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# Joshua D. Rauh joins the Hoover Institution's cadre of senior fellows

by Amy Hellman



Janet Chang

**O**ne of Hoover's newest senior fellows, Joshua Rauh, brings to the Institution a research focus on public pension liabilities, corporate investment and financial structure, and the financial structure of pension funds and their sponsors. He has researched and authored numerous articles that have appeared in top academic journals. His work on corporate finance and capital markets has been recognized, first with the 2006 Brattle Prize for his paper "Investment and Financing Constraints:

Evidence from the Funding of Corporate Pension Plans" and in 2011 with the Smith Breeden Prize for his paper "Public Pension Promises: How Big Are They and What Are They Worth?" In addition, Rauh's work on state and local pension systems in the United States has been widely published in the national media, including the *Wall Street Journal*, *New York Times*, *Financial Times*, and *The Economist*.

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FROM THE

# director's desk



Our new **Leadership Forum** engages Hoover fellows to examine policy challenges facing leaders in public life and to offer solutions to those challenges. In the past year, Hoover hosted members of Congress, senators, governors, mayors, foreign presidents and ministers, generals, as well as up-and-coming political leaders.

Based on our experiences to date, two models of engagement have been successful. The first model involves forums with individual leaders, assembling a roundtable of fellows who are expert on issues of particular interest to the guest. Whenever appropriate and feasible, a public presentation by the policy leader is also scheduled.

The second model involves numerous leaders from differing branches of governments, or staffs of political leaders, invited to an organized colloquium with Hoover fellows. An example is the recent workshop on state and municipal fiscal default that convened experts in public policy, economics, finance, law, and state and local politics to discuss the nature of the problem, the current legal structures, and the possibility of legislative or other reforms to avert the need for federal bailouts.

We are also experimenting with ways to engage future leaders. When the Leadership Forum began, most leaders hosted by Hoover were at, or near, the top of their respective political fields.

Building on the relationships created thus far through the program, we envision using these relationships as a springboard to more follow-on interactions, including expanded events at Hoover as well as having Hoover fellows travel to Washington, DC and state capitals.

During the coming year we have an opportunity to experience and contribute to any transition of Federal or State administrations. The brief period of November through January will be a time for setting priorities for the implementation of policy platforms for both incumbents and new leaders coming on the scene. Further, the first 100 days of new administrations are typically used to aggressively advance new policies. This should prove to be a time for Hoover's idea generators to weigh in on the choices that will be available to policy leadership.

The continued generous support provided by those who have come to know the Hoover Institution makes it possible for us to develop and then implement new initiatives such as the Leadership Forum.

Sincerely,

John Raisian  
Tad and Dianne Taube Director

NEW CHANNELS

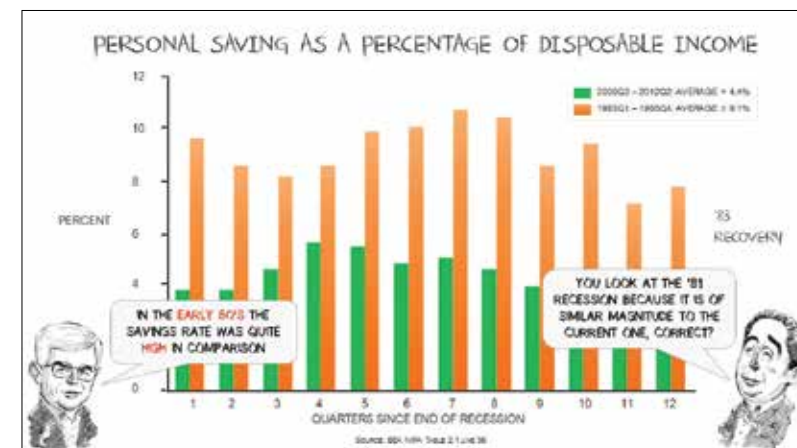
## Advancing a Free Society enhanced with new issue-specific channels

Hoover's platform for brief analysis and commentary, *Advancing a Free Society* ([www.advancingafreesociety.org](http://www.advancingafreesociety.org)) (AFS), has undergone several significant enhancements in the past few months. In addition to the main feed of postings on a broad variety of subjects, several new issue-specific channels have been recently launched: "The Caravan," "Data Matters," and "Eureka."

