



INVESTING FOR THE LONG TERM

Whether it's in investments or causes they back, Sheldon and Marianne Lubar operate as a team committed to good outcomes.

BY ALAN J. BORSUK

SHELDON LUBAR took school seriously when he was a grade-schooler in Milwaukee's Sherman Park neighborhood in the 1930s. Eight decades later, his education continues. He still takes it seriously.

"What I really believe in is education and learning, which is a never-ending assignment," Lubar says. "Education is a lifelong way of living. You're never done learning."

Marianne Lubar says that when she was growing up in Kenosha (as Marianne Segal), she was active and engaged and thought of herself as an artist.

What do you get when you pair someone who sees education as a constant pursuit with someone who wants to put her touch on things? You get one of the first families of Milwaukee philanthropy. Sheldon and Marianne Lubar have been greatly successful in several senses of that word and have sought, as two of their biggest goals, to fuel possibilities of learning for others and to enhance the quality of life in Milwaukee. In business, in the arts, in philanthropy, the Lubars have built impressive records of accomplishment.

Marquette University Law School is a major beneficiary of the Lubars' generosity and vision. In April 2017, the Lubars announced they were donating \$5.5 million to support the Law School. Adding to a gift they made in 2010, the Lubars have created a \$7 million endowment to underwrite the school's public policy initiatives, now known as the Lubar Center for Public Policy Research and Civic Education. In addition, the room in Eckstein Hall that hosts many of the Law School's public events has been named the Lubar Center. It was previously called the appellate courtroom.

The new gift is a great step forward for Marquette Law School's public policy program. But appreciation of what the Lubars have accomplished goes far beyond Marquette University. There's a context that has been building for decades. The Lubars want to make available to others in Milwaukee and elsewhere the pursuits the Lubars have chosen for themselves: Quality education, the opportunity to succeed in business, and rich and vibrant community life.

"... education is the pathway to success and happiness and financial security."

Sheldon B. Lubar

Sheldon Lubar says he grew up in times when a lot of things seemed simple. "Nobody was very well off in the 1930s," he says. But family bonds were strong, everyone in his neighborhood on Milwaukee's west side got along, and expectations for children were high.

Lubar says it was instilled in him that "education is the pathway to success and happiness and financial security." He attended Townsend Street School near Sherman Park. He recalls how firmly the principal was in charge. "When you saw her in the hall, you quivered," he says. And you obeyed.

His family moved to Whitefish Bay after he completed fourth grade. He graduated in 1947 from Whitefish Bay High School. (In thanks for his support, the school's football stadium was named Lubar Stadium when it was renovated in 2007.) ▶▶



TOP: Sheldon Lubar liked baseball as a child, age 6. Lubar & Co. is a part owner of the Milwaukee Brewers baseball team.

RIGHT: Sheldon Lubar shows his Army ROTC uniform to Paul Meissner at UW–Madison, 1948.



Sheldon Lubar enrolled at the University of Wisconsin in Madison, where, in those years, tuition was \$40 a semester, he says. But after two years, he recalls, his father said he couldn't help pay for college and Sheldon would have to do it on his own. He got a job working in food service at a university women's residence known as Shoreland House.

Marianne Lubar says that it was her first day on campus when Sheldon, in his first year of law school, was the waiter at her Shoreland House table. The two immediately connected. Their relationship grew, even though, as she tells it, that was the only day he worked as a waiter—he was reassigned to work in the kitchen thereafter.

Sheldon got his undergraduate degree in 1951 and enrolled in the University of Wisconsin's law school. "Law school tuition skyrocketed to \$60," he recalls. By the time he received his law degree in 1953, he and Marianne were married and expecting their first child.

He needed a job. It wouldn't be to practice law. In fact, Lubar says, he has worked on only two legal cases in his life, both matters involving divorces while he assisted with legal aid during law school.

He was in the ROTC military training program while in college and liked it. After graduating law school, he was accepted into the air force with a commission. But the Korean War was winding down; before he was called up, the program was terminated.

Lubar interviewed at two Milwaukee law firms. He recalls being asked in one interview how much money

he hoped to be making after five years. He hadn't ever thought about this and answered, "Maybe \$20,000." "Who do you think you are?" the interviewer asked. No job offer there.

