

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

Executive Conversation

Robert Allbritton
Founder and Publisher
Politico

Moderator
David M. Rubenstein
Chairman
The Economic Club of Washington, D.C.

Tuesday, February 15, 2022

DAVID M. RUBENSTEIN: So as to Robert Allbritton, I think many of you know him. He's well known in the Washington area for many things that I'll talk about. Most recently, it was in the news that he sold the company that he started, or publication that he started, Politico, and we'll talk about that. Sold that to Axel Springer at a pretty good profit we'll mention in the not too distant future.

He is a native of – well, born in Houston, grew up in Washington, went to college at Wesleyan, where he served on the board of trustees for a while. He has his own mid-market private equity fund called Perpetual Capital Partners, which focuses on mid-market investments kind of in the – and it's based in the Washington, D.C., area. He's also a person who's on the board of directors of the Lyndon B. Johnson Foundation. His family has its roots in Texas and he's been very involved in a number of things in Texas.

So, Robert, thank you very much for joining us and, of course, the most important thing in your career is being a member of the board of The Economic Club of Washington. Would you agree?

ROBERT ALLBRITTON: Absolutely, hundred percent. Thank you for having me, David.

MR. RUBENSTEIN: OK. So, people woke up not long ago, and maybe a little surprised, that Politico, something that you conceived and put together and funded, was sold to Axel Springer for, roughly, a billion dollars, which is a pretty good profit, right, as I understand, from what you invested in it.

So let's talk about why you decided to sell at this time and why to Axel Springer.

MR. ALLBRITTON: Yeah. Sure. No, thanks. Thanks for the question. It's a good one. Let me start by saying the decision to sell was not an easy one. I've been thinking about it for many years and through multiple lenses, and there were really three ways I looked at the question.

You know, first, what's best for Politico the publication, second, what's best for my colleagues who make Politico fresh every day, and then lastly, what's best for me and my family. And I care very deeply for Politico. I think all founders care deeply for anything that they start from scratch.

But I also hope that I have enough self-awareness to know that most founders arrive at the point where they've reached their peak level of contribution to their own creation, and the idea of personally continuing to lead the mission of Politico was – it's enchanting, it's intoxicating, but that, really, is not enough of a reason just to keep it as mine.

So I came to the conclusion that Politico would be able to achieve its full potential faster as part of a larger international media company than remaining solely a family-owned business, and I felt a responsibility to the publication and those who built it with me. So I really thought that a sale was in their professional best interest, being able to bring in a larger partner.

So what came after that was really the question of what's best for me and my family and, fortunately, the timing was good. Our performance had really taken off. The market was hot. You know, we were finishing up a year where, you know, profitability was well over \$50 million, \$60 million and, you know, that sort of brought it to then why your question of Axel Springer.

I'd known and I'd worked with Axel Springer for about seven years. They were a 50/50 partner in our European joint venture, and we shared a similarly high level of journalistic ambition as well as a belief that strong profits build strong, sustainable media companies.

So we had a shared vision. But, most importantly, it was obvious they really cared and admire Politico. It was important to me that the new owner have feelings about the place that were as deep and as positive my own, and from that point forward, the deal was, really, relatively easy to put together.

MR. RUBENSTEIN: So did you hire an investment banker and shop it or they just approached you and because of your – they are your joint venture partner in Europe and they were the logical partner? Or did you say to them, well, that's a good offer – I'm going to go look for some others?

MR. ALLBRITTON: It was, really, sort of none of the above, I hate to say it. You know, we were having these kind of discussions over the years, you know, because of the European side as to, you know, where we wanted to take that relationship and it seemed to alternate between, well, maybe we'll buy you out or maybe Axel Springer will invest more in us.

And, you know, honestly, a few years ago, I set some goals for myself and the company and I wanted Politico to reach at least \$150 million in revenue, at least a 25 percent operating margin, and I wanted it to be worth at least a billion dollars. And we reached those goals, you know, in early – earlier this year and – or last year, I should say, and I was on an unrelated call with Mathias Döpfner, who runs Axel Springer and I told him of our performance, and I said, you know, Mathias, if that's worth a billion dollars to you, you can buy it. And his answer was a two-letter word.

Now, in English two letters normally means no. Fortunately, he's German and the two-letter word was ja. You know, and it really was – it was – that was in June and we kept it a very small, very small group. Duncan Evans, who works in my office, knew about it. Mathias Döpfner knew about it. Jan Bayer, who's Mathias' number two, knew about it, and their CFO, and we kept it that way for a good four weeks until a term sheet was hammered out. And, you know, it just came together very, very quickly.

MR. RUBENSTEIN: So, it was reported in the press that I read that he originally made an offer to you a couple years ago for \$250 million. So I guess you're glad you held out, right?

MR. ALLBRITTON: Yeah, that – absolutely. And, you know, there have been these ongoing offers over time. Fortunately, the number kept going up, you know. [Laughs.]

MR. RUBENSTEIN: OK. So the employees of Axel Springer have to agree to a certain code. They have to agree on the Trans-Atlantic Alliance. They have to be supportive of Israel and so forth. But your employees at Politico will not have to agree to that. How did you manage to get that taken care of?

MR. ALLBRITTON: I didn't, actually. They came to that conclusion on their own, and I think that kind of speaks to the relationship that we had. We've worked for seven years in Europe and we've never had a disagreement. You know, it was a very professional, very cordial kind of relationship.

But I never had to bring it up with him. I asked him. I said, what are your intentions? And he said, you know, it's different in Europe. This is America. We understand. You know, we would hope that, you know, all of our portfolio companies would sort of represent these ideals. But we're not going to make them, you know, sign anything. That seems a little over the top.