Senior Fellow Fouad Ajami convenes "The Caravan," an online symposium with analysis and commentary from members of the Herbert and Jane Dwight Working Group on Islamism and the International Order and invited experts. Symposia to date have addressed Syria, Afghanistan, and Iran, with the topic after the November election to be general strategy for the greater Middle East. Ajami is eager that each symposium feature an energetic give-and-take, because, as he explains, "caravans are full of life and animated companionship."

"Data Matters" highlights facts and figures that Hoover fellows use in their public policy research. Most posts include charts or graphs that make

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From top: The Caravan offers a periodic online symposium on Middle East issues, The Numbers Game is a "chartcast" hosted by Russ Roberts, Eureka delves into California policy.





# President George W. Bush appears on *Uncommon Knowledge* with Peter Robinson



On a Monday morning in mid-June, Research Fellow Peter Robinson sat down with former president George W. Bush in his Dallas office to tape an episode of *Uncommon Knowledge*. Heeding the advice of his father, former president George H.W. Bush, who famously said, “Once you leave the stage, you stay off the stage,” his son has only rarely granted interviews in the years since he left office, so booking him was a considerable coup.

**In negotiations** between *Uncommon Knowledge* executive producer Scott Immergut and the president’s staff, it was decided that the interview would last no longer than forty minutes. Over an hour later, when the interview concluded, Robinson had engaged Bush in a lively, wide-ranging discussion of the issues that motivate him in what his wife, Laura Bush, refers to as his “afterlife,” that is, his life after the presidency.

**The conversation focused on** the president’s Presidential Center at Southern Methodist University in Dallas. The president explained that the George W. Bush Institute was modeled on the Hoover Institution, based on the positive experience he’d had interacting with Hoover scholars over the years both in and outside his administration. He sees his institute as a vehicle “to remain engaged in public policy ... to defend certain principles without being involved with politics.”

**Bush also shared his thoughts** on how his legacy will be shaped, especially regarding the financial crisis of 2008. “I can’t prove to you that my decision[s] prevented a depression. I can tell you we didn’t have one.... The nature of the job is you have to make decisions that you know will be unpopular, but that you think are right ... and you take your hits.”

**When the show aired** in July, it quickly became the most-watched *Uncommon Knowledge* episode in the history of the series. Hundreds of thousands of viewers watched it on the Hoover YouTube channel. And interview clips aired on cable news channels, blogs, and elsewhere on the web. In case you missed it, the President Bush episode and many other interviews can be viewed in the *Uncommon Knowledge* archive at Hoover.org/UK.



## New issue-specific channels added to *Advancing a Free Society*

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dramatic points or generate compelling conclusions. A new animated podcast or “chartcast” from Research Fellow Russ Roberts called “The Numbers Game” has made its home at “Data Matters” since its premier in September. The inaugural edition features a multi-part conversation between Roberts and Hoover Senior Fellow John Taylor about the slow economic recovery: its nature and how it compares to previous recoveries from financial crises in American history. Animated charts and graphics fill the screen as their conversation unfolds and serve to accentuate their explanations and insights. The goal, according to Roberts, is to “help people both get more sophisticated about numbers and data and see the economy in a new way.”

Research Fellow Bill Whalen manages “Eureka,” a channel devoted to California public policy and emerging political trends. A weeklong examination of the state’s annual budget process and competing spending priorities, as well as an in-depth conversation about the Golden State’s crushing pension obligation have been featured thus far. Why “Eureka”? Because, as Whalen explains, “it’s a word associated with discovery, and hopefully our readers will discover strong analysis and sound solutions for all that challenges California.”

