



# THE HOLLEMAN COMPANIES

*Four Generations of Financial Security Leadership*

## Holleman Business Succession Forum



### **AUSTIN H. KIPLINGER**

Editor Emeritus  
*The Kiplinger Letter*

Interviewed by Vernon W. Holleman, III

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THE HOLLEMAN COMPANIES

5500 Friendship Boulevard, Suite 580

Chevy Chase, MD 20815

## INTRODUCTION

Mr. Vernon Holleman: This is Vernon Holleman, and welcome to my interview with Austin Kiplinger. I sat down with Austin in a wonderful setting. The Kiplinger building on H Street has a museum in it and each of the centuries for the years that the Kiplinger organization has been around are represented, and they focus on the history of the city of Washington. In that museum there is a replica of Austin's father's office, which was at the Press Club. So, we sat down in front of that. There are a few things that I want you to listen to and for. One is a fabulous twentieth century history of journalism, and of course the history of Kiplinger itself. He talks a great deal about the expectations that start long before a person even enters the business when they have a notable father or mother. He wants people to think about that. He talks about the importance of really asking yourself about whether you really have what it takes to do the job, and what that job is. He talks specifically about that. He talks about internal decisions for growth, and I think you'll hear loud and clear him speak to the generational gaps and also the very emotional issues that he went through with his own father. Even years later, you can hear that those things were very real to him. Also, love of profession I thought was striking, how important he feels that is when you're talking about transitions. So without further ado, enjoy this interview and thank you for joining us on the Holleman Succession Forum.

## INTERVIEW

Mr. Austin H. Kiplinger interviewed by Mr. Vernon W. Holleman, III, May 10, 2010.

Mr. Vernon Holleman: Austin, it's a great pleasure of mine to be with you on the Holleman Succession Forum. So, welcome.

Mr. Austin Kiplinger: It's a pleasure for me, Vernon.

Holleman: Happy to have you.

Kiplinger: Yes.

Holleman: And what I thought we would do is start -- we'll go back just a few years, to what your father started.

Kiplinger: Yes.

Holleman: Help the viewers sort of understand the genesis of what has become Kiplinger.

Kiplinger: Well, I'm happy to do that, because I literally grew up in this organization. It's as much a part of my personal life as it is my professional life. My father was a reporter for the Associated Press here in Washington during World War I, and as a junior reporter he was assigned to what was considered an unglamorous post. That was covering the Treasury and the Federal Reserve Board and the Federal Trade Commission and all of those grubby things. But he found out, somewhat to his surprise, that there were fascinating things happening there that affected everyone in his personal life, everybody. In fact, a lot of them affected their personal lives much more than what was going on up on Capitol Hill.

So, after a couple of years a New York bank, the National Bank of Commerce, was casting around for a Washington reporter; not a banker, not a bank representative, not a lobbyist, but somebody who would tell them what was going on behind the scenes and what was going on at the Treasury and the Federal Reserves. My father was hired. So, he spent a couple of years doing that reporting, and he developed a technique for writing a weekly report. It was in effect a letter. It was written very informally, in first

person singular, and it was read by all the people on the bank staff in New York. Well, that got to be quite a phenomenon. It was the *Kiplinger Letter from Washington*. So, about 1920 there came what we used to call a business adjustment, I guess, or a slump or something, we call it a recession now, a post-war recession. They decided to dispense with the functions of their Washington office.

So, he was on his own and he started his own little office to do the same sort of thing for businesses and banks all around the country. They would query him, you know, what is going on at the Treasury or are they really going to hold the line on interest rates or are they going to issue a new bond, and so on. So, then about three years later, I was five years old, he started a thing called *The Kiplinger Letter*, in 1923, to send out, and people could subscribe to it.

Holleman: In those intervening three years, had he realized how much more powerful the roots of this were, or had this --

Kiplinger: I don't think so. I think he was feeling his way along. But, he saw that businesspeople all over the country, small businesses, big businesses, banks and others, who didn't -- they didn't have these Washington offices in those days. Washington was not organized with great combines of Washington reps and vice-presidents for public affairs and things like that. They just didn't. The U.S. Chamber of Commerce was here. The National Association of Manufacturers was here. But, they would have to work through a whole routine of staff, and sometimes they'd want to know something specific; how do I get an export license to France or how do I get approval for this, that or the other thing. And, my father could just call up somebody he knew and find the answer

and wire it back or call it back to the man or the person. Then he would charge them some exorbitant fee.

I looked at his books the other day, and I think some of these fees were \$75 and \$125. Of course, you multiply those by ten if you want to get it in today's value. So, he was a leg man, an information man.

Holleman: Was part of his success because the regular papers really weren't covering that, because it wasn't --

Kiplinger: Yes. The papers did not cover practical business matters at all. They covered gigantic affairs, big, big stories. The glamour in Washington was being a Washington correspondent, as the saying had it, White House especially, State Department. The other reporters, and there were quite a few of them for *The Wall Street Journal* and for -- my father wrote for the *Nation's Business Magazine*, which is no longer in existence, *BusinessWeek*, you know. But they were focused in niches, and the general public didn't read them. So, my father could give them practical answers.

This is when he began to evolve his modus operandi and his standards. First of all, don't try to tell them personal opinions. They have their own opinions, whether they're good or bad. He didn't label anything good or bad. He labeled it factually, because it might be good for somebody who was selling. If prices were going up on raw materials and you're in the raw materials business that's good. If you're using raw materials and prices are going up that's bad. So, he learned not to label things and classify them good, bad. He just told you the facts the way they were.

People got to trust him. They knew he was honest. They knew he was objective. They knew he was nonpartisan. They knew he wasn't trying to sell them a bill of goods.

That was very important, as a basic modus operandi, very important. People have to learn to trust your honesty and trust your judgment. So, during that time he developed that kind of thing.