MR. RUBENSTEIN: So, the deal closed in October, and usually when a deal closes the owner-publisher is asked to go to a farewell dinner and so forth. But you're still the publisher. So are you going to keep staying there as the publisher?

MR. ALLBRITTON: Well, because of COVID they haven't given me the dinner yet. So, you know, I can't leave quite yet. Yeah. You know, again, you know, it happened quickly. They didn't really have a team to come in. I was actually looking for a CEO to replace Patrick Steel, who did a wonderful job for us. And so, I basically, just – you know, I said, you're going to want to hire a CEO. Here's all the research. It's been done. And so they just started down that process of finding somebody new, and they've done that. They've hired Goli Sheikholeslami – say that name 10 times fast – and she starts, I think, in about two weeks.

So, you know, I'm going to start a natural transition away from a managerial role and become more of an advisor, serve on the board. I think that's the right thing to do. You know, the founder can't run the place forever. But there's this high level of trust. So, they were very happy with myself and others continuing to run the company. We actually overachieved the budget for them at the end of the year under their ownership. So, you know, I guess that's sort of testament to that. And, you know, I don't know if this is accurate or not but they said, look, this has been our smoothest transition of any acquisition we've ever done. So, you know, I think it's worked.

MR. RUBENSTEIN: So, the current state of Politico how many employees do you have? How many different publication venues do you have, and what's the basic model? It's a subscription model. Is that right?

MR. ALLBRITTON: Yeah. I mean, it's a combination model. We've got about 1,000 employees now. We're trying to catch up with Carlisle. We haven't gotten there yet. You know, one day. We've got about 760 in the U.S., about 200 in Europe, and then the rest are sort of scattered around. Offices are in Washington, D.C., New York City, Albany, Sacramento, San Francisco, Tallahassee, and then in Europe we're in Brussels, London, Paris, Berlin. And it's –

you know, it's a nice revenue mix. About half the revenue is from business-to-business subscriptions, not consumer subscriptions, and the other half is through, you know, sponsorships and advertising and that sort of thing.

So, you know, it's really an interesting publication. We've always tried to target influential readers, not necessarily the mass public. So it's always been a bit of a business-to-business publication.

MR. RUBENSTEIN: So, it is said by President Kennedy, very famously, that victory has 100 fathers; defeat is an orphan. So who are the hundred fathers that helped put together Politico? Was it your idea, or how did the idea come about?

MR. ALLBRITTON: Yeah. You know, again, a great question. I've always sort of said I feel like I'm the Hollywood producer. You know, my job is to hire the best director, get the best script, get the best sound, cinematographer, actors, and then get the hell out of the way and let them produce a good movie.

But, really, it was – I think there were four people that were in from the foundation of Politico itself – you know, as its incarnation as Politico – and that would be Fred Ryan, who's now running the Washington Post, Jim VandeHei, who went off to form Axios, and John Harris, who's, you know, still our founding editor at Politico.

MR. RUBENSTEIN: So, a few years ago, a few people left to start Axios. Was that something that worried you, that they'd be a competitor? And what's the relationship been between the two of you? And was it true that Axel Springer was thinking of buying Axios as well?

MR. ALLBRITTON: Yeah. You know, so I was never really that concerned when they were leaving because – you know, it was a difficult time, I think, for the publication because it was just such a big change. You know, you've had the same crew who's been in there the whole time, and I think it was a big challenge for us. I think it was a big step up as far as, you know, how we transformed that company, where we were about 200, 250 people into something that was more sustainable, economically going.

But they said they were going off to do something new and different, and I think they've done that. You know, they were more interested in, you know, sort of short form, you know, quick bullet pointy kind of journalism for folks who are on the go and don't have much time. And, you know, we were much more interested in sort of providing more in-depth information and more granular information, I think, than they were looking to do.

They wanted to have a broader product. They wanted to go beyond politics and policy and cover all sorts of things. And I think one of the magics of Politico is, you know, we've always stayed very targeted. We've always stayed, you know, squarely looking at politics and policy, squarely looking at it from an – you know, a nonpartisan, independent point of view. I know that's old fashioned. And we were really trying to deliver it to, you know, maybe 5-10,000 people, you know, who were really influential, either high-ranking government officials, elected

officials, or, you know, folks who are really part of the Washington ecosystem that, you know, makes the town work, and we weren't worried about the other portion of the audience.

MR. RUBENSTEIN: So, when you are writing or publishing stories that are controversial or they're making some politicians or public figures look bad, did you ever get calls from those public figures?

MR. ALLBRITTON: Of course.

MR. RUBENSTEIN: Did the president of the United States ever call you and say, don't do this, or, how could you do this?

MR. ALLBRITTON: Absolutely. All the time. You know, that was – I think my other principal job was – you know, was keeper of the shield. Yeah. And I always backed up my editors. You know, frequently, believe it or not, the publisher doesn't know usually what gets published before it comes out and so, you know, the first reaction is, let me go look into it.

And I'd always just follow up to make sure that everything was done properly. Nine times out of 10 it was somebody who just didn't like it, you know, and I'd say, well, is there anything that's factually inaccurate here? Well, no, but I don't like it. Well, would you like to say something on the record to – you know, to present the other point of view? Oh, no. No. I don't want to be on the record. I just want it to go away. Well, that I can't do, you know.

MR. RUBENSTEIN: So, when you were starting, some of the people who helped start it were at the Washington Post. So you were recruiting them away. Did Don Graham call you up and say, don't do this, or, this will never work, or, why are you doing this?