*AFS* is among our most dynamic outreach platforms. Web-based, it can be rapidly iterated as the competitive landscape evolves. Further enhancements and changes can be expected as we continue to fine-tune it to meet the needs of our fellows and our evolving target audience segments.

MEET THE CLASS OF 2012 **Hoover elects ten  
to Board of Overseers**

**This year's new overseers are**

- Scott C. Brittingham, Santa Barbara, CA**
- Rod Cooper, Trophy Club, TX**
- Carly Fiorina, Lorton, VA**
- Sarah Page Herrick, Atherton, CA**
- Richard M. Kovacevich, San Francisco, CA**
- Richard B. Mayor, Houston, TX**
- Charles T. Munger Jr., Palo Alto, CA**
- Robert G. O'Donnell, Atherton, CA**
- Nani S. Warren, Washougal, WA**
- Richard G. Wolford, Mill Valley, CA**

**H**oover is pleased to welcome ten new overseers to its governing body. They bring a wealth of business and philanthropic experience to the responsibility of overseeing the Institution's strategic direction and financial health.

**Scott C. Brittingham, Santa Barbara, CA**

Scott Brittingham is a principal with Harbour Realty Partners, a real estate firm focused on the acquisition and management of multifamily communities. He is also the founder and president of the Brittingham Family Foundation. Scott currently serves as a trustee of Cate School of Carpinteria, California, as well as a director and capital campaign chair of the Santa Barbara Bowl Foundation. Scott received his BA from Williams College and his MBA from the University of Southern California. Scott and his wife, Ella, reside in Santa Barbara.

*(Biographical sketches continue on pages 8-9)*



*Clockwise from top:  
Scott C. Brittingham, Carly Fiorina,  
Richard Kovacevich, Sarah Page Herrick,  
Rod Cooper*



**Joshua D. Rauh joins Hoover Institution's  
cadre of senior fellows**

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So what made this native of the northeast, who had been teaching in the Chicago area since 2004, first at the University of Chicago's Booth School of Business (2004–9) and then at Northwestern's Kellogg School of Management (2009–12), move his family to the West Coast to accept a joint appointment at Hoover and Stanford's Graduate School of Business (GSB), where he is a professor of finance?

Rauh says that "the move offers him a unique environment that blends the academic world of teaching at Stanford's Graduate School of Business with the deep public policy research being conducted at the Hoover Institution. The pairing creates an extensive network of scholars with passionate ideas and endless collaboration opportunities."

In taking part in Hoover's 2011 State and Municipal Fiscal Default Workshop, Rauh had his first formal introduction to Hoover and thus experienced the Institution's unique convening power to address important public policy issues. Now a part of Hoover's fellowship, Rauh plans to continue to collaborate with fellows to address the big picture and contribute to discussions that develop policy solutions.

Graduating with a BA in economics from Yale University, Rauh began his career in the investment banking world but quickly felt drawn to the bigger picture of ideas and thus returned to further his studies, graduating with a PhD in economics from Massachusetts Institute of Technology.

Initially, Rauh's research focused on corporate pensions and regulations and how those programs affected organizations' prime business activities. His findings indicated that the financial demands of defined benefits programs (the standard pension system of yesteryear compared to today's defined contribution programs) had a crowding-out effect on corporate investment.

Building on that research, Rauh began exploring state public pension systems, which currently account for more than twenty million workers nationwide. His discoveries about the true cost of government pensions show just how underwater those systems are, making reform imperative. For example, his financial valuations reveal that unfunded pension liabilities throughout the country now total \$4.4 trillion, more than three times the amount recognized in official statistics.

In his role as a Hoover senior fellow, Rauh plans to continue his research and writings on state and local pension systems in the United States. This research will complement the research he plans as part of his role at Stanford's GSB, which will focus on alternate investments for state and local pension funds and university endowments, as well as implications for entrepreneurship and venture capital.