Lubar was more interested in working in the financial sector. He talked to some banks in Milwaukee, thinking that their personnel departments might offer possibilities. And he began looking at jobs in Chicago. He soon had offers from three banks in Chicago.

But an uncle with whom he was close told him he should stay in Milwaukee. Lubar told him he was having trouble getting a position. His uncle knew Eliot Fitch, the head of Marine Bank, which was then one of the leading financial institutions in Milwaukee. The uncle got Lubar an appointment with Fitch.

Fitch offered him a job. "I loved it. . . . I started in the trust department," Lubar says. He worked with several other lawyers. It was "a great group of people." This is a consistent aspect of Sheldon Lubar's evaluation of any workplace—whether it is staffed by "a great group of people." He uses that phrase in describing parts of his career that he has found particularly rewarding.

His starting salary at Marine Bank job was \$4,000 a year. "I was thrilled," he says. "We had a baby, we bought a house in Whitefish Bay, and I was happy as a clam. I thought we'd be there forever."

That didn't turn out to be the case. One big reason: Sheldon and Marianne had four children in the first five years of their marriage. They soon moved to a larger house, in Shorewood.

“I was pretty wrapped up in my career and raising a family, doing things with the family,” he recalls. The family liked to escape for summer vacations at lakes in northern Wisconsin. Lubar wasn’t eager to get involved in public issues.

But he responded when called on to help with a particular community issue—“the first thing I did of a public nature.” He says, “Our children were at Lake Bluff School, and I was asked to lead a committee to see whether there should be a middle school.” The committee concluded that there should be. Lubar expected that everyone would embrace the report. But there was opposition, based on the potential impact on taxes. Although it was a thornier process than he expected, the middle school was approved. “I learned a lot,” Lubar recalls.

The Marine Bank promoted Lubar to a position working in estate administration. He says he didn’t find it interesting after a time and decided he wanted to find a venture where he could do something for himself. He told his boss he was going to leave. That led to a higher-ranking bank executive’s urging him to stay, telling him not to let go of one trapeze before he had his hand firmly on the next one. Marine put him in the credit department, on track to becoming an officer of the bank. He did well, ascending to become a vice president.

A big change for him came when the bank’s executive vice president told Lubar about a new government program offering loans to small businesses. It allowed commercial banks to take equity positions in the small businesses. Lubar says he recommended that the bank not get involved. It did so anyway—and it put him in charge.

One investment proved to be a turning point for Lubar. The bank invested \$1 million in a business named Mortgage Associates: It processed Federal Housing Administration and Department of Veterans Affairs loans, sold them to the federally based agency called Fannie Mae, and serviced the loans at low cost. The mortgage company had been struggling, but, with Lubar playing a leading role, its fortunes turned around. Within several years, he says, the \$1 million investment was worth \$35 million.

By 1966, Lubar was ready to wind down his involvement with Marine Bank. “I decided it was time for me to try it on my own,” he says.

During the course of the Mortgage Associates experience, Lubar had devised a concept he called “Professional Ownership™.” It’s a term that has guided his work ever since—in fact, Lubar & Co. has a trademark on it.

What is it? It’s the practice of buying or becoming a large investor in an enterprise and becoming strongly involved with selecting leaders and setting strategy for the enterprise. Lubar calls it a way “to build a better and bigger company” by working with the management. “Basically, we are strategists, cheerleaders, and providers of capital,” he says.

Lubar and, in later years, his associates would select a company they thought had potential to grow. They focused on keeping or putting good people in leadership positions. “The measure of a company that we would invest in or buy,” he says, was the people who were involved. “And that’s still the case.” Lubar would work along with the leadership to chart a course for the venture.

Lubar talked to a lawyer who liked the “Professional Ownership™” concept and who had a client who wanted to sell his business. Lubar arranged for two insurance companies to back him in taking over the company, Sorgel Electric, which made dry-type transformers.

Over several years, “we tripled the company’s sales and profits,” Lubar recalls. In 1971, he merged the company with Square D, a larger firm based in Milwaukee, whose board he joined after the acquisition.

“After that, I didn’t know what I was going to do,” Lubar says. But he knew he and his family wanted a break. So they took a sabbatical for most of 1972, renting a place in St. Moritz in the Swiss Alps. The children went to boarding school in Lugano.