MR. ALLBRITTON: No. I mean, Don was – I mean, Don did try and keep them there at the Post and he did offer them, you know, sort of to create a publication within a publication. But I think they realized that would just be very difficult to do in the environment of the Post and have – you know, allow it to have the independence to go on its own.

And so, you know, we all kind of did a big leap of faith together and, you know, it worked out. We knew pretty early on it was going to be a good idea and would work out pretty well.

MR. RUBENSTEIN: So let's talk about your family background for a moment. Your father was a very famous businessman in Texas. Born in Mississippi. Made some money in Houston. What propelled him to come to Washington, D.C., in the 1970s?

MR. ALLBRITTON: So, he – the story, as I am told, Cliff Folger introduced him to the Kauffmann and the Noyes families, who owned the Washington Star at the time, and, basically, talked him into buying the Washington Star. And so, you know, we – he came up here. He commuted for about a year, and then my mother said, I can't have this man commuting back and forth to Texas. So we all moved up a year afterwards.

But I kind of spent my first few years in Washington hanging out at the Washington Star. So, I think that was kind of my first taste of media and newspapers and that sort of thing, and I think that got implanted pretty deeply in a seven-, eight-year-old, you know, as to this is a pretty cool thing to do and pretty impactful and pretty meaningful.

And then, you know, he stayed on. He reverted back to his previous calling, which was banking, after the Star process. But, you know, that's what originally brought us here.

MR. RUBENSTEIN: So you're the only child of your father and your mother is also a very prominent person in Washington. So what was it like growing up in Washington with such a prominent set of parents and did that make you want to get out of Washington or stay in Washington?

MR. ALLBRITTON: No. They made – you know, they made it easy. But, you know, I think we're both only children. So, you know, it's sort of – you know, you tend to grow up around adults a little bit more, which probably makes Washington a little easier to deal with.

But, no, they – you know, they never – they always said, look, you can do anything you want with your life, just – you know, we want you to try your hardest. We want you to – you know, to be the best person you can be at whatever you decide you want to do.

So, I never really got pushed into family businesses or anything like that. But, yeah, they – when we first came here it was the Star. The Star was losing \$1 million a month, which was big money in the '70s. So they were out every single night, you know, with advertisers trying to work at that company.

So, you know, new to town. That was a little tough for a first grader. You know, you lost all your friends in Houston and you lost your parents at the same time. But, you know, they were always around. My dad was always just incredibly welcoming and supportive. You know, anytime he was on a phone call or running a business meeting, he said, come on in and just sit and listen, you know, and always had an open-door policy even as a young kid. So, I got a lot of exposure to a lot of things from an early age in D.C. and I really liked it.

MR. RUBENSTEIN: From an early age, you were interested in computers, as I understand it, and also very interested in flying. So as the only child of your parents, did your parents say, do not learn how to fly – it's too dangerous?

MR. ALLBRITTON: No. I think my mother – I think my dad had a little more – you know, a little – was a little more trusting in the process. My mother was a little more feared. But I think – I still can't believe she did this. I think, like, five days after I got my pilot's license she said, OK, take me flying. You know, I took her up in a little single-engine plane and we safely made it back on the ground. And, in retrospect, I was, like, wow, that was a serious endorsement and confidence in your kid to do that, because I think if any of my three kids had tried to do that I'd be, no, no, you can go for a year or two and then I'll go with you. [Laughs.]

MR. RUBENSTEIN: So, when your father passed away you became in charge of the Allbritton family business, which consisted of Riggs Bank at the time and a number of television stations. Why did you, ultimately, sell the bank and sell the television stations?

MR. ALLBRITTON: Well, I had actually been running the TV stations at that point in time for probably about five years – more than five years, and they were run as an investment by professionals. So, you know, I worked with my dad but I never really worked for my dad. And he came and said, I've got cancer and I'm not going to live and, you know, will you take over the bank for me. And, you know, as an only child you're not going to tell your dying father no. And so I jumped in.

I was really fortunate. The guys who I was working with in the TV stations, they were former bankers and so they really understood commercial banking fairly well. And so, I kind of drafted the same team and we, you know, parachuted in on a top layer and ran Riggs for a few years. It was interesting. It was – you know, we were on a path to kind of modernize it and bring it along and all sorts of – you know, I discovered the lesson that a lot of people will in business discover. You know, one person lying and another person cheating can destroy an entire institution all by themselves and you don't even know it until it's too late, and that's pretty much what happened at Riggs. Although that's – you know, Riggs is – that could be an interview all unto itself. [Laughs.] It was quite the wild story.

But a lot of good experiences came out of that and I took a lot of those kind of experiences and rolled it into when we started Politico because, you know, there was an understanding, especially from the client point of view, especially from the corporate world with government relations, of what their needs really were. And if companies were facing crisis, you know, you could honestly say, I've been there done that. I understand what you're going through and I understand the process. And it was a very different perspective.

MR. RUBENSTEIN: So now that Politico has been sold and, at some point, you'll probably just become a part-time adviser, if that, what are you going to spend your bulk of your day doing? Investing or starting a new venture? What are your interests?

MR. ALLBRITTON: Yeah, plotting and scheming. You know, it's actually – you know, this has been a bit of a transition and I am looking forward to a little bit of time just to gather some thoughts. I've got some interesting ideas on where media could go, maybe some combination of media and education that could kind of tickle a couple of my – you know, things that I like.

But, you know, stay tuned. I think there's some fun things that are going to come out of this and, you know, I think some ways that, hopefully, will be helpful for the city, helpful for the country, you know, and if I can contribute to the well-being of the country I'd like to do that.

MR. RUBENSTEIN: So, what are your principal philanthropic interests at this point and do you expect to expand that at some point?