Holleman: And your first memory?

Kiplinger: Well, I think my first memory was being in the office -- well, let me see. It was when he went to Philadelphia to cover the 1924 political convention, the Democratic National Convention. The president was Calvin Coolidge, and the Democrats had a long convention that ran on and on and on and they finally nominated John W. Davis to be the Democratic candidate for president. I remember hearing that on a radio in 1924.

Now, the radios were little crystal sets, and you can't imagine what it was. It was a little tiny thing on a table and it had a crystal, really, a little piece of, of mineral crystal, and it had a little feeler, kind of like a hair. You scratched it around on the crystal and you could hear a voice. That was the first radio. That's when I learned that my father was a reporter and a writer and an editor.

Holleman: You heard his voice?

Kiplinger: No.

Holleman: No?

Kiplinger: I did not hear his. I heard the convention proceedings.

Holleman: Right.

Kiplinger: But I knew that he was there, and that was very, very impressive. I was five years old going on six. But then, I used to spend time in my father's office. I was just a kid.

Holleman: And we're on H Street now.

Kiplinger: No -- yes, we're on H Street.

Holleman: But where -- today we're sitting on H Street. Where were you then?

Kiplinger: We're about six or eight blocks from where our offices were. They were on 15<sup>th</sup> Street, directly across from the Treasury building.

Holleman: Okay.

Kiplinger: On the second floor, right above the Keith's Theater. That was a vaudeville theater, where Woodrow Wilson used to walk over from the White House to see a play or a performance. In fact, I would watch the inaugural parades from the office window on the second floor.

Holleman: Is that where the Old Ebbitt Grill is now?

Kiplinger: That's exactly right.

Holleman: Okay.

Kiplinger: Just precisely there, on the second floor.

Holleman: Got you.

Kiplinger: There had a theater marquee extending over the sidewalk. I could climb out on it and watch the parade. I watched the World War I tanks come rolling up, clanking along. The streetcar tracks were there.

Holleman: Yes?

Kiplinger: It was pretty heady stuff for a young kid --

Holleman: I bet.

Kiplinger: -- just about to turn six. But, I spent many hours in my father's office and his staff came to be kind of part of the family.

Holleman: Sure.

Kiplinger: You know, reporters, journalists, writers, they tend to blend their lives. Their personal and professional lives all come together. So, I knew every one of those men, and every one of them was kind of a surrogate big brother or father or cousin to me.

Holleman: What kind of things did he have you doing in the office?

Kiplinger: Well, I didn't do any work in the office at that time. I was just a kid.

Holleman: Didn't move anything or --

Kiplinger: No, no.

Holleman: -- put boxes away? No?

Kiplinger: I didn't do -- until I graduated from high school in 1935. I was hired as the office boy. I was paid, and I can't remember what it was. I don't think it was very much. But I was efficient. I kept the pencils sharpened, and I saw that the papers were thrown away and everything was kept up to speed and up to date. That was 1935. But, I had been getting to know members of the staff and they were kind of advisors to me when I was studying civics in high school and writing papers on national affairs and legislation and things. You know, the New Deal was a very exciting time for everybody, including even high school students. I wrote a paper in my senior year for my civics class on the causes and cures of the agricultural problem. I've been looking for it, to see if I -- see if it all -- how it all worked out.

Holleman: Yes. Do you remember what your grade was?

Kiplinger: Oh, excellent grade.

Holleman: Well, I would think with a team of researchers --

Kiplinger: Oh, yes.



Holleman: -- I would hope.

Kiplinger: Absolutely. I was at some disadvantage when I was a boy in school, but the teachers knew that my father was a becoming well-known editor and correspondent, and they expected me to know all the things that he knew. It was a little bit of a disadvantage. So, I cashed in by calling my chips in --

Holleman: Sure.

Kiplinger: -- and asking some of the staff to help me. So, whether it was all my own personal work or whether I had too much looking over the shoulder, no one will ever know.

Holleman: Right. So, before we dive into what you were doing in your involvement from the time you became office boy, when you were young you said you didn't have any specific roles but --

Kiplinger: No.

Holleman: -- were you clear or were you paying a fair bit of attention to what was going on and seeing developments?

Kiplinger: Oh, yes. In fact, there were a lot of reasons why. One was that I was surrounded by it. Two is that the country was in a dire condition. When I hear comparisons between today and the Great Depression -- this has been a very shattering experience for everybody in the last three or four years. But, you know, in the Great Depression we had a 25 percent unemployment rate and that is when there was usually only one wage earner in the family. The woman was the homebody. So, you'd have to have a 40 percent unemployment rate today to be comparable.

Holleman: Right.

Kiplinger: It was dire and we all knew that. Now, Washington had kind of a charmed life and Washington didn't suffer as much. The obvious reason is the government was burgeoning. Everything was very exciting, and even students knew that, my classmates in high school.

Holleman: And did you have siblings?

Kiplinger: My father and mother were separated. My sister lived in Ohio. So, at that time I had just a distant sister. Now, subsequently I had a half-sister and a half-brother but neither of them came into the organization. My sister subsequently married and raised her family elsewhere. So, I was the only son and the only child who was interested in the organization.

Holleman: So, take us from 1935, when you first came in officially, and at that point I know you were in and out of the business throughout your career. So, help us understand some of those decision-making points. One of the things we're trying to achieve with this forum is to help people who may be considering being in a family business or who have been in it for a short period of time understand what others thought about and what pivotal decisions they made.

Kiplinger: Well, there was never any question in my mind that I wanted to be a newspaperman, as we used to call it, or a journalist or an editor. That -- it just -- it never entered my mind to do anything else. Oh, I wanted to be an aviator when Charles Lindbergh flew the Atlantic. I wanted to be a concert pianist when I studied the piano. I wanted to throw the discus, you know. There were a few things like that.