Hitting the ground running since his arrival this summer, Rauh continues tackling the issues surrounding public pension reform, including his August 23 piece, titled "Real Pension Reform: A California Design," for Hoover's Eureka channel on *Advancing a Free Society* ([www.advancingafreesociety.org](http://www.advancingafreesociety.org)). This fall, he will take part in a Hoover Leadership Forum event that brings Hoover fellows together to engage political leaders on critical public policy issues. At that event, Rauh will serve as a featured scholar at a roundtable with San Jose mayor Chuck Reed, who has been a leader in pension reform efforts in San Jose and an example for others throughout the country.



**Our New Overseers:  
Meet the Class of 2012**

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**Rod Cooper, Trophy Club, TX**

Rod Cooper is a managing director of Phalanx Investments and a registered patent attorney with the Cooper Law Firm, which he founded in 2003. Rod also practiced with Sidley and Austin and Nix, Patterson & Roach. Rod is a graduate of the Southern Methodist University School of Law, and received an MS degree in molecular biology and biotechnology, and a BS degree in neuroscience with honors from the University of Colorado. Rod and his wife, Lori, reside in Trophy Club, Texas.

**Carly Fiorina, Lorton, VA, and Los Altos Hills, CA**

Carly Fiorina served as chairman and CEO of Hewlett-Packard from 1999 to 2005. She is also politically active, having run for the U.S. Senate in California in 2010. She currently serves as the vice-chairman of the National Republican Senatorial Committee and as California state chair in support of Romney for president. She serves on the boards of both nonprofit organizations and businesses. Carly received a BA degree from Stanford University, an MBA from the University of Maryland, and a MSB from the Massachusetts Institute of Technology. Carly and her husband, Frank, live in Virginia and California.

**Sarah Page (Sally) Herrick, Atherton, CA**

Sarah Page Herrick served as an associate director for development at the Hoover Institution from 1997 to 2010. Before her service at Hoover, she was vice president and corporate secretary for SBH Associates, a private venture capital firm. Sally has served in leadership roles on Tom Campbell's campaigns for Congress and the Senate. She has been active in volunteer work, as the regional representative of the development leadership council of Vassar College and as a volunteer leader for area schools. Sally received her AB in political science from Vassar College. Sally and her husband, Stephen, reside in Atherton, California.

**Richard M. (Dick) Kovacevich, San Francisco, CA**

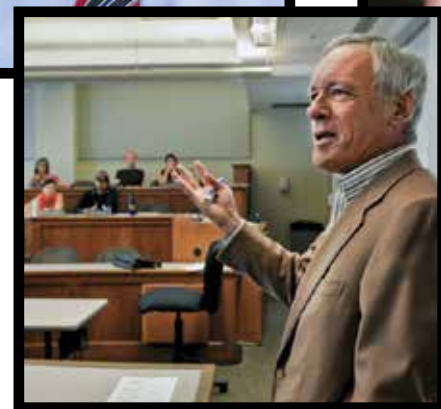
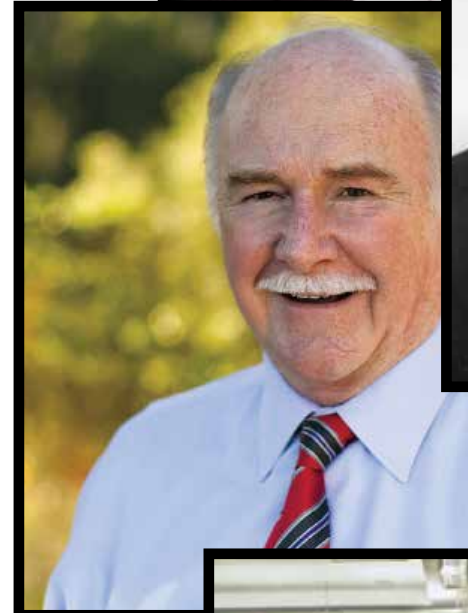
Richard M. Kovacevich served as chief executive officer of Wells Fargo & Company from 1998 to 2007 and as chairman of Wells Fargo from 2001 to 2009. He previously served as CEO and chairman of Norwest Corporation. Dick is a board member of Cargill and Cisco Systems and serves as vice president and member of the Board of Governors of the San Francisco Symphony and as a member of the board of trustees of the San Francisco Museum of Modern Art. Dick received his BS and MS degrees in industrial engineering and an MBA degree, all from Stanford University. Dick and his wife, Mary Jo, reside in San Francisco, California.

