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Buffett, Gates challenge fellow billionaires

By Paul Waldie

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The U.S. billionaires and legendary philanthropists kick off massive campaign to raise \$600-billion (U.S.)

Bill Gates and Warren Buffett have launched what may be the largest fundraising campaign ever conceived - \$600-billion (U.S.).

The two billionaires have already pledged, or given away, most of their fortunes and now they are pushing other billionaires to donate at least half their wealth.

The campaign, called The Giving Pledge, "is an effort to address society's most pressing problems by bringing more dollars to philanthropy," Mr. Gates and Mr. Buffett said in a statement Wednesday. "Each person who chooses to pledge will make this statement publicly, along with a letter explaining their decision to pledge. At an annual event, those who take the pledge will come together to share ideas and learn from each other."

More about Warren Buffett:

- Think like Buffett: Tips from a pro [<http://www.theglobeandmail.com/globe-investor/e-zines/trade-by-numbers/think-like-buffett-tips-from-a-pro/article1383926>]
- What Warren Buffett owns [<http://www.theglobeandmail.com/globe-investor/e-zines/trade-by-numbers/what-warren-buffett-owns/article1383086>]
- Warren Buffett sings a different tune in his advice to investors [<http://www.theglobeandmail.com/globe-investor/e-zines/trade-by-numbers/warren-buffett-sings-a-different-tune-in-his-advice-to-investors/article1384364>]
- Investing by copying Warren Buffett's style [<http://www.theglobeandmail.com/globe-investor/e-zines/trade-by-numbers/investing-by-copying-warren-buffetts-style/article1382994>]
- To restore trust, look to Warren Buffett [<http://www.theglobeandmail.com/globe-investor/investment-ideas/experts-podium/to-restore-trust-look-to-warren-buffett/article1382243>]
- Buffett's hits and misses in 2009 [<http://www.theglobeandmail.com/globe-investor/investment-ideas/buffetts-hits-and-misses-in-2009/article1414793>]
- A baby Buffett portfolio [<http://www.theglobeandmail.com/globe-investor/investment-ideas/a-baby-buffett-portfolio/article1418229>]

There are about 400 billionaires in the United States and they hold roughly \$1.2-trillion in total assets, according to Forbes Magazine. Just meeting The Giving Pledge would generate \$600-billion in donations.

Mr. Buffett pledged in 2006 to give away 99 per cent of his \$46-billion fortune and Mr. Gates has contributed much of

his wealth to the Bill and Melinda Gates Foundation.

"I've worked in an economy that rewards someone who saves the lives of others on a battlefield with a medal, rewards a great teacher with thank-you notes from parents, but rewards those who can detect the mispricing of securities with sums reaching into the billions," Mr. Buffett said in an open letter Wednesday. "In short, fate's distribution of long straws is wildly capricious."

Jim Fleck, a Toronto businessman who has already given away more than half his wealth, called the move "a great example."

"It's a wonderful initiative," he said. "It falls into the category of might help, can't hurt."

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But others aren't sure such a public effort will have the same impact in Canada. Some say it could feel coercive and might make donating to charity almost like a tax. Attracting a high profile for giving can also "maybe turn people off a bit," said Alberta businessman Harley Hotchkiss, who has donated nearly \$40-million to the University of Calgary.

"We all have our responsibilities as we move through life to recognize that sometimes we are very fortunate," he added, calling philanthropy a highly personal commitment. "The biggest thing we can do is encourage our own family and help them get involved.

Encouraging people to donate a percentage of their wealth isn't new. Montreal businessman John Hallward started Giv3 last year which encourages Canadians to donate 3 per cent of their income and volunteer three hours a month. Woodrow Rosenbaum, Giv3's executive director, said that wealthy Canadians on average donate about 0.5 per cent of their income to charity. That compares to 0.75 per cent on average for all Canadians and 2 per cent for low-income people. "A very small difference in personal behaviour will effect a really remarkable change in results for charities in this country," Mr. Rosenbaum said.

In the United States, Arlington, Mass.-based Bolder Giving doesn't prescribe a set percentage but offers ideas and examples to help people give away more money. "We are trying to inspire people who may not be millionaires to give more," said spokeswoman Jennifer Leigh.

"I guess the important thing is why wealthy people are giving," said Dave Dryden of Oakville, Ont., who runs Sleeping Children Around the World, which provides bed kits to children in developing countries. "If they are giving because they really want to help people out around the world, that's marvellous. They can accomplish an awful lot."

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