Holleman: Yes.

Kiplinger: But seriously, I always wanted to be an editor. I would look at the great newspaper editors, James Gordon Bennett of the *New York Herald* and Charles Dana of the *Sun* and I would read about all these illustrious famous editors and that would be my dream. I didn't try to cut it down into being this kind of editor or that kind of editor. That was pretty sophisticated. So, my father didn't implant that. He may have done it psychologically, unknowingly, but he never overpowered me and said this is what you want to do.

Holleman: Yes. Never gave any real pressure to?

Kiplinger: Never. I just -- I literally grew up in the newspaper world, or in journalism or in writing and editing and reporting. I'll tell you a story that is probably illustrative. When I was about 14, my father -- this was 1932. Hitler was just beginning to seize power in Germany, and, of course, the world was still gripped in a serious world depression. My father wanted to go to Europe and take a kind of measurement of the conditions over there and the temperament in the economic world. School had started. It was early September. But he thought maybe it would do me some good to see the world and go along with him. So, he negotiated with my schoolteachers to let me off for a couple of weeks, and I went with him. We went to Hamburg and we went to Berlin and we went to Paris and London. It was a whirlwind trip, all by ship and by railroad. I actually saw the Reichstag in Berlin just after they had had a violent disturbance there and a fire, and Hitler was threatening to take over. In fact, he did take over from Hindenburg at about that time. Then we went to London, and my father thought he would try to show me how dull this business was, reporting.

Holleman: Could be.

Kiplinger: Could be. So, he took me to the Associated Press offices in --

Holleman: Was he still working --

Kiplinger: No.

Holleman: -- worked for the Associated Press again?

Kiplinger: No, no, he hadn't work for the Associated Press for years.

Holleman: Okay, for years.

Kiplinger: But every Associated Press reporter always felt as though he was a part of the --

Holleman: Part of the team still.

Kiplinger: Yes.

Holleman: Yes.

Kiplinger: So, he said, you know, I'll show you how dull this business can be. So, we went into this great open expanse of the Associated Press in London, and that was the world headquarters for news. There was Reuters and the AP. They had -- the tickers were going, the telegraphic tickers. They were coming in from all over the world, from Singapore, from Tokyo, from Buenos Aires, from London, from Rome. I thought that was the most exciting thing I had ever heard in my life. He thought he was discouraging me. It had the opposite effect.

Holleman: Yes. It was a steroid for you.

Kiplinger: There were people sitting at their desks in instant communication with every place in the world. And it was really a very perilous time in world history. That was only five, six, seven years before World War II broke out. Already, Japan was threatening China and subsequently invaded Manchuria. Mussolini invaded Abyssinia,

conquered it. There was a lot of violence, a lot of turbulence in the world. You know, world wars don't develop just out of nowhere. They come on over many, many years. So, I was kind of steeped in the traditions of journalism. But then, of course, I had edited everything in sight. When I was a freshman in high school I edited a paper in Latin. Let me see if I can remember the name of it, *Ova Ous Uay Mala* (phonetic sp.). Now, you can go back and check your Latin, see if you can translate that.

Holleman: So, that trip was -- really to a large degree solidified your deep interest, then?

Kiplinger: It was one of many things.

Holleman: Okay.

Kiplinger: I went on from that into editing the high school newspaper, the *Western Breeze*. I went on from that to edit the college magazine, called *The Areopagus*. I worked during my college years as a string correspondent for the Associated Press and a campus correspondent for the *Ithaca Journal*.

Holleman: And did you major in journalism?

Kiplinger: No, we didn't have journalism at Cornell.

Holleman: Yes.

Kiplinger: You didn't major in journalism. You know, I grew up in a journalism family and atmosphere.

Holleman: Yes.

Kiplinger: I've never taken a course in journalism. But, that's a little misleading, because if you grew up in a journalistic office you get more than a course in journalism.

Holleman: I would say so. So, help us understand what Kiplinger was producing in that timeframe. So, in the thirties.

Kiplinger: Very simple.

Holleman: Yes.

Kiplinger: We were producing the weekly letter, which told businesspeople and anybody else what was likely to happen. I'll tell you one of the distinguishing features of *The Kiplinger Letter* in those years was that we weren't taking sides. You know, most publications in those years lined up either pro-business or pro-labor or pro-Roosevelt or anti-Roosevelt. We called it the way it was, and we were not -- we had our own views. People in the staff would vary all over the lot in what they hoped could happen. But, we did not put personal issues into our estimates of what was going to happen. People appreciated that. We were read by union labor, AFL and the CIO when it came on later, and my father was persona grata in those offices because he was the only reporter that they knew of who spoke to a business audience and who would tell the business audience not what they should think but what they were likely to be confronting. He could talk to the people at the Teamsters or the people at the carpenter's union or, subsequently, the automobile workers. They would sit down and tell him what they were going to do.

Holleman: How big a staff was there at this point?

Kiplinger: Very small. Not more than a dozen writers and editors. Now, we were publishing the weekly letter. We published a biweekly tax letter, starting in 1925, out of what was then called the Bureau of Internal Revenue -- not out of there but covering it. Then, we had an agricultural letter, which we still have. We had all of these.

The point, I guess, that was important to me is that I was in Washington at a time when Washington really was controlling an awful lot, nationally and internationally, not only in business but in virtually everything else. The Social Security system started them. A lot of things that we just take for granted all started during that period.

Holleman: And were you -- so, we're now in the late thirties and you are covering -- did you go from office boy to reporter?

Kiplinger: Well, I didn't work in the office at all after that. I went to graduate school at Harvard. I went to Cornell and graduated liberal arts, went to Harvard and took graduate work in economics.

Holleman: Right from undergrad?

