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## Giving Pledge Signers Gave Big in 2013 but No Much for Today's Needs

By Nicole Lewis

More than 120 of the world's billionaires have committed publicly to giving at least half their wealth to charity, including 19 on this year's Philanthropy 50 list.

But while the number of people who have signed the Giving Pledge, unveiled nearly four years ago by Bill and Melinda Gates and Warren Buffett, has been growing, so too are concerns about whether the effort is channeling enough new money to urgent causes today and whether some people are motivated to join for public-relations purposes.

At the heart of the criticism is a concern that too many of the billionaires are putting their money into foundations that may not dole out grants for many years.

For example, nine of the Giving Pledge signers on the Philanthropy 50 list—including Paul Allen, John and Laura Arnold, and Eli and Edythe Broad—made their largest gift to their own philanthropies.

### Reasons for Joining

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After the hedge-fund founder Robert Wilson died in December, the website BuzzFeed published a letter from Mr. Wilson to Mr. Gates saying he wouldn't join because the pledge didn't rule out the idea of giving to family foundations, which he called "bureaucracy-ridden sluggards."

Such criticisms are shortsighted, say the pledge's founders.

"The long-term impact will ultimately be assessed by future generations," wrote Melinda Gates, co-chair of the Bill & Melinda Gates Foundation, in an email to The Chronicle.

"But in the meantime, we have heard from pledgers that they have been inspired to start giving away more, earlier in their lives, while others have been able to identify new issues and build relationships with those focused on similar causes," she writes.

"The opportunity to learn from one another's successes and failures is helping us become better

philanthropists and maximizing the impact of our giving."

Still, the math suggests that so far only a small slice of the world's wealthiest people are publicly committing to giving.

The 122 individuals and families on the list represent less than a tenth of the world's billionaires, who number 1,426, according to Forbes.

A glance though the letters posted on the Giving Pledge website by its members, announcing their commitment, reveals that while some are in the early stages of their giving, many of the pledge signers do not offer new sources of money for charities.

The list includes dozens of philanthropists who have been giving for years, if not decades. They have joined the pledge to inspire their peers to give, or to gain access to a community of other big donors, or to swap ideas about improving the impact of their gifts.

In a few cases, the philanthropists may already be tapped out. For example, David Gelbaum, a former hedge fund manager, and his wife,

Monica, stated in a letter on the Giving Pledge website that they have donated in excess of \$1-billion and are not in a position to give more. "We are taking the Giving Pledge after the fact," they write.

### Who Benefits

Some nonprofit experts say the real measure of the giving pledge is whether philanthropists have been more effective, not how much has been donated.

"All the focus is how much people are giving, not to what causes or what social good they are creating in the world with their gifts," says Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy. "What kind of community benefit are we seeing?"

But answering that question can be tough: The Giving Pledge does not track where its members donate, reveal how much they give, or provide information about their philanthropic interests, beyond the published statements.

"If someone signed up and said, 'Hey, I am going to give half my fortune to the devil,' that seems to be OK," says Pablo Eisenberg, senior fellow at Georgetown University's Center for Public and Nonprofit Leadership. "The pledge doesn't give any indication of the substance of their future grants."

More information about how much people who sign the pledge are

giving and to which causes would be "enormously helpful to charitable organizations," wrote Cynthia Gibson, a nonprofit and philanthropic consultant, in an email to The Chronicle.

It would also, she wrote, "deflect skeptic's questions about the pledge, including loopholes that allow money directed into family-controlled foundations to be counted as part of the commitment and the perception that it's more public relations than action that's led to demonstrable impact."

### Resources on Giving

But the pledge's founders are clear that the effort was never intended to direct where or how donors plan to give away their wealth. Rather, they say, the group was created to form a community of people with great resources who want to spur philanthropy while learning from one another's experiences.

The Giving Pledge is still in its "early days" and constantly evolving, says Olivia Leland, director of the Giving Pledge.

Last year, the group introduced learning sessions—meetings hosted by one of the pledge signers on a topic of interest to them, and open not only to pledgers but also to their staff members, advisers, and experts.

