

The Flagship Donor

Gerry Lenfest has rescued the SS United States. It was a bold, dramatic act, of a piece with his life, his business--and his philanthropy.

By Elizabeth Malone

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She was once the fastest ship in the world, the pride of the United States. She held the trans-Atlantic speed record, re-taking it from a British vessel. “She’s the first, first lady of the sea,” went the song composed before her maiden voyage. And there she sat, barnacling in Philadelphia’s harbor. Her paint peeling and faded, her name lined with rust: United States.

Some called her a relic. An ocean liner built at the cusp of the jet age; a hulking heap whose repair would cost more than her worth. She was bound for the scrap yard.

That’s when Gerry Lenfest intervened. Barely a day before bids from scrappers were due, and without even seeing the ship first, he made a \$5.8 million pledge to purchase and bring new life to the SS *United States*.

“She is worth saving,” he explains. It’s a simple but telling statement. It reveals a profound sense of history, a deep sympathy for the underdog, and a healthy appetite for risk.

In other words, it reveals a lot about Gerry Lenfest.

From Seventeen to Seven Billion

H. F. (“Gerry”) Lenfest is used to sudden, abrupt changes—which may help explain his willingness to take bold, decisive action. When he was 13 years old, his father uprooted the family from their suburban home in Scarsdale, New York. Lenfest suddenly found himself on a working farm in Lambertville, on the New Jersey–Pennsylvania border. “Milking the cows and most other chores fell to me,” Lenfest would later explain. “Working on a farm was not my dream.” Not long thereafter, his mother died.

Lenfest was devastated. Her cerebral hemorrhage was unexpected. His twin sister was sent to a boarding school, and his father was frequently away on business. (He was a naval engineer who worked in Lower Manhattan, with a 60-mile daily commute.) Unsurprisingly, Lenfest's grades suffered. He struggled academically, drifting from school to school. Only once his father secured him a place at Mercersburg Academy was he able to correct course.

Lenfest went on to Washington and Lee University, where he studied economics. After he graduated in 1953, Lenfest accepted a commission in the Navy. His first command—the destroyer escort USS Coates out of New Haven, Connecticut—was among the worst ships in the squadron. Lenfest's leadership turned things around. "Two years later," he explained to *Giving* magazine, "we won every award in the whole Atlantic fleet." (Upon his discharge from active duty, Lenfest remained in the naval reserves for another 24 years, eventually retiring with the rank of captain. To this day, Lenfest is an avid sailor; he spoke to Philanthropy after having returned from several weeks at sea. The Lenfests own a sailboat, as well as a boat yard, in Bristol, Rhode Island.)

In 1955, Lenfest married Marguerite Brooks, whom he had met four years earlier in Ocean City, New Jersey. The young couple moved to Manhattan, where Marguerite taught elementary school in order to help put Gerry through Columbia Law School. After graduation, Lenfest went to work for the firm of Davis, Polk, & Wardwell, making a comfortable living as a Wall Street attorney.

A senior partner at the firm had been instrumental in keeping together the Annenberg family business. Walter Annenberg never forgot the service. Years later, Annenberg approached the senior partner about hiring his own in-house counsel from the ranks of the firm. He was introduced to Lenfest. Lenfest moved his family to Philadelphia and went to work for Annenberg's company, Triangle Publications, then the largest privately owned communications company in the United States.

"They owned *TV Guide*, they had six TV stations, twelve radio stations, cable television, *Morning Telegraph*, *Seventeen* magazine," Lenfest explained in a 2000 interview with the Cable Center at Denver's Barco Library. "It was a vast company. . . . [Eventually] I took over a new division consisting of *Seventeen* magazine and their cable properties. So from being a lawyer, all of the sudden I was head of a teenage girl's magazine and in charge of their cable [television operations]."

Cable was young, but Lenfest saw its potential. Annenberg, however, did not. He decided to sell Triangle's cable systems in Binghamton, New York, and Lebanon, Pennsylvania. Annenberg wanted \$9 million for the two systems. Samuel ("Si") Newhouse bought Binghamton for \$7.7 million. Lenfest saw an opportunity to pick up the Lebanon market. There was one problem. He didn't have \$2.3 million.

