

Spreading Wealth and Passion

An entrepreneur relishes giving to causes she holds dear

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Growing up, Sheila C. Johnson moved 13 times to follow her father's jobs at veterans' hospitals around the country. In each of her family's homes sat a piano where her father, a neurosurgeon, often played music by Chopin after walking in the door from work.

"After surgery, that was his way of release," says Ms. Johnson. "Some people hit the bottle, others take a smoke. My father enjoyed making music."

She inherited her father's love of music and now spreads her passion for the arts, children, and education to others through the Sheila C. Johnson Foundation, located in a bucolic corner of Northern Virginia. Her fortune, estimated at \$750-million by *Forbes*, mostly comes from the 2001 sale of Black Entertainment Television, in Washington, which she co-founded.

Ms. Johnson relishes giving her money and time to groups large and small that she says "hit my heart," including \$6,000 to a Washington charity that helps needy youngsters interested in culinary careers and \$7-million to Parsons The New School for Design, in New York, for a building renovation, the largest gift in the school's history. A \$1-million gift to the State University of New York A&T College at Morrisville, in upstate New York, is helping to promote diversity on campus and pay for scholarships for many first-generation college students. She says that her foundation coffers, which hold more than \$25-million, will eventually reach \$100-million. Since 2001, the foundation has dispensed at least \$20-million in grants.

Ms. Johnson, 57, hopes her philanthropy will create opportunities for youngsters of all backgrounds. "I studied wealthy people - this was before I had money - and saw the confidence in their kids because the world is their oyster," she says. "We need to give all these kids that same kind of entitlement. They may not have monetary entitlement, but let them feel entitled, because that is the only way they are going to grow socially and morally, and that is really the reason why I give money away."

'The Most Energetic Woman'

Ms. Johnson's family finally settled outside Chicago. She graduated with a degree in music education from the University of Illinois at Urbana-Champaign, where she met her first husband, Robert L. Johnson. They eventually started Black Entertainment Television and sold it to Viacom for \$3-billion.

Ms. Johnson now serves as chief executive officer of Salamander Hospitality, a company that is developing a luxury inn near here, and is a partner in Lincoln Holdings, which owns two Washington sports teams, the Washington Capitals hockey team and the Mystics, a women's basketball team.

Despite her full plate, Ms. Johnson spends time and dollars on philanthropy by serving on a dozen or so nonprofit boards, helping charities raise money and acting as a mentor to the young people her gifts support by inviting them to visit her on her 200-acre horse farm here, about 40 miles from Washington. In addition, charity workers and students have shared her box at the Washington International Horse Show, of which she is president, and several charity leaders attended her second wedding last fall, signaling the close personal relationships she develops with groups she supports.

Ms. Johnson also uses her expertise and reputation to raise money and the profiles of groups she supports. She frequently speaks at charity and corporate events and donates her fees to the Washington Mystics Foundation. Ms. Johnson was named the team's president last spring and started the foundation, which will combat childhood obesity, with a \$100,000 donation. She hopes to raise \$500,000 in the next year to support its work.

She has also traveled the globe as a spokeswoman for the International Centre for Missing and

Exploited Children, in Alexandria, Va., to which she gave \$500,000. She helped the group obtain a \$1-million contribution from the Microsoft Corporation, in Redmond, Wash., to train law-enforcement officers overseas to find kidnapped children. And Ms. Johnson recently became a spokeswoman for CARE, the international relief group in Atlanta, to increase awareness among American women of the needs of their counterparts in poor countries.

"She is the most energetic woman or person I have ever met," says James A. Hastie, executive director of the Morrisville College Foundation, who has known Ms. Johnson for a decade. "She doesn't get involved with anything she is not passionate about."

Seeking a Big Impact

While some of Ms. Johnson's seven-figure gifts have made headlines in the past few years, she started her foundation more modestly in 1989 as a way to honor the memory of a son who died shortly after birth.

In the beginning, she says, the foundation had about \$2-million in assets and supported children's and health-care causes. The influx of wealth from the television-network sale five years ago prompted Ms. Johnson to increase the foundation's assets and make a flurry of \$1-million gifts, including donations to the Washington, D.C. Martin Luther King, Jr. National Memorial Project Foundation and the Christopher Reeve Foundation, in Short Hills, N.J.

Although Ms. Johnson has given significant gifts to black causes, she resists pigeonholing her philanthropy by race. "I don't even focus on it that way," she says. "I believe in diversity of giving."

She also believes in taking steps to ensure her largest gifts make a difference over the long haul, which is why she supports building projects, such as the new design center at Parsons, instead of performing-arts groups, despite her background as a violinist. "Orchestras, they tend to blow through your money within a season and you don't really see the impact," says Ms. Johnson. The Parsons building "is going to affect generations to come."

Impulsive Gifts

As her foundation assets grew, so did requests for aid. Ms. Johnson turned to Diana Chambers, a philanthropic adviser in Washington, to help her focus her foundation's mission, which resulted in streamlining giving to the arts, education, and children. (Ms. Johnson also earmarks about \$500,000 annually to support local causes, including a \$35,000 gift she made last year to the Wolf Trap Foundation for the Performing Arts, in Vienna, Va., to support arts-education programs at public schools in Loudoun County, Va.)