MR. ALLBRITTON: Yeah. They've all been education in origin. You know, I've always had this philosophy that it's the one thing that you can't take away from someone. If they have a

degree, if they have an education, they can think for themselves, they can help themselves, and no one can take that away from them. And so that's been the principal focus of what I've been doing, be it at, you know, secondary level, higher education, all that sort of thing, and will probably continue to be that way.

MR. RUBENSTEIN: So you have three children. Are any of them interested in going into a family business that you might start or they're completely uninterested?

MR. ALLBRITTON: You know, I don't know. You know, ages nine, 10, and 14, who knows what they're going to do? If they wanted to, I would welcome it. But, you know, I don't want to put them in a position where they – you know, it's preprogrammed and that's what they're going to do. That's pretty much what my parents did with me.

I was really lucky. At one point in time, I was, you know, mid-20s and my dad said, look, you know, if you want me – if you've got an idea, if you want me to, you know, loan you a couple, three million bucks, you know, at a decent rate and you want to start your own thing, he said, nothing will make me happier. And I sat there and said, Dad, I appreciate it. But, you know, I'm running the family TV stations right now and, quite frankly, you know, the same amount of time I could spend over there with a company that's got a \$100 million in revenue, I said, I can do a heck of a lot more good on a larger scale than I can on a smaller scale. So I appreciate the offer but I don't know if it's the right thing to do here. And he agreed.

So, you know, with wealth comes responsibility and, you know, my fondest desires and dreams for those kids, if they just wind up being, you know, good responsible stewards of the capital and contribute back to society and do it in a meaningful way and continue to build it so they can keep on making contributions.

MR. RUBENSTEIN: It was reported that at an early age you decided you didn't like working at some part of your family's business and you retired in the early twenties. What did your father think of that?

MR. ALLBRITTON: It was banking. It was, you know – [laughs] – I had just got – I graduated from college and I went and got a pilot's license over the summer and, you know, the day after Labor Day it's, you know, what are you going to do? Well, we'll go – you know, come to the bank, you know, here's a job and it was – you know, it was the sexy part of banking. I think I was doing equity, you know, analysis work for the investment side, and I just couldn't stand it.

I was, you know, this idealistic young college kid and I'm, you know, researching Philip Morris and, like, this is just driving me insane, and just waiting every day for the clock to strike 5:00 so I could get out of there.

And, you know, I'd saved up a little bit of money, probably about, you know, \$10-\$15,000 through college. And, man, when you get done with college, you can live off \$10-or-\$15,000 for a long time. You know, it doesn't – you know, beer money and, you know, pretty cheap rent. That'll go a long way for you.

And so I quit after 90 days. You know, I can't do this. And he would call me up. This was his revenge. He'd call me up 6:30 every morning. He'd wait, you know, until I picked up the phone, yeah? You know, it's, like, son, I've just got one question for you. What's it like to be your age and retired? I really want to know. [Laughs.]

You know, and, luckily, the guys who were running the TV stations, you know, they became aware of it and they said, you know, if you're interested in learning about this, you know, we'd be happy to show you what we do. And from there, I spent the next three years going around to each one of the markets, you know, doing every single job from selling ads to sweeping floors to running cameras to writing copy, and just got to know the business from the ground up and, you know, knew 1,500 people when I got done with it and was fortunate enough – the guy who was running the group decided to move on, and, you know, got the opportunity to try and run that company for a while.

MR. RUBENSTEIN: So when you're running something like Politico and owning it you have to stay out of politics, but now you don't have that constraint, I presume, or you won't shortly. So have you ever thought about going into government, getting involved in politics by supporting candidates or running for office yourself?

MR. ALLBRITTON: Yeah, that's going to be a challenge because I've always used this – you know, this thing of, like, well, I'm sorry. You know, I'm publisher of Politico so I can't get involved. So that excuse is going away, to a certain degree.

I do want to get involved in media again. I do think, you know, there are – you know, there's academic scholars who have, I think, rightly, pointed out that, you know, the First Amendment was really – one of the serious reasons for it was to form the fourth estate, which is, you know, an unofficial check on the other three branches of government.

And so, I think anybody who works in journalism is – you know, if they're really doing their job well, they're – you know, they're being intellectually honest, they're being unbiased, I think they are doing a service to their country.

So, to me, that's the best way to serve in a way that – in a capacity that I understand and in a way that I know. So, I would like to get back into that in some way, shape, or form.

MR. RUBENSTEIN: So as a businessman, are you worried about the state of the economy now? We have a lot of debt. We have high deficits. Inflation is very high. Or is this something that you're not that focused on because your interest has been elsewhere?

MR. ALLBRITTON: I have a ton of liquidity. I'm that guy who's, like, cheering every time the market goes down. I'm, like, the guy everybody hates right now. [Laughs.] You know, so am I concerned about it? Yeah, absolutely. You know, there does seem to be this feeling that the reckoning is out there at some point in time.

You know, as you rightly pointed out, between valuations and debt and sort of this, you know – we seem to be in, you know, completely uncharted territory. Multiples on private acquisitions are still through the roof. You know, just – in my head it doesn't add up. Maybe it's just a sign I'm getting older. But, you know, there seem to be all sorts of warning signals, warning flags flying, and at the same time, you know, we still have an unprecedented liquidity in the country.

So, you know, I should ask you for investment advice over here.

MR. RUBENSTEIN: So if the president of the United States called you up and said, why don't you come in and be a Cabinet officer or something like that, your response would be?