Kiplinger: Yes. In '39 I went to Harvard, '39/'40. The majority of Americans said we shouldn't be in that war. Well, I was on the other side of that. So, I decided at that time I would leave graduate school and get into journalism. So, I went looking for a job and I hit the papers in Boston and New York and Oklahoma and Los Angeles and then I went to San Francisco. I was about out of money, to tell the truth. I was about ready to take any job, washing dishes or anything else. But, I got a job on the San Francisco *Chronicle*.

Holleman: At that point did you have any discussion about coming to work at Kiplinger or had your father encouraged you to --

Kiplinger: No, because my father couldn't use young reporters. He was using seasoned people. I wasn't qualified.

Holleman: Sure.

Kiplinger: Furthermore, he knew that he didn't want to grow a hothouse plant. He wanted somebody who knew what he was doing and could do it efficiently and effectively. I agreed with that. We always had kind of an unspoken understanding, and he didn't ever sit down and point his finger and lecture to me. I just knew that he -- if I worked for my father I had to do a man's job and a qualified professional's job, and I wasn't there yet.

Holleman: Sure. Was part of the thinking -- I remember when I interned at MacNeil Lehrer one of the things that Jim Lehrer would stress to the young people interested in journalism was that Washington was no place to start a journalistic career. You needed to be at a small town or somewhere else --

Kiplinger: Absolutely.

Holleman: -- where your articles -- was that the thinking?

Kiplinger: Well, that's the standard dark variety advice, but it's true.

Holleman: Yes. Even back then?

Kiplinger: Oh, it always has been.

Holleman: Yes.

Kiplinger: Washington is a hothouse creation. It isn't like Cleveland or Cincinnati or Detroit or Chicago, or San Francisco. So, I went to San Francisco and it was just by happenstance that I landed there. But, I worked there for about a year. Then my father committed himself to write a book about Washington for Harper Brothers. He tried to get somebody to run the staff, because he knew he couldn't do that and do the letter at the same time. So he called me and he was kind of in distress, and said could you come back and help me run the staff and do some writing of the book. He knew he couldn't write it



all himself. He would organize a collaborative effort. I didn't want to leave the *Chronicle*. I was having too good a time. But, I knew that he needed help and I thought this would be a good opportunity. So, I did. I worked for about a year, writing the book called *Washington Is Like That*, or helping him write it. It was valuable experience, because I learned a lot of things about this city that I would never have known any other way.

Holleman: When you came back to help, was there any resentment from the staff or were people --

Kiplinger: Well, I was working a little bit.

Holleman: Okay.

Kiplinger: This had nothing to do with --

Holleman: Got you. You were able to keep it separate.

Kiplinger: But there was no resentment, because I was good friends with these fellows.

Holleman: Sure.

Kiplinger: They were good friends of mine. I would pick their brains, and we had a respectful -- always had a good respectful relationship. They knew my father. They knew he was tough-minded, that he wasn't going to put his son ahead of anybody else. That was just in his being. It was a part of his professional -- he wouldn't be a good professional if he elevated somebody who wasn't qualified.

Holleman: Sure.

Kiplinger: And he wouldn't ever do that. He was tougher -- probably tougher on me than he was on his professional staff. So, I worked for him and for the book, and then it

came December 7<sup>th</sup>, right in the middle of the book. We hadn't even gotten it to the publisher yet. I knew that I would be in uniform somewhere. But, I got a temporary deferment in order to be able to get the book finished. But I signed up for naval aviation, naval aviation training. Well, then, I spent three and a half years in the naval service. Then about -- before the war ended I began getting letters from my father saying, you know, I've got an idea for a new publication, a magazine that wouldn't be for businesspeople. It would be about all of the economics that people -- that we have. You know what economics means? You're a student of classics aren't you? It's a Greek word that means the study of the home, *eco* meaning the home, *nomics* meaning study of. A study of the home. And that's what economics is. It's the stuff you use. That's what you -- that's why you work, isn't it, to have some food, to have a home, to have the support of your family, to educate your children. That's what economics is. It's not finance. That's just a little part of it.

So, he said I want a magazine that will write to people, that will talk to people about the things that they need to know about running their professional and their financial and their home life. To wit, home mortgages. Now, people didn't know much about home mortgages, believe it or not. They were still a new invention. Buying insurance, people didn't know much about insurance until they got into it. We could help them find out about it, borrowing at the bank, interest rates, prices and quality. There was only one publication in existence that dealt with this kind of thing, and that was *Consumer Reports*. But, they dealt more with the products themselves, you know, is this high quality and things of that sort. But, nobody dealt with the whole picture of, you know, budgets, family budgets. We spent time talking about those things, investing,

saving, and all of the things that people do to support themselves. So, he kept writing about this idea and he said how would you like to come back and kind of help me get this thing started. So I did. I had planned to go to Chicago and join forces with the *Chicago Daily News*, or some place out there. But I gave that up and came back and helped him, and we got this magazine called *Kiplinger's Magazine*. It's still going and called *Kiplinger's Personal Finance Magazine*.

Holleman: And help us understand on that decision, because clearly that was a pivotal decision; there was a fork, to a large degree, in the road. You could have gone and done any number of things.

Kiplinger: Yes.

Holleman: You had some ideas in your head. How much of it was the newness or the freshness or the excitement of the idea and how much of it was working with him?

