

# Wealthy Americans Urged to Give Billions to Charitable Causes

By Maria Di Mento and Caroline Preston

America's richest people should commit at least 50 percent of their net worth to charity, three of the nation's wealthiest citizens said today.

Warren Buffett, who has committed 99 percent of his fortune to charity, along with Bill and Melinda Gates, who have given more than \$28-billion to their foundation and say they plan to give a significant portion of their remaining wealth to good causes, issued the pledge.

It follows meetings they have been holding across the country to gather donors and encourage them not only to give that much but also to announce their giving plans publicly as way of inspiring other wealthy people to give substantial sums.

In announcing his reasons for giving away most of his wealth, Mr. Buffett acknowledged that for him giving so much away still leaves him far better off than most Americans.

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Courtesy of the Bill & Melinda Gates Foundation/Diane Bondareff

would otherwise benefit their own families,” he said. “The dollars the people drop into a collection plate or give to United Way mean forgone movies, dinners out, or other personal pleasures. In contrast, my family and I will give up nothing we need or want by fulfilling this 99 percent pledge.”

Patty Stonesifer, who stepped down two years ago as president of the Gates fund and now is an adviser who encourages greater giving, said the Gateses and Mr. Buffett believe that wealthy people need a standard to strive toward and that a 50-percent minimum seems reasonable for people with a high net worth.

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She said the philanthropists would gather in the fall to discuss their commitments and exchange ideas about how to make their giving more effective. Such meetings would probably be held at least once a year, she added.

### **A Public Commitment**

The move grew out of the first such meeting a year ago, when Mr. Buffett and the Gateses asked David Rockefeller Sr. to host a gathering of some of the country's wealthiest and most prominent philanthropists. A spokesman for Mr. Rockefeller confirmed today that he recently spoke with Mr. Buffett, agreeing to sign the pledge.

News about the pledge effort was first released by Fortune magazine, which estimated that some \$600-billion would flow to charity if the 400 people on the Forbes list of wealthy Americans all committed that amount. That is more than twice as much as individuals now give to nonprofit causes in a year, according to Giving USA, the annual tally of donations.

A Web site, <http://www.givingpledge.org>, has been set up to provide more information about the effort to encourage greater giving.

As part of the announcement today, Ms. Stonesifer said that four families had come forward to pledge at least 50 percent of their wealth to charity. Eli and Edythe Broad, the Los Angeles

philanthropists whose wealth comes from the home-building and insurance industries, said they would give 75 percent of their wealthy away.

Others who have committed to the 50-percent pledge are L. John Doerr, a Silicon Valley philanthropist, and his wife, Ann; the media entrepreneur H.F. (Gerry) Lenfest and his wife, Marguerite; and John Morgridge, former chairman of Cisco, and his wife, Tashia.

Mr. Buffett and the Gateses are now reaching out to other wealthy people to persuade them to talk publicly about their giving and make the 50-percent pledge, she said.

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### **'Wise Caution'**

In conversations with philanthropists, she acknowledged there was some "wise caution" about whether nonprofit groups are in a position to absorb the billions of dollars that would soon flow their way if the effort to encourage greater giving was successful. She said that in the annual gatherings,

philanthropists would talk about the best ideas for aiding nonprofit groups as they seek to achieve stronger results.

She also said that while the philanthropists behind the 50-percent effort were concentrating on encouraging wealthy people to focus on philanthropy, they hoped that their example would inspire every family to think about what they can give—time, money, services, or other things.

The effort is now focused on Americans, but Bill and Melinda Gates have also spoken to wealthy people in China, England, and India about ways to encourage greater giving, said Ms. Stonesifer.

### **Lure of the Forbes 400**

Today's announcement of a major push to inspire greater giving—and to do so by encouraging wealthy people to commit publicly to large sums—is reminiscent of the effort Ted Turner kicked off in 1997, when he announced that he was pledging \$1-billion to programs run by the United Nations.

At that time, he said he hoped the equivalent of a Forbes 400 list to showcase giving by the wealthiest Americans would help inspire people to give, because they would be honored not for accumulating wealth but for donating it.

That suggestion led to rankings

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like the Philanthropy 50, The Chronicle's annual list of the donors who give the most, and The Chronicle's compilation for Slate magazine of the Slate 60.

"I wanted to have a shot at being the richest man in the world, and I knew when I gave that money away I was taking myself out of the running to be the richest. I knew that Forbes 400 list made me think twice about giving that money away," said Mr. Turner at a gathering of wealthy donors at Bill Clinton's presidential library, held on the 10th anniversary of the Slate 60.

If the Chronicle's list is any indication, some donors are willing to announce big commitments publicly, but only a handful actually do. For example, last year, only 17 of the people on the Forbes 400 gave enough to be included on this list, although it is likely some others gave large amounts anonymously.

Philanthropy experts, meanwhile, say Mr. and Ms. Gates and Mr. Buffett stand a better chance at persuading others to give than those who have gone before them.

"Warren Buffett is one of the most admired investors ever, and Mr. Gates is one of the most admired entrepreneurs ever," said Ellen Remmer, president of the Philanthropic Initiative, a group that advises wealthy donors. "People will want to be in the same room as them."

Another reason the effort may succeed: The Gateses and Mr. Buffett have been very careful to avoid even a hint that anybody is being pressured or goaded into giving, says Melissa Berman, president of Rockefeller Philanthropy Advisors, who has served as a consultant to what the trio of philanthropists call the "giving pledge."

In fact, she says, "this initiative is really more about sharing stories than about telling people what to do." She added: "I hope it's not perceived as pressure."

Leaders of charities that rely on the largess of people like the Gateses called the effort refreshing and said they hoped it made a difference.

Peter Hero, vice president for development and alumni relations at California Institute of Technology, which receives grants from the Bill & Melinda Gates Foundation, said his second reaction to the announcement was simply: "That's great, good for them and good for Warren Buffett."

His first reaction? "Why only half?" he quipped. ■