MR. ALLBRITTON: Thank you very much, but no, thank you. You know, I've covered enough guys and it's – I always said, look, I respect anyone who serves in government. I think it really is service. I think it's – you know, they're definitely not doing it for the money. But it's – you know, it's – I'd rather have a ringside seat than necessarily go in the ring myself. And maybe that's a bit of a cowardly statement. Maybe it's a smart statement. I don't know. But, you know, I've just – I've been an observer of this for far too many years to really be intoxicated by that. I'd rather be the guy who's here for multiple administrations.

MR. RUBENSTEIN: You know, you do not seem to me as somebody with prominent figure who is – can be a prominent figure in Washington who goes out to Cafe Milano or the Palm or other places when COVID wasn't around to kind of be seen and so forth. Do you try to not be seen or not be that visible in Washington?

MR. ALLBRITTON: No. You know, I enjoy getting out as much as the next guy, but I'm probably not the guy who's, you know, living for the cocktail circuit either. That was – you know, I've always found some other folks in the organization where they really enjoy it and they get a lot of energy from it, and for me, it's – you know, I enjoy smaller gatherings with bright folks and discussing bright ideas, and that usually doesn't happen in small talk.

MR. RUBENSTEIN: And your principal outside interests other than flying, what are the things you care about or do?

MR. ALLBRITTON: Yeah. I mean, you know, like I said, snow ski. A lot of work. I got to tell you that. Been doing that over the past few years. You know, it's just – it feels like we've been running a marathon for the past 15 years. So, yeah, a little breather is not so bad. But I think I'm going to be ready to jump back in pretty quickly after that. You know, just a variety of things and, you know, quite frankly, just raising kids is enough work as is.

MR. RUBENSTEIN: OK. So today, as you look at what you can contribute to the country, you think your greatest contribution would be as an investor, as a businessman building a place that have – that creates jobs or as a philanthropist? What do you view as what you want to contribute to the country?

MR. ALLBRITTON: Yeah. I think – you know, to a certain degree, I think it's going back and I've been spending a lot of time thinking about the relationship between media, the people, and government, and what it's really going to take to – really, to train great journalists, going forward.

There's been so many changes in media that have been economically based in the past few years. You've had so many local papers that have shut down, you know, or have been severely cut back. There really aren't the kind of training grounds there used to be for young reporters coming up, and I'd really like to find a way to give bright young reporters the experience that they need to really be of national quality, of national caliber, who can – you know, who can be good stewards of news and information in a positive way for the country.

And so, if – you know, I've got some creative ideas on that and, you know, and, quite frankly, you know, that could be in a for-profit way. It could be a not-for-profit way. You know, just sort of toying around with ideas on that. But, to me, that's what I know. I think that's the best way to serve.

MR. RUBENSTEIN: So let me talk – ask you for a moment about your mother. She's a very prominent person in Washington, hosts a lot of events, well regarded for her philanthropy and other great skills. What was it like growing up in that house with all the famous people coming there all the time and what about all that great art there? Did you realize how valuable that art was when you were growing up?

MR. ALLBRITTON: I did. When we first moved to Washington – touching on the art, there was a Chagall – a very nice Chagall hanging in the – you know, in the hallway, and I was called over to this beautiful work of art at one point in time by my father and my mother, and they pointed into the corner and they said, what is this? And there was a little pencil doodle in the corner of a snowman. It was a scene of a church in wintertime in the Alps and there was this little pencil doodle of a snowman there. You know, and – you know, I was given a full interrogation. You know, when did you doodle on the painting? Do you realize what this is worth? How could you do this? It wasn't me. It wasn't me. You know, it was probably one of your friends. Confess. Confess. Confess. And, you know, I had no idea how this thing got here or, you know, where it was from.

And probably about a month later, there was an art expert from Sotheby's who happened to be in the house and my dad mentioned – he said, yeah – he said, my son doodled on the painting. He said, well, show it to me, and he did. He said, oh, no, no, no. This is – Chagall doodled on his paintings all the time. I'm sure this was the artist who did it himself.

You know, I was, like, Dad, I told you I didn't do it. You know, so it was a little bit of an interesting upbringing, to say the very least. I don't think this happens in normal homes in America. I'm convinced it doesn't. But it probably does on different levels, you know. So, it was – you know, it was kind of interesting. You know, my mom has been great. She – I was very worried about her. She was completely –

MR. RUBENSTEIN: Your mother – tell us a little bit about your well-known mother.

MR. ALLBRITTON: Yeah. She was completely devoted to my dad in almost a 1950s kind of way, you know. I mean, they were a team. There is no doubt about it. The same way Elena and I are a team. You know, there's no question about it. And she was devoted to him. She stayed with him up until the very end, 100 percent. And I asked her at one point in time when my dad was quite ill and, you know, I said, what are you going to do when Dad goes because, you know, that's your world. And she looked me in the eye and she said, I am going to enjoy my time with your father as long as he is on this Earth and as soon as he is gone I am going to go live my life and have a good time, and there are lots of things that I want to do and then it will be my time.

And I kind of looked at her. I said, you know what, she's going to be just fine, and I'm really proud of her. She's done exactly that. I think it's really hard for the widows of prominent people to kind of keep going. I think it's easy for them to kind of fade away, and she's done anything but that. You know, I have a hard time getting on her calendar. You know, Mom, where are you? Well, I'm flying over to London. You know, I'm going to go have tea with Camilla and then I'll be back on Thursday. I mean, it's ridiculous things like this. I said, you're fine. I don't need to worry about you in the least, you know. [Laughs.] So she's –

MR. RUBENSTEIN: So where did you meet your wife?

