

## The AEI Leadership Succession

Remarks by Christopher DeMuth and Arthur C. Brooks

At a meeting of scholars and staff of the American Enterprise Institute

July 14, 2008

### Christopher DeMuth:

Nine months ago I got up before you to explain why I thought the time had come for me to step aside as president of AEI. What I knew at the time was that think-tank successions at AEI and elsewhere had customarily gone poorly—because the difficult decision had customarily been postponed until the death or senescence of the Dear Leader, leading to a period of confusion, indecision, and loss of institutional momentum. And I knew that if AEI was to avoid that trap, now was a good time to grasp the nettle of a planned succession and do what we were eventually going to have to do anyway.

What I did not know was whether we could translate theory into practice. We have a wonderful Board of Trustees, composed of men of action and accomplishment, but like all boards it is a committee, designed for review and consultation rather than initiative and decision. I did not know whether the Board would be able to orchestrate an effective search and make confident collective decisions on the people uncovered by the search; whether the views of different trustees would be congruent when it came time to make the judgment call; or whether their views would be congruent with those of the people who make their lives at AEI. Most of all, I did not know whether we would be able to find someone who had the rare combination of attributes the job requires—and who would actually be willing to suit up and take charge of this large responsibility.

Today I can report that we have succeeded brilliantly. The same intellectual and institutional strengths that have sustained and improved AEI over many years have brought us through the complex and risky decision process that every institution must occasionally traverse. And those strengths have brought to us an extraordinary new leader: AEI's future is in excellent hands in the hands of Arthur Brooks.

The search took six months. It was a creative and dynamic process with twists and turns and a developing conviction about the sort of person we were looking for. Our Board chairman, Bruce Kovner, established our Search Committee at the beginning of the year and chaired it. It consisted of Kevin Rollins, our Vice Chairman; Jim Wilson, the Chairman of our Council of Academic Advisers; Tully Friedman, our Board Treasurer; Roger Hertog, who chairs our Investment Committee, and me. We consulted with the other trustees and beyond. David Gerson played an important role, providing sure and incisive evaluations of the people we were considering, both for the substantial management responsibilities that would fall to them and for their capacities as intellectual leaders, fund-raisers, and the public face of the Institute. Many of the scholars and managers in this room provided excellent general advice and specific recommendations, and then meet with several of the people whom we were

considering and who were considering us—and gave us (and no doubt them!) some deep and subtle advice.

We were assisted by a top executive recruitment firm, Spencer Stuart, which conducted individual interviews with our trustees and many scholars and donors and political, academic, and business leaders, and produced an initial list of about 80 prospects. The Search Committee moved with little ado to reduce the list to eighteen or twenty individuals, and shortly thereafter began conversations with several of them.

The initial process of elimination—when the trustees were first moving from general criteria to incarnate individuals—produced valuable information that guided the search thereafter. The initial list included many fine people, and many famous people, that many institutions would be thrilled to have as a president, but that our trustees had no interest in. What they cared about first and foremost was intellectual depth and capacity: someone who would personify AEI's commitment to academic excellence and independence and provide confident direction to our research and publications. I'll tell you a little secret: AEI's success is built on a simple business model—attract unusually gifted people, put a roof over their heads, sustain and encourage them, see what they came up with, and then tell the world that that was our action agenda from the start. The trustees cared about fund-raising ability, experience, energy, sociability, and other capacities, but they basically thought that if someone had the intellectual strengths to execute our secret business plan, the other necessities would follow.

The search process was highly instructive to me, and I want to tell you a few of the things I learned.

The first is that AEI is a very special institution. We are not really a university without students as we sometimes say—our purposes and methods are quite different from those of universities. Neither are we a business organization, a political organization, a movement or creedal organization, nor a public relations or publicity firm nor a talent agency or publishing house. All of those institutions have their roles, and we are a little bit of all of them: we have borrowed from each to create something that is altogether singular in the intellectual and political realms and even among think tanks. This became clear as we considered and interviewed people from many of those institutional backgrounds and realized how specialized were our requirements. We needed to find an individual with our same combining instincts, and who understood our culture and the primacy we give to excellence in thinking, research, and exposition.