**Richard B. Mayor, Houston, TX**

Richard B. Mayor began his legal practice with a major Houston law firm, and founded his own law firm, Mayor, Day & Caldwell. Richard is now a retired partner of Andrews & Kurth, with whom his firm merged in 2001. He has served on numerous corporate boards, served as trustee of the Houston Contemporary Arts Museum, the Houston Ballet Foundation, and the Public Policy Committee of the Houston Grand Opera. Richard received his BA degree from Yale College and a JD from Harvard Law School. Richard resides in Houston, Texas.

**Charles T. Munger Jr., Palo Alto, CA**

Charles T. Munger Jr. is an experimental physicist. Between 2003 and 2007, Charles served on the State Board of Education's Curriculum Development and Material Commission. He serves as chairman of the Santa Clara County Republican Party, and was the lead supporter of Proposition 11 (redistricting for California Assembly and Senate) and was the co-author, proponent, and campaign supervisor for Proposition 20 (redistricting for California's Congressional districts). Charles received his Ph.D. from University of California, Berkeley. Charles and his wife, Mandy Lowell, reside in Palo Alto, California.



*Clockwise from top:  
Charles T. Munger Jr., Richard B. Mayor,  
Nani S. Warren, Robert G. O'Donnell,  
Richard G. Wolford*

**Robert G. (Bob) O'Donnell, Atherton, CA**

Robert G. O'Donnell recently retired from his position as a senior vice president and director of Capital Research and Management Company. Before joining Capital in 1972, he served in the US Army and was a senior accountant at Arthur Anderson. Bob teaches at the Haas School of Business in Berkeley and serves on the boards of the Sequoia Hospital Foundation, Summit Public Schools, and the San Francisco Symphony. Bob graduated summa cum laude and received his MBA degree from the University of California at Berkeley. He is a CPA and CFA. Bob and his wife, Sue, reside in Atherton, California.

**Nani S. Warren, Portland, OR, and Palm Springs, CA**

Nani S. Warren is a community volunteer who has spent much of her career in public service. She was a precinct committee woman and served on numerous election committees at the state and national level. She is a trustee of the Portland Art Museum. Nani served on the Multnomah County Planning Commission for seven years and chaired the Oregon Columbia River Gorge Commission (1969–1987). Nani, and her late husband, Bob, were co-founders of the Robert G. and Nani S. Warren Foundation. Nani attended Sarah Lawrence College, and resides in Portland, Oregon, and Palm Springs, California.

**Richard G. (Rick) Wolford, Glenbrook, NV, and Mill Valley, CA**

Richard G. Wolford, served as chairman, president, and CEO of Del Monte Foods, from 1997 to 2011. He recently served as interim president and CEO of Diamond Foods and is a member of its Board of Directors. Rick began his career in the food industry in 1967 at Dole Foods, where he held a range of management positions. Rick graduated from Harvard University with a degree in economics. Rick and his wife, Karen, reside in Glenbrook, Nevada and Mill Valley, California.

