

# Who connects the haves and the have-nots



**IN A GROWING FIELD:** “Some people want to change the world,” says adviser Hirsch. “Others want to work with one child at a time.”

also inherited several crates of financial files that hadn't been opened since their mother filed them away in 1969.

## The donor next door

Kline and her colleagues are a window into a complex world that is usually painted as quite flat. In truth, these donors come from a huge range of backgrounds and equal range of reasons or goals in giving.

Sometimes, their clients started out very poor, either as Americans or immigrants, and simply need help focusing their efforts. Other times, they have no concept of the lives of children who haven't grown up in Pacific Heights and the projects they support are in a part of town they've never seen. Understanding those children's needs is a revolutionary moment for them.

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Some philanthropists, like the Hellmans, want to spend an “enormous amount” of their own time in that process and commit both funds and energy to the causes they back. Another of Hirsch's clients was successful in real estate and wanted to make a national impact on affordable housing. Hirsch helped him comb the field for the five best leaders in the nation to collaborate on a project.

But not everyone knows what's important to them. Some philanthropists have greatness thrust upon them when their tax attorney tells them it's time: They've sold a business or cashed in stock options and they have two options for dispersing it, charity or the government. That's when they sit down with an adviser to figure out what type of legacy they want to leave.

“One reason we like working so closely with a family is helping them find a place in the world that works for them,” Hirsch said. “We ask a lot of questions of people. Sometimes the questions don't get answered right away.”

## Scouting opportunity

Sometimes those answers aren't so easy to implement. Bill Somerville, who founded the Peninsula Community Foundation in 1964 and has run the Philanthropic Ventures Foundation since its inception in 1991, said one client came to him with a simple request: He would give \$250,000 per year, but he wanted it to be spent on the poorest of the poor.

Somerville's search for the “poorest of the poor” led him to a nun who was working with very poor, Hispanic preschoolers. None had spoken a word of English when she started the program; 18 months in, they scored in the 80th percentile on reading tests. Somerville gave her \$65,000 and said, “Start a school.”

“It's fascinating because in this field, the commentary is, ‘I could do your job — anyone can give money away,’ Somerville said. But after 46 years in the business, he knows there's far more to this than giving money.

“I spend most of my time looking for outstanding people and investing in them,” he said. “These are people you have to find. All these new donors are sitting there waiting (for good people to come to them). You've got to go out and find them and you've got to know how to find them.”

That, perhaps, is the most powerful role that these advisers play. The bottom line in philanthropy is that, if you want to make a difference, you have to find people who make things happen. It's a different group than the business world, but the premise is the same.

Finding those people and investing in them requires relationships and trust, and that's precisely what people like Somerville and Hirsch and Kline are here to create.

“A VC gets out of the office, finds outstanding people and invests in them” said Somerville, who coined the term “venture philanthropy.” “That's exactly what philanthropy should do. ... I don't think the world is going to get better unless we venture out.”

## Wealthy tap philanthropic advisers to guide giving

BY KRISTEN BOLE

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When Susan Hirsch graduated from college with a joint degree in Russian and International Economics, she thought she was headed for a career in diplomacy. She was, but not quite the way she expected.

From a circuitous career-path that exposed her to everything from Congress to policy work for major corporations to nonprofits, Hirsch ended up in the early 1990s at the Mary and Peter Haas Foundation. That's where prominent Bay Area philanthropist Warren Hellman found her.

“I used to say I should have an in-box with his name on it,” she said, for all the times he called her to discuss his own philanthropy.

That connection eight years ago convinced Hirsch to go off on her own — with Hellman as the first Hirsch & Associates client — consulting and guiding some of the Bay Area's leading philanthropists in how to make their contributions most effective in achieving their goals.

Hirsch is one of a growing handful of philanthropic advisers who have built a business in spanning the two radically different worlds of philanthropists and their recipients. The gulf between them isn't simply one of “haves and have-nots.” It's also a cultural chasm, in which the most dynamic leaders on each side frequently have never heard of each other or the projects they run.

Yet they desperately need each other: one for funding, the other for the on-the-ground implementation of social change. As a result, the position of the go-between has quietly blossomed over the past decade, with a wide range of often-invisible roles.

Unseen perhaps, but very powerful. In the process, these folks help guide hundreds of millions of charitable dollars apiece each year, sometimes from donors with as “little” as \$500,000 to give, some upwards of \$20 million.

## Foreign territory

While Hirsch will do everything from helping families identify their goals, to researching innovative projects, to launching them for clients; others work more as accountants and gatekeepers, providing back-office services for foundations that have a family member as their sole staff, or culling hundreds of requests for donations and identifying ones of interest to the donor.

“One of the key things in helping a small foundation be effective is to keep focused: define a mission and stay focused on it,” said Benita Kline, who co-founded Leventhal/Kline Management Inc. in 1998. “For each

family and each foundation, you have to craft an individual scope of service.”

Kline and her partner, Harald Leventhal, started their Berkeley business in response to what they saw as a pattern of younger donors coming into money and creating foundations in their 40s and 50s, often while still juggling children and high-profile careers.

“People wanted to be effective in their philanthropy, but they didn't have the time for it,” she said. “Or, they may have been so focused on their careers, they didn't have the networks.”

As a result, they often have high hopes for having a social impact, but it's foreign ground, from the logistics of starting a foundation to the people they fund.

Leventhal/Kline offers complete back-office management for these donors, helping them set up compliance and filings for state and federal filings. They also help donors assess their specific goals and determine whether to create a family foundation or give to an existing foundation as a result.

And sometimes, they just help dust. One family came to her because their parents had passed away and the next generation had inherited a family foundation. They



VENTURING OUT: Somerville looks and invests.

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