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BARRON'S COVER

The 25 Best Givers

By SUZANNE MCGEE

With money tight, top philanthropists insist on more bang for the buck. Meet the 25 most effective givers.

THE NAME OF THE GAME IN PHILANTHROPY this year is to make your dollars go far -- very far. With the recession squeezing donors and charities alike, it's more important than ever to make sure your giving really makes a difference.

Ideally, each dollar you give will transform itself into \$3 or \$4 of benefits for your chosen causes -- from improving local schools to easing world poverty. That's high-impact giving, and some philanthropists are raising it to a high form of art.

The best of the best are ranked and profiled on the following pages. *Barron's* developed the listing in collaboration with consulting firm **Global Philanthropy Group**. While rankings in other publications highlight those who give the most money, we chose to focus on those who are getting the results.

Some of the findings will surprise you. Who would imagine, for instance, that a targeted effort to alleviate the worst poverty in a single country, Ethiopia, could end up having a greater impact than the massive \$34 billion Bill & Melinda Gates Foundation and its myriad education and health programs worldwide? By our standards, the Ethiopian initiative, launched by Donna and Philip Berber, wins by dint of immediacy.



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It could take a decade for some of the Gates Foundation's research into vaccines to translate into an impact on people's lives. By contrast, when the Berber's Glimmer of Hope digs a well and provides clean water to an Ethiopian Community, people's lives are improved immediately and critically.

Of course, if even some of the Gates' long-term initiatives bear fruit, the foundation would tower over all other philanthropic efforts in terms of impact. But for now, we rate it No. 7.

Global Philanthropy Group and *Barron's* considered scores of philanthropists, rating them on such criteria as innovation, quality of alliances with other groups, the ripple effects of their giving and the extent to which their successful projects can be replicated. We gravitated to philanthropists whose causes address severe problems, like children's health in high-poverty regions of the world, but a broad range of causes, even in the arts, are reflected in the final cut.

By its nature, this exercise involves a lot of subjective calls. Facts and figures about philanthropy are much harder to come by than data on corporations. One giver's definition of success can differ sharply from another giver's -- or from ours. But even if you disagree with some of our judgments, you are bound to learn some useful lessons from each of the 25 philanthropists on the list.

Many of them are fixtures in American business, such as billionaire Eli Broad, a huge supporter of education and the arts, and Paul Tudor Jones, the commodities trader who founded the Robin Hood Foundation, one of the country's most high-powered anti-poverty crusades.

Nearly 20% of the list is from donors overseas, like Indian telecom entrepreneur Sunil Mittal, a big supporter of schools. Though America has long stood out for its philanthropy, the tradition clearly is taking root around the world.

Some of the top 25 are true celebrities, like Brad Pitt and Magic Johnson, while others are people you've probably never heard of before, like John Wood. The former Microsoft executive distributes a book every three minutes to children in nine developing countries.

The two philanthropists we think are having the biggest impact happen to have each made their fortune at eBay, the giant flea market. Pierre Omidyar, No. 1, and Jeffrey Skoll, No. 2, have similar missions, too: They focus on supporting the work of other philanthropists and providing them with networking and leverage opportunities. That is a hallmark of a high-impact practice known as venture philanthropy.

The best strategies have a real ripple effect. Says Maggie Neilson of Global Philanthropy: "A key ingredient here is what we call connectivity -- does the cause the philanthropist supports have implications for other issues?"

Britain's Chris and Jamie Cooper-Hohn are a case in point. By helping to prevent a woman in a poor country from dying in childbirth, they also help her children, her broader family and her community.

for more tips on effective giving, read on.

1. Pierre & Pam Omidyar, Omidyar Network

eBay founder Pierre Omidyar says the best piece of philanthropic advice he ever received was this: Don't set up a foundation. The Omidyar Network operates more like a venture-capital outfit, investing in businesses and nonprofits that aim for social change. The network and other efforts have huge multiplier effects: A \$100 million fund the couple established at Tufts University is set to produce \$1 billion in microloans in developing countries while also turning a profit for Tufts, Pierre's alma mater.

Wiki Money: Committed \$300 million since '04 to such innovations as Wikipedia, "micro insurance" and technology to improve government transparency.

Mind Over Matter: "Philanthropy isn't a function of the size of your wallet."