MR. ALLBRITTON: So we met, actually, at Wesleyan. We did not date for 10 years after graduation. You know, she was busy with medical school and I was busy with a career, but I knew who she was. You know, cute girl, and we were both living in Washington, D.C., and had kind of admired one other across the room for probably 10 years and finally said, hey, do you want to go out and give this a whirl?

And she was graduating from medical school. She had a whole bunch of friends who were going to get Eurail passes and backpacks and go across Europe, and said, do you want to go, and I said, I'm running a bunch of TV stations. I can't do that, you know. And she said, well, come on, come on, come on. I said, well, OK, you know, I suppose. I said, I'll take a cell phone and a – you know, and a ticket home and if I got to come home, I come home. You know, no big deal. And she said, yeah, do that.

I distinctly remember hiring Doug Hill to do weather for us from a train platform in Padova, Italy. I don't know why. But, you know, that did happen. And that was – you know, I didn't have to be recalled, and one by one all of her friends dropped off the trip and it wound up being just the two of us. And, you know, I guess if you go away traveling with a girl in Europe for five years, you go away as friends, you come home as a little bit more than friends. So that set the stage.

MR. RUBENSTEIN: Goes one of two ways. I –

MR. ALLBRITTON: Yeah. Exactly. [Laughs.]

MR. RUBENSTEIN: So, I assume that when you were growing up you must have met a number of presidents your father knew reasonably well. So any presidents ever give you any great advice?

MR. ALLBRITTON: Great advice, no. I mean, you know, Reagan always had the great stories. I did – I had playdates with Amy [Carter], and, you know, after you've seen President Carter in his bathrobe on a Sunday, your image is just blown, you know. You know, I always had great admiration for the Bush family. I think they were – you know, they're good, really good folks. I think Obama was, you know – he's such an interesting, pivotal person in history, you know, and really turned around an economy when it needed it and, you know, just a really an interesting character. And, you know, then a few lunches with Trump and those were probably some of the more amusing, you know, hours I've spent. [Laughs.]

MR. RUBENSTEIN: OK. So let's see, anybody have any questions? I'm looking at the participants. I don't see any hands up yet, so Mary, am I misreading it or what?

MS. BRADY: Well, we can go ahead and begin to take questions.

MR. RUBENSTEIN: I'll ask a couple people some questions and see – raise your hand. So Sam Feist, you've got a question?

Q: Yeah. Hi. Thanks, David.

Hi, Robert. Actually, I have a question but I really want to hear more about your lunch with Trump than want to hear the answer to my question – [laughter] – but you can choose which one.

You know, I was struck that – something you said. You called – you sort of referred to your kind of journalism as old-fashioned and so I wanted you to talk a little bit about that. You know, it's pretty clear that today so much of the public is living in their own echo chamber where they're choosing the media that reflects their own views, and we all know what – the problems that causes. Where do you think that leaves traditional journalism that really tries to be down the middle, not pick sides, not pick parties?

MR. ALLBRITTON: Yeah, it's tough. I don't – I'm pessimistic on it and I hate saying that, but I am. I think for traditional media, it's really tough because, you know, your audience is either left or right and eventually you have to – you know, this worldview becomes self-perpetuating and you wind up sliding off the bubble one way or another because that's the only way you can increase readership or subscribers. I think that's really true with all the consumer-level media outfits, and I don't have a solution for that. I really enjoyed Politico because it was the opposite. You know, we were writing for the David Rubensteins and the Sam Feists and the Brian Kellys of the world and, you know, you guys really appreciated kind of knowing what was actually going on, getting the straight shoot, getting the scoop, you know, and beat up on both sides equally. It's not like we were – you know, we weren't pulling any punches, but at least we were trying to, you know, beat up on both sides kind of, on an equal opportunity basis. And it made it a heck of a lot easier writing for that audience.

You know, I think it allowed that kind of what I call old-fashioned when I mean just, you know, just take it down the middle. Tell me something interesting; you know, don't make it boring. You know, give me something fresh. I think that worked really, really well. And stay focused on what you know. I think that worked really, really well, and, you know, we just kind of gave it away. There was some conversation when we first started about, are we going to charge or are we not going to charge, and it's like, let's just give it away because it's not – you know, we might as well just be a free site, and every time we looked at it afterwards we said we were better off just staying a free site, because we just don't make that much money off the – you know, off the programmatic traffic. You know, that's 4 percent of revenue, which is unheard of for a, you know, kind of a big-brand media organization. The business was built on very different kind of principles, and very sustainable principles. You know, traffic can go up, traffic can go down; it doesn't really affect our bottom line that much. So, we had some built-in luxuries that I think other folks just didn't have. And maybe that's the way things go in the future. You know, you've just kind of got to do a lot more inside baseball and sell to folks where you're providing actionable, unique, real-time information that's, you know, a part of their work, where they're willing to pay big dollars to get access to that information. You know, to me, that's a way you can have a news organization that can go forward, you know, over a long-term, sustainable basis.

MR. RUBENSTEIN: OK. Brian Kelly?

Q: Yeah, David, thank you.

Robert, hi. So, I wanted to expand on that, some of your thoughts about local and regional journalism, because I think that's the biggest hole in the marketplace. I mean, I know more about congressional subcommittees thanks to you and some of the other folks than anything that happens in the actual D.C. government. And you've had a foot in that both with Politico and TBD earlier. What do you think, is there a business model to create some kind of local and regional journalism? What's your experience with Politico?