The second thing I learned is that we have a truly great Board of Trustees. The trustees understood immediately the magnitude of their charge, and worked very hard and poured enormous energy into the process. They set aside other big demands on their time and more than once crossed the country for meetings. The Search Committee's deliberations were thoroughly serious, frank, and probing, with never once a hint of faction or of favoritism toward anything but AEI's best interests.

Third, the scholars and managers involved in the search saw things very similarly to the trustees. They were both candid and discreet in sharing their views with David and me, which I in turn shared with the Search Committee. Their judgments on matters ranging from intellect and experience to temperament and character were of immense value.

And fourth, I learned that, despite our unique and demanding leadership requirements, there were many highly accomplished people who were keenly interested in the job and would have been terrific presidents of AEI. Moreover, when I told several of them who were the others we were considering, they replied without exception that the others would be much better, and began collaborating with us as co-searchers rather than searchees. This was all very gratifying.

Arthur Brooks first came to AEI through Henry Olsen, who as impresario of our National Research Initiative had become interested in Arthur's research and writing, had gotten to know him, and had recruited him as an AEI visiting scholar last year. As the search process was getting underway, I was getting to know Arthur as a colleague, and coming to greatly admire the man and his work. He seemed to me the paradigmatic AEI scholar. He had mastered an academic field and was increasingly moving beyond it to broader, more practical and ambitious questions. He was intellectually capacious, concerned with economics and government policy but also with issues of culture, politics, religion, foreign policy, and the moral foundations of capitalism and freedom. He was intellectually original and bold; personally cheerful, optimistic, and sociable; and a man of strong character. And he clearly loved being at AEI; indeed he confessed to me his interest in moving his academic career to AEI at some time in the future.

It also struck me that Arthur was very similar to me. He is about the same age that I was when I came to AEI. He has three children—Joaquim, Carlos, and Marina—who are about the same age that my three children were when I signed up. We have similar backgrounds in music and especially in the brass section—Arthur played French horn with the Annapolis Brass Quintet and several symphony orchestras, and I played trombone with the Joseph Sears Elementary School Band. And Arthur would bring to the AEI presidency exactly as much experience in hands-on management and fund-raising as I did twenty-two years ago, which is to say zero.

So I approached Arthur and asked if he would permit us to consider him in our succession search. I put the proposition in very appealingly terms: the decision would be made by the trustees as a whole, most of whom did not know him; we already had several highly attractive candidates; his prospects would frankly be a long-shot—but it would be good for the process if the trustees could talk with him along with the others.

Arthur was dumbstruck. He needed some time to think it over and discuss it with his wife Ester. But when he spoke again a week later, he told much more than that he was willing to be considered. He had decided that he seriously wanted the job. Not

for itself but as a calling—he loved AEI, believed it would be playing a critical role in the challenging times ahead, and wanted to try to help it grow and succeed. He knew it would be a long-shot and thought some other candidates better qualified. If one of them was selected, he would be personally disappointed but not sore at all; he would have learned a thing or two, he would remain happily absorbed in his academic work, and he would still hope to pursue that work at AEI.

In the weeks that followed, Arthur and others were treated to an extensive series of meetings at AEI and at several undisclosed locations. The Search Committee and other trustees were heartened by the caliber of the people we were meeting with and remained studiously open-minded. Until, two-and-a-half weeks ago, we all came together at the World Forum in Beaver Creek.

There the Search Committee sat down for a brief review of our thinking and to set a schedule for reaching a final decision. But we ended up meeting for more than three hours, and when we were through we resolved, unanimously and enthusiastically, to recommend at the next day's Board meeting that we offer Arthur Brooks the position of president of AEI.

At the same time, I had arranged for Arthur, who was at the Forum, to have lunch with the trustees who were not on the Search Committee. That was something of a trick: this nice Syracuse professor surrounded by eleven sharp, no nonsense, alpha-male CEO personalities, peppering him questions from every side, boom, boom, boom, boom, boom.