No. 1-ranked Pierre Omidyar applies a venture-capital approach to recipients ranging from microloans to Wikipedia.

of time and money involved." He's done that for 10 years by awarding unrestricted three-year grants to 59 entrepreneurial groups trying to build a more peaceful and prosperous world. The results can be stunning: One of this year's grant recipients has trained armies of large rats to sniff for landmines in Africa, remnants of brutal civil wars there.

Class in Session: Founded a center of social entrepreneurship at the University of Oxford in England.

Auteur: His Participant Media produces Hollywood films such as *The Soloist*, which highlights homelessness.

3. Chris and Jamie Cooper-Hohn, The Children's Investment Fund Foundation

As the manager of one of Britain's largest activist hedge funds, Chris Cooper-Hahn has earned the label "ruthless." The children of India and Sub-Saharan Africa sure wouldn't know it. Chris sends a good chunk of the fund's profits and fees to a foundation run by his wife Jamie, swelling it to \$2.5 billion in assets. The foundation then uses leverage of another kind, aiming, for instance, to save kids by saving their mothers.

Helpful Friends: Foundation piggybacks on work of Bill Clinton, Elton John and others.

Best Advice: "You have to be able to define what success looks like," Jamie says.

4. Eli & Edythe Broad, The Broad Foundations

For Eli Broad to pursue a philanthropic cause, it has to survive one test: "Is it something that no one else is doing?" The Broads find plenty of ideas -- from starting the Broad Art Foundation, a lending library to thousands of galleries and museums, to training superintendents to run more efficient schools. They also fund young doctors' medical research that isn't yet ready for grants from the National Institutes of Health. All those projects add up; the Broads have given away more than \$400 million since 1999.

Mantra: Carnegie's "He who dies with wealth, dies with shame."

In the Genes: A 2001 visit to a lab led to the creation of the Broad Institute, now the leader in genomics research.



David Yellen for *Barron's*

Helen Hunt, with her sister Swanee, has tapped wealthy women for \$180 million in three years for women's causes.

2. Jeff Skoll, Skoll Foundation

Skoll, eBay's second employee, makes sure in his giving that "the positive social returns vastly exceed the amount

5. Thomas Siebel, The Meth Project

Tech billionaire Siebel zeroed in on methamphetamine after a pal in Montana, who happens to be a sheriff, showed him how the homemade drug was devastating rural America. Siebel, 57 years old, bankrolled a massive ad campaign in Montana -- 2,000 billboards across the state, 61,000 TV spots -- to warn teens. Result: Montana dropped from its No. 5 ranking in the country for meth abuse to No. 39. Arizona, Idaho, Illinois, Wyoming, Colorado and Hawaii all have replicated the program, with more states to come.

Defining Moment: Meeting with three teen addicts at a diner: "It rips your heart out."

Foundation Foe: "A lot of philanthropy is a joke."

6. Donna & Philip Berber, A Glimmer of Hope Foundation

After Philip Berber sold his online trading firm, CyBerCorp, to Charles Schwab in 2000 for \$100 million, he and his wife Donna focused their philanthropic firepower on just one country: Ethiopia. So far, they have financed 3,600 water wells, 400 schools and 6,500 microloans, reaching an estimated two million Ethiopians. "We'll spend our lifetime going deep," says Philip. "The longer we spend in the country, the more effective we can be."

Reality Check: Learning to sleep with rats in one family's hut.

Best Advice: "You can't get lost in the giving and forget the people themselves," says Donna Berber.

7. Bill & Melinda Gates, Bill & Melinda Gates Foundation

With \$34 billion in assets and more on the way from Warren Buffett, this is by far the world's largest foundation. It's also hugely ambitious, aiming for such goals as an AIDS vaccine. That could take a decade or more to realize, but Bill Gates doesn't mind. "I am pretty optimistic," he says. "That's why I keep signing the checks." If the foundation's long-term initiatives do pay off, it would set an entirely new standard for high-impact philanthropy.

Irons in the Fire: Projects in more than 100 countries. Notable success in curbing childhood malaria.

Advice to Newbies: "The first thing is in your own community, and then take the next step in poor countries."

