

The Billion Dollar HEI\$T



Robert Wood Johnson Foundation

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HE FIRST DAY THE FOUNDATION WENT BIG IT WASN'T WITH A BANG, but with a burglary.

On a dark and almost stormy night in December 1971, a vigilant reader of the *New York Times* carefully and quietly removed the outward-mounted hinges from the rear door of a modest two-story gray-clapboard house on a quiet residential street in New Brunswick, N.J. This was 142 Livingston Avenue, the early home of the Robert Wood Johnson Foundation. The only way you could tell what went on inside was a small brass plaque at the top of the five marble front steps that announced, simply, "Foundation House."

The night of December 6 was mild and moist. The police later reported that no one heard or saw a thing. It helped that thick clouds and a low cloud ceiling masked a fading full moon. It helped even more that Livingston Avenue was only a few blocks from two big hospitals, Middlesex and St. Peter's. Many of the neighboring houses were the daytime offices of doctors and dentists; no one was in at night.

The intruder propped the unhinged door against its frame and stepped into the gloom of the deserted kitchen. Inside wasn't much furniture, apart from a single desk and single chair in a single room. The only obvious items of value were a handsomely crafted solid-bronze Williamsburg chandelier hanging in isolation over one empty room and a roll of 8-cent postage stamps in the desk drawer.

But the burglar was after bigger pickings. He—or she—was in search of treasure beyond imagination, more than one billion dollars. It had to be here. After all, that morning's *Times* said it had just arrived in the form of 10,204,377 shares of Johnson & Johnson common stock, which translated into about \$1.2 billion dollars, an amazing bequest from the estate of Robert Wood Johnson. As a result, the *Times* explained, this undistinguished house literally overnight had become the home of the second wealthiest foundation in the country.

Well, it was true. We *were* as rich as the paper said. What the bungling burglar didn't know was that we didn't act that way. Most major foundations of the day were national brands—Ford, Rockefeller, Carnegie, Mellon, Lilly. Often in the limelight, their names were known by everyone. But few outside Central New Jersey knew anything about Robert Wood Johnson's foundation.

The news media and the public, however, certainly knew Johnson himself. A longtime national fixture, always good copy, he headed up the family business, Johnson & Johnson, one of the world's first truly global companies, until his death in 1968. "First Aid" and J&J were synonymous, and its products were ubiquitous. Cut your finger on any one of the seven continents and you were likely to reach for a J&J Band-Aid. Bathe your baby and you probably dusted that tiny bottom with Johnson's Baby Powder. One of Little Golden Book's biggest sellers, *Doctor Dan, the Bandage Man*, came with "two real Band-Aids" inside.

If you met Johnson face to face, you would never guess he was the force behind *Doctor Dan*. Fantastically wealthy and outspokenly unorthodox in his business beliefs, he had secured the commission of brigadier general in World War II; colleagues and the media happily indulged his wish to be called General ever after. It fit. He wore business attire as a uniform, dapper and debonair, a perfectly pressed white pocket square as snugly in place as it should be.

Whatever he did, he was always in charge. His prototype philanthropy—the Johnson New Brunswick Foundation—never had a real office; he ran it out of his checkbook. Johnson had put the Foundation on the shelf during the war, holding only \$475 in its bank account. At war's end, he revived and replenished his philanthropy, in 1952 he renamed it the Robert Wood Johnson Foundation, expanded its scale and decided it needed offices for real.

As in all his affairs, his criteria were precise: Convert a private home in a quiet neighborhood into the anti-downtown business office, blend into the neighborhood—only the most basic furnishings, discrete parking in the rear—and, "Oh, I'll pick out the chandelier myself." Johnson located exactly what he wanted a short walk down elm-lined streets from his boyhood home. In 1952, he purchased 142 Livingston for \$33,000 and quickly and quietly set out to improve the level of patient care at the nearby hospitals with a personal passion that startled even some of his closest company colleagues.

Handpicked as Foundation President was a hometown politician and judge with the wonderfully alliterative name Klemmer Kalteissen. This man was connected. If you knew the judge, you knew all of New Brunswick. Judge Kalteissen explained the work of Foundation House this way: "This house is dedicated to the alleviation of [the] suffering of mankind...the care of the sick, the injured, the aged and the suffering...the standard of service to the patient."

On its face, this was a remarkably populist description of what Robert Wood Johnson was all about. Remember, this was a shrewd, sophisticated man raised from birth in a life of privilege to lead a worldwide industrial giant. His was the world of yachts, country clubs and European getaways, not of the poor, the put-down and the left-out. Or was it?

What most people outside his family didn't know was that down deep Johnson really wanted to practice medicine, heal the sick and improve the quality of life for the most vulnerable among us. When the American College of Physicians made Johnson the first lay person to be an honorary member, he meant what he told its annual meeting in Boston: "This fulfills the ambition of a lifetime. Now I am almost a doctor."

His inner call to medicine was hardwired by his life experience. A tough childhood bout with rheumatic fever left him with an enlarged heart and repeated hospitalizations as an adult. From one hospital bed to another, he learned firsthand the worst of health care: Hospitals are noisy and frighteningly inefficient; doctors don't know as much as you think they do; nurses are the key to better patient care.

By the early 1960s, Johnson had his own agenda for system reform and quality improvement. You'd think it came straight out of today's health care think tanks and philanthropies:

- Patient care comes first.
- Tear down the "rigid caste system" that impedes hospital fairness and efficiency.
- Give nurses a greater say in patient care.
- Professionalize nursing.
- Give scholarships to talented low-income and minority students for careers in health care.

If Johnson couldn't be a physician, at least his Foundation could be a transforming force for better health care. When Johnson's older brother, Seward, pushed to fund education causes, younger brother pushed back: "There is no area of social responsibility more important than the care of the sick and the injured," he wrote, "and I think it best to confine my Foundation to the area of healing."

This was the defining directive of Johnson's legacy. He'd be pleased to know that, decades later, the Foundation he named and enriched remains a faithful steward of his wishes.

