

W&G F

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of the
Wealth &
Giving Forum

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Wealth & Giving FORUM

INTERVIEW: MARTHA AND STEVE TALLENT

CHIPPING AWAY AT THE “IN-STONE MENTALITY”

STEVE TALLENT, A SUCCESSFUL labor lawyer who has dedicated his retirement to quietly supporting a wide range of causes, rarely talks about his charitable work. This interview marks the first time he and his wife, Martha, have spoken publicly about their giving. Steve and Martha were introduced to us by Masood Vojdani of MV Financial Group in Bethesda, Maryland.

Inspired by their experience at a Wealth & Giving Forum gathering at the Greenbrier in West Virginia in October 2005, the couple recently made a \$150,000 pledge to support the Forum's work. On the occasion of their gift, the Tallents speak about their personal motivations and approaches to giving.

*WAS PHILANTHROPY
PART OF WHAT YOU
SAW AROUND YOU
GROWING UP?*

STEVE: Yes, although we couldn't spell the word. Our parents were newly married during the Great Depression. They all had college educations. They didn't live with the grinding day-to-day poverty that so many of their contemporaries experienced. They had “enough.” After World War II, my family lived in a modest house in Missouri. Probably eight months of every year, we had at least
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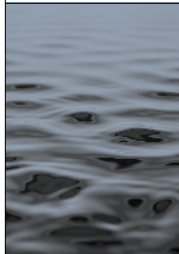
PRESIDENT'S LETTER

THE GENEROSITY NETWORK

IT WAS A CRISP AUTUMN MORNING, one of those days when you can see airplanes taking off from LaGuardia and Kennedy airports all the way from midtown Manhattan. We were gathered in the top-floor conference room of Mutual of America for the fourth *Summit on Philanthropy*, an annual event organized by Changing Our World, our newest strategic partner.

The room was packed. Hundreds of people showed up to think together about new directions for philanthropy. Laura Posada, philanthropic partner and wife of New York Yankee star Jorge Posada, is a loving

and compassionate mother of a seven-year-old boy born with craniosynostosis. She spoke about her dedication to helping parents of children born with the same disease overcome the physical and financial
CONTINUED ON NEXT PAGE



THE NEXT NATIONAL GATHERING of the Wealth & Giving Forum will be held at the Greenbrier resort in White Sulphur Springs, West Virginia, on July 5–8, 2007, with a special emphasis on philanthropy and water. For more information, visit www.wealthandgiving.org or call 212.792.4081.



LEFT: Members of a Wealth & Giving Forum delegation to the October 2006 *Forum 2000* Conference in Prague meet the Dalai Lama (center). FROM LEFT: Stephanie de Tocqueville, Jean-Guillaume de Tocqueville, Lisa D'Urso, Sylvie Macdonald, Bradley Carlson, Walter Larson, Glen Macdonald, Joyce LaRue, Jerry Hirsch, and Ted Weschler. RIGHT: President Václav Havel greets Leonard Kaplan and other WGF guests of *Forum 2000* in Prague.

PRES. LETTER FROM PAGE 1 challenges it presents. Later, David Gergen, the presidential advisor and Harvard professor, delivered a moving keynote in which he spoke with optimism about the shift in attitude among America's youth, who are increasingly interested in careers in social entrepreneurship and venture philanthropy.

It was just one memorable occasion we shared with our friends in the Wealth & Giving Forum community this past fall.

A few weeks later, a small group of us met on a Sunday night for a meal at a quiet neighborhood restaurant, hosted by Jerry Hirsch, a veteran of past WGF gatherings. Jerry had been deeply impressed by the work of the East-West Institute, a leading foreign-policy think tank, and its ebullient president and CEO, John Mroz. Jerry asked us to organize the dinner to introduce Mr. Mroz and the institute's activities to the WGF network.

The discussion ranged over countless eye-opening observations about foreign affairs. Most of us came away seeing America's challenges in a new light.

New connections were cemented; new ideas and projects were hatched before the evening was over.

For sheer depth of insight, nothing could match the experience of the group of Forum members who traveled with Leonard and Tobee Kaplan and me to Prague, where we attended the 10th-anniversary meeting of *Forum 2000*, an annual conference hosted by the former Czech president and dissident playwright Václav Havel.

