

# Family foundations maximize impact

*From education to parks, family philanthropists turn fortunes into action*

BY KRISTEN BOLE

sanfrancisco@bizjournals.com

**G**ary Rogers was the chief executive of Dreyer's Grand Ice Cream in June 2003 when the company signed a \$2.8 billion deal with Nestle SA, giving the Swiss food giant majority control. Rogers had bought the Oakland company 26 years before with his business partner, William Cronk, taken it public in 1981 and grown it into a \$1.5 billion business.

The deal created what those in philanthropic circles call an "economic event" in Rogers' life. Rogers realized he could either fill the IRS coffers that year or pour the money into the community in which he had raised his family, and take a tax break of roughly 40 percent.

"It's not the only reason people set up a family foundation, but it's one of the benefits of doing it," said Brian Rogers, who is one of Gary's three sons and executive director of the Rogers Family Foundation. "For us, there was a large transaction for my father's business and at that point, he decided to bring together all of his goals for philanthropic giving."

The result was a \$90 million contribution to the Bay Area. Divided between two organizations — the family foundation that Brian runs and a supporting organization through the East Bay Community Foundation — the funds are backing desperately needed projects, large and small, including Oakland's \$43 million Expect Success program in its public schools.

"We've lived in Oakland our whole lives and we wanted to give back to our community," Brian said. "We look at social ills and see there's crime out there and there are health care issues out there, but if you look at the one thing that helps all these issues, it's educating our kids."

Like Bill Gates and Warren Buffett, Rogers is among a growing number of successful business executives who have chosen to apply their business success, wealth and expertise to do good in a big way. And unlike their predecessors, they're doing so during their lifetimes.

## Having an impact

Garfield Park, in San Francisco's Mission District, has been known to the local kids as "el parque donde te rompes el pie" — the park where you break your foot. Its pockmarked fields had seen long years of neglect, made worse by a bad irrigation system and poor drainage.

This week, it reopened as a neighborhood emerald, with a smooth, clean soccer field for kids, full lighting, new fences, permanent goals, renovated bathrooms and picnic tables for families. It sports the latest developments in artificial turf, designed to be soft on knees, with no mud, no maintenance and no downtime.

It is also a model in family philanthropy.

Garfield is one of two pilot park renovations in a novel public-private partnership between the city and the year-old City Fields Foundation that aims to address San Francisco's dearth of neighborhood playing fields for kids.

Behind the anonymous-sounding foundation are three brothers whose names are far better known; brothers who could have made any number of philanthropic moves, anywhere in the world, with far less work, more recognition and better ego-value. Instead, they chose forgotten soccer fields in the poorest neighborhoods of their own city.

"We wanted to do something that would have a significant impact, something that would last a significant amount of time and that would benefit the youth of San Francisco," said Bill Fisher, the second of three sons of



**DIFFERENT BREED:** Kline, right, and Harald Leventhal advise wealthy donors.

Gap Chairman Donald Fisher and the founder, with brothers Bob and John, of the City Fields Foundation.

"My brothers and I are fourth-generation San Franciscans," Bill said. "We grew up here. We played a lot of tennis in Golden Gate Park and we played a lot of soccer and baseball all over the city. (But) the parks then were not the way they are today."

This is the first time the Fisher "boys," now in their late 40s and early 50s, have ever worked together philanthropically, and Bill said the initial \$4.5 million investment alone is more than they've given individually.

They've also dedicated significant time and business skills to the project. Plus, like the Rogers' support of the Expect Success program, the Fishers' initial investment to the project pales in comparison to their help in raising the additional \$60 million to 100 million in private funds that will be needed to roll this out citywide.

Likewise, when the Rogers decided to back the \$43 mil-



**SON ALSO RISES:** Brian Rogers runs foundation.

lion Oakland Unified Expect Success program, they committed \$1 million of their own money, as well as the time and connections in raising \$6 million locally and \$17 million nationwide for the program.

The hope in City Fields is that the first two parks will not only serve as a symbol of pride for their neighborhoods, but will also inspire other donors, large and small, to contribute. The foundation has already created a funding mechanism on its own web site, where people can give \$50 or \$5,000 for the projects.

"It's not about us," Fisher said. "It's a different way of trying to do things and maybe it will be a good thing for the city."

## Choosing a model

For many, the first move after an "economic event" — selling a business, inheritance, and the like — is to create a family foundation. That provides the tax structure, while also giving the family a more active role in the process.

Those advantages can be compelling, especially to a slightly younger generation like the Fishers, who want to be active in the causes they support and want to do so in a modern way. But for many, there are easier ways to achieve those goals.

When Roger Haughton retired as chief executive of mortgage insurance company PMI Group Inc., he and his wife, Judy, had always been involved in the community and thus looked into creating a family foundation. But for them, the "struggle and headache" of a new foundation seemed unnecessary.

"When we got into it, it was an incredible amount of work," Haughton said. Instead, he used a charitable giving account through his brokerage to allocate his philanthropy, giving to local groups that he knows are doing good work.

That is increasingly common, said Bill Somerville, a 46-year veteran of philanthropy and director of the Philanthropic Ventures Foundation.

"Fidelity is one of the largest public charities in the United States," Somerville said, because of its charitable funds for investors. Most of those have about \$100,000 in them, and give grants of about \$5,000 apiece. They've gone to every mom and pop and they've taught us all an important lesson about how much money every mom and pop has."

Like the Rogers, Haughton said he tries to spread out his giving — "it's not millions" — and mainly has been involved in youth programs, from Junior Achievement to crib safety issues and feeding the needy. All of those can be accomplished through other foundations.

"A family foundation is right only for a very, very small percentage of people," said Benita Kline, of Berkeley-based Leventhal/Kline Management Inc., which advises wealthy donors on their philanthropic goals and implementation.

In fact, of the 66,000 independent foundations nationwide, just under half are family foundations. The Bay Area is home to more than 1,040 independent foundations, commanding more than \$20 billion in assets, or close to three times the national average, according to the Foundation Center.

But unlike the Gates model, these philanthropists are generally working small, one school or one playing field at a time. The Rogers' average grant, for instance, is only \$15,000. That's a far cry from the \$5 million minimum from many large foundations.

But some would contest that in the long run, it's more effective.

"(A \$5 million grant) is like dropping a 500-pound bomb," Somerville said. "It has impact, but no finesse and no nuance. That's what life's all about."

Kristen Bole is a contributor to the San Francisco Business Times. ■