That evening, several of these trustees took me aside. Each of them had been through corporate and non-profit successions and had routinely made complex, high-stakes hiring decisions in their business careers. And they had been deeply impressed by Arthur, not only by his intellect but his character, conviction, groundedness, and capacity for leadership. At the Board meeting the next day, we tore up the agenda and spent the entire time discussing the most important decision in my 75 AEI Board meetings. When we adjourned, Bruce approached Arthur and asked him to be our next president, and Arthur accepted.

So here we are. Arthur and Esther and their children will be moving down to Washington this summer, finding schools and a home and getting situated. He will be in residence at AEI beginning in September, finishing up at Syracuse teaching his two big courses in Fundamentals of Policy Analysis Non-profit Management, and preparing to take the baton from me on December 31.

We have already been doing a little traveling and fund-raising, and I can tell you that this fellow is a natural. In Chicago last week, I introduced Arthur to one of our major donors, a favorite of mine who follows our work closely and is something of a contrarian tough customer. Within five minutes, the two had connected and I was

observing their conversation like a spectator at a tennis match. I thought to myself, "What am I—a potted plant?" Already I could feel the mantle of power slipping away. Then, as we were leaving, Arthur kindly mentioned to me his disappointment that my friend's AEI support was not considerably higher, and assured me that this would be corrected under the new dispensation.

Now I have said some nice things about Arthur, and he may—he'd better—say some nice things about me. But we are both keenly aware that saying things is what think tankers do most comfortably, but that doing things—not just talk but action—is what is now expected of him. Nine months ago I had a great concept that had only to be demonstrated in practice. Now we are well on our way, but the final proof will come over the next several years, and this will involve more than giving a talk or writing a paper. So, rather than tell you more about what a wonderful man Arthur Brooks is, I want to say three things about what has transpired and what is ahead for us.

First, although the trustees have spent six months diligently searching, interviewing, and deliberating, ours was not the only search underway. In the end, I felt that we did not find Arthur so much as Arthur found us. I believe that he decided not only that we were right for him but that he was right for us. He realized that this was something that ought to happen, and he made it happen.

Second, Arthur understands that sustaining an institution—protecting and nurturing it and helping it prosper—is hard and difficult work. One does not preside at AEI, sitting at a desk, reviewing the inbox, reading interesting manuscripts, and giving interesting feedback to scholars. Success requires activism of the most intense kind, and presents more than occasional opportunities for complex and thankless decisions. It requires constant devotion to the Institute's ultimate purposes, and the imagination and fortitude to put those purposes first and see them through.

Arthur knows all of this and is prepared. When I was telling him about some of the job's difficult aspects, he replied, "You know, Chris, I have discovered that almost everything in life seems relatively easy when you are not holding a French horn." Come to think of it, leading AEI is a little like playing the French horn: it can be a bit awkward, but if you master it the result is beautiful music.

Let me be clear that being president of the American Enterprise Institute is a tremendous opportunity for Arthur Brooks. To have one's capacities pushed to the utmost; to be responsible for harmonizing the activities of a large number of very gifted and ambitious individuals, and orchestrating human and financial resources in an effective way; to be obliged to make important decisions in the face of uncertainty—and all for the purpose of achieving a purpose of immense social importance—this is more than any serious person could ask for in a career. It has been for me an unbelievable opportunity, the opportunity of a lifetime, and so it will be for Arthur, and we should all be delighted that the opportunity has come his way.

Which brings me to the third and most important thing I have to say. All of us in this room, and the institution and mission that we are part of, are facing a wonderful new opportunity in our transition to new leadership. Arthur will see things with fresh eyes. He will put his own stamp on things. He will do things differently. And he will need help from each and every one of us.

Last week I was speaking with our trustee Ray Gilmartin, who teaches management at Harvard Business School and has been through several corporate successions. I was telling him that I realize I will still have some big responsibilities after I vacate the corner office—twenty-two years is a long time, there's a lot of church history, it's not all in the files, Arthur will need a lot of help and I'll be right there for him. Ray listened as I went on in this vein, and then said, "Chris, for you the hardest part of the transition is still ahead, and you might as well know it now: Arthur is going to need a lot less help than you think."

