed. When you have median age of 15 in Uganda and you've got median age on the entire continent at 19 or younger, and the fastest-growing populations in terms of birth rate today are in West Africa, that our position has been that if we don't solve the opportunities, create dignity, create jobs in Africa with potentially 3 billion more people it really won't make much difference what we've done. We saw this pandemic unfolding at our medical conference in Johannesburg in February that we were putting on. You have a perspective for decades; what got you interested in Africa to begin with?**

Four days after graduating from college, I was in Morocco training to be a Peace Corps volunteer; always been interested in service and service involving other cultures. And from there, I went to eight years in Mali working for Save the Children. Africa is a

continent that has challenges, but it also has opportunities. The youth bulge that you referred to means that in 15, 20 years, most of the labor force of the world, or a large chunk of it, is going to be in Africa. And you're absolutely right that Africa needs to prepare for that. But so does the world, because that workforce will be important to all of us.

My work in HIV started as I was working in child-focused organizations, and we saw that the parents and the teachers and all the adults in the lives of children were dying, and what would this do? Would there be a generation of delinquents? Would there be a generation of children who grew up without anyone to look after them? But what we

found was that one of Africa's great strengths is that when parents were not there, other family members stepped in and when a family was absolutely destitute, a community stepped in. And frankly, those are two strengths that Africa still has that most of the industrialized world is not. Africa's renewable resources, there are many that are mineral, but there are a number that are human. One is solidarity: I work for your benefit and you work for mine; the impulse to pull together.

I think we've seen that even in this COVID response, for 40 years Africa has been developing a cadre of community health workers that is stronger than anywhere

else in the world, including in the United States. They've been at the sharp edge of Ebola and of other infectious diseases, and their governments know to take action quickly and in an organized way. Our response has been really to help the World Health Organization provide timely guidance and information to ministries of health, to help the inception of an Africa endemic task force, and to really try to amplify what Africa does well naturally. To help in Kenya, for example, the private sector produce its own PPE. It is true that Africa faces a lot of challenges in terms of resources, economics, educational attainment, and those all need serious work. But I've found it very rewarding to work with African communities in their efforts and found there's a tremendous spirit there that is very important.

---

*"The idea of Homeboy Industries is that when people were leaving gang life or getting out of prison, there really was very little support network for them to get back on their feet, to have a sense of their own dignity, self-esteem, and to have a career path in front of them. And Homeboy, Father Greg and all of the people he's brought together, have really done amazing things to help that population get back on his feet."*

---

**Our co-host in February for our medical conference for our various medical foundations in Africa was Precious and Patrice Motsepe. As we talked about whether Africa was prepared for this pandemic, they quickly became probably the first philanthropist to make a large grant in Africa to try to deal with it. We went and visited on a podcast**

with Precious, but also Reeta Roy, who heads the Mastercard Foundation and their mission has been to create jobs, opportunities. And I think one of the things you mentioned, Peter, is the optimism that exists in Africa. I think it might be interesting if you could just reflect on a story or two of your experience, your personal experience in Africa, which underlines this sense of community that you spoke about.

I think of my wife's family; we met during the genocide, but outside Rwanda. And the first time I set foot in Rwanda was to get married in 1995, a year after the genocide. I walked into my mother-in-law's home and all across it, on all the shelves, you could see condolence cards of people who had been killed during the genocide and who were being re-buried in a dignified way. And I thought, my God, what have I come into? And yet, what I found in the week that I stayed with them was that they were extremely

---

*“For 40 years, Africa has been developing a cadre of community health workers that is stronger than anywhere else in the world, including in the United States. They've been at the sharp edge of Ebola and of other infectious diseases and their governance, their governments know to take action quickly and in an organized way.”*

---

warm. My mother-in-law couldn't speak a word of any language that I could, but we managed to communicate well; I was received as someone they were proud to know.

And it told me volumes about resilience of the human spirit. When you think of what my in-laws went through in the years before – two siblings dead to the genocide, two siblings dead to AIDS – and yet they were the most warm and welcoming. That's the personal side; that the country of Rwanda in the 25 years since that genocide has made strides that I think ought to make the U.S. sit up and

listen. For example, in the decade of the 2000s, they had the fastest decline in child mortality of any country in recorded history because they really put their mind to it and they worked every part of society; the community, the families, the medical establishment. They had mutual health insurance throughout Rwanda while we were trying to figure out what the hell to do with our own cost coverage. There are two ambulances in every district in Rwanda, and I'd have to say that my country-on-law has raised the bar for me about what is possible to do. Certainly in Africa, but also I think in any of, in any situation where people are saying there are resource constraints and Los Angeles now before for the future that confronts us.