He pulled together financing, however, by finding two businessmen in Lebanon willing to back the venture. One condition: they wanted a guarantee that Lenfest would double their money in five years. The night before closing, the two investors got cold feet. They told him they were pulling out. But their wives thought it was unfair to Lenfest, and the two women talked their husbands into re-committing to the project. In March 1974, the deal went through. Lenfest owned a cable company.

It was a gutsy move. He was leaving a corner office to work out of his basement. He needed every hand on deck—including his wife. "He brought home a pile of information from Triangle and said, 'I want you to run the office,'" Marguerite later told the *Philadelphia Inquirer*. She was soon taking accounting classes at the nearby public high school. While Marguerite ran the back office, Gerry charged full speed ahead. "We

were very tight in the beginning,” Gerry explained in the 2000 interview. “The only way we could sustain the cash flow we needed was to build and build and build.”

Lenfest moved into a few far-flung cable markets—California, for instance—but he concentrated on building a “cluster” of service areas in the Delaware Valley region. (He would later trade his California systems for those in Wilmington, Delaware.) By the time Lenfest sold the company to Comcast in 2000, it had more than a million subscribers in an area stretching from Harrisburg to Atlantic City—one of the largest contiguous cable clusters in the country. Lenfest Communications went for more than \$7 billion. The Lenfests’ share amounted to \$1.2 billion.

Philadelphia’s “Go-to Couple”

At the time they sold to Comcast, the Lenfests established the Lenfest Foundation, which focuses on education, the arts, and the environment. “I don’t believe in perpetuity,” Lenfest recently told the *Philadelphia Inquirer*. “Our foundation will end no later than 30 years after the death of Marguerite or me.” In June, the Lenfests signed the Gates-Buffett “Giving Pledge,” thereby committing at least half of their wealth to charity. They are already well on their way. By May 2009, they had given away roughly \$800 million.

That fortune has gone to support a wide variety of Philadelphia institutions, including the Curtis Institute of Music and the Philadelphia Museum of Art. It helps underwrite the Earth Institute at Columbia University, funds scientific research on marine ecosystems, and bolsters faculty compensation at Washington and Lee. In 2007, the Lenfests made a headline-grabbing \$10 million challenge grant to bring Teach For America to Philadelphia. Former Philadelphia Mayor (and current Pennsylvania Governor) Ed Rendell declared Gerry and Marguerite the city’s “go-to couple.”

Early on at his cable company, Lenfest learned to delegate responsibility. “I really owe a lot of my success in life to people that have worked for me,” he explained in the Cable Center interview. “I’ve always had a sort of philosophy of individual responsibility.” His Telestar telemarketing company is a good illustration. A pair of promising businesspeople approached Lenfest, pitching an idea for a company. Lenfest agreed. Within a few years, he noted, the company had a million-dollar cash flow and was rated the best telemarketing company two years in a row in the industry trade magazine. “You know how often I go down and see them?” asks Lenfest. “I think when they opened the building in Lancaster I went for the opening, that’s the only time.”

In his giving, Lenfest embraces the same philosophy. “Once he and his wife, Marguerite, have decided what they want to fund, they delegate almost all the responsibility for the projects’ success to their grantees,” writes Bill Hangle Jr. in *Giving* magazine. “He doesn’t hire program officers or evaluation specialists.” Lenfest has a good sense of what he’s looking for—and when he sees it, he acts.

So it was when Lenfest learned of the fate of the SS *United States*. Last year, he was speaking to a friend, Judge Tom Watkins, an ardent supporter of efforts to save the *United States*. Watkins told Lenfest about the ship’s plight. After a long succession of owners, Norwegian Cruise Line had bought the *United States*, hoping to refurbish and add her to its active fleet. The idea didn’t pan out. Norwegian was looking to unload her.

Lenfest made contact with the SS *United States* Conservancy, and made an initial promise of \$300,000—sight unseen—to help acquire the *United States*. But the conservancy still lacked the funds needed to

purchase the ship, and the cruise line began accepting bids from scrappers in February. The conservancy launched an urgent “Save Our Ship” campaign in March. At “the eleventh hour,” according to Dan McSweeney, the conservancy’s executive director, Lenfest pledged \$5.8 million.

“I think she’s an icon of American pride,” Lenfest says, “and she represents the high point in our country’s shipbuilding. She was a beautiful, beautiful ship, designed by Gibbs & Cox, who were, as my father often said, the finest naval architectural firm in the history of the United States.”

