Rubenstein has given the Law School the single largest gift it has ever received from an individual: $10 million. With this one extraordinarily generous act of philanthropy, Rubenstein’s gift creates the most expansive scholarship program the Law School has ever offered. Beginning in 2011, the David M. Rubenstein Scholars Program will provide 60 entering students with full-tuition scholarships covering all three years of their studies (20 students per year for three successive classes—2014, 2015, and 2016). Rubenstein is cofounder and managing director of The
Carlyle Group, which as one of the world’s largest private equity firms manages more than $90 billion from 19 worldwide offices. He says he expects that his gift will help redress the principal impediment facing the Law School in competing for top students: “Chicago is a great, great law school, but it is handicapped by an endowment that is small compared to the endowments of other top schools. I’m hoping that my gift—along with gifts that might be given by other graduates who are in a position to make them—will help persuade even more of the most talented students to come to Chicago.”

Rubenstein understands from personal experience the influence that a generous scholarship can have. A magna cum laude, Phi Beta Kappa graduate of Duke University, he applied successfully to several law schools. It was the offer of a full-tuition scholarship that ultimately led him to choose Chicago. That National Honor Scholarship was particularly significant for him because of his family’s modest financial circumstances—his father was a postal clerk whose annual wage never exceeded $10,000. “The scholarship meant that I could tell my parents that I wouldn’t need any money from them for law school,” he recalls. “That meant a lot to me.”

Just two years after law school, he enjoyed another important benefit of his scholarship when he stepped away from practicing at the law firm Paul Weiss Rifkind Wharton & Garrison to pursue his interest in politics. Rubenstein became chief counsel to a U.S. Senate subcommittee headed by Indiana Senator Birch Bayh, who was considered a likely presidential contender. “I probably couldn’t have pursued that opportunity if I had been burdened with debt,” he says.

When Bayh’s candidacy didn’t work out, Rubenstein joined Jimmy Carter’s successful presidential campaign along with Carter advisor Stuart Eizenstat. Carter made Eizenstat his domestic policy advisor, Eizenstat made Rubenstein his deputy, and at the age of 27 Rubenstein had a West Wing office. “The White House job didn’t pay badly,” Rubenstein recalls, “but I probably wouldn’t have had it without the first step of going to work for Bayh, so I have my scholarship to thank for that, too.”

Chicago’s rigorous atmosphere apparently also prepared Rubenstein for the life of a White House staffer. A contemporaneous profile of Rubenstein reported that his working hours exceeded even those of the Commander-in-Chief, who had a well-earned reputation as a workaholic.

**Turbocharging the Virtuous Cycle**

Rubenstein’s $10 million commitment to the Law School will affect every aspect of the school. According to Dean Michael Schill, “David’s magnificent act of philanthropy is a game-changer.” Attracting the best and the brightest students to Chicago with full-tuition scholarships will generate a virtuous cycle. Great faculty are attracted and retained in part by the presence of extraordinary students; and top students are attracted by the presence of great faculty. The more accomplished a school’s faculty and students, the greater its reputation and ranking is likely to be, which means that more top students will be attracted to enroll. In addition, the more talented a student body is, the more rich are the conversations in and outside of class. Thus, although only 20 students or one-tenth of each admitted class will be named Rubenstein Scholars, the program will benefit the entire community in important ways.

Accelerating this cycle at Chicago is the primary reason why Rubenstein chose to make his gift an expendable one rather than a gift to the Law School’s endowment. With an expendable gift, funds can be applied quickly, as the Law School perceives the need for them, rather than more slowly, as with an endowment. “Let’s see the results right away,” Rubenstein says. “If it works, you can expand it or...
extend it. If it doesn’t, try something else. If the Law School gets the right bang for these bucks in a short time frame, it could make a very big difference very quickly.”

Rubenstein says he believes this is a moment when scholarships can have a particularly large impact. “Right now, some of the financial allure of practicing law has diminished. Salaries probably aren’t going to keep rising as fast as they have, and so debt load becomes an increasingly important consideration, even for students from relatively well-off families. It’s an excellent time for the Law School to get the attention of the students it really wants, the most talented ones, and make them a very attractive offer.”

“The Law School gave me so much, and I wanted to give back,” he explains. “I never had a bad professor there, and many of them—Soia Mentschikoff and Walter Blum, to name just two—were exceptional. It was the best law faculty in the country.”