This year's conference addressed "The Dilemmas of Global Co-Existence" and featured, in addition to President Havel, His Holiness the Dalai Lama; Mary Robinson, former president of Ireland; Ernesto Zedillo, former president of Mexico; Vartan Gregorian, president of the Carnegie Corporation of New York; and numerous other public, private, spiritual, and academic leaders from around the world.

In addition to the rich dialogue in sessions about religion, corporate social responsibility, water in the Middle East, and human rights, to name a few subjects, the trip's

highlights included:

- WGF's private luncheon, where Jean-Guillaume de Tocqueville offered his observations on emerging trends in European philanthropy;
- A private one-hour meeting and conversation for our group with the Dalai Lama;
- A ceremonial dinner hosted by the Czech Ministry of Foreign Affairs for the WGF, with invited leaders of the nonprofit and social sectors in the Czech Republic;
- The picturesque charms of Prague, and a wonderful evening performance of *Don Giovanni* at the Tyls Theater, where Mozart had performed the opera in his day.

What was best during our four days together, as always with our programs, was the forging of new bonds of friendship, collaboration, and partnership. We have Caroline Stoessinger to thank for making the introductions and for orchestrating such a rich experience for us all.

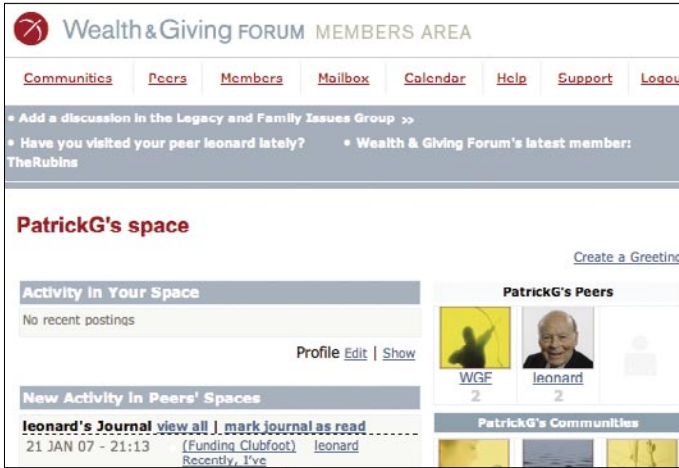
If you discern a pattern in these events, it's no coincidence. Much of our work at the Wealth & Giving Forum is about

providing opportunities for our members to advance their thinking and develop new contacts in the service of accelerating their generosity.

In this second issue of our newsletter, you will read about what some of our friends have been up to, both at home and abroad. You will find out about exciting new events planned for 2007, including our next major gathering, in July. The location will be familiar—the Greenbrier, site of three earlier WGF gatherings—but for the first time, we will emphasize a special theme alongside our traditional group sessions: water, and its role in poverty, disease, conflict, and sustainable development. Rest assured, the weekend will be just like the familiar WGF gatherings you have come to know, only with an added focus on a subject that resonates far and wide in philanthropy.

We are excited about the year ahead, and hope you will join us for the ride.

GLEN MACDONALD
PRESIDENT
WEALTH & GIVING FORUM



A preview of the Wealth & Giving Forum members-only Web community

FORUM INAUGURATES MEMBERSHIP PROGRAM

THREE YEARS AFTER OUR LAUNCH, THE Wealth & Giving Forum is taking the next step in our evolution by launching a membership program.

More than 250 families have participated in Forum gatherings, forming a unique community of people, many of whom are taking an active role in shaping our goals

and activities. The new membership program aims to expand this community of individuals and families while sustaining the operating capacity behind our innovative programs, publications, and networking.

The membership is anticipated to grow to about 50 families by next fall. Invitations to join the membership program are being extended in the coming weeks, starting with a group of “Founder Families” who have been especially supportive of

our goals thus far.

Among the privileges of membership is a new state-of-the-art, secure, members-only interactive website (see above). The site, developed with expertise from our program partner Changing Our World, will allow members to network with their peers, exchange ideas on specific topics, learn about issues and initiatives in philanthropy, and, in the future, even manage joint projects. ☺

WGF TO HOST EVENT WITH ROBERT MOSBACHER JR.

On the afternoon and evening of March 22, 2007, we will host a seminar and dinner with Robert Mosbacher Jr., president and CEO of the Overseas Private Investment Corporation (OPIC). The event, to be held in New York City, is intended to encourage an exchange of perspectives on the needs of private businesses and philanthropic organizations in the developing world. Representatives of the Acumen Fund and Echoing Green will participate in the panel discussion. Seating is extremely limited. For inquiries, please contact 212.792.4081.