8. Paul Tudor Jones II, Robin Hood Foundation

In a modern take on 19th-century charity, hedge-fund manager Paul Tudor Jones II set up his foundation in 1988 to raise money from his peers to help New York's poorest. Robin Hood's board, including GE's Jeffrey Immelt, hedge-fund giant Steven Cohen and actress Gwyneth Paltrow, funds all expenses, meaning every penny raised goes directly to programs that help the poor survive or move out of poverty altogether. Former Robin Hooders are replicating the model in San Francisco and other cities.

Party Animals: A lavish annual gala draws more than 3,000 people to the Javitz Convention Center, with tickets starting at \$2,000.

Street Smarts: Jones says giving to education has "the greatest multiplicative powers."

9. Helen and Swanee Hunt, Women Moving Millions

These two daughters of Texas oil mogul H.L. Hunt are harnessing the power of other wealthy women to help women at large. They tap successful women across the country to write checks for at least \$1 million for women's causes ranging from basic health to job training. They have raised \$180 million in just three years. "For the first time ever, women's organizations are no longer getting the leftovers," says Helen, 60.

Role Model: Matilda Joslyn Gage, co-author of *History of Woman Suffrage*.

Hard Sell: "I'm not above shaming people into giving," says Helen.

10. Richard Branson, Virgin Unite

After launching his own airline to challenge the giants, the British magnate is taking on some of the world's most intractable social and environmental problems. His Carbon War Room, for instance, rewards individuals and scientists for coming up with new ways to control global warming. The entrepreneurial approach is vintage Branson, who in 2006 pledged all his profits from transportation businesses over the next 10 years -- perhaps \$3 billion -- to developing green energy.

Thinking Big: "I have trouble saying 'no' to good ideas in business or philanthropy," he says.

Eyes on the Prize: He's offering \$25 million for a plan to remove carbon from the atmosphere.

11. John Wood, Room to Read

Wood's mission -- to get books into the hands of as many kids as possible -- "started as a hobby that turned into a passion that became an obsession fairly quickly," he says. The former Microsoft executive moved from donating books to Nepalese schools to building and stocking entire libraries in nine countries, from Zambia to Laos. By now his programs have reached more than three million children; he distributes a new book every three minutes.

Unlikely Inspiration: Found a school library in Nepal with nothing but Danielle Steele novels, left by backpackers.

Book Mobile: Hiked 11 days to get books to one isolated community.

12. Arpad Busson, ARK: Absolute Return for Kids

"Arki" Busson, a London-based financier, runs his philanthropic group just like a hedge fund, promising "absolute returns" for donors. To that end, he takes a cue from one-time boss Paul Tudor Jones II and makes sure patrons cover all costs, so 100% of donations go to kids. He demands measurable results and gets them: The group has freed 1,700 kids in Eastern Europe from institutionalized care, and ensured that 50,000 children of AIDS patients in South Africa can attend school.

Bullish on Action: "We aren't holding back cash in an endowment -- people are dying today."

Star Power: The annual London galas are the place to bid on yoga sessions with Sting.

13. Bill & Hillary Clinton, William J. Clinton Foundation

Few bully pulpits can match that of a former president of the United States, which helps explain why two such men are on our list. Clinton amplifies his voice through partnerships; the Clinton Global Initiative challenges governments, business, academics and other leaders to develop innovative solutions to lingering problems. That's brought about access to schooling for 10 million children, safe drinking water for 12 million, and a reduction of 40 million metric tons of carbon-dioxide emissions.

Comeback Kid: The foundation looks to be back on its game after the diversions of last year's elections.

In Focus: "We have to know where we can make a difference and then concentrate our efforts there," says Bill Clinton.



14. Jane Rosenthal, Craig Hatkoff & Robert De Niro, Tribeca Film Festival

This trio of filmmakers transformed the horror of September 11, 2001, into a spirit of cooperation and

Gary Spector for *Barron's*

John Wood, inspired by an understocked Nepalese library, now works to get books to poor children.

rebuilding in Manhattan's Tribeca. "The world didn't need a new film festival -- but Tribeca did, in order to bring it back to life," says Rosenthal. In a striking case of

art spurring economic development, the first festival, in 2003, generated an estimated \$50 million for local merchants. The event has now drawn 2.3 million moviegoers to the downtown neighborhood.

Block Party: 5,000 teens danced at one outdoor screening in Manhattan.