“And we learned to ski,” Lubar remembers of that year. Skiing has been a Lubar family passion for decades. The Lubars own a home in Aspen, Colorado, where the family spends extensive amounts of time, both in summer and winter. (Skiing also has also been a source of family tragedy. A grandson, Joseph, then 21, was killed in a skiing accident in 2011.)

After returning to Milwaukee, Lubar began considering new opportunities and investments. And then, “out of nowhere,” as he tells it, while the family was in Aspen, he got a telephone call from an official in the administration of President Richard Nixon. ▶▶

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ABOVE: James Lynn, then secretary of housing and urban development, speaks at the 1973 swearing-in ceremony for Sheldon Lubar as assistant secretary, as Marianne Lubar and Sheldon Lubar listen.

LEFT: Sheldon Lubar shakes hands with President Gerald Ford, with First Lady Betty Ford next to the president.

Would he agree to be assistant secretary for housing and urban development, responsible for housing and mortgage credit, and commissioner of the Federal Housing Administration?

Lubar said “Yes,” and the family headed to Washington. The secretary of the Department of Housing and Urban Development, James Lynn, asked Lubar to work on restructuring the federal role in housing programs and said that Lubar would serve as an expert for the department on mortgages and finance.

“I never worked so hard in my life,” Lubar recalls, mentioning in particular a five-month period when he was closely involved in preparing legislation that was a key part of a shift in federal policy. The administration wanted to move away from supporting massive low-income housing projects, some of which had become notorious for bad conditions. The new emphasis was on efforts that focused on development of smaller housing projects, use of existing housing, or use of vouchers to pay rent.

Lubar held the federal job for about two years, a period that straddled the resignation of Nixon and the start of the administration of President Gerald Ford. On his office wall, Lubar has a warm, personal letter from Ford praising Lubar’s work and expressing regret that he was resigning.

Lubar would work on behalf of a third presidential administration as well. During the term of President Jimmy Carter, Wisconsin Sen. Gaylord Nelson was head of the Senate committee on small businesses. Nelson

pushed successfully for holding the first White House conference on small businesses and for Lubar to play a lead role in putting together the conference.

Returning from Washington to Milwaukee in 1975, Lubar says, “I really wasn’t too ambitious.” He was already well-off financially.

But a friend, John Kelly, was president of Midland Bank, and when Kelly had a heart attack, Lubar agreed to step in as president. He did that for a year until the bank was sold.

Around that time, Lubar says, a former associate told him that he wanted to get back into the business of “making deals”—to invest in or buy businesses. “Well, we can do deals,” Lubar told him. They started doing that, creating an investment fund called 77 Capital. It drew investors including some influential financial leaders from New York, and it did well. Its controlling approach? “Professional Ownership™,” of course.

Lubar also decided in 1977 to start his own venture, Lubar & Co., although at the start, the “& Co.” part was pretty thin. It was really just Sheldon Lubar.

Forty years later, how has the company done? “Outstanding. We’ve done really well,” Lubar says. Lubar & Co. has substantial investments in more than a dozen enterprises. Sitting in a downtown office where the firm recently moved, Lubar says, “We have a great team here and in every one of the companies.” The companies operate separately, but Lubar & Co. is majority shareholder of them, Sheldon Lubar says.

Lubar & Co. investments cover a wide range of interests. A few examples: American Pasteurization Co., a food processor based in Milwaukee; Approach Resources, a Fort Worth, Texas, company that focuses on “unconventional oil and gas reservoirs,” according to the Lubar website; Erdman Corp., a national leader in designing and building health-care facilities, based in Madison, Wis.; and Rockland Flooring, near La Crosse, Wis., which manufactures laminated wood flooring for trailers and intermodal containers.

Among the more publicly visible Lubar investments: the Lake Express ferry shuttling between Milwaukee

and Muskegon, Mich., and a stake in the Milwaukee Brewers baseball team.

Sheldon Lubar has turned over much of the day-to-day work of Lubar & Co. to others, particularly his son, David, who is now president and chief executive officer. Sheldon Lubar remains chairman, but in a photo of the management team on the company’s website, David is at the head of the table, with his father sitting on the side.

On the other hand, Sheldon Lubar still likes being in the action. He says that, six years ago, he decided to go back into banking. After checking out about 30 banks, he recapitalized the Ixonia Bank, a small ▶▶



TOP: The Lubars and their four children in Norway in August 2015. From left: Kristine Lubar MacDonald, Sheldon Lubar, Marianne Lubar, Joan Lubar, Susan Lubar Solvang, and David Lubar.