FROM THE EDITOR

The purpose of this newsletter is to promote a regular exchange of information and ideas within the Forum network. Please send us your thoughts, comments, and personal updates to include in our future issues.

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OUR MISSION

W&GF is the periodic newsletter of the Wealth & Giving Forum, which was founded in 2003 to promote greater generosity among individuals and families of significant means and to make more resources available for good causes. Through its invitation-only gatherings, regional and topical programs, and publications, the Forum provides a thoughtful, private meeting ground for individuals and families to reflect with their peers on how best to allocate their wealth.

Gross Estate Category (Millions \$)	Number of Returns (Thousands)	Total Net Worth (Billions \$)	Fees & Surviving Spouse (Billions \$)	Available After Fees & Spouse (Billions \$)	Charitable Deduction	
					Amount (Billions \$)	Percentage of Available
1.5-2.5	21.35	39.2	8.9	30.3	1.6	5.0
2.5-5	11.9	38.6	12.4	26.2	2.1	8.0
5-10	4.12	26.8	10.2	16.6	2.0	12.0
10-20	1.36	17.9	7.5	10.4	1.6	15.0
20 OR MORE	0.76	49.3	18.2	31.1	12.4	40.0
TOTAL	39.48	171.8	57.2	114.6	19.6	17.0

HOW WEALTH HOLDERS ALLOCATE THEIR ESTATES

BY PAUL G. SCHERVISH

THE MOST RECENT AVAILABLE DATA FROM the IRS, based on 2005 filings, reveal how top-tier wealth holders are drawn to philanthropy, and many are limiting gifts to heirs.

When it comes to married couples, first decedents typically allocate most if not all their estate to their surviving spouse. Little, if any, is given to children or to charity in this first estate (“gross estate” in the accompanying table).

Hence, the proper estate to study is the final estate—the estate for which there is no surviving spouse, and the one that typically makes the allocations to charity, taxes, and heirs (approximated as “net estate” in the table).

Highlights of giving by final estates in 2005:

- As the value of the estate increases, more goes to charity, with estates valued at \$20 million or more bequeathing 40 percent to charity.
- As the value of the estate increases, a smaller portion flows to heirs,

with estates valued at \$20 million or more bequeathing just 30 percent to heirs.

The larger the estate, the more goes to taxes, except for estates valued at \$20 million or more, which reduce their tax bill through substantially larger charitable bequests.

We read daily about multimillion-dollar gifts being made while donors are still alive. But wealth holders contribute most of their assets through their final estates. These net estates (just called “estates” from this point) contribute on average 17 percent of their value to charity, ranging from 5 percent (for estates of \$1.5 to under \$2.5 million) to 40 percent (for estates of \$20 million or more).

Over the past several years, the general trend has been for estates valued at \$20 million or more to move toward allocating one-third to charity, one-third to heirs, and one-third to taxes. In 2005, however, such estates bequeathed 40 percent to charity. This reflects, in part, the turnaround in the economy after a dramatic three-year drop in wealth

from 1999 to 2002. It is too early to tell whether this change represents a long-term movement away from the one-third pattern in making charitable gifts (it may just reflect some very large gifts in 2005 by a select few estates).

Financially secure individuals appear to be giving larger and larger philanthropic gifts during their lifetimes. If this trend accelerates, we may even see a decrease in the proportion of large final estates going to charity. However, in the future we do expect very high-net-worth individuals and families to devote ever-larger portions of their wealth to charity in some combination of lifetime gifts and charitable bequests. ☒

Paul G. Schervish, senior advisor to the Wealth & Giving Forum, is director of the Center on Wealth and Philanthropy and professor of sociology at Boston College. For more research and commentary by the center, please visit www.bc.edu/cwp.

Taxes		To Heirs & Other	
Amount (Billions \$)	Percentage of Available	Amount (Billions \$)	Percentage of Available
1.9	6.0	26.8	89.0
4.9	19.0	19.2	73.0
5.0	30.0	9.6	58.0
3.8	37.0	5.0	48.0
9.4	30.0	9.4	30.0
25.0	22.0	70.0	61.0

Source: Calculated by John J. Havens at the Boston College Center on Wealth and Philanthropy, based on tabulated data available on the website of the statistics of income division of the IRS.

* In 2005 only estates with assets at or greater than \$1.5 million were required to file estate-tax returns with the IRS.

