

Born in 1927 I remember vividly the worst of the depression years in terms of how they affected my family—1933 and 1937 especially. The depression taught me the value of money, and my mother gave me a lesson around 1937 I never forgot.

She asked me to run down to the store and get a loaf of bread. I did and charged it as usual. When I got home and gave it to her, she started at me in disbelief. “Dummy!” she said. “You bought the small nine-cent size. Don’t you know you get half again more for 11 cents?” From that I learned the lesson of percentages.

But a bigger lesson grew from that experience. I began to realize the importance of money consists of buying what is worth the price. As I grew into adult years, I passed over things most people might grab because I didn’t think the price justified the value. For decades I have applied that to hotels, plane fares, restaurants, clothes, hard goods. I drive a hybrid and fly coach, upgrading only with points, not money. I have only three luxuries: My Atherton, CA., home, a San Francisco luxury apartment 600 feet above sea level and a luxurious home on Pineapple Hill in Kapalua, Maui. All will end up in my foundation where three other homes are right now awaiting sale.

During even the Depression’s worst years my parents gave money—about 8% of their annual income of \$2200. I remember saying to my mother that we can’t afford that. But she said we have to share with others. I learned from that to share.

Except for the first few years out of Stanford, I have given near the 10% mark for some 20 years. For the last 40 years the giving amounts to more than 90% of all monies earned. You might then ask, “What are your favorite recipients?”

Going back 40 years I began thinking where I should concentrate my grants. Back then all of it was going to Stanford University and a few other institutions like Leo Baeck high school in Haifa. Twenty years ago I locked into this conclusion:

What single factor most affected my being so successful in business? In a nanosecond the answer came up: Education.

Throughout the world without an exception, education is the determinant of a person’s intelligence level and possible success. And success is not making a million a month or a year. It’s earning enough to live comfortably and being able to finance children’s education.

As my thoughts wandered from Alameda grammar school and Grant high school in Portland to Stanford, I soon came to the conclusion that the most critical part of my education was Alameda with Stanford taking on the role of pointing a direction for my future—journalism later to be public relations and still later to be founding a very profitable business—Business Wire, now a subsidiary of Berkshire Hathaway.

Each year I ask Alameda’s principal what they need. This year it’s a fully equipped rolling computer wagon to move among the classrooms as needed. In earlier years I equipped all classrooms with computers and built a new library there.

By the latter 1960s, I was concentrating on Stanford with endowed chairs and student scholarships. It climaxed in 2008 with a \$75 million pledge for what might be the world’s largest stem cell laboratory as well as the new Stanford Daily building. The Daily is paid for, and the stem cell lab money is in the Stanford Donor Advised Fund.

Around 1990 I realized I needed to broaden the base of giving to educational institutions. I wanted to concentrate on education because by putting all the money into a single subject effort, it might make a difference. I never have slipped into giving \$500 here and \$1000 there to 100 or 200 entities.

This brought into focus the major recipients, such as Santa Clara University, University of Oregon, Mills College, Portland State University, Oregon Health and Science University, two Oregon libraries, three San Francisco area Jewish day and grammar schools, two Hispanic schools in San Jose, several Israeli colleges (Technion, Weizmann, Ben Guerion) along with Hadassah Medical Center.

At several of the colleges, the grants have been so large that recipients use the word “transformational” to describe their effect. This has been especially true for University of Oregon (\$134 million), Mills College (\$35 million), Santa Clara University (\$37 million) and Technion Institute in Haifa (\$33 million). What a good feeling this gives me. I would have it this way any day before wanting a jet plane or yacht.

As we went into the 21st century, I began quipping that I want to die broke. It won't be quite that bad, but I will have set up machinery that my uncommitted assets today will be granted via such things as donor advised funds, charitable remained trusts and my foundation. The children, grandchildren and great grandchildren have been taken care of and will not be in the estate. Nor will my companion of 19 years, Joanne Harrington, who got her bequest many years ago and has been so helpful to me in the sharing process.

There's an old saying about farmers putting back in to the ground via fertilizer what they take out. So it is with money. The larger the estate, the more important it is to revitalize the soil.