



For The Pew's Rebecca Rimel, the Bottom Line Is Impact, Not Profits

Published : March 08, 2006 in [Knowledge@Wharton](#)

When Rebecca Rimel, president and CEO of the Philadelphia-based Pew Charitable Trusts, describes the challenges she faces running a \$4.6 billion organization, she uses the same words one hears from leaders in the for-profit world: "highly strategic," "politically aware," "leveraged" and "accountable." But her bottom line is impact, not profits. "We are highly driven to make a difference in the key issues that matter to the health and happiness of our stakeholders -- the public," she said during a recent leadership talk at Wharton. "We play to win and choose initiatives where we think we can do that. Being focused and tough-minded [defines] the business I am in every day."



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The Pew Charitable Trusts, which began 58 years ago as a private foundation, was started by the four sons and daughters of Joseph N. Pew, founder of Sun Oil. It is investing more than \$200 million this fiscal year in a variety of areas, including the environment, health and the arts.

"There is the perception, sometimes, that we are another big Mac machine in the sky," Rimel said, "that we just figure out which button to push and give away money." Instead, Pew focuses on well-defined problems, selecting issues that it believes are ripe for change and where it thinks it can have an impact in three to five years. "We look at our core competency -- what we are good at -- and make sure we have appropriate resources to allocate to the problem at hand," Rimel said. Leverage is critical. So is non-partisan support. In fact, the Trusts will not consider an issue that doesn't have it. "If Tom Delay [Republican congressman from Texas] and Hillary Clinton [Democratic senator from New York] are arm-in-arm over an issue, I'd say, 'Well, we are over that hurdle,'" Rimel noted. "We are not driven by ideology, but we work hard to promote democracy."

Reinventing itself as an independent public charity two years ago has made the Trusts more effective and efficient, she added. Before the transition, the Trusts funded other non-profit organizations through grants. Now they can also develop and staff their own projects. In addition, they can receive funds from individual donors or groups and manage that money for causes that meet the Trusts' goals. Since 2004, they have received donations, pledges and commitments totaling \$80 million.

In identifying what issues the Trusts will fund, Rimel looks to her "core program team. They do lots of scanning and talk to lots of smart people. We hire layers of reporters and advocates who are very good at assimilating information, getting the available data in an area where they may not have disciplinary expertise, synthesizing it, understanding the pros and cons, the consequences and the risks, and presenting us with a proposal." People trained in law and journalism -- fields where practitioners need to get up and running on topics about which they know little -- are especially valuable. "We have to make important decisions with imperfect information," Rimel added. "We can't afford the luxury of someone in search of truth spending endless hours, months and years deliberating and [ending up being] stymied in their ability to act."

"No Surprises"

Every proposal under consideration -- including big initiatives that can cost as much as \$12 million -- must be brought to the Pew board, which includes Pew family members, for approval. "The majority sit

for life terms and they have good genes, so they live a long time," Rimel quipped. Before a project begins, a strategy design document is created by an internal unit, vetted for flaws by legal staff and others, and assigned to a project director. Much of the work is then outsourced. Rimel's message to the project director is: "You are responsible for this project, soup to nuts. You had better hire very talented people. You had better lose sleep over it. I want no surprises."

Today, 80% of the Trusts' funding focuses on public policy, specifically the environment, health and human services, and state policy issues. Its environment initiative has three goals -- reducing emissions of carbon dioxide and greenhouse gases that contribute to global warming; halting the destruction of the marine environment, and protecting intact wilderness ecosystems on public lands.

"Close your eyes, go back 11 years and think about global warming," said Rimel. Most of the public, none of the policy makers and no one in corporate America believed it was real. They thought it was pseudoscience, environmentalists gone berserk." So the first thing to do was separate fact from fiction. That was Pew's strategy. It funded scientists worldwide to get the best, most insightful information for public policy leaders in this country and others. In addition, Pew worked to enlist the support of 40 CEOs of Fortune 500 companies, urging them to break with their colleagues and come down on the side of concern about global warming.

"This was a big deal," Rimel said. "We got 38 who broke ranks -- a pretty impressive list, including the CEOs of BP and DuPont -- who were willing to say that global warming indeed does exist. They took the position that it is not only a problem, but it is putting us in a non-competitive position in the world market." These 38, whom a *Washington Post* editorial at one point described as "38 brave guys," became Pew's biggest allies in their roundtable business leaderships group as they moved forward.

While there have been some successes along the way and momentum is growing for federal action on climate change, there is still a long way to go, Rimel said. "Sometimes we pick an issue, like this one, that we can't resolve in three to five years, but is so critical to the health and well-being of the public that we know it will be a long haul. But we're into base hits. We don't get a lot of home runs. Would we have gotten out had we not had a few successes along the way? Yes. As our board says, we don't have the luxury of falling in love with love. We are a business. We have to deliver our share and we have a bottom line."

Rimel's staff is rewarded based on that bottom line. They have contracts with the Pew board on what will be delivered. If staff members don't come through, not only is their budget cut, but their job security is affected. Only 15% to 20% of Pew's projects are abandoned because goals were not achieved. Board members receive re-evaluated plans for a project every year, and halfway through, an outside evaluator is brought in to assess progress. "If the ball is still at the gate, we get out. You have to keep your personal passions in check and make sure that when you put your organization and yourself in harm's way, you have done your due diligence and have a good chance of winning."

