

Zuckerberg philanthropy effort tests uncharted waters

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Following the stunning news of their \$45 billion philanthropy initiative, Facebook founder Mark Zuckerberg and his wife face the challenging task of ensuring the staggering sum is put to good use.

The announcement Tuesday by Zuckerberg and Priscilla Chan said the couple would donate 99 percent of their shares in Facebook over their lifetime to causes "to improve the lives of all those coming into this world."

The new Chan Zuckerberg Initiative aims "to advance human potential and promote equality for all children in the next generation," according to the message posted as a letter to their newborn daughter.

"Our initial areas of focus will be personalized learning, curing disease, connecting people and building strong communities."

Yet many well-intentioned gifts can end up doing little to achieve their goals, such as Zuckerberg's 2010 donation of \$100 million aimed at improving public schools in Newark, New Jersey, which has been seen as a failure.

"One of the biggest challenges for the big donors is to make sure that their money benefits those who need it the most," said Pablo Eisenberg at the Center for Public and Nonprofit Leadership at Georgetown University.

Eisenberg said some philanthropists "give money to large and well established institutions and not to the neediest people and the marginalized population."

Having a large sum available makes it important for the Zuckerbergs to have advisers "who understand what's going on, and to appoint a board to the foundation that is diverse and has roots in the community," he added.

Other major philanthropy initiatives have been created by Microsoft founder Bill Gates with the Bill and Melinda Gates Foundation and the Buffett Foundation by the billionaire investor Warren Buffett, both of which fund a variety of projects.

Yet not all philanthropic efforts achieve their intended results, analysts say.

Celebrity missteps

"There's always a risk but hopefully Zuckerberg will properly evaluate the impact of his grant making process to make sure that he's not doing more harm than good," said Sandra Miniutti of Charity Navigator, which advises donors on charitable giving.

"Sometimes philanthropy goes wrong with celebrities because they try to do it all by themselves and they don't bring on the right persons to help them. Philanthropy is a totally different thing from running a for-profit."

The Gates Foundation has been both praised and criticized for its efforts in fighting poverty and eradicating certain diseases. In Brazil, the charitable group has sued oil giant Petrobras, in which it holds a stake, over allegations of bribery and corruption.

Zuckerberg "has been very vague about the structure of his philanthropic

venture," said Arthur Gautier, who heads philanthropy research at the Essec Business School in France.

Instead of a charitable foundation, the Chan Zuckerberg Initiative will be a limited liability corporation set up "to further the mission of advancing human potential and promoting equality by means of philanthropic, public advocacy, and other activities for the public good," according to the company.

Gregory Adams at Oxfam America said some philanthropists' efforts are less effective if they seek to set the agenda, which may or may not address the needs of disadvantaged populations.

"There's sometimes a trap that philanthropists can fall into to assuming they can predict a particular outcome based on data," Adams said.

"They have to be humble and trust the people they're trying to help."

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