Kiplinger: It was almost entirely the former. It was the idea. The fact is that we worked for three years to get the magazine started. Now we get into some of the problems of transitions. I felt that we weren't working well together. We worked well together professionally, on editorial matters, on anything relating to the subject matter of the magazine. But, in the managerial sense of how you ran people and how you organized things we had slightly different attitudes or ways of working. And after about three years I decided I better get out of here. I was working a block from where we're sitting right this minute, on G Street. So, with a wife and two children I told him one day that I was going to leave. It was a very emotional thing for us both. But, I knew that I couldn't stay and learn all the things that I would need to know and become the kind of self-reliant, self-generating editor and manager that I needed to be if I stayed in this

office. So, I went to Chicago and went around knocking on doors, and I went to the *Chicago Daily News* and they didn't need anybody. I went to the *Chicago Journal of Commerce* and by golly I got a job writing a column.

Holleman: So, you moved the whole family to Chicago?

Kiplinger: Absolutely.

Holleman: Yes.

Kiplinger: And it was a -- I'll say that was a very, very emotional and gut-wrenching time for us all, and yet underneath it I think my father knew that it had to be and I knew that it had to be. I created a little reputation for myself and after three years of writing this front page column I went into a thing called television news. It was quite a new venture at the time. It was not intended to be a profession. I thought it was kind of a side life. So, I created a 6 p.m. news for the Chicago National Bank. It was general news. It wasn't just finance. It was general news. Gradually, I was hired by ABC to do a national nightly news commentary, and then I went with NBC, et cetera.

Holleman: So, before we go ahead let me go back to the decision on leaving here, at least temporarily. You said that it was a conflict in the management of the operation.

Kiplinger: Well, my father after many years -- and we can get into this more in detail later, because after I came back from Chicago after, let's see, eight years working independently I came back to become the executive vice-president and the next in line. Then, about three years later I took over as president. Those were the most strenuous and the tensest times in our lives because that's when my father was trying to move out and turn this organization that he had created over to somebody else. The emotional strain on him was just enormous. I can understand it now better than I did then, but it was like

turning over a child and having somebody else raise him. So, I look back on it now and I know what was going through his head. But, he wanted to make the decisions but he wanted to let the other person -- he wasn't quite sure. He wanted the other person to take over but he couldn't let loose.

After 40 or 50 years of -- one time I remember we were discussing something and he said I don't know why so-and-so thinks that way, he ought to know better than that. I said Dad, you haven't been an employee of anybody -- this was about 1965. He hadn't been an employee of anybody for 45 years. I said you've been the man in charge for 45 years. You can't understand how anybody else could have that point of view. Well, it's perfectly obvious, he ought to know better than that. I said Dad, you've got to think. I don't think he could quite feel it. He couldn't understand it.

He knew what had to be done. He was very clear in his mind. He was very good. He was very thoughtful. But, when he knew what had to be done bang. I said now, listen, we're going to have to let the other people have a say in this. They've got to have a voice in this. No, this is what we ought to do. We'd get into a meeting and he would say now look, we haven't got a whole lot of time here. We'd have an enormous batch of stuff to discuss. He would say now, what are you going to decide after you've thought about it for a while. Let's get through to the end product.

Holleman: Now, this is still before you've gone to Chicago?

Kiplinger: Oh, no.

Holleman: Okay.

Kiplinger: This is after.

Holleman: This was subsequent.

Kiplinger: Our transition period was from 1956 until he died in 1968, about 12 years.

Holleman: Take us through. So, you were in Chicago eight years.

Kiplinger: Yes.

Holleman: You realized that really you needed the separation, so you departed to Chicago.

Kiplinger: Yes.

Holleman: That was, needless to say, very tough on both parties, and obviously you were uprooting a young family and starting to some degree anew. You had great success there for eight years.

Kiplinger: Yes.

Holleman: Then what was the impetus of the return?

Kiplinger: Well, I knew that he needed help.

Holleman: Yes.

Kiplinger: I knew that this was where I wanted to be. I decided the time was right. Furthermore, I was being approached by the network. I was in with NBC. You see, I came on to national television with a group of unknowns like Martin Agronsky, Chet Huntley, Pauline Frederick, John Charles Daly. He was with ABC. Those were my class. I was being approached by New York to come down to New York. New York has this kind of parochial view of thinking that if you're of any value and any good you've got to go to New York. So, it was my time to either go to New York and go on up the ladder or come back and help my father.

Holleman: How much of your decision to come here also had to do with the early love of writing and editing?

Kiplinger: All of it.

Holleman: The television was not --

Kiplinger: Television was just another form of transmission. I've worked in every form of news and reporting and editing. I worked in daily newspapers, in hourly radio, in television, in weeklies and monthlies. Our job is the content. It's the substance. It's the idea and the information. Those are the things that we work in. Whether we transmit it online digitally or by radio or by television or by print that's just distribution. That's just a technique. That's not the substance. The substance of our job is thinking, reporting and information and the standards of values and judgments that people make about those things.

You know, talking about transitions, I suspect there's no single pattern because things are so different and people are so different. But, I think the one most valuable quality in a successful transition is to have the same or a basic understanding of values and concepts and general goals; how you get there can vary all over the lot, but a sense of value of what it is that you're there for. In this organization, for example, as an editorial department we're not here for profit. We have to make a profit in order to stay alive, but our goal isn't that. Our goal is to impart useful information and judgment and do it in an objective and fair-minded and honest way. That's our goal. Now, how we do it and all of that is the technique. So, I think the differences between kinds of journalism are often a little misleading. If you have a good reporter with the right standards and the right sense of values he can operate in any of these media. I guess that's why I think that, because I have operated in every one of the means of journalistic transmission. And now we're online, you know, with our letter.

Holleman: Sure.

Kiplinger: 4:30 on Friday afternoon, if you prefer to have it, you just click on the letter and you can get it online. But 80 percent of our readers still want it --

Holleman: In their hand.

Kiplinger: -- that they can put it in their pocket.

Holleman: Yes.

Kiplinger: And if they're out in the woods somewhere they can take it out of their pocket and read it.

Holleman: So, I just want to do the timeline a little bit. You returned in '56 from Chicago.

