

**A Year of Big Bequests**

**Richest donors gave $15.5-billion in 2008, but this year looks gloomy**

By Maria Di Mento and Caroline Preston

Even in a year in which the stock market swallowed up nearly $7-trillion in assets, America's wealthiest donors promised greater amounts to charitable organizations than in 2007: $15.5- billion in 2008, compared with $7.3-billion the previous year, according to *The Chronicle'*s annual ranking of the 50 most generous philanthropists. But most gifts from the donors on the list came from decisions made long before the market plunge that began in September. (In fact, nearly two-thirds of the total given by the 50 biggest donors was the result of two bequests.) And 2009 appears to be a far more challenging time for raising multimillion and billion-dollar donations. Some of the country's richest philanthropists say the bleak economy has led them to put off making new gifts, and fund raisers at organizations that have previously won eight and nine-figure donations say it's much harder now to seek big gifts. "We're seeing many conversations that were in progress either slowing down or being deferred, and fewer people willing to begin conversations about gifts at that level," says Brian J. McDonald, vice president for development at Princeton University. His institution received two gifts from donors on *The Chronicle'*s list: a $100-million pledge from the investment manager Gerhard R. Andlinger (tied for No. 17), and a $25-million commitment from Dennis J. Keller, founding chairman of DeVry University, and his wife, Constance Templeton Keller (No. 47).

**Leaving Legacies**

Many gifts at the top of this year's list came in the form of bequests, perhaps an early indication that the economy is leading some wealthy people to put off more of their philanthropy until after their deaths. Just three of the biggest 10 donors on the list were living, compared with all 10 in 2007. Overall, 13 donations on the list were bequests, compared with just four the previous year. The two largest gifts came from the late hotelier Leona M. Helmsley, who left an estimated $5.2-billion to a charitable trust, and the late James LeVoy Sorenson, a medical inventor who bequeathed approximately $4.5-billion to the Sorenson Legacy Foundation, in Salt Lake City, which supports the arts, education, health care, and other causes. Both amounts are estimates because the donors' estates have not been settled. Even though the total amount pledged by big donors last year was bigger than in 2007, most of those on the list contributed smaller amounts. The median gift was $69.3-million, down 7.2 percent from 2007. Twelve donors on the list made their wealth in finance, more than any other field. But with Wall Street in turmoil, some fund raisers wonder if they can count on such donors this year.

**Evaporating Wealth**

Many donors who have appeared consistently in *The Chronicle'*s most recent rankings dropped off the list this year. Pierre and Pam Omidyar, T. Boone Pickens, T. Denny Sanford, and Oprah Winfrey have been recognized in each of the previous three years, but none made new gifts or donated enough to be included this time. Several of those individuals saw hundreds of millions, if not billions, of dollars of their wealth evaporate in the stock market in 2008. Mr. Pickens, founder of the investment firm BP Capital Management, wrote in an e-mail message in December that he is still "looking forward" to the day when he will have given away $1-billion (he estimates he has donated $700-million in the past few years), but that "it's highly unlikely it will happen next year." “We'll all bounce back," Mr. Pickens wrote, "but it's going to be tough for businesses and nonprofits for a while." Other big donors echo that sentiment. "2009 is going to be a year of sitting back and protecting capital," says Lorry I. Lokey (No. 37), founder of Business Wire, who in October announced a $42-million gift to a donor-advised fund at Stanford University. This is his ninth time on *The Chronicle'*s list, started in conjunction with the online magazine *Slate* in 1997, after Ted Turner, the media magnate, suggested the idea for such a tally in an interview with *The New York Times*.

**Stretching Out Payments**

While many of the donors on the list say they are not concerned about being able to pay their pledges, some fund raisers say they have heard from a handful of wealthy donors in the past few months asking for more time to pay off previous commitments. Some donors new to the list say the economy is adding to their reluctance to make other major commitments soon. They instead plan to focus on ensuring that the pledges they have just made are used wisely. "This is enough to think about at one time," says Helen L. Kimmel (No. 12), widow of the real-estate developer Martin S. Kimmel, regarding the $156.5-million she pledged last year to New York University's Langone Medical Center. The economy "will cause me to rethink the timing of my future gifts, which I haven't decided upon yet," she says. "But I don't think it will cause me not to give them." Not only are top donors less willing to give but also charities that did receive big donations find that largess mitigated by the money crunch caused by the bad economy. Audrey Haberman, executive director of the Pride Foundation, in Seattle, says that $19-million her group received for its endowment, part of a $65-million bequest from Richard W. Weiland (No. 11), one of Microsoft's first employees, has lost an estimated 9.8 percent in value. While that is far less than the overall stock-market plunge, the loss has meant that the charity is getting less than it expected from annual earnings from the endowment gift. The Birthright Israel Foundation benefited from $30-million in support from the real-estate mogul Sheldon Adelson (No. 40) last year, but because of other fund-raising losses, the New York group still must cut back on the number of young people it can send to Israel this year. The Adelson Family Charitable Foundation, meanwhile, posted an announcement on its Web site last year that it would not accept new requests for support until June. Mr. Adelson lost an estimated $24-billion last year, according to *Forbes* magazine. But despite all the pessimism, some people who work for charities are hopeful that the recession could spur new philanthropy from donors concerned about the country's plight. And some prominent philanthropists on the list say they do not believe the stock-market crash will harm big giving over the long term. "Persons with wealth before the market fall are still wealthy relative to others, even if that wealth has diminished," Jeffrey S. Skoll, a former president of eBay who last year gave $144.1-million to the Skoll Foundation, making him No. 13 in the rankings, said in an e-mail message to *The Chronicle*. "I don't expect the market decline to undermine the long-term strategies of the wealthiest philanthropists." Some philanthropy observers say the very wealthiest donors ought to give even more this year, since their fortunes are still larger than those of other donors. "Mega donors ought to be stepping up to the plate and to say, we stand by organizations we've supported for years during this time of economic crisis," says Rick Cohen, a veteran advocate for charities that serve the needy, who is a national correspondent for the *Nonprofit Quarterly.* "This is a time to step up, not step back." The country's wealthiest donors chose to commit more of their gifts last year to colleges and universities (42 donations), than to other types of charities, a trend consistent with previous years. But the five biggest donors on the list gave their money to create or expand personal foundations, among 16 people in the rankings who did so. Following Ms. Helmsley and Mr.

