

# San Francisco Chronicle

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They are tactical philanthropists -- part of a growing group of socially conscious givers in the San Francisco area whose generosity accounts for more than half the \$1 billion in assets at the San Francisco Foundation.

Otherwise known as charitable checking, or giving while living, donor-advised funds are quickly becoming the most popular way to invest social capital. Donor-advised funding marks a sea change in the power paradigm of community foundations, where a board of trustees has traditionally decided how to disburse the charity of the Bay Area's wealthiest families. You click and send to specific groups that are doing what you like, instead of sending it to a charitable clearinghouse where you can't see the impact of your dollars, said San Francisco Foundation spokeswoman Sara Ying Rounsaville.

Donor-advised funds appeal to more modest investors, who, with as little as \$10,000, can open an account. Such funds help put the San Francisco Foundation among the top 10 richest community foundations among the 717 nationwide.

The rest of the foundations' endowment comes from more traditional sources: wealthy families bequeath money in their wills or give enormous gifts to the foundation, with no strings attached. We live at the crossroads of extraordinary wealth and goodwill, said San Francisco Foundation CEO Sandra Hernandez, the former public health director for San Francisco who started two national firsts in the city: universal health care and needle exchange.

Giving donors more say in where their money goes dovetails with trends in philanthropy of targeted giving and micro lending, where the donor can concentrate on helping one village with simple solutions such as buying a cow or installing a well. Donor-advised funds at the San Francisco Foundation are local versions of that, allowing investors to contribute to the shelter or school down the street.

You have relatively younger donors choosing to set up funds this way, so they can be more engaged with their local community, said Steven Lawrence, senior director of research for the Foundation Center, the New York-based philanthropy research center.

It represents a cultural and generational shift from the tradition of older donors setting up funds simply for estate planning, he said. The San Francisco Foundation created its donor-advised Web portal in 1999, at a time when only five other community foundations had point-and-click giving. Since then, Web-based giving has become ubiquitous, and San Francisco donors have used the site to send \$152 million to Bay Area nonprofits.

Technology has helped keep donors philanthropically informed, Hernandez said. If there's a hurricane, they can go on our site, see the places we researched to give and -- boom! -- make a grant.

Account holders can go online to check their balances and transfer funds to their favorite nonprofits. Each request is vetted by the foundation, to ensure the chosen charity is a legitimate 501(c)(3) that qualifies for tax exemption.

The foundation serves as a catalyst by researching and mentoring promising nonprofits and then

investing philanthropic money and helping donors decide which local charities match their social values.

The donors get the tax deduction of their entire contribution up front, but can disburse it over years to as many different charities as they want.

In 2007, the foundation granted almost \$90 million. It developed almost 5,000 units of Bay Area affordable housing; gave grants to 70 local poets, writers, photographers and videographers; started a free program to help struggling homeowners avoid foreclosure; sent nearly \$175,000 to help clean up the Cosco Busan oil spill; and funded food banks and meditation centers.

A growing number of donations is coming from the newest philanthropists -- the socially conscious dot-com riche.

Tech millionaires are coming of age and are now ready to give back, but they want the same control over their giving as they had with their startups, said Sean Stannard-Stockton, director of tactical philanthropy for Ensemble Capital Management in Burlingame.

You look at Warren Buffett and Bill Gates -- the big story is not how much they gave, but that Gates, at 50, decided he had something more important to do than run Microsoft, Stannard-Stockton said. Philanthropy is a higher calling.

### **Top 10 community foundations by size of assets:**

1. Tulsa Community Foundation (Oklahoma) \$3.1 billion
2. New York Community Trust \$2.0 billion
3. Silicon Valley Community Foundation \$1.9 billion
4. Cleveland Foundation \$1.89 billion
5. Chicago Community Trust \$1.6 billion
6. California Community Foundation (Los Angeles) \$1.3 billion
7. Marin Community Foundation \$1.1 billion
8. Greater Kansas City Community Foundation  
\$1.05 billion
9. San Francisco Foundation \$1.03 billion
10. Oregon Community Foundation \$996 million

Source: Foundation Center, New York. Data as of June 26, 2008  
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