Kiplinger: Yes. I've been here ever since. That's 53 years.

Holleman: Yes. And the transition, what would you describe?

Kiplinger: It was very rocky.

Holleman: Yes.

Kiplinger: It was very, very emotional and very difficult. There were times when I would go home at night and just be just wrung out. My father was brilliant in his writing capacity, and he could write a controlled critique of what you were doing in such a way that it would just kind of slash and cut and burn. It was mainly because I knew that he didn't want to give this up to anybody else. This was a creation. It came out of himself. Even if he respected and loved the guy that was supposed to be doing it, he just couldn't let loose until he got so he was getting emphysema and he was getting tired and he knew that he had to let it go. He just couldn't carry on, because our work is very demanding hour by hour and day by day. I knew. I could see it happening to him, and it hurt me to



know that it was hurting him. It was very emotional, and I don't think my experience necessarily is useful to anybody else, except you have to understand what the other person is going through in a family business.

Holleman: So, help us go from the experience that you had and what you learned. I assume you had some pretty heavy adult dialogues with your dad during those times, or did it sort of go unspoken?

Kiplinger: No, they were -- he developed a kind of attitude that the way we were doing things, not by committee but -- I had a tendency to talk things out with people and then I would make a decision. But, I would hear them out. My father was a little more preemptory, a little more straightforward. I think it came from his experience, you know, and the times when he was operating with a very small staff. You didn't spend that much time talking managerial things.

I remember he used to say, you know, writing and editing is hard work. This management stuff is a breeze. Well, it was a breeze because he'd just sit down and decide what to do and then tell everybody to do it. That was his way of doing it. So long as he was the boss and the top man, top dog, it worked because people knew he knew what he was doing.

Holleman: Until his health failed was he the ultimate decision-maker that entire time?

Kiplinger: No. It was a transition. Gradually, he just kind of realized he couldn't do it all. We kept a lot of the same people. I've worked with the same people who worked with him, and I think they understood the tension. In fact, my father told this story on himself. He was very candid. He went into the men's room on the ninth floor, and he was in one of the stalls and a couple of the other members of the staff came in during this

period of tension between me and my father. One of them said well, I don't know how this is going to work out. I don't know how long Austin is going to be able to stand it. My father had the candor to tell me that one time, because he kind of knew it too. He could back off from himself. He was very interesting. He had an objectivity. He could back off and look at the situation and then go right back and do the same thing all over again. He kind of had a professional objectivity, but he had a very intense personal feeling. They were always at odds with each other. I've got some memoranda that he wrote me critical of what I was doing and how I was doing it, which I've never shown to anybody. I'm still debating whether to leave them for Knight, my son and successor. I think Knight and I have had a fairly smooth transition, because I have been through it and I knew what the hazards were. Now, you ask Knight and maybe he will give you a different story.

Holleman: Maybe he'll be --

Kiplinger: But, it might be interesting to talk to Knight objectively, without telling him any of the things I've said, and see how it looks from his point of view.

Holleman: Well, help the listeners think through the -- how specifically or what decisions did you make that when the next generation transition was going, when Knight came into the business, what things did you do or not do that resulted from what you've just described?

Kiplinger: Well, Knight's managerial style is a little different from mine. He goes into a great deal more detail about certain things than I have done. I get a little kind of bored and annoyed with so much of that detail, and I think it's unnecessary, a lot of it. But, it's his way of doing it. He does it very meticulously, very carefully, and he does a

lot of things -- I find myself responding to some of the things he does the same way my father responded to me. So, I begin to see myself in my father, or my father in me.

Maybe he will do the same thing, if he has a successor in the family.

Holleman: But you've never been in the men's room when people were talking about you?

Kiplinger: No, I have not had any of those sort of certain inside stories.

Holleman: So, when did he come into business and did you send him off to do other things before?

Kiplinger: No, I tell you, when he came out of graduate school -- he went into graduate school in international economics, just the way I did at Harvard. He went to Princeton. He decided after a year or so that he wasn't go on and become an academician. So, he came back to Washington and I said well, find a job on some peripheral newspaper someplace and he did. He got a job on the Montgomery County *Sentinel*.

Holleman: In what year are we in, now?

Kiplinger: That was 1970. He graduated --

Holleman: So, not that long after you officially took the reins. You said '65 was when --

Kiplinger: Well, no, I was president of the company from 1959.

Holleman: Okay.

Kiplinger: So, there was a long period in here.

Holleman: Okay.

Kiplinger: I was president of the company. I wasn't just fooling.

Holleman: No, sure.

Kiplinger: There was a great deal of tension. My father was chairman. I'll tell you another secret. My father really regarded the important job around here as being the editor of the letter. Anybody can be president. So, I was president for two years before he was willing to turn over the editorship of the letter. You know, you can hire a president but you can't hire an editor, a good editor. That would be my father's sense. Now, Knight came and he worked with me on a book, as I had worked with my father, in 1975. Now, Knight had -- he went -- I'll tell you his transition, because it's important. He didn't have anything to do with the organization in his early years. See, I had had early associations with the organization and he did not. We were --

Holleman: Was that on purpose?

Kiplinger: No, it was just that our lives just took different courses. We were a bigger organization, and I didn't want him coming in as an office boy or a part-time anything. He got a job on the Montgomery County *Sentinel*. He was hired away from the *Sentinel* by the Griffin Larrabee Bureau to work on Capitol Hill for Don Larrabee, and then he was hired by the Dow Jones Company to be the head of their bureau for the Ottaway Newspapers. So, he had a very solid professional career that I had nothing to do with. So, when I asked him to come back and help me in 1975 he had already had, let's see, 1970 -- he had had five years of experience on Capitol Hill. Well, I guess he hadn't been the bureau chief. That was later. But he had been working on Capitol Hill for Griffin Larrabee and for the Montgomery County *Sentinel*. Then he took a year off, and we worked together in an editorial job. Then he went and became the bureau chief for the Dow Jones Ottaway Newspapers. That was in '75, '76, '77, and he did not come back in

here for another five or six years. So, he had a distinguished career. He could have gone on up in the Dow Jones organization, just as I could have gone on up in something else. But, at a certain time he decided, you know, I've got to put my feet down and decide what I'm going to do.

