

I am a 53-year-old married investor. My wife and I live in San Francisco, which we love. We have four kids, the oldest of whom is 22 and the youngest of whom is 16, whom we also love. Almost by accident – we’ve focused on good investing not making money – we currently have more assets than we could reasonably spend in our lifetime. Our original impetus for saving money revolved around wanting our kids to enjoy the same educational opportunities that we had, so that they could succeed on their own terms, assuming that they worked hard. That’s what our much appreciated parents did for us. We never aimed to endow our children with wealth. After honest conversations with each of them, singly and together, we know that they don’t want that either. We also worried about affording excellent healthcare for our family. But otherwise, we enjoy our life here in California and don’t require more material possessions.

We want to leave our kids a different kind of inheritance, an example of at least trying to lead a worthy life. In that regard, John Gardner long ago counseled us to “do” things as opposed to trying to “be” someone; in his opinion, seeking “to be” inevitably leads to egocentric outcomes. Traditionally, societies focused on ancestor-worship, but as Americans, we have mostly descended from penniless, indentured, or fugitive antecedents, so it really makes no sense to us to try to derive importance from our birth, and thank goodness for that.

As luck would have it, we live in a city named for a man famous for actively denying his birthright – a birthright not of ambiguity or even scandal but of confirmed privilege. He stripped himself of his worldly goods (including clothes), identified with animals, and kissed the sores of lepers. Because what he did came to define him, St. Francis is our epitome of a “to do” kind of guy. While we might struggle to emulate his example in many ways (while keeping our clothes on), we can see that an active life like his – he spent it famously consoling, understanding, loving, giving, and pardoning -- promises the greatest satisfaction.

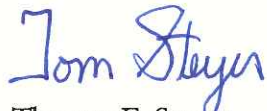
Admittedly, in our case, “to do” is inextricably wound together with “to have.” Having assets has enabled us to organize projects which we otherwise could not have and which we hope will leave our community and neighbors – both near and far – better off, at least in some small part. If we succeed, we will have left a wonderful legacy for our kids, and we can’t dismiss “having” resources as an irrelevant aspect of that. But our pleasure and pride in life come from working with valued partners, not owning things or totaling up our net worth. Therefore, along with Mr. Buffett and after due consideration, we pledge the bulk of our assets to philanthropic activities carried out over the course of our lifetimes.

We will not, however, do so heedlessly. We do not knock other approaches, but we have strong opinions based on lessons learned about how to “invest” our resources on behalf of the common cause. For one, we harness wherever possible the power of markets to direct investment effectively, even as we recognize their inherent limitations. People of all income categories know what they value and will demonstrate that most convincingly by where they are willing to dedicate their scarce resources. At the same time, we know that markets do not price externalities and shouldn’t be expected to support adequately public goods like education or clean water. There is, after all, an abidingly important place for government, social compact, and social conscience. Muhammad Yunus and the Grameen Bank family of social businesses have made a major impression on us, as they’ve successfully engineered

good incentives, rewarded industry and measured success – and failure –to good outcomes for all people.

We will also strive to make our pursuits fun and constructive -- as an older and wiser friend advised us to do. We do plan to give the vast bulk of our money to charitable pursuits, not to our descendents, but we expect every minute of the ride will be exciting and engaging. That doesn't compare in our minds with the sacrifices that other Americans have made in terms of effort, danger, and life itself on behalf of their country and fellow citizens. But we relish the opportunity to do our part and leave our collective campsite cleaner and better tended than we found it. It's our pleasure at least as much as our obligation. We hope St. Francis approves.

Sincerely,

Handwritten signature of Tom Steyer in blue ink.

Thomas F. Steyer

Handwritten signature of Kat Taylor in blue ink.

Kathryn A. Taylor