That was very funny, and I am already imagining Arthur telling me, after I have given him some particularly astute piece of advice, "Well, that is a very interesting perspective. I really appreciate your mentioning it to me. Now if you'll excuse me I have to get to my next appointment."

But in truth, Arthur is going to need my help and your help and all of our help. Leadership can be hard work, and is no less central at AEI than elsewhere—but scholarship and writing are hard work too, and we all know that AEI has the best management team of any think tank. Ours is, ultimately, a thoroughly collective, collaborative enterprise. It could not be any other way for an institution of our methods and mission. So, when I say that a great new opportunity awaits us all, I mean that we will all have to work together for the transition and for our continuing success. I know that Arthur is up to it—and, even more, I know that we are all up to it.

Arthur C. Brooks:

Thank you, Chris, for your gracious remarks. And thank you to all of you. I can't tell you how thrilled I am to be here.

It was an interesting way to start off this meeting today to find the little souvenir Chris left you on your chairs—the photo of me in 1983, holding my French horn. In fact there has been quite a bit of interest in my former career as a classical musician. A lot of people have brought it up, wondering how being a musician could somehow lead to heading a think tank. Just this afternoon a *New York Times* reporter asked about this. She asked me, "How could you leave that career? You were obviously very successful."

I started thinking back, and said to myself, "You know, it's true. I *was* successful." But then I remembered one disastrous event which, I think, helps to explain why I am no longer in that life. At the height of my music career, I gave a concert at

Carnegie Hall. Obviously it was a big deal for me; I was very nervous, and a little unsteady. I stepped out to the front of the stage to play—and fell off the edge. I don't think that had ever happened before at Carnegie Hall.

So far, this debut is going much better.

About two years ago, I received a call in my office at Syracuse University from Henry Olsen. He was with another think tank at that point. He began by saying, "You know, I've been reading your columns in *The Wall Street Journal* and I believe that an affiliation with my institution might be really good for your career. Could we talk about that?" We talked about it a little bit, and then he came to Syracuse and we had supper and we talked that a little bit more. But then he seemed to disappear for six or eight weeks—I didn't hear from him.

It turned out Henry had been recruited to come to AEI to head up the National Research Initiative. He called me after getting reestablished in Washington and started by saying, "I've had a chance to think about what we discussed before, and have had a change of opinion. I think there is another place that's better for your career." That was how I came to AEI.

I knew immediately that connecting with AEI was a good fit. After I had been coming here for about a month, I said to my wife, "I love that place. The people are wonderful; the ideas are so fresh. The thinking is completely unconventional. It's a perfect fit for me. I've got to find a way to get down there full-time." This is not *exactly* what I was envisioning at the time.

I've never been professionally more comfortable than at AEI. There's no group of scholars I admire more than you. There's no source of ideas I find more exciting and compelling and impressive. There's really no organization I feel can have more positive impact on American public policy than AEI.

In truth, coming to AEI is like finally coming home. Research by AEI scholars literally changed my career. Fifteen years ago, when I was still a musician but studying economics pretty seriously, I happened across a work of Charles Murray. I thought it was about the most amazing thing I had ever read: a new way of looking at evidence and real-life social problems, and coming up with counterintuitive solutions. I had never seen anything like it. I said to myself, "*This* is what I want to do. I want to be an empirical social scientist, and to write books like this." Easier said than done, of course—there's only one Charles Murray. But it showed me the true north for my career.

When I started my Ph.D., I found I thought a little bit differently about most policy issues than a lot of my colleagues. This was, in part, because I was reading research that diverged from the academic norm—research by AEI scholars like Michael Novak, Irving Kristol, and Nick Eberstadt, who all had the audacity to show that

democratic capitalism is good for people in America and around the world. On politics I was reading the work of David Frum and Michael Barone—both later to become AEI scholars.

Since that time I have been a devotee of an expanding list of AEI scholars, from Leon Kass to Sally Satel. When I finally arrived as a visiting scholar in 2007, it was a thrill: Finally I met the people who had shaped my worldview—and will continue to shape it.