** A net or available estate is the estate minus fees and transfer to the surviving spouse.

CENTER ON WEALTH AND PHILANTHROPY TO CONDUCT STUDY OF WEALTHY

The Boston College Center on Wealth and Philanthropy has received \$300,000 from the Bill & Melinda Gates Foundation as partial support to conduct a survey of wealth holders. This is part of a larger grant from the Gates Foundation to expand the research capacity and impact of the center. The center's director, Paul G. Schervish, is a longtime senior advisor to the WGF.

The findings will provide a foundation for the advancement of thoughtful philanthropy among high-net-worth individuals. The WGF will join forces with the Center on Wealth and Philanthropy to conduct the study and disseminate its findings.

"Growth in wealth is expanding exponentially," Dr. Schervish said, creating an unprecedented opportunity "to use private wealth as a tool for improving the lives of others." The survey will explore behavioral and attitudinal questions about the dilemmas, obstacles, opportunities, and spiritual aspirations of wealth holders

in regard to wealth, family, and philanthropy, including the needs they face for advisement in these areas.

"We are excited about the study's potential to help our members develop their individual giving strategies by tapping into the under-explored yet highly valuable insights and experiences of their peers," said WGF president Glen Macdonald.

This will be the first large-scale survey to focus exclusively on the 100,000 households in the U.S. with \$25 million or more in net worth, with a substantial portion of respondents at or above \$100 million, including billionaires.

Respondents at this level of economic wherewithal have never before been the sole focus of a survey. Results will be published in fall 2008. ☺

For more information on the survey, please contact Paul Schervish at the Center on Wealth and Philanthropy: paul.schervish@bc.edu.

TALLEN CONT. FROM PAGE 1

one relative living with us. My sister and I didn't think anything of it. The basic impetus to give and help came from my parents and was something we children took for granted.

HOW DID YOU CHOOSE WHICH CAUSES OR ORGANIZATIONS TO SUPPORT?

STEVE: The first was payback. I went to Stanford and to the University of Chicago Law School. I was grateful to those institutions for my preparation, and particularly to U.C. for giving me loans to finish my education.

After I was employed, I tried to figure out how much I should give. Many of my law colleagues loved cars, and it seemed like they bought a new one every year. Since I bought my cars secondhand and kept them for three to five years, I decided to give Chicago the difference I perceived in annual car spending between my colleagues and myself. Soon I discovered I was one of the top givers in my class at both Stanford and Chicago!

Now, instead of simply donating money, we look

for opportunities that will have a real impact on an individual or an institution.

IN WHAT SPECIFIC FIELDS ARE YOU MOST ACTIVE, AND WHY?

STEVE: I suppose the primary fields are education-related. Years ago the Episcopal school our daughter attended decided to initiate a capital campaign. It seemed to be going nowhere, with the biggest pledges around \$500. We pledged \$10,000. Soon other sizable pledges started rolling in, and the campaign was successful. It was a good lesson: Don't be afraid to be the first to step forward. More often than not, others will follow—they just don't want to be first!

MARTHA: We are active now in Rappahannock Community College in Virginia. It is the only institution of higher learning in a 12-county, primarily rural area. Two years ago we initiated the Preakness Party, a fund-raising event that has been very well received and supported in the community. It has CONTINUED ON NEXT PAGE



Martha and Steve Tallent at their Virginia home.

TALLEN T CONT. FROM PAGE 5 helped put the college on the map, so to speak. As its reputation spreads, the base of support grows. With the help of an educational foundation, we arranged for a sponsorship of \$10,000; another family foundation stepped up as well. Now we have other families and businesses that are pleased to have their names on the list of sizable donors. I hope after we're dead and buried, the annual Preakness Party for Rappahannock Community College will still be going strong.

STEVE: We try to help wherever we can. Our church is one designated by the Jessie Ball DuPont Foundation to receive money annually to disperse to people in need. Aptly, it is called the PIN Fund. I have taken over the leadership of the program.

MARTHA: When Steve took over the program, he changed the way it was administered. Instead of just giving money to pay the bills, he works with his "clients" to help them find ways to help themselves, to become independent.

Philosophically, we believe it is better to try to teach people to fish, rather than to just give them the fish.

STEVE: We were embarrassed about receiving our Social Security checks, so we've set up a separate account for that money. We feel the money is now being used the way it was intended.