MR. ALLBRITTON: There may be. You know, I know the Axios guys are kind of trying that out on a very small basis. It's hard. And you know, in my mind, it really goes to – media was set up based off territorial exclusivities, you know, and territorial barriers to entry. Newspapers back in the day, they were expensive to set up. You know, cost of press is huge; cost of readership, huge; getting that subscriber base, you know, very, very expensive. Once you were in place, it was very hard to dislodge you. But that's evaporated now. The internet kind of had it evaporate. I think broadcasting was next on the list. They were territorially exclusive because they had signals that covered, you know, certain metropolitan areas, and, again, that seems to be evaporating kind of quickly. So, I hate to say it; it probably has to get to the point where you deconstruct it all the way down to what does a community really need and then, you know, something will come, will rise out of the ashes to replace it. But it's troubling to me, you know. There was a lot of public service that happened there between selling used cars, you know, where at least somebody was looking over the mayor's shoulder over at city hall to make sure he wasn't, you know, robbing the place blind, and I don't know where that local watchdog goes. It is going to be a challenge.

MR. RUBENSTEIN: OK, Harsha Murthy?

Q: Hi, Robert. Could you tell us your experience across the country? What are the advantages and disadvantages or challenges for the Washington, D.C., area as we come out of COVID, especially for folks who are not running a media business? Question two: You've always stayed above the big tech connection, but as you saw what's happened over at the Post, what do you think is the direction of regulation going to be for organizations like Springer-Politico?

MR. ALLBRITTON: Yeah. Two really good questions.

So, I mean, coming out of COVID – you know, David and I were talking about this. I'm a big fan of kind of history and I think, you know, I'm hopeful that COVID is, you know, Spanish flu a hundred years in the future and, you know, we've been through two years of pain; maybe we've got another painful round to go but eventually it becomes endemic and eventually we get to the point where we get our flu shot and our COVID shot in October and, you know, people are – they get sick but they don't go to the hospital and they don't die. And I think that would be a lovely way to kind of just get back to something that's a little more normal.

I think as far as in the workplace, there have been probably some degrees of permanent shifts. I think – you know, we've successfully shown a lot of white-collar activity can be done outside of the workplace. You know, if you don't have specific tools that are required to do your work at a workplace, it can be done from just about anywhere. So there's going to be a shift there and that's going to apply to real estate, you know, future of work, all those sorts of things. Now, how far that elasticity goes, I don't know. I think we're going to spend the next five years, maybe more, societally kind of experimenting with that. So that's, you know, that's going to be a little bit of a problem.

As far as media regulation, you know, New York Times won round one against Sarah Palin, so I guess that's a good thing. I think the bigger question is kind of what happens to 230¹, you know. Tech is really fascinating; they always seem to be ahead of the regulatory curve and, you know, Facebook has their own problems now of being able to just to expand and keep subscribers, so, you know, I think, you know, whether 230 stays or goes kind of becomes the least of their concerns. But, you know, that could be a death knell to them. It could be a death knell to a lot of social media. I'm not a big fan of it. I think it was put into place a long time ago to support some small companies, but social media platforms – they are publishers. You know, we're held to one set of standards, they're held to another set of standards, and there's something fundamentally unfair about that. And I think that if – you know, if social media platforms were actually held accountable for the pieces that they publish by individuals, you know, societally that might not be the worst thing that could happen.

MR. RUBENSTEIN: OK, Tony? Unmute yourself.

Q: Yep, thank you.

¹ Section 230 is a part of the U.S. Communications Decency Act, that generally provides immunity for website platforms with respect to third-party content.

And Robert, great to see you. Hey, I was – I’m actually quoted in the 15th anniversary story in Politico and I think it’s something like, you know, 15 years ago when you guys came out and they asked me what I thought, I said, I’m rooting for those guys but I wouldn’t bet on them.

MR. ALLBRITTON: Right. [Laughs.] I wouldn’t either!

Q: [Laughs.] The reason was, you know, I saw – well, like, I hope – I love these guys and I hope they do well, we could use it, but obviously The Washington Post has resources and they should own that space and they should come in and just squash them and take the competition and go do it, and that didn’t happen. You’ve really disrupted and had to keep evolving and you’ve evolved it, you know, evolved with the tip sheets – first, it was like news fast and all the time with great talent; every other news organization has, you know, Politico veterans, their star talent now.

MR. ALLBRITTON: Yeah.

Q: But you also have something else, you know. Now we have – like, everybody has a tip sheet, you know; then you guys started Pro. Everybody has a pro vertical now. And now we’ve seen, like, a lot of, in fact, former Politico people who are competing in delivering news in lots of different ways, not just Axios but also, you know, our friends on The Hill and others.

MR. ALLBRITTON: Sure.

Q: So, what about – like, just the barriers to entry today seem low and people doing some really excellent things, and do you worry about the competition that way?

MR. ALLBRITTON: Yeah, I think it – you know, I think it’s a fair point. I do think it’s possible to kind of come in. There are certain stages and levels to this whole thing, you know, I think. Interestingly, you know, I had a couple conversations and, you know, Jim VandeHei and Mike Allen, when they first started Axios, I know had contemplated kind of doing what Jake Sherman and Anna Palmer did at Punchbowl of just doing kind of a very focused newsletter based off what Mike Allen was doing and they decided to go a different way, which was to get to a bigger platform kind of thing. We’ve continued on that path and, you know, and are getting in a whole bunch of other things that are really hard for a small organization to do. The pro verticals are hard. That’s, you know, that’s a 150-person operation. Those are expensive to start up. They’re expensive to get going. It takes a lot of capital and, you know, and takes a lot of access to talent to really make those work. So, I think it’s easy to kind of do the micro, which can be very profitable; the margins on it are great. But then, what do you grow after that? You know, where do you kind of take it from there? And then, how much of that complete ecosystem do you have to offer clients? That becomes a little more of the challenge going forward.