ABOVE: Members of the extended Lubar family on a skiing trip in Colorado.

LEFT: At a family gathering: Seated, from left, Sheldon Lubar, Joan Lubar, and David Lubar. Seated on the arms of the couch: Left, Marianne Lubar; right, Madeleine Lubar. Standing: John Crouch, Susan Lubar Solvang, Oyvind Solvang, Kristine Lubar MacDonald, and John MacDonald.

bank based west of Milwaukee, in 2012. The bank, he says, went from losing almost all its capital in 2010 to being highly regarded now. “That’s where I spend my business time largely,” he says.

Lubar’s lifelong interest in education has been a major factor in shaping his involvement in public service roles. Among other undertakings, he has served on the Marquette University Board of Trustees; the University of Wisconsin System Board of Regents, of which he was also president; and the board of Beloit College.



Marianne Lubar announcing the opening of the Jewish Museum Milwaukee in April 2008. She was the founding president.

Marianne Lubar describes her adult life in three chapters. In the first, her priority was to be a wife and mother, and with four children that was a major and lengthy involvement. In the second, she emphasized her longtime interest in art and learned to work with clay, making pottery while the family lived in Washington. And in the third, she has become involved deeply and widely in Milwaukee’s civic life, especially in organizations involved in the arts and education.

You can see all three chapters playing out in Lubar’s life now. She still loves to have artwork around her, even if she gave up pottery in the 1980s. The Lubar home is filled with beautiful art, including, tucked almost out of view, a few pieces Marianne Lubar made. Family? The Lubars are a close group. Family dinners and vacations are big deals to them. And Marianne Lubar remains actively involved in numerous causes and organizations.

During the years when their children were young, Marianne Lubar says she was “the implementer” of family

decisions that both she and her husband made. It was, in other words, a more traditional arrangement: Certainly an involved father, Sheldon was strongly involved in his work, while Marianne was the at-home leader.

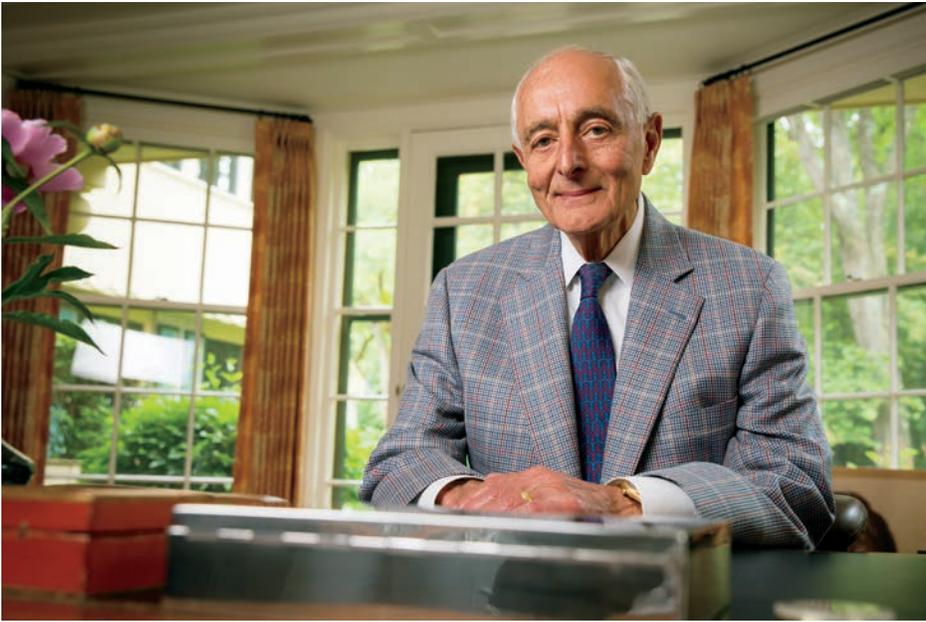
The kids have thrived. Three of the four children—David Lubar, Susan Lubar Solvang, and Joan Lubar—live in the Milwaukee area. The fourth, Kristine Lubar MacDonald, lives in the Minneapolis area. Marianne Lubar describes them all as strong and accomplished. She is correct: All four have been leaders in community causes of many kinds. “They do good things in the world,” she says.