YOUR PHILANTHROPIC STYLE IS VERY PERSONAL. COULD YOU SHARE SOME THOUGHTS ABOUT YOUR APPROACH?

STEVE: We have no overhead. In big foundations, often an enormous amount goes toward fund-raising.

MARTHA: A good example of our approach is the story of a young man who came to us from Liberia in 1981. He was enrolled for the spring term at Morgan State University, in Baltimore, to work on an advanced degree. We had been asked by the Experiment in International Living to extend hospitality to him until the term began. Before his arrival, however, Liberia experienced a

military coup, and his assets were frozen. He was stranded here. While he continued his studies, he lived with us and commuted. He got a job to support himself.

During his extended stay, Liberia began to stabilize, but Sierra Leone, his home country, suffered a cruel and devastating civil war. Finally, in 2002, he was able to return to his family in Sierra Leone. He told us he took back with him a different understanding of how to help and how to make things happen. He has made a difference in his province, both philanthropically and through a different vision for business.

STEVE: We are now in partnership with him in the diamond-mining business. We helped him obtain some heavy equipment and get started. This is one of the first diamond-mining companies in Sierra Leone that is not foreign-owned. He employs 50 people now and does something very unusual: He pays them weekly, instead of waiting until the end of the year, after the diamonds are sold. Needless to say, he has very loyal employees. We have

helped set up the Thorlie Foundation—named for his father—and he gets 65 percent of the profit and the foundation gets our 35 percent. That way, the money stays in the country and can be used philanthropically. Watching it grow has given us a lot of satisfaction. This type of project is what we like.

WHAT OTHER PROJECTS HAVE GIVEN YOU THE MOST SATISFACTION?

MARTHA: Whatever is current. Right now, it's land preservation. We're trying to help the Northern Neck Land Conservancy and other organizations control the growth in our county. Developers seem determined to find pristine wilderness and water acreage, cut the trees down, and build city-type multiple dwellings. There's a fine line between "progress" and "development." We stand with those who feel that thoughtless development destroys the very core of environmental stewardship. We are the stewards. We cannot just stand by and watch the destruction. Our role

“I would say that what you call ‘philanthropy’ is just ‘giving back.’ Any kind of creative giving is exciting and rewarding. It has made our life 100 percent more meaningful than it otherwise would have been.” STEVE TALLENT

here is to try to involve enough people who have some sort of power and influence to change the attitude toward development. This has nothing to do with money. It has everything to do with good stewardship.

HOW HAS YOUR PROFESSIONAL EXPERIENCE HELPED (OR HINDERED) YOUR WORK IN PHILANTHROPY?

STEVE: I had a fascinating career in a major law firm as a labor lawyer, on the management side. It put me in touch with people and allowed me to stay in touch with the real problems. I want to know what people feel like; it’s not what you read in *The New York Times*. My work has kept me sensitized in ways that you don’t really get inside corporations. In my area of the law, you have to make people work together. You’re not winning lawsuits so much as making the system work. Through philanthropy, help is extended to people who rarely receive governmental support. I don’t object to welfare programs philosophically,

but they are very inefficient, and they often lack the human touch.

HOW DID YOU FIRST HEAR ABOUT THE WEALTH & GIVING FORUM?

STEVE: From our financial advisor, Masood. My first reaction was “We don’t belong in that; we’re not wealthy enough.” We went reluctantly, or sort of in trepidation. Instead of intimidating, we found it very inspiring to sit with people at different levels of wealth, but who had an instinct for making “giving” work in effective ways. It helped us along in our thinking.

MARTHA: At the Greenbrier, the person who was the greatest inspiration to me was Doris Buffett. She told a story about the Northern Neck, where we live. She was driving on a road she traveled often. A sign on this little church announced that it was trying to raise money for a new roof. She noticed that the line on the fund-growth thermometer never moved, so she gave the minister \$10,000 to give the red

line a boost. He surely must have become a believer in divine intervention at that moment! Anyway, she heard later that after others saw upward movement on that thermometer, they came forward, and the church got the roof. That was inspirational. She saw the need and took action. If Doris Buffett can do it, so can we.

WHAT MOTIVATED YOU TO SUPPORT OUR EFFORTS?

STEVE: We believe in the principle of sharing the wealth, and WGF seems to follow that principle as well.

WHAT MORE COULD BE DONE TO GET OTHER INDIVIDUALS AND FAMILIES OF MEANS TO BECOME MORE ACTIVE IN CHARITABLE ENDEAVORS?