Rubenstein’s own experience exemplifies many aspects of the virtuous cycle. “The Law School gave me so much, and I wanted to give back,” he explains. “I never had a bad professor there, and many of them—Soia Mentschikoff and Walter Blum, to name just two—were exceptional. It was the best law faculty in the country. And my classmates were extraordinarily talented people—[federal Appeals Court judges] Frank Easterbrook and Doug Ginsburg come to mind. I think anyone fortunate to have the kind of experience I had would want, if their circumstances permitted it, to give something back.”

“In some ways,” he adds, “my time at the Law School helped edge me into government and eventually into business because it became clear to me that in contrast to the faculty and to many of my fellow students, I wasn’t going to be a Richard Posner; I wasn’t any kind of legal genius.” (Rubenstein once told an interviewer that he knew he wasn’t a great lawyer because when he was thinking of leaving Paul Weiss and when he later considered leaving Shaw Pittman (after a stint between his White House service and before founding The Carlyle Group), “none of my partners said ‘Don’t leave’ and none of my clients said ‘Don’t leave.’ So I concluded I must not be that great a lawyer.”)

“A Modest Repayment”

When Rubenstein founded The Carlyle Group in 1987 with three others, his expectations were modest. “I didn’t think we’d ever have more than ten employees, and the space we leased didn’t have any room for expansion,” he remembers. Today the firm has more than $90 billion under its management and employs more than 880 people in 19 countries. The companies within the Carlyle portfolio have more than $84 billion in revenue and employ more than 398,000 people around the world.

“I’ve been extremely lucky,” he says. “Whatever I can give back will be only a modest repayment for my good fortune.”

In addition to financial gifts to a wide range of educational and other institutions, Rubenstein serves as a trustee of the University of Chicago, Duke, and Johns Hopkins and in major advisory capacities at Harvard and Princeton. He holds leadership and advisory positions at 24 other
organizations, including service as chairman of the John F. Kennedy Center for the Performing Arts, president of the Economic Club of Washington, and a Regent of the Smithsonian Institution. Last month, Rubenstein was part of a group of 40 individuals who pledged to give half of their wealth to charity. The Law School honored Rubenstein at graduation in 2007 with its Distinguished Alumnus Award. Dean Schill observes, “David Rubenstein is the sort of person a dean dreams of being an alumnus of his or her school. David is a wise man, a good man. He is a leader in every realm he touches. We are all proud that this institution helped make him the man he is today.”

Still traveling at least 250 days a year on business, Rubenstein comments, “I see people my age preparing for retirement, but I have a different view—I’m intending to sprint to the finish line, wherever that may be.” To keep

“I’ve been extremely lucky,” he says. “Whatever I can give back will be only a modest repayment for my good fortune.”

The Law School honored David Rubenstein at graduation in 2007 with the Distinguished Alumnus Award.
The Impact of a Full-Tuition Scholarship

By Gerald de Jaager

In 1959, under the leadership of its farsighted dean Edward Levi, the Law School created the Floyd Russell Mechern Prize Scholarship, awarded to entering law students and renewable in their second and third years. The scholarship’s annual stipend—which in 1960 was $2,000—handily covered the cost of tuition, making the Mechern Scholarship one of the first three-year full-tuition merit-based scholarships offered by any top-tier law school.

In creating the Mechern Scholarship, the Law School was recognizing the same phenomena that principally underlie the new David M. Rubenstein Scholars Program: First, that top law-school candidates might be encouraged to choose the University of Chicago Law School over other schools with a generous financial offer; and second, that freedom from law-school debt might permit those top candidates to more readily pursue their highest career aspirations.

Unlike virtually all of the scholarships offered by the Law School then and since then, the Mechern Scholarship was financed primarily through the Law School’s general fund, not by gifts from alumni and friends of the Law School. In its early years, the scholarship covered not just tuition but other expenses as well, and for more than 30 years, its stipend was regularly increased to continue meeting at least the full cost of tuition. But with so many other demands on the Law School’s general-purpose funds, over time both the number of Mechern Scholarships and their typical dollar amount were reduced.