MR. RUBENSTEIN: Monica? Unmute yourself.

Q: Yes. So you mentioned technology always being ahead of the curve and you can’t go, you know, a day without reading about who’s setting up space in the metaverse, whether it’s retail or

even professional services firms right now, and so I'd be curious on your perspective on, you know, media and metaverse and all things there, where you think it might go.

MR. ALLBRITTON: Oh, god, I am getting old because – you know, I don't know; my 14-year-old walks around with an Oculus on all day long; it drives me absolutely insane, you know. You know, it's like, aren't you going to bump into a wall? But, you know – look, I – it will evolve, but I think at the heart of at least what we do with media, the heart of all this are still very human connections. You know, we're storytellers. We like stories. We like communicating with folks. We like exchanging information, you know, in compelling ways. What I've seen with technology is it's just enabling that on different levels, and enabling it on levels that human evolution probably hasn't really caught up with yet. You know, I think the ability for social media platforms and what will happen with this – and quite frankly, I kind of see the metaverse as kind of an extension of that, you know, where you are now suddenly connecting people – again, you're breaking geographical barriers with it. You know, if I'm interested in underwater basket weaving, there are 17 people around the globe at various places who have the same interest that I do. It was not possible for us to connect prior to this, and that is the huge factor in media and tech that kind of is the differentiating factor, from my point of view.

Q: I think you're right on that falling down part. My son almost fell off the sofa yesterday when we were both exploring space with our Oculus goggles.

MR. ALLBRITTON: [Laughs.] Yeah, he asked me to do it; I tell him it makes me queasy and I just refuse.

MR. RUBENSTEIN: OK? Prashant? Unmute yourself.

Q: Yes. Yes. Hi, Robert.

MR. ALLBRITTON: How you doing?

Q: Very well. So, this is probably almost segueing from that question. I have a 13-year-old. And while he's – you know, he's smart and I coach some of his classmates and the like, the thing is, this audience is – like, all of us, I think, grew up reading multiple newspapers. This generation, my son or even like those kids, the teenagers, don't read newspapers. They don't even read news magazines. They're getting all of their information from, you know, Insta, Facebook, YouTube, and the Web, and it's all, like, snippets here, there, and it's coming from multiple sources, so that's actually a challenge. I'm trying to figure out how do I even – even if he's going online direct him to sort of credible sources versus just Joe Blow who's giving some update. So, I guess my question is, A, do you have some sense for what the age distribution of your readership was, number one? And number two, what do you see something like Politico or any outfit like that evolving into when my son and his generation grow up old enough to be, you know, the target audience?

MR. ALLBRITTON: Yeah. I mean, I think that's fair. So, you know, we – I spend a lot of time kind of thinking about what we do and then spend a lot of time thinking about kind of what everyone else's position is in the media world, and, you know, I go back to, we're really

fortunate. You know, we were really writing to most people who were on this Zoom. You know, you guys are kind of our target audience. So, you know, what we write to at Politico is a much more educated, you know, nuanced, engaged, focused audience. You know, when we talk about kind of – when we kind of go down to general public and then we go even further down and say, you know, where does next generation kind of get their news and information from, you know, I like to think that so long as we can continue to, you know, have this system that we’ve got – which, really, if you think about it, we kind of have this ultimate progressive tax system. You know, the 1 percent of influentials and the 1 percent of our readership pays for the journalism that the other 99 percent enjoy. If we could continue to find ways that we can continue to do that, then voices like Politico will at least be out there for people to latch into and read.

And, you know, we’re pretty agnostic as to how we distribute our news and information, so, you know, if it’s through social media, if it’s through snippets, if it’s through long-form, we’ll do it in any way. And so, you know, hopefully that kind of filters down to folks. But, you know, I go back to, there are some big issues here and there’s some big issues with 230; there are some big issues with, you know, foreign powers kind of being able to create completely false narratives that massive numbers of people read. I think it’s a – you know, I’m amazed that it has – the threat to national security hasn’t caused a backlash to a bigger degree than it has yet. Maybe it will. Maybe that’s the next act.

MR. RUBENSTEIN: Well, thank you very much, Robert, for this, and enjoyable conversation, and thanks for your service to The Economic Club of Washington, among other things. OK?

MR. ALLBRITTON: David, thank you very much. I enjoyed it immensely.

MR. RUBENSTEIN: All right. Bye. Thank you. Bye.

MR. ALLBRITTON: Thanks.



Robert Allbritton
Founder and Publisher
Politico

Robert L. Allbritton is Founder and Publisher of POLITICO, a global nonpartisan politics and policy news organization. With a staff of over 700, POLITICO is headquartered in Washington, D.C. with operations in Brussels, New York, London, Paris, California, and Florida.

He is also Founder and Publisher of Protocol.com, a new publication reporting on the intersection of the

people, power, and politics of technology. Protocol has operations in San Francisco, New York and London.

Mr. Allbritton serves on the Board of Directors of the Lyndon B. Johnson Foundation, Austin, Texas. He is a Trustee Emeritus of Wesleyan University, Middletown, CT, and The George Washington University.

Mr. Allbritton, a native of Houston, Texas, is a graduate of Wesleyan University, Middletown, Connecticut, where he majored in government.

Mr. Allbritton is a member of the Alfalfa Club, and the Metropolitan Club in Washington, D.C., and the La Jolla Beach and Tennis Club in La Jolla, California.

Mr. Allbritton is an avid skier, and a licensed commercial pilot. He is married to Dr. Elena Hardy Allbritton, MD, a Dermatologist practicing in Chevy Chase, MD. Their primary focus is on their three children.