MARTHA: I think if you have a financial advisor who believes in philanthropy, you are much further ahead than if you have an advisor who is just accumulation-oriented.

STEVE: What I really would like to do is talk to some of my retired

law partners to get them involved. I have been trying to figure out how to approach them. If a half-dozen got involved, that would be a real contribution on my part.

We talked about anonymity. I have done fund-raising for Stanford. I have run into people who say they want a building. Any way you can reduce the importance to the donor of placing his or her name in stone would help enormously. I think your organization helps somehow to reduce the “in-stone” mentality.

BASED ON YOUR OWN EXPERIENCE, WHAT ADVICE WOULD YOU HAVE FOR OTHERS WHO ARE BECOMING INVOLVED IN PHILANTHROPY?

STEVE: I would say that what you call “philanthropy” is just “giving back.” Any kind of creative giving is exciting and rewarding. It has made our life 100 percent more meaningful than it otherwise would have been.

MARTHA: Besides, it’s healthy. It just makes you feel good. 🍷



The Greenbrier, in White Sulphur Springs, West Virginia, the site of our July 2007 gathering.



Wealth & Giving FORUM

IN THE NEWS

PARTICIPANTS AND SPEAKERS AT PAST Wealth & Giving Forum gatherings continue to make headlines nationwide and abroad.

Maria Otero's Women's Venture Fund was featured in a *New York Times* article on microloan programs in Bangladesh (Nov. 12, 2006). **William M. Abrams**, whose organization, Trickle Up, provides small grants to people in the U.S. and 13 poor nations, was featured in a full-page profile in the *Chronicle of Philanthropy* (Sept. 28, 2006). The Adler Aphasia Center in Maywood, New Jersey, which is subsidized by **Michael** and **Elaine Adler**, was featured in an article on therapies for lost speech in *The Wall Street Journal* (Nov. 28, 2006). **Barbara Hyde** and her husband, **Pitt**, have pledged \$5 million to endow and name the Ruel W. Tyson Academic Leadership Program at the College of Arts and Sciences at the University of North Carolina at

Chapel Hill (*Carolina Arts & Sciences*, Fall 2006). **Tracey Durning**, who attended our 2005 gathering and was part of the organizing committee for the 2006 Scottsdale gathering, is the co-executive producer of *Freedom Writers*, which features Oscar-winning actress Hillary Swank in the lead role. **Phyllis Rappaport** is one of three co-founders of the Cure for Alzheimer's Fund, a charity that has raised \$3 million toward its goal of securing \$15 million annually to support research into genes connected with Alzheimer's (*Philanthropy Today*, Nov. 2, 2006). An innovative program funded by **Doris Buffett's** Sunshine Lady Foundation was highlighted in a *New York Times* article on teaching college students about philanthropy

(Dec. 6, 2006). **Joseph Marshall**, executive director of San Francisco-based anti-violence organization Street Soldiers and a speaker at the summer 2006 Scottsdale gathering, hosted 750 participants last November at the first *Street Soldiers National Violence Prevention Conference* in Birmingham, Alabama. Palo Alto, California-based **Jim Fruchterman**, president of Benetech Initiative, which utilizes modern technology to serve social causes, received a MacArthur "genius" Fellowship. The 2007 Guiding Star Award, which honors students of great academic and leadership promise, was awarded to **Daryl Shore** on Jan. 26, 2007, at the St. Ignatius Loyola Academy in Baltimore. Venture Philanthropy Partners, the pioneering venture-philanthropy organization established by **Mario Morino**, gave \$1.6 million to the Washington, D.C.-based SEED Foundation, which works to increase college-enrollment rates among high school students. The Institute for OneWorld Health,

founded by **Victoria Hale**, received a \$46 million grant from the Bill and Melinda Gates Foundation to develop new treatments for diarrhea (*The New York Times*, Nov. 2, 2006). Child-rights activists **Craig** and **Mark Kielburger** published *Me to We: Finding Meaning in the Material World* (Fireside, 2006), with original contributions from Oprah Winfrey, Richard Gere, Archbishop Desmond Tutu, and other prominent figures. Last but not least, **Nicole Rochelle**, who performed songs at three WGF gatherings, became a sensation in Paris in the lead role of *À la recherche de Joséphine*, a musical about Josephine Baker at the Opéra-Comique (*Le Figaro*, Sept. 29, 2006). 🍷