New Voices: Related programs give kids, minority film-makers and others a way to tell their stories.

15. Jimmy Carter, The Carter Center

As in his presidency, Jimmy Carter champions global peace and human rights in his philanthropy. He started by monitoring elections in more than 70 different nations through his Carter Center, founded in 1982. He has gone on to use his stature to help resolve conflicts -- famously in a 1994 mission to North Korea -- and to focus attention on homelessness and treatable diseases such as malaria and river blindness. At 85, he still picks up a hammer each year and leads a week-long homebuilding project for Habitat for Humanity.

Trophy Shelf: Carter snagged the Nobel Peace Prize in 2002,, in addition to dozens of others, for philanthropy.

Bridge Burner: He has alienated some with support for Hugo Chavez and criticism of Israel.

16. Sunil Mittal, Bharti Foundation

After building his Bharti Group into India's largest telecom concern, Mittal is using his financial influence and government ties to spread the country's economic gains to more of the population. The Bharti Foundation focuses tightly on improving education, a critical need: Nearly 300 million Indian children older than seven are illiterate. When Mittal opens a school -- more than 200 so far -- he also trains the teachers and sets up libraries nearby, helping the broader communities. Bonus: scholarships for college.

Networker: Mittal has many partnerships with IBM, Vodafone, Oracle and the like.

Rule of Rules: "You must give back what you take."



Kevin Dietsch /Landov

Thomas Siebel launched a program to eradicate meth abuse in the heartland.

17. Brad Pitt, Make It Right Foundation

It may not be the biggest donation on this list, but Pitt's pledge of \$5 million toward 150 new low-income homes in New Orleans is classic high-impact philanthropy. The project, aimed at the neighborhood hit hardest by Hurricane Katrina, already is being copied by other foundations and governments. The homes feature highly innovative designs and thoroughly green technology (average electricity bill: \$35 per month). The Hollywood actor has won additional funding from producer Stephen Bing and New York Mayor Michael Bloomberg.

anchors Aweigh: Pitt has commissioned a house that would float if there's another flood.

No Excuses: "We can no longer tell ourselves that implementing this technology is too complex a problem."

18. John Fisher, The KIPP Foundation

GAP Stores founder Donald Fisher, an alumnus of San Francisco's public schools, couldn't stand by idly as public education slipped. "He always felt that the opportunities it had given him should be available to anyone," says son John, who became head of the Fishers' philanthropic activities after Donald's death in September. The Fishers have launched 82 free schools in 19 states, mostly in inner cities. They also gave critical seed money to the now-huge Teach for America, which sends college grads into the poorest school districts.

Cap and Gown: KIPP schools have educated some 20,000 kids.

Hot Jobs: Teach for America last year drew applications from 11% of all Ivy League seniors.

19. George Soros, Open Society Institute

The Hungarian-born hedge-fund manager has championed nonviolent democratization since the 1970s. He helped spark the nation of Georgia's democracy, financed college scholarships for black students in apartheid-era South Africa and, most recently, donated \$100 million to cushion the impact of the economic crisis on the poorest of Central and Eastern Europe, the focus of his philanthropy. He operates via a strong network of governments, organizations and individuals around the world. Total gifts to date? About \$6 billion.

Root of Evil: "Most of the poverty in the world is due to bad governance."

Agitator: Made a controversial and unsuccessful bid to oust President George W. Bush.

20. Howard G. Buffett, Howard G. Buffett Foundation

Warren Buffett in 2006 gave each of his three children an extra \$1 billion or so to fund their philanthropic endeavors. "Now we can really take risks," says Howard, 54, the eldest son. A farmer himself, Buffett has been a leader in helping displaced African farmers return to their homes and resume work in areas like Kenya, Somalia and Darfur. "They are risking their lives," he says. "We're doing the easy part." And Dad's own impact in philanthropy? It's implicit in the results from his kids and Gates.

Shutterbug: Spotlights the world's needy in Fragile, a new book of his own photos and writings.

Reach: Funded Global Water Initiative for crucial, rural water-projects in 13 countries.

21. Earvin "Magic" Johnson, The Magic Johnson Foundation

When basketball great "Magic" Johnson announced in 1991 that he had tested positive for the HIV virus, AIDS was seen as a death sentence and people diagnosed with it were often shunned. In the nearly 20 years since, Johnson has done as much as anyone to change all that. He has been the unofficial spokesman for people living with HIV/AIDS and, through his foundation, has provided free testing to more than 38,000 Americans in 16 major cities.

