

NEW YORK CITY

Mixing Business With Philanthropy in the Classroom

By JENNIFER 8. LEE

ONE Tuesday night in September, Steven B. Klinsky, a prominent Wall Street financier, organized a casual Texas Hold 'Em poker tournament at the New York Racquet Club. The invitations drew mostly friends and friends of friends, but they included those already captured in the distinctive stippled portraits of The Wall Street Journal: chief investment officers, managing directors and founders of financial companies large and small. The minimum buy-in was \$5,000, all of which would go to Brooklyn after-school centers named after Mr. Klinsky's brother, Gary, who had died of Niemann-Pick disease at age 29.

Mr. Klinsky, ever the capitalist-philanthropist, made a pitch to the astute crowd: it cost nearly \$10,000 to educate students for the first six hours of the day, but the Gary Klinsky Children's Centers provide an additional three hours for only \$1,200 a student each year. "It's a very cost-efficient model," said Mr. Klinsky, 49. "You get a 50 percent increase for about \$1,500," he said.

Amid a crowd of vibrating Blackberrys and Ferragamo ties, some 30 men who traded millions of dollars by day shuffled thousands in poker chips that night. Almost \$200,000 was raised, with far fewer speeches and chicken entrees than a standard fundraiser. Three hours of poker to educate 160 children in the program for a year.

Mr. Klinsky, the founder of New Mountain Capital, is among a generation of successful Wall Street financiers who have turned their entrepreneurial attentions to personal causes, including Rob Davis, who founded Hedge Funds Care to fight child abuse; Julian H. Robertson Jr., who started the Tiger Foundation to combat poverty in New York City; and Paul Tudor Jones II, who started the Robin Hood Foundation with two friends to support antipoverty projects in the city. "You have people who are successful in their careers, highly energetic people," Mr. Klinsky said. "They want to apply the same intelligence and drive to the charitable side of their lives."

But far more than most of his peers, Mr. Klinsky has combined business and philanthropy in another area, education. "Education is a space where it's possible to be en-



Michael Nagle for The New York Times

MR. FINANCIER Steven B. Klinsky visiting P.S. 149 in Brooklyn, where he set up the first of his after-school centers.

trepreneurial," he said. "If you want to cure cancer, it's beyond my ability to do that directly."

In 1992, after he had already become a partner at Forstmann Little & Company, Mr. Klinsky decided to start an academic after-school program for low-income children to honor his brother. With the Brooklyn Bureau of Community Service, a 139-year-old charity, he set up the first Gary Klinsky Children's Center for 60 students in 1993 at Public School 149 in East New York. From the beginning, Mr. Klinsky brought a businessman's approach. He leveraged available resources by using empty classroom space and hiring existing teachers. He wanted the program to be replicable and therefore not dependent on any single leader.

Today, the centers have expanded to 1,000 students in six schools with a budget of \$1.5 million. Students in the program have done better on citywide math and reading tests than other students in the same schools and districts. They also have better attendance and do better on self-esteem measures. The New York Jets have adopted two of the schools as Jets Academies. The model has also been copied in Miami, where the professional basketball team opened four Heat Academies.

At P.S. 309 in Brooklyn one day this fall, the theme was Egypt at the after-school program. Second graders made bead necklaces and colored headdresses, while fourth graders designed henna body tattoos, made a Mediterranean yogurt dip and played an

Egyptian board game. "They do a good job of blending academics and recreational activities while not losing sight of the academic performance of the kids that are in their programs," said Phoebe Boyer, executive director of the Tiger Foundation, which has helped finance the program.

But Mr. Klinsky said he felt that the after-school programs offered limited help. After the New York State Charter Schools Act was passed in 1998, he reached out to expert educators for a bigger idea. Among them was Harvey Newman, a charter school advocate, whom Mr. Klinsky invited to his office and grilled on theories about educating disadvantaged children.

Then Mr. Klinsky told Mr. Newman he planned to apply for a charter school, with a

company whose mission would be to run schools in poor neighborhoods.

"I said to him, 'You will never make any money,'" said Mr. Newman, now a senior fellow at the Center for Educational Innovation — Public Education Association, where Mr. Klinsky is a longtime trustee. "He would smile as if this: 'I'll show you that you're wrong.'" Mr. Klinsky is a man who trusts the power of markets, Mr. Newman said.

Between leaving Forstmann Little and starting New Mountain Capital, Mr. Klinsky started Victory Schools, a management and advisory company specializing in education reform. The Sisulu Children's Academy in Harlem was one of the first three New York charter schools to open, in September 1999.

Today, Victory Schools provides services to 12 public schools in New York State, Phil-

Challenging venture for a Wall Street entrepreneur: educating the poor.

adelphia and Delaware. "It's one of the leading firms," said Jeanne Allen, president of the Center for Education Reform. "They are smaller than most. They are geographically limited, but they are one of the most successful out there from a student achievement perspective."

Financially, charter school companies have had an uphill climb nationwide. In New York, for example, public charter schools generally receive only 60 to 70 percent of the financing per student that a traditional public school receives. Most also pay for their own buildings and facilities.

Mr. Klinsky has put a lot of his own money into the schools to get them off the ground, some of which he has been able to write off on his taxes as a business expense. Now Victory Schools is on the verge of being self-sufficient, he said.

But his friends say the finances were beside the point for Mr. Klinsky. "He wants to do good for children," Mr. Newman said. "Losing money on this is probably one of the great joys of his life."