

The Very Rich Pay to Learn How to Give Money Away

By ALEX KUCZYNSKI

For most Americans, the formula for giving money away is easy enough: Choose the charity and write the check.

But for the mega-rich, that approach is hopelessly simplistic. They need professional help in parting with their money — and some are willing to spend up to \$20,000 to get it. So they go to philanthropy school.

In recent years, a growing number of foundations and other organizations have begun holding workshops, field trips and even therapy sessions to teach the wealthy and — in the words of one provider of such services — the really extremely wealthy the finer points of giving. These include not only practical considerations such as how to evaluate organizations for their financial responsibility but also a lot of intellectual soul-searching about what values the givers are hoping to spread.

For \$650, a Boston program will put you through the paces in a weekend. And for \$150 an hour, another Boston outfit will provide one-on-one counseling and hand-holding for those traumatized about coming into

sudden wealth. But the Rolls-Royce of this new educational discipline is without question the Rockefeller Foundation Course in Practical Philanthropy.

Created in response to demand from affluent families worried that the younger generation was losing the philanthropic touch, the course isn't easy to get into. To separate real grant-making material from hangers-on hoping for a chance to schmooze with the rich, the foundation puts candidates through a series of interviews, asks questions about their backgrounds and looks into their finances. Students pay \$10,000 in tuition, plus \$10,000 for travel and lodging.

During the course — which meets for one week in October, January, April and June — students read Aristotle, learn to analyze financial statements, travel abroad (this year to Rio) to view third world poverty close up and practice meditation.

But can't these folks figure out themselves how to donate their mon-

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ey? Not really, says Jacqueline Novogratz, one of the program's directors. "Philanthropy is no longer about writing a check for \$10,000 to the opera," Ms. Novogratz said. "We're exposing our students to a whole new innovative way of looking at strategic philanthropy."

And the Rockefeller students seem satisfied with their investment. Elizabeth Wallace-Ellers, a former investment banker who lives in Philadelphia, took the course last year, she said, "as a reality check, to make sure that in all my self-education I hadn't missed anything."

Chara Schreyer, a current student, joined to get a better grasp of how to run her San Francisco organization, the Kadima Foundation, which distributes \$1 million a year for causes ranging from the education of underprivileged teen-agers to diabetes research. "I guess I could have done this myself," she said, "but I wouldn't have gotten a complete overview. I wouldn't have even known where to begin."

On a gray afternoon in January, seven students — from 30-somethings to graying baby boomers — sat around a conference table on the 23d floor of the Rockefeller Foundation's Fifth Avenue headquarters, munching soggy tuna sandwiches and sipping soft drinks, their pens poised over note pads and their brows furrowed in concentration.

The talk among the group, which included Bob Vila, the television home-repair guru; Jeffrey Soros, a nephew of the billionaire financier and philanthropist George Soros; and Ms. Schreyer, a California construction heiress whose father founded the Holocaust Museum in Washington, D.C., was high-minded, almost solemn.

"I don't intend to emerge from this course as a fully fledged philanthropist," said Mr. Soros, 37, who is taking the course this year with his wife, Catherine. (Another Soros, George's daughter, Andrea, took it during its first year.) "What I hope to have are the skills necessary to continue my education as a philanthropist. To learn enough so that I know how to structure a grant, that I can be a vital, active part of my philanthropic giving."

Mr. Soros, who lives in Los Angeles and writes screenplays (although he has yet to see one produced), said that since he had started taking the

course, he had been invited to join the boards of two nonprofit groups.

The Classics First, Then Practical Matters

Students start with the basics, reading and discussing great works of literature, such as Aristotle's "Nicomachean Ethics," James Agee's "Let Us Now Praise Famous Men" and the Rev. Dr. Martin Luther King Jr.'s "Letter From Birmingham Jail." Their purpose, Ms. Novogratz said, is "to focus people on what their own values are, how they see the world, and how they see the good society."

"We use those texts as a jumping-off point to discuss the notions of leadership and responsibility," said Ms. Novogratz, whose office displays a flier that reads "Kill Your Television."

During the course's second week, students learn practical skills, such as how to evaluate an organization and read its financial statements, aimed at deciding whether it deserves a grant. They also spend an afternoon observing proceedings at New York City's Housing Court, so that those who have never seen an eviction notice might understand the human side of economic deprivation. Guest speakers — from organizations like the NAACP Legal Defense and Educational Fund Inc. and the Natural Resources Defense Council — pay frequent visits. Students are also encouraged to seek advice from Rockefeller Foundation alumni — who now number 17 — on what groups are most deserving of their money. Ms. Novogratz said that at least one philanthropist-in-training had denied a grant to an organization as a result of a conversation with a graduate.

In a millionaires' variation of the Junior Year Abroad, the third week of the course takes students to impoverished areas of a foreign country. This year, they spent a week in Brazil, first checking into the Copacabana Palace and then setting to work studying the problems that besiege the poverty-stricken slums of Rio de Janeiro.

"Apparently, we may be able to draw conclusions about problems that we see in the U.S.," Mr. Soros said. "Maybe there are similar root causes in both New York and Rio."