Expansion Team: He has branched into a host of other efforts -- community centers for kids, computer training and more.

Deluxe Plan: His scholarships come with mentors, internships, computers and invitations to an annual conference.



22. Marcos de Moraes,

Craig Hatkoff and Jane Rosenthal's Tribeca Film Festival targets post-9/11 rebuilding.

In his day job, Brazilian business star Marcos de Moraes tries to persuade the privileged twenty- and thirty-somethings of Europe and North America to take to *cachaca*, the sugar-cane-derived Brazilian liquor. After all, he is chairman of Sagatiba, the spirits concern. In his giving, he is improving the lives of their younger counterparts in some of his home country's poorest neighborhoods. Two years after the founding of Instituto Rukha, to help keep children off the streets, 93% of those targeted have enrolled in school.

Wired: Provides free Web services to six million students (de Moraes is also an Internet entrepreneur).

Synergy: De Moraes is part of a global circle of philanthropists sponsored by the Synergos organization.

23. Jennifer and Peter Buffett,
NoVo Foundation

Peter Buffett, the second son of Warren Buffett, and his wife, Jennifer, focus their philanthropy squarely on helping women and girls in developing nations. "If you support them, you end up having an impact in a lot of other community areas, because it's the women who are involved in everything from fetching water to delivering health care," says Peter. One of the Buffett's microfinance initiatives funneled \$3 million in grants to 14,000 Bangladeshi girls, helping them start businesses.

Striking a Chord: A composer, Peter contributed to the Grammy-winning score of *Dances With Wolves*.

Next Up: Adding emotional learning to North American schools' curricula.

24. William Barron Hilton,
Conrad N. Hilton Foundation

William Barron Hilton's clan may be better known for living large than giving large, but the hotelier hopes to change that by giving 97% of his wealth to the Conrad N. Hilton Foundation. That means another \$2 billion will flow to the foundation, to be routed to myriad small, high-impact causes. It supplies sewing machines to nuns to run vocational training in Vietnam, helps to educate disabled toddlers across the U.S., and backs housing for homeless, mentally ill individuals in Los Angeles.

Nobel for Nonprofits: The annual Hilton Humanitarian Prize of \$1.5 million draws attention to a range of obscure causes and groups.

Into the Mix: Helped launch a 76,000-volume library on culinary arts.

25. David and Cheryl Duffield,
Maddie's Fund

When David Duffield was creating Peoplesoft, he made a promise to his beloved miniature schnauzer, Maddie: If he struck it rich, he would give to her and her kind. In 1998, he gave \$200 million of PeopleSoft stock to set up the Maddie Foundation, which finds homes for some 70,000 dogs and cats each year and fights euthanasia at shelters. It has given \$70 million to animal-welfare groups, veterinary establishments and others, making the Duffields the most generous donors to animal rights.

Better Shelter: Launched a program at Cornell University that trains veterinary students in medical practices for animal shelters.

Fur-Splitting: Philanthropy means "love of mankind." Man's best friend also counts.

Talking With Philanthropists

Interviews with seven members of the top 25.

The Heir: John Fisher

In mid-November, John Fisher was named chairman of the KIPP Foundation, a charter school program in which his parents' foundation had invested \$15 million. Fisher succeeds his father, Donald Fisher, founder of the Gap clothing chain, who died in September. KIPP now has 82 schools, serving 20,000 students, mostly from low-income families.

Barron's: *How did your father decide that he wanted to make education reform his philanthropic focus?*

Fisher: When we were discussing this, he told me he wanted to have a major impact; he said "I want to find something that doesn't require billions of dollars to be successful, and sustainable." My response – since I'd been involved with some educational reform organizations in the years leading up to this – was "and would you like to walk on water, too?" But he was bold and naïve and self-assured enough that he could say that was his goal and mission and expect to be able to achieve it. It was perhaps harder for me to take on board, since public education is a \$3 billion business with so much complexity that it's hard to make a real difference. And yet when he became sick a decade later, I came to realize that an idea that 10 years ago seemed ludicrous, had actually made a big difference in many lives.