Following Chris is not an easy thing to do—it's a daunting task. This is the house that Chris built. From 1986 until now, the American Enterprise Institute has gone from being virtually bankrupt to finding itself in the black every single year. AEI enjoys unparalleled respect and impact. Chris has built a Board of Trustees that is as committed to changing the world in positive ways as any of the scholars—and willing to provide the support to prove it. Chris and David Gerson have developed a staff that is deeply committed to the mission of AEI. Coming from the university world, I can tell you that the sense of the mission all the way through a Board and a staff and a set of scholars is something that is simply extraordinary. And most amazing of all, Chris has achieved this in a way that reflects selfless service.

My own core research is concerned with giving and volunteering. One of the most interesting findings in experiments about giving and volunteering is that when people witness strangers behaving charitably toward others, they perceive that the givers are good leaders. Indeed, one of the best ways that people can signal to others that they are leaders is by being witnessed as givers. There's actually no better example of this pattern than the career of Chris DeMuth. The fact that he has dedicated his own career to yours, as well as to the credibility, fame, and impact of the American Enterprise Institute, provides no better model that I could possibly ever find for this job.

In thinking about this position, one of the questions I asked myself was, "Why does AEI have so much more impact than other think tanks? Why does AEI win so many more policy debates than universities? What's the secret?" As near as I can tell, it basically comes down to a strategy that Chris articulated a minute ago: Attract great people. But I think it goes subtly even further: Attract great people who have a shared set of strong, core values.

What are these values? Here's one: A commitment to individual opportunity, based on a belief that people thrive best when they enjoy personal opportunity as opposed to a limitless state. Here's another value: respect for free enterprise—not as a system to protect power and privilege, but as the best system to protect people who are vulnerable among us. And yet another key value—and a positively subversive one in some circles—is this: dedication to the interests of the United States, based on the belief that American public policy should serve American interests.

When great scholars share basic values such as these, it's obvious. To do our work we don't need a pledge of loyalty or any written creed—and even less, the adherence to the platform of any political party. All we need is a commitment to search for the truth as we see it; adherence to the highest standards of research quality and excellence; a desire to spread the truth with passion; and the self-assurance to do this fearlessly.

Perhaps that sounds like a simple strategy—but behold its power. No comparably-sized organization has been a bigger force in public policy debates, from guiding deregulation in the 1980s, setting the agenda for welfare reform in the 1990s, and, today, looking at the biggest problems in national defense, social security, and our education system.

AEI has always produced the right ideas at the right time—and that's why I'm excited to be here. It's the reason I believe that your work is so much more important than any single research agenda, including my own.

Now, there is going to be plenty of time to talk about the ideas we're going to work on together, and all of the ways that we're going to think about the challenges that face us in the future. Before anything else, I want to tell you that my top priority is conserving our proven strategy for success. At the same time, we'll be thinking aggressively about the gaps we want to fill, from energy and immigration to transportation and the promises of global entrepreneurship.

Other priorities I have will be to broaden our base of support and improving our infrastructure. I know that the infrastructure issue is something many of you are thinking about, too. People talk a lot about our space problems, which I will admit I've experienced: I've been in temporary offices for months myself, and I usually just try to squat in offices where I don't find anybody. I get displaced a lot. When I was here last week, I got kicked out of three offices when the rightful tenants showed up. I thought about complaining to Michael Druzen, but I figured he'd just tell me to take it up with the next president.

As we move into the near future, together we may well be facing a policy environment that's not particularly congenial to many of AEI's core ideals. We may be looking at pressure for more regulation on the private economy, higher taxes, a growing government, and at the same time a shrinking military.

As challenging as these things might be, I think they will represent an amazing opportunity. This will be exactly the time to reestablish our central mission—through the force of our ideas and values—to reenergize the movement for democratic capitalism, with AEI as that movement's brain. It will be the time to demonstrate that we are truly an independent intellectual force beholden to no political party. It will be

the time to show our generous supporters, who share our values, how they can keep those values alive and well through AEI.

Most of all, it will be the time to make our fundamental case, the case which I dare say animates everyone here today: that the importance of freedom, strength, and prosperity is AEI's gift to America—and that a strong, prosperous, free America is truly a gift to the world.

I am honored to serve you and I am honored to serve AEI. I can't wait to get started.

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