The number of Mechern Scholarships awarded each year ranged from eight to one. Among those who received them are current U.S. Court of Appeals Judges Danny J. Boggs, ’68, and Douglas Ginsburg, ’73; former Court of Appeals Judge Michael McConnell, ’79; and Wachtell Lipton partner Andrew Nussbaum, ’91.

MECHEM SCHOLARS REFLECT

Conversations with five graduates who were Mechern Scholarship recipients show how well it achieved its purposes, providing an important incentive for top prospective students to come to Chicago and enabling them to make important career choices without debt as a major consideration. When Stephen Curley, ’69, became a Mechern awardee, the stipend covered his tuition and his room and board expenses. Curley, who is now a partner at Mintz Levin, remembers, “The Mechems were in a class by themselves at the top law schools. The amount I received, over $3,000, was a huge stipend at the time. There was no way I was going to turn that down, so I came to Chicago.”

Carol Rose, ’77, whose teaching career includes more than 20 years at Yale Law School (she now divides her time between Yale and the University of Arizona’s James E. Rogers
families of modest means they both relied upon scholarship support to enable them to pursue higher education. “David’s commitment to providing scholarships resonated

“The scholarship meant that I could tell my parents that I wouldn’t need any money from them for law school,” he recalls. stronly for me,” Schill says. “Not only because it is so right for the Law School, but because he and I both understand at a personal level that scholarships can make all the difference in whether a student can attend a great school like Chicago.”

Now, Schill observes, Rubenstein’s gift has initiated “the beginning of a new era” at the Law School. “Not only will we have more resources to attract the very brightest students to the school, but David’s leadership will inspire our other alumni to open their pockets to benefit the school that they also owe so much to.”

Perhaps no one says it better than David Rubenstein, who invites other alumni and friends of the Law School to join in this “potentially transformative” moment: “I’ve made a down payment toward a future when the Law School may have financial assets comparable to those of its competitors, but there are still many places where new funding can create additional leverage. I hope my gift might incent others who are in a position to be helpful. I hope they’ll keep in mind how much a Chicago education has meant to them, and see fit to give back to this great institution.”

College of Law), recalls, “I was choosing among several prestigious law schools when I learned that I had been awarded a Mechem. It was not just the money that tipped the scales in Chicago’s favor, although that was very important. I also felt that Chicago really wanted me.”

James Hipolit, ’76, Senior Vice President and General Counsel of Irex Corporation, and David Litt, ’88, a partner in the Tokyo office of Morrison & Foerster, both say that their scholarships enabled them to attend law school without having to draw on their families’ modest financial resources. Hipolit’s father was a public-school teacher; Litt’s breadwinner mother played in the symphony orchestra in Portland, Oregon.

Freedom from debt permitted many Mechem Scholars to pursue opportunities that might otherwise have been closed to them. Noting that he first ran for elected office less than five years after graduating from the Law School, Richard Cordray, ’86, who is now Attorney General of Ohio, says that with a typical graduate’s debt load he probably would not have been able to afford to enter that early electoral race. Hipolit, who took a job with the U.S. Department of Energy shortly after graduation, observes, “The Mechem gave me the freedom to take that job, a freedom I wouldn’t otherwise have had.”

Litt and Rose both found themselves able to take a year off during Law School to pursue activities that enriched their personal lives and their careers: Litt studied Japanese intensively, while Rose served as associate director of the Southern Governmental Monitoring Project of the Southern Regional Council.

GIVING BACK

All of the Mechem interviewees say that they are glad to have chosen Chicago. As Stephen Curley puts it, “Chicago was a great law school then, just as it is now. I wasn’t going with a second-best option just for the scholarship money. I got a great education that has served me well.”

And each of them has shown their appreciation by giving back to the Law School. “The Mechem made me a donor,” says Rose, who has contributed to the Law School every year since she graduated. “The Law School gave me a fabulous, one-of-a-kind helping hand, and I’m happy to reciprocate.”

David Litt says that as he makes regular gifts to the Law School, he feels as though he’s “barely paying the interest on what the Mechem and a Chicago education were worth to me.”

Richard Cordray remembers that every day as he went to class he would see the portrait of Floyd Mechem that hangs in the Law School’s main corridor, and he would sense the lineage of brilliant scholarship and great teaching connecting him to the very beginnings of the Law School. Now, Cordray says, “I like to think of my donations as a similar act of continuity that will make a difference for the future of other law students.”

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