Barron's: *What was your role at the beginning?*

Fisher: I saw it as kind of pushing back -- not to be negative, but to push my father to be sure his thinking was clear. Above all, it was to help him execute his vision, because it was one a lot of us shared. His attitude was all about, "help me do this, don't tell me why it can't be done."

Barron's: *What happened when your parents backed the Edison Schools project?*

Fisher: The experience was challenging. In a number of communities, people didn't want a for-profit-provider, regardless of the effectiveness of the model. It was met by skepticism and anger. My father had thought he was doing something benevolent and good and found people doubted his motivations.

Barron's: *What was different about KIPP, beyond the fact that it was a non-profit?*

Fisher: KIPP's model is to identify great school leaders and give them the tools to succeed. So they don't take over schools with lots of kids in them but start by recruiting a new fifth-grade class each year, adding teachers and students with each year and building organically.

Barron's: *What was your father's approach to philanthropy?*

Fisher: Philanthropy is like anything else you do in life -- the more you put in the more you get out of it. That is what he felt and how he acted. Doing something you are passionate about allows you to have a greater connection and impact. For my father, this was another career in the last 10 years of his life. He served on the state board of education in California and took risks; he tried to make a difference.

Barron's: *You've mentioned passion; how important is the amount of capital available for a philanthropic venture of this kind?*

Fisher: My parents' foundation rarely shows up on any list of multi-billion-dollar philanthropic organizations. That's because my father preferred to find the cause to support and the organizations to support before setting aside the capital – kind of a 'just in time' philanthropy funding mechanism. He saw no point in putting all the money in a foundation and they feel under pressure to put 5% of it to work every year even if there weren't great ideas to fund. [Tax laws governing foundations typically require that 5% of assets be disbursed each year.] My father also felt it was important for nonprofit organizations not to be too reliant on one person or funding source.

The Entertainer: Jane Rosenthal

Jane Rosenthal is a household name in Hollywood, having produced everything from gripping dramas (*The Good Shepherd*) to classic comedies (*Meet the Parents*). In 2002, she took on the role of a lifetime; trying to rescue her downtown Manhattan neighborhood from the aftermath of the September 11 terrorist attacks. The result, in collaboration with her husband, Craig Hatkoff, and Robert de Niro, was the Tribeca Film Festival.

Barron's: *A lot of people tried to find a way to help after that event. How did you find a way that would have a broader philanthropic impact?*

Rosenthal: Well, I didn't know that I would! Our goal was really very narrow – how many people could we bring back to downtown Manhattan? I was really obsessed with rebuilding the spirit of our neighborhoods at a time when people were afraid to go south of Canal Street, the military was walking around with guns and helicopters were clattering overhead. My starting point was the question of how we could create a new 'normal'; how we could give people something to look forward to?

Barron's: *What did you decide to do?*

Rosenthal: At first, the idea was simply to have dinner parties. I figured if I called 10 people, and each of them called 10 people and we all descended en masse on some lower Manhattan residence, we could boost morale and save jobs. The first dinner, we planned for 100 people; we got 500. So we did it again. When people heard that Bob (deNiro) was there, and (former president Bill) Clinton and Marty Scorsese and Queen Noor (of Jordan); well, it took off! And we also invited the firefighters and their families; the first responders, so it became a community event.

Barron's: *Isn't there a big leap from dinners to a film festival?*

Rosenthal: Nelson Mandela, on his first trip to New York after his release from prison, had talked about the unifying power of film and mentioned that movie nights at the prison had been his favorite times, because the guards and prisoners could unite in enjoying the show. So when we wanted to move on, to signal that the mourning period was over but at the same time combine entertainment with something inspiring, we thought of this.

Barron's: *How did you envisage the film festival taking shape?*

Rosenthal: Oh, I never expected to be doing it the next year! But then Marty [Scorsese] was standing

up on the podium at the press conference, talking about all the things we could do and would do. Of course, at the time, we didn't have a penny of money for it or a single movie committed!

Barron's: *Did you see it as having a broader impact?*

Rosenthal: I'm still surprised by the people we have reached. We knew early on that this had to have an educational element, and offer a way for all kinds of new and diverse voices to be heard, not just another film festival. So it became about more than economic revitalization; it was about promoting understanding and tolerance between people -- and all through storytelling, which is the heart of the human experience.