When she is criticized for unpopular decisions, Rimel said she is not defensive. "It is better to hear it than have people think it. You don't want people to think you are thin-skinned. They will close you down and then you are dead."

Seeking out People's Opinions

Rimel talked about one of her particular passions as far as issues are concerned: pre-school education. Every child, she said, deserves this when they are three or four years old, regardless of their backgrounds. Pew started its work at the state level, cherry picking 10 states that were ripe for change where the Trusts had political constituents, advocates on the ground and the knowledge that in three to five years, they could push through legislation. "As go those 10 states, so goes the nation," Rimel said.

Other Pew policy initiatives focus on healthier oceans, including a moratorium on deep-sea bottom trawling which has already won initial support from a number of countries; conservation of forests and particularly efforts to protect 100 million acres of boreal forest in Canada; strengthening financial security of families through measures such as The Partnership to Reduce Student Debt and The Retirement Security Project; foster care reform, including moving children from the limbo of foster care more quickly to safe, permanent families; and campaign finance reform to close loopholes in the way political campaigns are funded.

Equally important are Pew's information initiatives. The Trusts believe that an essential ingredient for democracy is appreciating the public's point of view through opinion surveys. Unlike policy issues where the Trusts take a position, its information arm looks only at facts gathered through polls, the Internet and the media.

Within a week after hurricane Katrina devastated New Orleans and left the nation reeling, The Pew Research Center polled the public's reactions to the way the government and the media handled the disaster. It was one of the first polls to reveal that the public viewed the government's response through different racial prisms. Two-thirds of African Americans said help would have been given more quickly if most of the victims were white. An even greater majority of whites disagreed.

The research center is about to embark on a poll, with broadcast journalist Judy Woodruff as a partner, to find out what is on the minds of people between the ages of 18 and 25. "We older folks don't listen well enough to understand how the next generation sees the world," Rimel said. The results will be aired on public broadcasting stations over the next year.

A global assessment poll to determine other countries' opinions of the U.S., and vice versa, is conducted every three years. More than 75,000 people in 50 countries have participated. The 2005 poll shows a huge disconnect between how Americans see their role in the world and how others see it. Favorability ratings toward this country have fallen almost everywhere, which is troubling, said Rimel, because so much depends on how this country will navigate its future in world affairs.

Billionaire Philanthropists

Philanthropy is changing, Rimel told her audience. In the United States, there will be a \$60 trillion intergenerational transfer of wealth over the next 50 years. A lot of that money will be coming into the non-profit sector. Many of the new philanthropists Rimel meets are in their 30s and are several times billionaires. They are thinking about their next challenge, and many have become passionate about an issue they want to fund. They don't want to do it the way the Rockefellers did it -- quietly building a big infrastructure, hiring staff and being patient for 30 or 40 years until the organization matures. They want action, the most leverage for their money in three to five years. They want to make an investment and they are not risk averse. "It's not the words you would hear coming out of a donor's mouth 10, 15, 20 years ago," Rimel said.

"So it's a different ballgame for me and it is an exciting time to be thinking about careers and philanthropies in the non-profit sector," she added. In fact, one of her goals for her Wharton presentation was to convince at least one or two students in the audience to invest their talent in making a difference in the public interest.

When hiring, Rimel looks for enthusiasm and intellect, that "fire in the belly, sparkle in the eye," and a willingness to challenge conventional wisdom. It is not so much in-depth knowledge about her industry that she seeks, but the conviction that someone is eager to learn and achieve. Personal characteristics count heavily -- someone who is thoughtful and will be supportive of colleagues. Respecting the corporate culture ranks high; there is no dress-down Friday at Pew. Rimel -- who graduated from the University of Virginia in 1973 with a degree in nursing and earned her MBA from James Madison University in 1983 -- also tries to avoid what she calls "resumé lust, the person with 17 credentials who is

too good to believe." Academics are important, but good inter-personal and problem-solving skills, the ability to speak persuasively, to write thoughtfully and inspire others to follow are valued more. A good liberal arts education is probably the best route.

And luck counts too, as Rimel well knows. Her arrival at Pew, she said, was one of those 'good timing' accidents. When she was a neurosurgical nurse, she happened to be attending a conference at the same time that an article citing her research on head injuries was published in the *Wall Street Journal*. A man approached her, asking, "Are you the young woman doing this research? Would you have lunch with me?" The man turned out to be Bart Giamatti, president of Yale University, who was particularly interested in her research because his wife and daughter had suffered minor head injuries in an accident. Joining them at lunch was a Yale alumnus who administered The Pew foundation.

Three years later, when there was an opening at Pew, the Yale alumnus remembered her. "The rest, of course, is history," said Rimel. Even after 23 years, she has no plans to retire or move on to something else. "As long as I jump out of bed in the morning, love what I do, care for the people I work with and think, in some small way, I'm making a difference, it can't get much better than that. It's been a great ride."

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