I think that rebuilding that occurred obviously reminds you of Nelson Mandela, and when he came out of prison, how he held [South Africa] together so differently than Zimbabwe and others. And I think what we see is not only the potential and not only optimism, as you've pointed out, when you don't have any wire lines and you never had telephones, you're never going there with your mobile phones.

If you never had banks, having your bank on your mobile phone in Kenya, is nothing unusual because that's what you knew. And I think bringing these ideas back to the United States and deploying a sense of community in many ways along with a number of other foundations, I think of Hilton as fostering the communities and particularly the Los Angeles community with your collaboration with others and your desire. One of the things that we have really focused on is the sense of collaboration. Can we talk a little bit about how the foundation has collaborated, first historically, and how during this pandemic?

Let me focus in that first part of the answer on homelessness, because it's been a long-term concern of the foundation and a long-term goal to work toward the elimination of homelessness in Los Angeles. We have been working in this area for about 20 years, 15 years in Los Angeles. And we were putting say between \$5 million and \$10 million a year on the table. That in itself can construct a few [housing] units. It can do some good and it's important. But we realized early on that working by ourselves we were never going to solve the problem. And it was important to us that we contribute to its real solution. So, we joined with other foundations with the L.A. Chamber of Commerce, the United Way, and a number of elected and appointed officials and said, 'we need to all be pointing in the same direction. And we need to be talking about mobilizing resources that are sufficient to take this on.'

Early on, I think it became clear that supportive housing, so housing that not only gives the person a place to live and stay, but also has for those who need it addiction treatment, job training, mental health supports, was the way to go. And because of very strong pulling together and collaboration, we were able to help the city put a \$1 billion bond on the ballot in 2016 and the County put a quarter-cent sales tax on to the ballot in 2017. Both measures passed, and that meant that there's a half-billion dollars every year to address homelessness. So for me, that was a very important step in aligning policy and in putting resources on the table. But what we found was that it was not adequate to solving the problem, partly because there was NIMBYism [Not In My Back Yard] – I want this to be solved, but not in my backyard.

It's a difficult issue for politicians. It's a third rail of an issue. We were, even before COVID, saying we need to have a better response to this, a larger response. But given COVID now, we're going from about 600,000 people in L.A. County who were one or

---

*"I think every society is more fragile than we realize, and every society can be taken advantage of. So I think it's incumbent on everyone to fight for community, to recognize the humanity of everybody, and to fight for the robustness of it. Because it's what keeps us moving forward. It's what keeps us safe. And it's what gives the future to our kids."*

---

two paychecks away from being homeless to almost a million. And the precarity of this last population is very serious because many of them have no source of income right now, being unemployed and at the end of the Federal benefits. So I think it is a moment where all of us need to be thinking, 'we've done a lot. We've succeeded in some ways more than we expected that we would, but we have to gather our forces, take a deep breath and do much more.'

It's going to have to look at the question of housing affordability. It's going to have to look at the question of income inequality, and those are questions that are larger than the resources of any foundation to deal with. But we can help keep people's feet to the fire. We can encourage them to do what they need to do. We can bring people together for convenings and confidential conversations. We can get people to look at zoning. We have all these malls that are becoming tombs at the same time where we can't house our people. We must be a push to do something with that. We have environmental laws that have preserved the beauty of our coastline, but have also made it almost impossible to build housing for homeless people. We have to be able to do better than that as well.

I think all the philanthropy is thinking of the moment of coming out of COVID is a time to do better and more ambitious than we were thinking of going in: better coordination

---

*“Homelessness, because it's been a long-term concern of the foundation. But we realized early on that working by ourselves we were never going to solve the problem. We need to be talking about mobilizing resources that are sufficient to take this on and we need to all be pointing in the same direction.”*

---

between the city and the county and all the other authorities that are involved; adequate resourcing; and really creative ideas about how to bring down unit costs and how to speed development in ways that keep the character of the city, but give everyone equal opportunity to housing.