Students also have to wrestle with the jarring contrast between the cos-

seted lives they lead and the struggle for survival they witness among the poor. In the course's first year, they flew to Nairobi, Kenya, to observe an AIDS program for prostitutes. One participant, who requested anonymity, remembered the shock of returning from a prostitute's one-room shack to the luxury of his room at the Intercontinental Hotel.

"Five days in Nairobi slums changes you," Ms. Novogratz said.

During the fourth week, students submit "mission statements" of their philanthropic goals, and go before the Rockefeller Foundation board to be grilled on a hypothetical grant proposal they have written.

As high-sounding as all of this might sound, not everybody is a fan of the program. Some politically conservative foundations see partisanship in the place of philanthropy. James Piereson, executive director of the John M. Olin Foundation in New York, said he believes that organizations like the Rockefeller Foundation focus their attention on issues dear to Democrats. He regards their programs as a frilly boot camp for wealthy leftists.

"It's an attempt to spread the influence of the Rockefeller Foundation, and discuss the means to get to those ends," Mr. Piereson said. "The approach of the liberal foundations used to be that they would go after the professional managers, and they would use the professional, liberal managers to bend the previously conservative donors." Now, he said, Rockefeller is "going straight to the source." The Olin Foundation sponsors its own annual philanthropy meeting, the Philanthropy Round Table.

Ms. Novogratz brushes aside the criticism, insisting that her group has no political agenda. "I'd say one of the perceived strengths is that we are nonideological," she said.

While the Rockefeller Foundation program might well offer the best Philanthropy 101 course money can buy, it tops an increasingly crowded field. Advisory services have popped up all over the place — and no wonder. A few years ago, two Cornell University economists estimated that baby boomers would inherit \$5.6 trillion from their parents over the next several decades, the biggest intergenerational transfer of wealth in American history. And that was when the Dow Jones industrial average was below 3,000. Since then, the number of the nation's millionaires

has risen sharply.

In 1989, an estimated three million United States households had a net worth of \$1 million or more; seven years later, that figure was 4.1 million, according to Edward N. Wolff, a New York University economist. Americans' giving has kept pace, according to "Giving U.S.A.," an annual report on philanthropy published by the American Association of Fund-Raising Counsel, soaring to \$151 billion in 1996 from \$111.5 billion in 1990, 43 percent above the gain necessary to keep up with inflation.

"We'd like to capture the hearts and imaginations of these people to be philanthropic with this newly acquired wealth," said Salvatore LaSpada, the co-director of the Rockefeller Foundation's course.

So would other groups. The Philanthropic Initiative Inc., a nine-year-old Boston nonprofit, charges \$650 for weekend seminars that it holds twice a year on charitable giving. The retreats draw hundreds of people, "from the wealthy to the really extremely wealthy," said H. Peter Karoff, the founder and president, who considers just plain wealthy to be a net worth of about \$25 million.

The Philanthropic Initiative has instructed about 7,000 people. "We are trying to promote philanthropy in an aggressive, marketing-savvy way," Mr. Karoff said. "The Rockefeller program is the high end of what's available." While his program is more modest, he added, "We had no idea when we started how much we would grow."

Invaluable Training At Bargain Prices

Most training programs teach the basics for prices that are pocket change to their customers. The Council on Foundations in Washington, D.C., a nonprofit membership association for charitable foundations and corporate grant-making programs, charges \$1,000 for three-day annual workshops that have drawn 50 students in four years.

And the Impact Project, a Boston outfit founded seven years ago, advises younger people, for about \$150 an hour, on how to deal with sudden wealth. The organization's newsletter, More Than Money, has 1,100 subscribers and offers first-person tales of philanthropic anguish. "My parents are terrified of being judged as wealthy, but they live in this enor-



Suzanne DeChillo/The New York Times

Jeffrey Soros, a nephew of George Soros, says the Rockefeller Foundation's course is part of his continuing education as a philanthropist.

mous dream house and make large institutional donations that get the wings of buildings named after them," reads one, by a reader named Bob Styles. "They fight constantly because my Dad wants to give away more than my Mom."

In another issue, Patrick Reynolds, an heir to the R. J. Reynolds tobacco fortune, explained why he used his wealth to found the Foundation for a Smokefree America.

According to Christopher Mogil, the director, the Impact Project is unique in combining consulting and therapy. In one case, he sat side by side with a young woman who was afraid to look at the stock portfolio she had just inherited to see how much was in it. After he soothed her nerves, she opened the folder and learned she was worth \$10 million.

"There can be a lot of guilt and trauma in the philanthropic community," Mr. Mogil said.

Of course, it's possible to learn how to give away money without attending philanthropy school. Twelve dollars will buy you a one-

year subscription to the Better Business Bureau's quarterly newsletter, Give But Give Wisely. Or, if you have two years to invest, you can apply for the Nonprofit Management master's program at the Yale University School of Management.

But the Rockefeller Foundation is the place to be if you have deep pockets and a yearning to change the world. And the people who run it are delighted at the opportunity to show you how.

By midafternoon on that day in January, the seven students had made their way by taxi to the Rheeden Center for Children and Families on West 144th Street in Harlem. They spoke with staff members, observed a class, then returned to downtown Manhattan to dine with Geoffrey Canada, the center's president.

"It's very interesting to know that there are folks out there who are that affluent coming to us to try to learn something," Mr. Canada said. "The best part is that we get to talk to them while they're still deciding what to do with their money."