Holleman: What did you have him do?

Kiplinger: Well, he came in as my executive editor and executive vice-president --

Holleman: Okay.

Kiplinger: -- just the way I came in with my father.

Holleman: Did you give him more responsibility earlier than you had received or got out of his hair more, or --

Kiplinger: No, I think my father gave me paper responsibility all along. If you read the documents, you wouldn't see any difference. It was in the way he responded and it was the way I responded. I was more inclined to let him do it. He didn't always do it the way I would do it, but I knew he would do it well. My father was inclined to want you to do it the way he would do it, not just look at the results but do it my way. You know, there's only one really right way to do it. It's perfectly obvious, isn't it? It's just temperament and training, I guess, and timing. I think the times change a lot of this. You know, bosses of corporations and bosses of organizations two generations ago weren't bosses. There wasn't any of this -- we didn't have personnel departments. You had guys who hired. When I went out looking for a newspaper job in 1940, I talked to the publishers of these papers, not every time but a lot of the time. In San Francisco, I talked to the publisher as well as the chief editor. In Los Angeles, I talked to the publisher, Norman Chandler. In Pasadena, I talked to the published, Mr. Prisk. Companies were --

they didn't have a personnel officer. You didn't go and fill out a form. You went and talked to somebody. So, the whole structure of management and boards of directors and presidents and chairmen was much more personal, much more individual than it has become. I think that's why I don't know that my experience is applicable in any specific way to people going through the same process today. I just don't know.

Holleman: One of the things I see folks struggle with is keeping involved without the decision-making power, if you will. Obviously, you've continued --

Kiplinger: Yes.

Holleman: -- to be very involved and active, not only in the business but in the community. So many entrepreneurial folks struggle if they don't have work.

Kiplinger: Yes.

Holleman: So, help us understand what you all have done here to keep --

Kiplinger: Yes. Well, I tell you, I think that's very much a matter of personality and psychology of the person. I tend not to compartmentalize things. I think it's probably part of my temperament and part of my professional experience, a wide range of interests, and I think of them as continual streams of interest. I have friends who could just chop things off. John Byrne, who used to be head of GEICO and before that he was with Aetna, and then he left and went out to the Pacific Coast and did something else -- Jack had the ability to close the door on something, put it totally behind him, and go on to another job and give it a hundred percent and then just close the door and go on to something else. Temperamentally, I can't do that. I always admired it, because he could take on a job, finish it and be on to something else, something totally different and not be

worrying about that. I think a lot of people can do that. But, it's all a matter of your individual make-up.

Holleman: Did you all talk -- so, but, let's just say for the last decade or so, has your role been the same here?

Kiplinger: Oh, no. I don't do anything editorially anymore.

Holleman: And how long ago did that end?

Kiplinger: I don't think -- well, I think that was gradual. But, when Knight became editor he became editor.

Holleman: What year?

Kiplinger: I would have to look at the record. I'm not sure. It's been 15 years or so. I think around 1992, a little more than 15 years. Now, I make suggestions. But, that's the editorial way of doing it.

Holleman: Did you all have overt discussions about what role you would play after Knight took the editorial job or was it just --

Kiplinger: I think it goes without saying, if you're editor -- in the publishing world if you're editor you're editor.

Holleman: No, but I mean there was no question you were going to continue to be a presence and be in the building and all those things?

Kiplinger: Oh, yes. I don't think we ever assumed anything differently.

Holleman: Yes.

Kiplinger: I am chairman, technically. You know, a chairman has a right to read all the papers and offer opinions. The chairman only has the role of technically running the board meetings. Now, actually, over the years I think whoever has been the editor of our

letter and president kind of handles the board. The chairman is kind of -- it's more a title than anything else.

Holleman: Sure.

Kiplinger: We don't have a rule in this company of a separate rule of chairman. It just means I'm still here.

Holleman: Right.

Kiplinger: That's all.

Holleman: But it's been nice, obviously, for you. What I'm getting at is a lot of times when people kind of set sail they struggle, because they don't have things to do.

Kiplinger: Yes. I think a lot of people go through a terrible agony when they stop working. I think it's something that we've got to think through and work differently in years ahead, because people are going to live longer.

Holleman: I agree.

Kiplinger: I've seen so many people shrivel and die emotionally. Some people can do it. As I said, Jack Byrne could close the door and turn the key and walk away and not think about it. But, I don't think most people could do that.

Holleman: But you have been able to continue that work continuum here and that's what I wanted to sort of help people think through, because I think oftentimes they don't. It sounds like you just have continued to do the things you do. Maybe there wasn't sort of definitive role expectations or other things. But, a lot of companies do struggle with that.

Kiplinger: Oh, I know they do. I think there is a really substantive difference between an editorial kind of organization. Our organization is more like a law



partnership or a medical partnership, because we are all fellow professionals in what we do and the management of the company or the organization is kind of a side assignment. But we're first and foremost an editor or a writer. In a doctor, he's a physician. He's actually working directly with his patients. I think that's different from being a manufacturing company or in a sales organization or something different, something industrial.

Holleman: Talk to me about the next generation. Do you have grandchildren here?

Kiplinger: No, and that's a big question mark over this organization. I don't know where we're going to go from here, frankly.

Holleman: Do you have rules if family members want to come in that --

Kiplinger: No.