# Hoover Fellow Quotes

## Fouad Ajami

**Bloomberg.com**  
from "Obama's Callow, Cruel Reaction to Syrian Massacres"  
August 27, 2012

“The ways of the world are what they are: The custodians of American policy had placed their wager on the attention span of spectators to the Syrian slaughter. Crimes, however monumental, become routine. Wait out the initial outrage and people move on, they weary of calamities.”

## Condoleezza Rice

from remarks at the 2012 Republican National Convention  
August 23, 2012

“If we are not inspired to lead again, one of two things will happen — no one will lead and that will foster chaos — or others who do not share our values will fill the vacuum. My fellow Americans, we do not have a choice. We cannot be reluctant to lead — and one cannot lead from behind.”

## Scott W. Atlas

**DefiningIdeas.com**  
from "The Moral Case for Romneycare 2.0"  
August 29, 2012

“An alternative plan, guided by honesty, would be committed to personal empowerment, based on a steady confidence in free market innovation and a certainty that individual Americans understand what's best for themselves, rather than relying on unaccountable government panels and appointed bureaucrats.”



## In memoriam: Dan W. Burns

Arlington National Cemetery is the burial site for many of our nation's most honored soldiers, now including Dan Burns, who died at the age of 87 and was buried there with full military honors on July 19, 2012.

Dan began a lifetime commitment to causes greater than himself by enlisting in the US Army at the age of fifteen. He later served on Bataan, becoming a prisoner of war (POW) when the Philippine Islands were surrendered to the Japanese. As a survivor of the Bataan death march, he was transferred to a POW camp in China, from which he escaped in late 1943. In 1946, after graduating from the Army's Counter-Intelligence School, he became a military attaché to China and served as aide-de-camp to George C. Marshall.

Following his military service, Burns had a successful career in the aerospace and defense industries, culminating in his role as president and CEO of Sargent Industries from 1964 until his retirement in 1985.

In addition to his service as an Overseer (2003–2009), he was a director of the Smithsonian Institution, the San Diego Aerospace Museum, and the Atlantic Council of the United States, and a member of the President's Council of the National Academy of Sciences.

As Herb Dwight, Overseer Chairman, wrote to Burns' family, "His principles, his perseverance, and his urge for adventure made him unique, qualities that mirror those of our country throughout its history."



Courtesy of Auburn University

## Overseer Sam Ginn to Chair FirstNet

**H**oover Institution Overseer Sam Ginn has been selected as chairman of the board for the newly created First Responder Network Authority (FirstNet). FirstNet is an ambitious project to establish a new broadband network that will enable first responders and public safety officials to communicate broadly across jurisdictions. The recent announcement by Acting Secretary of Commerce Rebecca Blank reports that Ginn will chair a board of 15 directors, which includes the U.S. Secretary of Homeland Security, the Attorney General and the Director of the Office of Management and Budget.

In an interview, Sam underscored the bipartisan nature of the effort to establish the network, and the complexity of creating a highly reliable telecommunications project with mission-wide coverage to handle a crisis anywhere in the country, from sites as diverse as an underground bunker in Manhattan to a forest fire in Colorado.

Ginn has been a leader in the wireless telecommunications industry, having served as chairman and chief executive officer of Pacific Telesis, and chairman of AirTouch and Vodafone. FirstNet is an independent authority within the National Telecommunications and Information Administration, established and funded by Congress.





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## Hoover at home and on the road



During the past few months Hoover has been busy hosting events both at its home base and on the road. In addition to Hoover's summer Board of Overseers meeting, those events ranged from a day-long program that brought a selection of Hoover fellows to the Pebble Beach/Carmel area to a conference held at Hoover that looked at the rise of China's military and the implications for US foreign policy.

This fall Hoover is hitting the road once again, to meet with supporters with new events in Los Angeles, New York, Chicago, Dallas, and Colorado Springs. By developing a presence in key cities across the country, the Institution broadens its reach and disseminates the work of its scholars, while cultivating relationships with new and current supporters living at some distance from our home base.

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