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Tracy Gary.
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Q&A: Learning to give is life's best lesson

By SHANNON BUGGS

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Shannon Buggs chats with the former millionaire who travels the country teaching wealthy people how to give away money wisely and creating charities that will benefit from that largesse. Chronicle reporter Shannon Buggs talked with Gary, whose latest nonprofit, Inspired Legacies, is based in Houston, where she has lived for the past six years.

Q: Did you receive your inheritance from the Pillsbury family?

A: The Pillsburys really didn't have any money at that time. My money came from my mother, who was a second cousin. And her money was actually made.

She took \$100,000 that she was given as kind of her dowry when she was married. She went to Wall Street during World War II and parlayed that into \$500,000.

Part of my inheritance came from her money and from my father's, whose grandfather invented the dial telephone.

Q: How old were you and how much was given to you?

A: My brother and I were told at age 14 that we would be given \$1 million at age 21. We were given the the income from the inheritance at 21, which was about \$200,000. Then the million dollars was split, so I got \$250,000 at age 25, then another \$250,000 at ages, 30, 35 and 40.

I've given almost all of it away. Since I was 35, I have not had more than \$30,000 in the bank. I'm not living so I can die with a lot of money.

Q: Was your first thought to give it all away?

A: I have to learn how to invest this was my first thought.

Q: Come on. Didn't you consider buying a car or moving to Australia to live as a surfer?

A: My parents had five houses and 36 people working for them. So I really saw the up and down side of wealth.

My graduation present from high school was a car. The person who raised me was Nellie, who was African-American with a third-grade education who earned only \$75 and room and board every two weeks in the 1970s. She worked for my family for 60 years.

So my first thoughts were how can invest this money for good.

The money came to me with with a message at 14 that this money has to be leveraged for good.

Q: What did your parents tell you?

A: You are not an average kid. You are a kid with a lot of privilege. And because of that, we were required to volunteer for five hours a week.

And at age 16, we were required to work 10 hours a week for pay in addition to continuing to do the community service.

I look on all of that as a good decision on their part. It made us more entrepreneurial.

Q: Your book, *Inspired Philanthropy*, is a guide to creating a personal giving plan. What is your own strategy for giving away your money?

A: I live on \$50,000 a year after taxes so I can give away \$50,000 a year.

Most Americans give away 2 percent of their income. I'm trying to model something different.

Q: What do you support financially?

A: Donor-education is my giving strategy. I make donations to encourage more donors to give to capacity building, which is the funding of staff and capital expenditures, such as computers, to strengthen the capacity of an organization in its fundraising and messaging.

There are now 33,000 family foundations and 800 community foundations in the country.

These foundations tend to fund specific projects, not general operating grants.

Q: You've donated much to nonprofits that you created or co-founded. What is missing in other nonprofits that causes you to start your own?

A: I'm a nonprofit entrepreneur. The things that I've created — women's funds, battered women's shelters, community centers, donor-education programs — are things that I have been asked to create or are things that I have seen were missing. They have all been catalysts in creating new change.

Q: How do you get donors out of a comfort zone?

A: The wealthy can become very isolated and develop an enormous sense of self-importance. I've created donor networks so wealthy people can get together to learn from each other how to give effectively. Many of them want a shared experience where they can talk about their giving.

Q: What is principled philanthropy?

A: Narcissism is sort of the absence of empathy for other people, and what philanthropy teaches is how to deeply listen to the needs of others.

If you're only giving to your friends' favorite charities and your kids' school, you're missing the really fun and meaningful part of philanthropy.

You also have to match your values to your actions. If I say I care about immigration issues, but I haven't given my housekeeper a raise in eight years, then my values and actions are not in alignment.

Philanthropy allows us to walk our talk in a different way.

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