

The New PHILANTHROPISTS

How the DOT-COMMERS are giving it away.

The new profile of the Internet millionaire goes something like this: a 30-something who struck it rich in the software or communications biz, cashed in her options, retired and is now searching for a way to do good in the world by unloading some of that extra cash.

For the fabulously wealthy denizens of the tech industry, philanthropy is the new game. But these Internet tycoons are updating the rules of charity set by big-wigs like Andrew Carnegie and John D. Rockefeller, who built libraries, museums, and civic buildings across the country.

In a mad dash to get rid of those extra billions, Bill Gates and his Seattle cohorts are funding university professorships, creating educational organizations, helping children, and, in the case of Gates and wife Melinda, building and outfitting libraries with the latest in Microsoft technology.

Venture Philanthropy

These new philanthropists are forging their own way. Instead of simply writing a massive check to the United Way or some other established charitable organization, tech entrepreneurs have taken the business skills that made them rich and applied them to the giving game.

These groundbreaking millionaires and billionaires have even coined their own term for charitable work: venture philanthropy.

Donors like Gates and eBay founder Pierre Omidyar are taking a new approach, and they're expecting returns. When these cyber philanthropists give money to an organization, they are targeting smaller groups with a high potential for success, much like a venture capitalist would search out his next investment.

Pet Causes

While founding and bankrolling their own organizations, this new breed of do-gooders has embraced the twin causes of children and education. From endowed chairs at universities, like the one funded by Yahoo founder Jerry Yang at his alma mater Stanford, to programs aimed at

minority school children with little access to technology in Seattle, Internet millionaires are rolling up their sleeves and discovering that while handing out millions of dollars may be easy, the challenge is to put it in the right place.

The Big Winner: Higher Education

Tech billionaires falling over themselves in a mad rush to give away their fortunes include eBay's Omidyar. He and wife Pamela recently told *Forbes*

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magazine that they will give away all but one percent of their personal wealth—valued at about \$6.6 billion—by the year 2020. The Omidyars have already donated \$10 million to their alma mater, Tufts University, but in true venture philanthropy form, they stipulated that the donation must be applied to specific programs rather than just accumulate interest in the school's endowment fund.

The Omidyars urge to donate to their alma mater was preceded by other huge cash gifts to universities: David Duffield, the founder of software company PeopleSoft, recently gave Cornell University \$200 million for a new engineering facility. And Gordon Moore, the man behind Intel, donated \$15 million to the University of California at Berkeley in



James Barksdale: "To me this is like an investment."



Pierre Omidyar is giving away all but one percent of his wealth.



Jerry Yang of Yahoo! funded an endowed chair at his alma mater, Stanford.

1996 and \$16.8 million to the California Institute of Technology prior to that.

Jim Barksdale, the former Netscape CEO, and his wife Sally recently created a \$100 million endowment to advance literacy in their home state of Mississippi.

The couple didn't just write a check, they spent years researching literacy rates and existing elementary school programs, and have warned educators that if reading scores in Mississippi don't improve, they'll pull the financial plug.

"I invest in startup businesses, so to me this is like an investment," Barksdale, who is reportedly worth more than \$700 million, recently told *Time* magazine.

The continuation of the venture philanthropy trend means that America will reap some tangible benefits from the Internet era. While Bill Gates is building libraries and his former employees are saving the rainforest and bringing computers to underprivileged minorities, still others may be donating an endowed professorship or a state-of-the-art science facility to your school. •

For more on philanthropy, go to Steamtunnels.net and search for "giving."

LINKS

gll.org

The Bill and Melinda Gates Library Foundation

pnnonline.org

Philanthropy News Network

forbes.com

Forbes' list of America's wealthiest people.

women-philanthropy.org

An organization devoted to developing women as philanthropists. \

utenet.org

United for a Fair Economy, an network of socially responsible activists concerned about unfair distribution of wealth.

slate.msn.com/State60/98-11-07/State60.asp?Entry=2

Slate magazine's list of the top 60 donors in the U.S.