Holleman: -- they need to have been somewhere else at some point?

Kiplinger: No, no rule at all.

Holleman: Okay.

Kiplinger: We don't have any doctrine.

Holleman: No.

Kiplinger: No. No, I wish that one of them -- I wish we could seduce one of them into becoming more interested. But Knight has three children, three grandchildren, and they're all very bright and very successful. They're all earning their own pay. That's glorious, in a time like this. But what's going on in the publishing world is such that I don't know what our own future is going to be, frankly. I'm not pulling any punches on that. You know, *The Washington Post* lost \$140 million in the first six months of this year. That's a matter of public record, so I'm not telling tales out of school. Fortunately,

they have a couple of other ventures, the Kaplan educational program and a couple of others. But, you can't go on losing that kind of money very long, no matter how big you are.

Holleman: Has Knight, or did you, start things that are different or an add-on or a different avenue?

Kiplinger: Oh, we grow incrementally in our kind of work. One thing leads to another, rather than jumping totally outside. We've given thought over the years to acquiring other kinds of work and for one reason or another they've never worked out. I used to go out prospecting for subsidiaries. I wanted to buy the Encyclopedia Britannica one time, but the owner of it donated it to Columbia University.

Holleman: Well, that was probably just as well.

Kiplinger: I gave some thought to buying a mutual broadcasting system one time, but it's just as well I didn't.

Holleman: Yes. Well, we're sitting here in what is a replica of your father's office. Before we finish, tell me -- obviously, we're on the radio, if you will, here --

Kiplinger: Sure.

Holleman: -- albeit through the Internet. Tell us what we're looking at.

Kiplinger: Well, it's a pretty faithful representation of the view out the window of the Federal Triangle. My father's office was 1187 National Press Building, which was on the south side. You can't see that view now, because the Marriott Hotel rises up and blocks it off. But, that typewriter is an older Underwood and that, I think, is the one he used. I'm the only one around this office who can still use a typewriter, by the way.

Holleman: Do you still write on a typewriter?

Kiplinger: Oh, yes, I do. I do. I can go about as fast as anybody can on a keyboard.

Holleman: Does a day go by where you don't write?

Kiplinger: Oh, I suppose there are. But, I don't write professionally. I've been writing some things off and on, and I might put together a book. I've got the makings of it. But I'm not so egocentric as to think that everybody in the world is just breathless for my book. No, I enjoy writing and writers just get -- it's something that's almost a compulsion with them. It really is. It isn't that they feel that the world needs it. It's just that they need it. By the way, this little replica here of the office has a door, the presumed door leading out, and it says 1187 The Kiplinger Washington Agency, because that's what it used to be before we called ourselves editors. Those pictures on the wall, the one up above in the center is Paul T. Babson, who was an early partner of my father. The one over on the right with the pipe is Thurman Arnold, who was a judge and then founder of Arnold and Porter Law Firm. Right below him is Carter Glass. You see the man with the glasses there and the paper in front of him? Senator Carter Glass, the senator who put through the Federal Reserve System. And there is Austin Kiplinger when he was in college.

Holleman: In the middle?

Kiplinger: In the middle.

Holleman: That's you?

Kiplinger: That's me. Now, right down there is William G. McAdoo, who was secretary of the Treasury during Woodrow Wilson's term, when my father was covering the Treasury. Over to the left, I think, is William Howard Taft.

Holleman: That looks like Taft.

Kiplinger: Yes, and one of those men on the right is Russell Leffingwell, of the National Bank of Congress in New York. Those were all friends of my father.

Holleman: Were the photographs in his office that way?

Kiplinger: Just that way.

Holleman: Just that way? Okay.

Kiplinger: Yes.

Holleman: And I see a picture of the Willard. It looks a little shorter than it does today.

Kiplinger: Yes. My father's name was Willard Monroe Kiplinger, and it had nothing to do with the Willard Hotel but when he came to Washington it was a pretty good name.

Holleman: Yes. I'd say so. Well, do you have any parting thoughts that you want to share? Obviously, you've expressed a lot and discussed your transition and the transition after you. But if there are any thoughts --

Kiplinger: I think the only thing that keeps coming back to me is that in transitions I think the most important element of a successful transition is the fundamentals of the work, the fundamentals of the job; not the technique, not the particular manner in which you do the thing, but the thing itself. What is it you're there for? What's your real work? You see, in the financial world here in the last five or ten years people have come crashing down. I think about the old Greek mythological character Sisyphus, who flew too close to the sun and his wings melted and he crashed to the earth. Well, I think a lot of people in the financial and the banking world were like that. They forgot what they were there for. They thought they were there to make little gimmicky tricks and make a pile of money for themselves and then go home. A lot of them did. But that wasn't what

they were there for. They were there to do a job for a number of people, in business or individuals or to provide a service. If you lose track of that you've lost the game. I think it's hard to do and it's not always obvious, and it may not seem like it's part of a transition but I think it is, because you give continuity to the purpose of the institution or the organization or the society or the partnership, whatever it may be. You give continuity. And so long as that job and that end result is necessary and desirable, the continuity will take care of itself.

Holleman: And instilling that in the, if you will, the next generation is really job one, is what I think.

Kiplinger: I think so. And I guess it probably is a thing that you don't do just with the snap of a finger or at a given moment in time. It's a continuity, something that -- if you haven't done it before you get to the decision point it's probably too late. Do it early and keep doing it.

Holleman: Well, I can't tell you how much I've enjoyed your insight and your wisdom, and I thank you for sharing.

Kiplinger: Always a pleasure.

(Whereupon, the interview was concluded.)

CERTIFICATE

I hereby certify that the foregoing is a true and accurate transcription, to the best of my skill and ability, from a digital recording.

ELECTRONIC DOCUMENT

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Jane W. Gilliam, Transcriber