Barron's: *How have you seen the impact?*

Rosenthal: It's the little moments that pack the biggest wallop. Craig had some surgery this summer and when we were checking into the hospital, the admissions clerk saw our names and asked if we were the people behind the educational initiative? She then told us all about what being involved in the Bronx [film-making] project had meant to her young son. Knowing that you have helped to give someone self confidence or the power to express themselves -- well, that's all we could hope for, really.

The Low-Budget Philanthropist: John Wood

Unlike many of the other names on our list, Wood wasn't a billionaire or even a wealthy millionaire when he stumbled into the world of philanthropy while on a trekking trip to Nepal. He founded Room to Read after deciding to pursue his passion to stock school libraries in Nepal and other poverty-stricken nations as only a hobby.

Barron's: *You left Microsoft to pursue philanthropy before you could become a multi-millionaire?*

Wood: Yes, people didn't understand my decision; they thought I was crazy. I was working as director of business development for **Microsoft** in greater China. I was only 35 and China was booming. I knew I wanted do whatever I could to get books into the hands of children, and that had to be what I spent my life doing. I was delivering books on the backs of yaks in the early days; on one occasion, we trekked across an 18,000-foot high pass in the Himalayas to get some books to a remote school library.

Barron's: *How has your mission broadened since then?*

Wood: Now we don't just provide the books, but the libraries, the schools and scholarships so that children can attend them. We're doing a lot of literacy training right now, and training teachers on how to introduce books to their students, so that these are actually used by the kids and that the library is a living, breathing ecosystem, not just shelving for dead books.

Barron's: *Is there a lot of demand on the part of the communities you work with?*

Wood: In addition to the countries where we're already active, we have a dozen asking us to start work there. It scares the heck of me. Every year we have to tell thousands of communities they have to wait in the queue and that makes me feel like a failure. How do you tell a five or six year old to wait? If you don't get to these kids by age 8, the darker forces win out.

Barron's: *How do you decide where to invest your resources?*

Wood: You can't help people if you don't give them a stake in the whole project. We only work with motivated communities, ones where the parents are willing to chip in by building school building foundations or putting up bookshelves. In one community in Laos, more than 3,000 families gave about \$1 each to the project. That makes the project sustainable; the community has a sense of pride and ownership.

Barron's: *How do you decide what is and isn't central to your mission?*

Wood: Half of the strategy is deciding what you don't do. You'd be shocked; we get people asking why we aren't involved in providing nutrition, clean water or microloans. We have become one of the the biggest publishers of children's books of all asia; we're commissioning new works in languages like Tamil, Lao, and Khmer. Because parents in these countries can't afford to buy books for their kids, no publishing industry has evolved there. So we seek out the developing world's versions of Dr. Seuss and J.K. Rowling, and hire them to write and illustrate, so the children have books that speak to their experience.

Barron's: *What's your next step?*

Wood: It's not very sexy, really. Part of it is about finding ways to measure our actual impact, and part is about communicating that to our existing and future donors. I need to become a full-time ambassador for this project, because our budget is just a drop in the ocean of what is needed out there.

The Business Moguls: Eli Broad and Thomas Siebel

Our list of ultra-effective philanthropists is full of the names of people who have made a big impact in the business world as well. They include Eli Broad, the noted art collector who founded a giant homebuilding business, KB Home, as well as an insurance giant, SunAmerica, and Thomas Siebel, whose Siebel Systems software company was snapped up by his former employer, Oracle Corp., for \$5.8 billion in 2005. Both draw on their business background in their philanthropic activities. Here are the views of Broad and Siebel from separate interviews.

Barron's: *What kinds of ways can a donor use business tactics to make philanthropic activities more effective?*

Broad: When we give a grant, it is subject to metrics that the recipients must meet. We use data in ways to review our grants and also to decide which ones deserve continued support. We want to create competition among school districts for funding. If one of the charter school projects that we support comes to us to say, we want to pen 10 more schools, we'll say fine -- subject to you maintaining the quality level.

Siebel: I saw tackling the meth addiction problem as really being a classic consumer marketing problem -- only in reverse, because you were trying to create an aversion to the product. Generally, I prefer to approach problems that are small enough in scale to be tractable, and ones where I believe I can make a difference. It's the philanthropic version of having a manageable business. Some problems may not be solved, or may require people with different skill sets to solve them.