Last year four sessions were held. Pierre Omidyar, founder of eBay, talked about impact investing while Steve Case, founder of AOL, and his

wife, Jean, discussed how social media can promote good causes.

Meanwhile, Bill and Melinda Gates discussed how technology can change elementary and secondary education, and George Kaiser, chairman of BOK Financial Corporation, showcased efforts he and others have supported in Tulsa, Okla., to improve education and decrease poverty.

"The ultimate goal is that through this learning and conversations, being part of the pledge can give a head start on more effective giving," says Ms. Leland.

Bill Cummings, who joined the Giving Pledge with his wife, Joyce, says they joined the group not to motivate them to give—they were already doing that, through their foundation—but to gain access to a group of peers who could help them decide how best to shape their philanthropy.

The couple, who made their fortune in commercial real estate, don't usually socialize with a lot of other people who can make million-dollar gifts.

"We don't get a lot of ideas from our friends as to how we can be more effective," Mr. Cummings says. "The Giving Pledge gave us the opportunity to do that."

The Cummingses support causes in their native eastern Massachusetts and in Africa. At a recent Giving Pledge meeting, Mr. Cummings

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sought advice from Bill Gates about plans to expand the Cummings foundation's efforts in Rwanda.

Since then, the couple has worked with Partners in Health, a global medical charity, to build a clinic for cancer patients in the African nation, and are considering support for a new teaching hospital and medical school.

Talking with Mr. Gates "on an informal basis moved us in the right direction," says Mr. Cummings.

#### Tracking Participants

With its fifth anniversary approaching next year, the Giving Pledge is considering steps to make its donors' impact more transparent.

In the meantime, the Foundation Center has begun tracking the pledge participants. In 2012, it started "Eye on the Giving Pledge." The effort, part of the Glasspockets program, which encourages transparency in philanthropy, has created online snapshot profiles of each person or family that has signed, including their ages, location, charitable interests, the source of their wealth, and details about their foundations.

Janet Camarena, director of the Foundation Center's San Francisco office, says it's no surprise the Giving Pledge does not publish this level of detail about its members.

"They are in a tricky position," she says. "They are trying to recruit

private citizens to make a very public declaration. They might feel the more onerous this seems in terms of data it would dampen people signing on to the pledge."

#### Overseas Donors

Last year, the Giving Pledge began an effort to recruit philanthropists from outside the United States. Of the 29 people in 2013 who signed, 17 came from overseas.

While American charities may be disappointed that more U.S. donors haven't joined the list, inspiring global philanthropy may be the pledge's greatest contribution, says Joel Fleishman, a law professor and director of the Heyman Center on Ethics, Public Policy and the Professions at Duke University.

"The coming together of some of America's wealthiest and most philanthropically inclined has stimulated giving by persons abroad who had not really thought about doing it," he says.

#### Inspiring Others

Regardless of how many billionaires it attracts, the Giving Pledge has also benefited charities by promoting philanthropy in general, says Jason Franklin, head of Bolder Giving, a group aimed at encouraging people to give more.

"It has popularized and made permissible a public conversation about how much people with wealth should be giving and can give," he says. "It created a sense of, 'Everybody else is doing this, what

about you?'"

As part of the pledge's creation four years ago, Bolder Giving was among three groups that received grants from the Bill & Melinda Gates Foundation to promote philanthropy among a wide group of donors. Rockefeller Philanthropy Advisors and the Bridgespan Group also received funds to develop donor guides, a website, videos, and other materials.

However, now that the initial swirl of excitement about the pledge has calmed, Mr. Franklin and other giving experts would like to see the people who have committed to donating much of their wealth do more to share what makes philanthropy effective.

"It would be sad if this is all it was, just people signing up and people not hearing more about what they are doing," says Ellen Remmer, senior partner at the Philanthropic Initiative, a nonprofit that advises individuals, foundations, and companies on their giving. "It's important for them to talk about how it goes beyond the money."