

We'll even give you  
**10 FREE trades to do it.**

[Click here to find out more.](#)

**DATEK  
ONLINE**   
THE RULES ARE CHANGING

**MEDIA KIT**

**Voices**  
from Main Street  
  
[click here](#)

**TIME**  
**.com**

[TIME.com Home](#)  
[From TIME Magazine](#)  
[Magazine Archives](#)  
[Newsfiles](#)  
[Web Features](#)  
[Online Polls](#)  
[Photo Essays](#)  
[Boards & Chat](#)  
[Latest CNN News](#)  
[TIME Digital](#)  
[TIME For Kids](#)  
[LIFE Home Page](#)  
[Search TIME.com](#)

[Subscribe to TIME](#)  
[Subscriber Services](#)  
[Free Product Info](#)

**OTHERNEWS**

[Check the New  
2000  
FORTUNE 500  
Today!](#)  
[FORTUNE.com](#)

[Sivy On Stocks,  
By E-Mail](#)  
[MONEY.com](#)

[The 'X-Men' Cometh  
And EW's Got 'Em!](#)  
[ENTERTAINMENT  
WEEKLY](#)

magazine

THE NEW PHILANTHROPY  
[JULY 24, 2000 VOL. 156 NO. 4](#)

## A New Way Of Giving

It's taken a while, but many multimillionaires of the technology boom are now giving something back--using the methods they learned as entrepreneurs

BY KARL TARO GREENFELD



Our generosity may be the best measure of our humanity. To become fabulously wealthy, to win great fame--these are triumphs not of humanity but of vanity. For the past two decades of robust economic growth, Americans have too often reveled in that vanity. We are the richest, strongest, smartest nation on earth. We have produced more millionaires (2 1/2 million) and billionaires (267) than any other nation. We have discovered more cures and launched more new technologies. But are those the measures that matter?

### Enterprising Philanthropy:

Americans aren't just giving record amounts. They're making sure they get more bang for their donated bucks

[TIME.COM COVERAGE](#)  
[Search for TIME Daily stories about philanthropy](#)

[POLL: Executive Pay](#)  
Executive Pay What do you think about the pay levels of top executives at American companies?

[WEB FEATURE: Heroes for the Planet](#)  
Meet people doing great things for the environment

[TIME ARCHIVES](#)  
[Bill Gates: Philanthropist With a Capital G](#)

The Microsoft supremo gives a big chunk of change to charity  
FEBRUARY 5, 1999

### [A New Take on Giving](#)

A New Take on Giving  
Meet the philanthropists for the

## marketplace



## TIME Book Selections

[TIME Annual: 1999-2000](#)

[TIME 100: Person of the Century](#)

[TIME Almanac 2000](#)

[TIME 75th Anniversary](#)

[TIME Great Images](#)

Perhaps what really matters is this: we give more than any other nation. We are the most generous with our time and our money. Just 13% of German respondents and 19% of French volunteered their time for civic activities in the previous year, in contrast to 49% of Americans, according to a survey by the Johns Hopkins Comparative Nonprofit Sector Project. And while 43% of French and 44% of Germans said they gave money to charity last year, 73% of Americans reported doing so. To be sure, many prosperous Europeans and Japanese pay far higher taxes than Americans, in part to finance social-welfare programs. Yet the private efforts of Americans make an impressive addition to what they do through government. Charitable gifts by Americans totaled \$190 billion in 1999--equivalent to one-third of the domestic federal budget, or 2% of our national income.

That's far from a biblical tithe, but still the highest level in 28 years. Why? For many years, the multimillionaires of the booming technology industries didn't feel very secure in their newfound wealth and weren't at a point in their lives where they thought much about their legacies. Now that's changing. Silicon Valley CEOs, along with other newly rich Americans, are finally stepping up to the collection plate. And just as they've transformed American business, members of this new generation are changing the way philanthropy is done. Most are very hands on. They do lots of research before giving. They demand accountability and results. Paul Schervisch and John Havens, authors of a Boston College study on giving, cite the \$41 trillion that aging baby boomers will be leaving to their heirs and charities as a philanthropic gold rush. The high-tech boom has made more people richer faster than at any other time in history--which means that more of the superrich are thinking about giving away their fortunes at an earlier age. Schervisch and Havens write that "a golden era of philanthropy is dawning."

You have to go back nearly a century to find philanthropy that compares in scale and scope to the giving of today's tycoons. Names like Carnegie, Ford and Rockefeller are synonymous with fabulous wealth and technological innovation as well as a societal flowering that brought forth libraries, hospitals and universities. Foreign visitors to New York City are often surprised to learn that each of its great museums was built with private money. America's intellectual infrastructure was donated by philanthropists as well as created by public spending. And just as Gilded Age tycoons left a legacy of great institutions of learning and culture, today's billionaires are seeking out causes for which their dollars can make a difference.

For Microsoft's Bill Gates, that has meant wiring our

next century: savvy, shrewd and funding causes that produce results

December 21, 1998

## [TURNING DOLLARS INTO CHANGE](#)

Savvy Financier George Soros Gave Away \$1 Billion in Europe

SEPTEMBER 1, 1997

## [WEB RESOURCES](#)

### [Social Venture Partners](#)

Using the venture capital approach as a model, SVP is committed to giving time, money and expertise to create partnerships with not-for-profit organizations.

### [America's Promise](#)

"The Alliance for Youth America's Promise is a national not-for-profit organization dedicated to improving the lives of our nation's more than 15 million at-risk youth."

### [The Robin Hood Foundation](#)

A foundation who offers integrated support and investment to New York City antipoverty organizations.



libraries to 21st century broadband standards--in some of the same buildings that Andrew Carnegie built in the early 1900s. For Gates, it has also meant tackling a host of infectious diseases in the Third World. Former Netscape CEO Jim Barksdale is spending \$100 million to teach more kids to read in his native Mississippi, which ranks near the bottom in state rankings of literacy. Jim Clark, legendary founder of Silicon Graphics, Netscape and Healtheon, has pledged \$150 million for a biomedical-research facility at Stanford. Pierre Omidyar, founder of eBay, has vowed to give almost all his \$4.2 billion fortune to the Omidyar Foundation, which will help build the capacity of nonprofit organizations to become self-sustaining. Ted Turner, CNN founder and Time Warner vice chairman, promotes his brand of globalism through a \$1.1 billion endowment for his United Nations Foundation.

Many of today's tech millionaires and billionaires are applying to philanthropy the lessons they have learned as entrepreneurs. They want to make sure their charitable investments benefit their ultimate "customers"--those in need--and don't get lost in red tape and bureaucracy. This has caused some tension with the nonprofit organizations that have traditionally been the recipients of such largesse. "Are charitable organizations ready to deal with all that money?" asks Stacy Palmer, editor of the Chronicle of Philanthropy. "If your scale has always been a lot smaller and all of a sudden you are given major resources, the question is whether you have the people in place to do the work."

One solution has been the founding of venture philanthropies, which use the same aggressive methods as venture-capital firms, whose money typically comes with technological expertise and experience at running lean, efficient organizations. This new breed of philanthropist scrutinizes each charitable cause like a potential business investment, seeking maximum return in terms of social impact--for example, by counting the number of children taught to read or the number inoculated against malaria. [MORE>>](#)

PAGE 1 | [2](#) | [3](#)

IMAGE CREDITS | ILLUSTRATION FOR TIME BY DOUGLAS FRASER

COPYRIGHT © 2000 TIME INC. | [PRIVACY POLICY](#)