

Facebook CEO Pledges To Donate Half His Wealth

by THE ASSOCIATED PRESS

Facebook founder Mark Zuckerberg and 16 others signed joined Giving Pledge, an effort led by Microsoft founder Bill Gates and investor Warren Buffett to commit the country's wealthiest people to step up their charitable donations.

Another 17 of America's richest people, including Facebook CEO Mark Zuckerberg, junk bond pioneer Michael Milken and AOL co-founder Steve Case, have promised to give away most of their wealth.

At 26, Zuckerberg has put himself on the map not only as one of the world's youngest billionaires, but also as a prominent newcomer to the world of philanthropy. Earlier this year, he pledged \$100 million over five years to the Newark, N.J. school system. Now, he's in the company of media titans Carl Icahn, 74, Barry Diller, 68, and others who have joined Giving Pledge, an effort led by Microsoft founder Bill Gates and investor Warren Buffett to commit the country's wealthiest people to step up their charitable donations.

The group has signed up 57 people and their families since launching the campaign in June. The list also includes New York Mayor Michael Bloomberg, CNN founder Ted Turner and film director George Lucas. But Zuckerberg and Facebook co-founder Dustin Moskowitz, 26, are the two youngest.

“Younger donors think longer-term because they will be giving longer-term,” said **Jason Franklin**, a professor at New York University and the executive director of the nonprofit Bolder Giving, which encourages people to give. “Giving when you are older, you give so your children will have a better world. Giving when you are in your 20s, you give so you will have a better world.”

“People wait until late in their career to give back. But why wait when there is so much to be done?” Zuckerberg said in a statement. “With a generation of younger folks who have thrived on the success of their companies, there is a big opportunity for many of us to give back earlier in our lifetime and see the impact of our philanthropic efforts.”

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Though the pledge is not a formal contract, those who make it are committing to give away at least half of their wealth to philanthropic causes either in their lifetime or after they die. Zuckerberg's commitment to the Newark school system was through his Startup: Education foundation, which he established as part of the donation. The \$100 million will be given in the form of Facebook shares, which the foundation will be responsible for selling to raise cash.

Zuckerberg owns about a quarter of Facebook's shares, and Moskowitz owns a much smaller stake. Though the company's shares aren't publicly traded, they can be sold on private stock exchanges, something some of Facebook's current and former employees have done. Shares on these markets are sold for as much as buyers will pay, but because the market is small and "illiquid," it doesn't necessarily give a good idea value of the shares once the company goes public.

As such, it's difficult to estimate how much the shares are really

worth, though there's no doubt Facebook is worth quite a bit. On SharesPost, one of the markets where Facebook shares are traded, the company's common stock recently had a completed contract between a buyer and a seller at \$25, implying a valuation of nearly \$57 billion — or roughly \$14 billion for the shares that Zuckerberg owns.

Facebook did not respond to a request to interview Zuckerberg about his pledge on Thursday, and there are not many details available about how the promises will work.

By pushing the age for substantial charitable giving lower, Zuckerberg is challenging today's generation of tech entrepreneurs to think beyond how they will make their next million — or billion — to how they will give it away.

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