As for the ceramics chapter, Marianne Lubar says that when the family was in Washington, one of the then-young daughters wanted to take a pottery class. The two of them did that together, and Marianne was launched into a decade of serious work, including an association with Abe Cohn, a well-known potter who had a studio in Fish Creek, Wis.

But, Marianne Lubar says, she reached a point where she asked herself, “Why am I making these pots? What is the point?” This became a big issue to her. And it led to her setting aside ceramics and becoming energetically involved in leading and supporting efforts of a wide range of nonprofit organizations in Milwaukee. She realized that she could be as creative in that work as in making objects.

She recalls first joining the board of the Milwaukee Repertory Theater. Over time, she has been on numerous boards, and she is not a passive member of any of them. Lubar is a donor, an advocate, a worker. Among the boards where she has served: The Marcus Center for the Performing Arts, the Florentine Opera Company, the Milwaukee Public Library Foundation, COA Youth and Family Center, Jewish Museum Milwaukee, Milwaukee Film Festival, and several other music and theater companies. She has been especially involved in—and financially supportive of—the Jewish Museum Milwaukee, whose founding she led.

Marianne Lubar was at the center of the decision to select Santiago Calatrava as the architect for the addition to the Milwaukee Art Museum, a building that is now an international symbol of the entire city. She currently is in her fourth nine-year term on the art museum board and is chair of the acquisitions committee. The Lubars have been large donors to the art museum and have been leaders in shoring up support at points when the financial crunch for the museum was acute.



Sheldon Lubar at home, June 2017.

The three phases of her adult life reflect the path that Marianne Lubar has traveled to become an assured community leader, someone willing to express herself and confident she has a voice equal to anyone else's. "I feel very empowered in the things we do," she says. "I no longer feel the need to play 'the woman's role.'"

When it comes to very large gifts, including the recent \$5.5 million gift to Marquette Law School, Marianne Lubar says the decisions come from both her husband and her. "I'm not Shel's business partner, but I am definitely his partner in life, and he is mine, and we do these things together," she says.

The Lubars have made a number of other major gifts to educational institutions in the past few years. These include the University of Wisconsin-Madison: \$7 million to expand the computer sciences department, \$5 million for its business school, and \$3 million to endow a faculty chair at the law school. They also have supported the University of Wisconsin-Milwaukee: \$10 million to create an entrepreneurship center, in addition to an earlier gift of the same size to support the university's business school, which is now known as the Lubar School of Business. The Lubars have also established scholarship programs at the University of Wisconsin-Madison, University of Wisconsin-Milwaukee, the Medical College of Wisconsin, and Alverno College. The Lubar Family Foundation's public filings reflect \$3.6 million in gifts for 2015 alone, mostly to education, arts, culture, and Jewish organizations in the Milwaukee area.

Sheldon Lubar says he and his wife are glad that they've been able to use their wealth to make donations. "Leaving a mark is as gratifying as it gets," he says.

Marianne Lubar says that they agree to have their name attached to places and programs in hopes of encouraging others with the capacity to make large gifts. Their gifts put them in a better position to solicit others to give, she says. And they want to show that wonderful things can be done with philanthropic

money. She asks: If you have the capacity, what's a better thing to do than to give?

What do you hope people will say when they hear your name?

Marianne Lubar deflects the question. Pressed, she says her best quality is that "I'm engaged all the time, every minute." That's true whether she's cooking at home or engaged in a major community effort. "I feel very creative," she says. "I feel really fortunate to have energy. And the best part for me is that I've met the most wonderful and talented people along my journey."

Sheldon Lubar has a clear idea what he hopes people would say about him: "He is a great businessman and entrepreneur and innovator, and he believes in giving back to his country and his community. And I hope my children would say, 'He's a great father.'"

What do great business people do? They understand the facts of the world around them, but they nurture visions for opportunity and improvement, too. They are highly practical and bottom-line oriented, but at the same time, they are bold and know that the most important bottom lines may not be about dollars alone. They know how to succeed in the system of which they are part and how to make that system better. They are pragmatic and idealistic simultaneously, always learning, never fully content with the way things are.

No one can doubt Sheldon and Marianne Lubar's greatness. ■