It’s a widely shared sentiment. The *United States* won the Blue Riband trophy for the eastbound and westbound trans-Atlantic speed records; she sailed from New York to England in 3 days, 10 hours, and 40 minutes. (She still holds the westbound record.) Her top recorded speed, kept classified for decades, was about 38 knots, or about 44 mph.



(Those top speeds were intended to serve a Cold War–era purpose. It cost \$78 million in 1950 dollars to build the “Big U,” of which \$50 million was underwritten by the federal government. She was intended to carry 3,500 passengers and crew as a luxury liner—but the Navy wanted a high-speed vessel that could be quickly transformed into a troop transport ship, capable of carrying up to 15,000 soldiers more than 10,000 miles without refueling.)

The *United States* set sail at the dawn of a new era in transoceanic travel. Five years after the ship’s launch, Boeing unveiled the 707, the first commercially successful passenger jet. Since then, trans-Atlantic travel has been measured in hours, not days. Nonetheless, before the *United States*’ withdrawal from commercial service in 1969, she created lasting memories for tens of thousands of passengers—not least among them a young Bill Clinton, who sailed her to Britain for his Rhodes scholarship.

Lenfest has personal memories of the *United States*, too. “My father had a company that made the watertight doors on the vessel,” he says, “and I worked in the machine shop making those watertight doors many years ago.”

“The Strength of a Free Society”

“My donation will not save the ship,” Lenfest cautions. The \$5.8 million will go toward nailing down a purchase agreement with Norwegian Cruise Line; paying for its mooring, maintenance, insurance, and port security in Philadelphia for 20 months; and funding engineering studies of the cost of restoration. It will be up to the conservancy to raise the rest of the money to execute its plans.

And in keeping with his philosophy of individual responsibility, Lenfest trusts the conservancy to do what they think is best for the ship. He included no additional conditions in his gift. “I think they’re better able to explore what use of the ship should be made after it’s restored,” Lenfest notes. “I’m very happy to leave that up to the conservancy.” Possible plans include a museum, retail and convention space, or multi-use

stationary attraction—as long as the ship has a self-sustainable future and fills an existing need in the community. “I don’t care what they use it for,” Lenfest adds, “as long as she’s restored.”

Or, as he told the conservancy: “I have created the opportunity.”

McSweeney, the group’s executive director, considers the donation an encouragement to be entrepreneurial. “Mr. Lenfest has designed the grant in such a way that there are clear milestones, calculated risks, and huge rewards,” he says. “I feel that, having spoken with him as many times as I have, I’ve received the equivalent of a graduate degree in philanthropy and business development.”

Conservancy president Susan Gibbs concurs. “My grandfather, the SS *United States*’ designer, used to say that the ship’s success showed ‘the strength of a free society and individual initiative,’” she says. “The same could be said about Gerry Lenfest’s philanthropy. The costs and complexity of the ship’s restoration are daunting. But Mr. Lenfest was not dissuaded. He has given us the chance to save this landmark for future generations.”

“Part of American History”

“The *United States* is an important part of American history,” says Lenfest. “She is certainly worth preserving.”

Preserving American history is certainly an interest of Lenfest’s. He is the chairman of the American Revolution Center in Philadelphia, which is working to establish the first national museum to commemorate the entire story of the American Revolution. When it opens, the museum will display its large and distinguished collection of artifacts, manuscripts, artwork, and printed works from the revolutionary era. Lenfest played a key role in bringing the center from its proposed location in Valley Forge to a new location in historic Philadelphia, steps away from the Liberty Bell and Independence Hall.

Lenfest likewise chairs the James Madison Council at the Library of Congress. “The members of the council,” he explains, “are private individuals who support programs of the Library of Congress that Congress decides not to fund.” A good example is the Waldseemüller Map. In 2001, Lenfest—along with David Koch, the Discovery Channel, and the U.S. Congress—provided \$10 million for the Waldseemüller Map; drawn in 1507, it was the first map to depict the New World and use the name “America.”

From the first map to use the name “America” to the ship that bears the name United States: Lenfest has long been willing to step forward with private funding when nobody else would. In doing so, he has revealed not only a warm-hearted generosity and a healthy appetite for risk, but a deep-seated patriotism as well. For Gerry Lenfest, though, it really all comes down to one irreducible fact:

“She is worth saving.”