Barron's: *What role does risk-taking play in philanthropy?*

Siebel: A lot of the philanthropic endeavors I'm involved in -- stem cell research, energy-efficient housing -- are about trying to take the germ of an idea and finding people who can create something much bigger from it. We're in the business of strategic philanthropy -- we try to start things rolling that will have a big impact down the road.

Broad: We will take risks that other foundations won't because we are not worried about being fired -- we're not just hired grant-makers working within a big foundation. To be effective, you have to have a spirit where you are willing take risks. That is why we give grants to young doctors and research scientists whose projects aren't ready yet for other funding. It's what I call the venture research business. Eventually, these scientists will probably go on to get \$3 from the National Institutes of Health for every \$1 we invest.

Barron's: *Business is about looking for the right market opportunity. To what extent is philanthropy about finding the gaps in the 'market'?*

Broad: The projects we want to be involved in are those that wouldn't exist without us. Michigan State University didn't have an MBA program, so we helped create the Broad School of Management. We knew that we have the best higher educational system in the world, but that a lot needed to be accomplished in K through Grade 12 education, so we've been active there, with a focus on governance and school management.

Siebel: Meth is the fastest-acting addictive agent known to man, and yet when we set our sights on this, it was -- politically, at least -- deemed not to be a problem. The Bush administration was spending billions on an anti-marijuana campaign, but not spending a penny on campaigning against meth. So we rolled out these hard-hitting, politically incorrect ads that probably most of the world over the age of 18 didn't get at all. But that was because we were targeting the kids who were at most risk of using meth for the first time; that was the way we could have an impact.

The Family Philanthropists: Jennifer & Peter Buffett; Howard Buffett

In 2006, when famed investor Warren Buffett gave each of his three children an extra \$1 billion or so to swell the coffers of their existing philanthropic foundations, it was simply a tangible reflection of an longstanding commitment to giving back. "My earliest childhood memories, other than playing with Tonka toys, is my mother being involved in one kind of community effort or another," says Howard Buffett, elder son of Warren and Susan Thompson Buffett. The immense increase in the amount of philanthropic resources at their disposal created new challenges that Peter and Jennifer Buffett addressed with the help of a letter that the senior Buffett had sent to each of his three children along with the gift. "He suggested focusing on places and people where we could make a difference, rather than on making investments," says Jennifer Buffett. "He advised against spreading ourselves too thin in order to have an impact."

Both the Buffett sons have focused much of their philanthropic energy on combating poverty and its causes in some of the world's most troubled regions. In December, Howard Buffett will travel to the Congo to evaluate whether it will be possible to revive water and sanitation projects that had to be

suspended when conflict in the strife-ridden area flared up once again. "I'm also going to take a look at one that we just funded, an agricultural services project that helps to return displaced people to their homes."

Without field trips like that, Peter Buffett says that it's impossible to really understand what a community really needs, rather than what an outside donor wants to provide. "It's important to understand the context and evaluate the real needs, because there can be a lot of backlash from ill-considered projects," he says. "There's always a problem behind the problem that you don't see if you aren't on the ground." For instance, before it will be possible to build better schools in countries like Liberia and Sierra Leone, Peter Buffett concluded there's a need to improve the roads, so that building materials can reach the sites they are needed and students can reach the schools. That kind of flexibility showed up when Peter and Jennifer Buffett opted to fund vocational training for Liberian girls and women, not as tailors (a traditional option elsewhere in Africa) but as electricians. "That's what the country needs," says Peter Buffett.

While Peter and Jennifer Buffett have steered some of their philanthropic giving toward post-conflict societies, Howard Buffett doesn't shy away from philanthropic activity in regions that are still hotbeds of conflict, such as Somalia and the Congo. "We've been active in Darfur as well, although instead of just giving food, we've been funding livelihood development projects," he says. "Every person in a [displaced persons] camp there simply wants to find a way to rebuild a home and a life for himself." A few tricks of the trade that Buffett has perfected over the years include one way to find out if he's really in trouble. "If a guy has an AK-47 stuck in my chest," he says, calmly, "the first thing to do is look down to see if his finger is actually on the trigger."

E-mail comments to editors@barrons.com

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