Sorenson was Peter G. Peterson, the financier, and his wife, Joan Ganz Cooney, who pledged and donated a total of $1.02-billion, of which $1-billion went to create the Peter G. Peterson

Foundation, in New York. The late Harold Alfond, founder of Dexter Shoe Company, left $360- million to expand a foundation in Portland, Me., that he created with a $15,000 donation in 1950.

Rounding out the top five was the real-estate executive and businessman Donald B. Stabler and his wife, Dorothy L. Stabler, who bequeathed $334.2-million, of which $300-million went to a grant-making institution they created in 1965.

**Aiding Education**

For benefactors of education, scholarship aid remained a popular choice, and not just for donors to undergraduate institutions. But some colleges received gifts for less-traditional causes, such as the $100-million that Mr. Andlinger pledged to Princeton University for the creation of a center to study energy and environmental issues. Mr. McDonald, of Princeton's development office, says that timely causes such as global warming could continue to attract major donors, even during the recession. "Given that it's gotten so much attention over the last five years and been a focus of the recent presidential campaign, it's not surprising at all that people are really coming to understand the challenges," he says. "We're definitely seeing a lot more interest in that area." In total, 15 gifts or pledges on *The Chronicle'*s list went to environmental or animal-related groups, making that cause the fourth-most popular among the wealthiest donors.

**Rewarding Good Leaders**

While arts groups have faced among the biggest fund-raising challenges during the recession, they fared relatively well among donors on *The Chronicle'*s list. Thirteen gifts went to art museums and other arts charities, among them a $30-million donation from Adrienne Arsht (No. 39), chairwoman emerita of Total Bank, in Miami. She gave the money to the Adrienne Arsht Center for the Performing Arts of Miami-Dade County to help save it from the fund-raising woes that predated the nation's economic crunch. Ms. Arsht, who is new to *The Chronicle'*s rankings, says support for culture is crucial in any economy: "To me, the arts are as necessary to our existence as almost anything else." Regardless of what causes they support, donors on the list tend to cite an organization's leadership as a major factor in their decision to give. John A. Gunn, an investment manager, and his wife, Cynthia Fry Gunn (tied for No. 43 on *The Chronicle'*s list), pledged $40-million to the San Francisco Opera in September in large part because they were pleased with the efforts of its director of two years, David Gockley, to reach new audiences, says Mary Powell, the opera's director of development. Nonprofit groups tend to reap eight and nine-figure donations from people with whom they have had very close, long relationships. But that was not the case with all of last year's big donations. Mr. Weiland, the former Microsoft employee, who died in 2006, gave his largest contribution, $65-million, to the Pride Foundation, a grant-making institution that supports gay causes, on which he had served as a trustee. But he left substantial, if smaller, amounts to several environmental and social-service charities, including $13-million to the Nature Conservancy, a group he had never visited or been particularly involved with, beyond making annual contributions of roughly $9,000. Eve Tai, associate director of philanthropy at the conservancy's branch in the State of Washington, where Mr. Weiland lived, met him only once, when she stopped by his house unannounced. "It became apparent that he was a fairly reclusive person, so I didn't want to push it," she says. But after his death, she learned from his partner of the care Mr. Weiland took in staying abreast of the conservancy's work. Other philanthropists were prompted to give because of the encouragement or example of peers. The Williamson Free School of Mechanical Trades, in Media, Pa., won two pledges of $20-million each last year, helping to surpass a $50-million campaign goal, after one donor challenged another to match a $5-million gift. The second donor, the media entrepreneur H.F. (Gerry) Lenfest (No. 13), decided that $5-million wasn't enough: He said he would commit four times that amount, $20-million, if the other donor, the businessman Henry Rowan, agreed to give $20-million of his own money. The two donors had never before met.

**Fortunate Timing**

Some gifts on the list were particularly timely. Mr. Peterson's new $1-billion foundation, for example, will focus on educating people about the nation's fiscal challenges. A $35-million bequest to the Greater Cedar Rapids Community Foundation from William B. Quarton (No. 45), a broadcasting executive who was a mentor to the young Walter Cronkite, came as the Iowa City was devastated last summer by flooding. With the economy facing its worst recession in decades, philanthropy observers and others speculate about how the wealthiest donors will continue to give, and whether the next generation of donors will have as much wealth. Bruce Boyd, managing director of the Chicago office of Arabella Philanthropic Investment Advisors, which counsels wealthy donors, says he thinks the economy will affect how people make their money, but not the long-term prospects for big donations. "I don't think people will become less generous or less able to make large gifts," he says. "But I do think the source of their wealth will change." But he says that, for the next year or two, fund raisers can expect to see fewer outsized gifts: "The mega might not be so mega, and there might not be so many of them." *Noelle Barton, Candie Jones, and Cassie J. Moore contributed to this article.*

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