**You made a really number of really important points. I just want to pick up on one, and that is many of these systemic problems are too large for any one foundation to address, even if you're a Gates Foundation plus Warren Buffet. You have small assets on a relative basis compared to government. I just want to stress for our listeners – leverage when you can bring for-profit, nonprofit, and government together to address a problem. When did you feel it was time to respond to the coronavirus and after the events in May in Minneapolis, which cut to the very core of what the Hilton Foundation's mission is? How did you mobilize the team, and take us to both of those events and how you responded so quickly?**

Great questions. I first want to agree very strongly with one thing that you said about leverage. The problems that we deal with are much bigger than we can pay for solutions for. So we have to be looking for larger streams of funding. We have to be looking for

better policies, and we have to be looking for ways that whole populations can contribute to solutions.

In terms of COVID, our foundation had been through the HIV crisis and we knew what it is like to be confronted with a new viral epidemic. So our idea was, let us find the most trusted channels and the ones that we think will do the most good in the immediate. And as with homelessness, we put a lot of funding through two channels. One was the United Way of Greater L.A., which has been really in the vanguard of work on ending homelessness in Los Angeles. And the other was through an organization called Brilliant Corners, which has a lot of frontline outreach workers working with the homeless, knows the population, and was highly trusted. So those were our two primary channels for providing PPE and really helped in the thinking that brought a lot of the homeless population indoors in the first weeks of the crisis in a way that had not happened in the years prior.

In Africa, our thinking was let's not try to help just in one country, but let's help the resource that helps all 54 countries. And similar with UNICEF, which is very strong on health communications, and a lot of initial work was having people understand what they need to do to protect themselves. In terms of racial equity, I

think the way we looked at the end of the month of May and the month of June was that it was eye-opening for us all. We had grown complacent, I think, even an organization that is trying to work for social justice and trying to reduce disparities, we had taken a very incremental approach, and I think we weren't stopping to say, 'wait, when can we get to actually equality' and 'does our work lead to equality?' So we made, as many others did, initial grants to Black-led organizations that have been largely unrestricted. Our grantmaking will be about \$1 billion over the next five years, and baked into each one of those initiatives, whether it's in the States or internationally, is a real concern for equity and for getting to equal outcomes between those who are more disadvantaged.

I'll give you a quick example. There's a 28-percentage point gap between foster youth and non-foster youth in high school graduation. Previously, we'd been saying, 'well, if we work really hard, maybe we can reduce that gap by 5 percent.' And this year we said, 'no, wait, we need a path that brings that gap to equity, or indeed has foster youth doing better than the average non-foster youth.' It may take longer than the five years that our

---

***“There's a 28-percentage point gap between foster youth and non-foster youth in high school graduation. We need a creditable pathway that we'll actually get to equality. And that means pulling on a lot more levers, looking for a lot more partners, understanding why obstacles are there, and going upstream from things that are actually symptoms to things that are more causes.”***

---



board normally approves, but we need a creditable pathway that we'll actually get to equality. And that means pulling on a lot more levers, looking for a lot more partners, understanding why obstacles are there, and going upstream from things that are actually symptoms to things that are more causes.

And you know, one of the interesting things about working in both Africa and the States, is in the U.S. systems are very highly developed. They're dense. There are bureaucracies around them and reform is very difficult. But in Africa, things are much more dependent on community action, individual's action. The person makes a big difference there, and in our work, we like to expose each side to the other. Here's what a high-performing system could do for your country in Africa, but also here's what the human touch and individual initiative could do in the States. I think both Africa and the States have challenges in front of them in terms of rethinking their futures – equity, opportunity. And I think they have to be done both at a systems and policy level, but also at a level that allows individuals to fully invest and build with one another.

**I feel one of the great strengths of America that you've talked about in Africa, but here is bringing the community involved. When you said what you saw in Rwanda that we could apply here, I do think it's the sense of community, and one of the things that your foundation that you lead today has I think recognized as well or better than any other foundation, is building that community, building that collaboration, building that consensus.**

Tremendously important. And nothing good comes without it. And transaction costs are tremendously raised if you don't pay attention to that. You mentioned Rwanda. I have seen with my own eyes what happens when people let that degrade and when political leaders take advantage of the situation and make division worse. And then the stage beyond that is when there are militias, and one never imagines that might happen here. But I think every society is more fragile than we realize, and every society can be taken advantage of. So I think it's incumbent on everyone to fight for community, to recognize the humanity of everybody, and to fight for the robustness of it. Because it's what keeps us moving forward, it's what keeps us safe, and it's what gives the future to our kids.

**Well, Peter, I want to thank you for joining us. I want to thank you and your entire team at the Hilton Foundation for your leadership during this period of crisis, and we look forward to seeing what we can do together, all the best.**

Pleasure to be here, and there's much good work to be done together.