In November, Ms. Johnson hired Cynthia M. Dinkins, who previously ran a foundation that promoted diversity in the entertainment and telecommunications industries, to manage her foundation and the Mystics Foundation.

While Ms. Johnson looks to Ms. Dinkins as well as others for suggestions - for example, her advisers queried why the non-New Yorker gave such a large gift to Parsons - decisions ultimately rest with the woman who signs the checks. "I like to have control over my money," Ms. Johnson says.

Such control also facilitates spur-of-the-moment gifts, such as the \$100,000 she donated in April to the Canaan Development Foundation, in Urbana, Ill., for scholarships and to support two addiction-treatment programs.

"I could really see this group making a difference," says Ms. Johnson, who was invited to speak at the charity's gala before she made the gift. "These were people that were so genuine and so vested in changing the blight of the community. You could tell their hearts were in this."

But at least one charity watchdog says the Johnson Foundation could benefit from more advice about how funds are used. Ms. Johnson's children - Paige, 20, and Brett, 16 - are now the grant maker's only other board members, a common approach in family foundations, says Susan Price, managing director of family-foundation services at the Council on Foundations, in Washington. "The reason people create family foundations is so they maintain some control over their philanthropy and involve their families," she says.

However, the arrangement raises some potential concerns about oversight, says Jeff Krehely, deputy director of the National Committee for Responsive Philanthropy, in Washington.

"I can only think of good reasons to add a couple more people who aren't connected," he says. "You'll get unbiased feedback and opinions on the grants that should be made and the way money should be spent on operations."

'A Serious Philanthropist'

Ms. Johnson has put several safeguards in place to ensure the foundation's largest awards are spent wisely.

The foundation signs contracts with charities that receive more than \$1-million, to stipulate how donations should be spent. In addition, Ralph Culver, Salamander Hospitality's chief financial officer, reviews the finances of charities to whom Ms. Johnson is considering making a large gift, and Ms. Dinkins also plans to regularly visit grantees to monitor their progress. Ms. Johnson has also joined the boards of several groups where she has given at least \$1-million.

"I have been burned by organizations I have given money to," she says. "I'm not sure the money got to where it was supposed to go."

And she is not afraid to cancel her check: Once, she revoked a \$1-million donation to a hospital because the organization's goals for the gift differed from her own.

"She is a serious philanthropist," says Sarah S. Brown, director of the 10-year-old National Campaign to Prevent Teen Pregnancy, in Washington, where Ms. Johnson is a founding board member. "It's not 'Lady Bountiful.' She is substantively interested in these organizations to whom she gives money, and she is knowledgeable about them."

In the case of one of Ms. Johnson's largest gifts, to Parsons, she set out to learn about the

design school after touring its classrooms at the suggestion of a board member. The students and faculty impressed her; the crumbling plaster did not.

"She got it immediately," says Bob Kerrey, New School University's president. "She understood the students needed support, the facilities needed improving, and made the gift as a consequence - and has been very involved in helping us."

Mr. Kerrey credits her \$7- million gift with helping the university raise an additional \$20- million toward the building renovation, which will be called the Sheila C. Johnson Design Center. Ms. Johnson, who will become Parsons' board chairwoman in July, has not been shy about goading others. "We have a very powerful board that needs to get more invested in the school," she says. "My job is to translate my passion to them to get them so vested in what needs to happen that we can really change the complexion of the school."

Making Giving Personal

Closer to home, Ms. Johnson already has experience transforming another institution. Seven years ago she offered to pay for the construction and endowment of a performing-arts center at the Hill School, in Middleburg, Va., which her children attended.

"When she said, 'I want to do the entire thing,' I just about fell off my chair," says Tom Northrup, the school's headmaster.

During construction, an opportunity arose to add more features to the space, and Ms. Johnson agreed to the additional costs. Her gift totaled \$5-million. A few years later, she made an unsolicited pledge for another \$2-million, earmarked for the school's endowment, if officials could match the sum from other donors. And during her years of being involved with the school, she has donated an additional \$500,000 for other projects, including \$300,000 to help construct a new music building on campus.

"I'm not asking Sheila to do anything more for the Hill School," says Mr. Northrup.

The Hill School gift is not the only large donation Ms. Johnson has initiated. After speaking at the Morrisville commencement in 2001, Ms. Johnson developed a friendship with the college's president, Raymond W. Cross, says Mr. Hastie, head of the college's foundation. Later that year, she offered the college \$1-million, but Mr. Cross initially turned it down, fearing she would think the college had invited her to speak in return for a gift, says Mr. Hastie.

Still, she says, she persisted, because the gift to Morrisville gave her an opportunity to broaden students' perspectives, just as her own had been by moving around the country while she was a girl. Many of the college's students grew up in nearby farming communities.

"These are kids who grew up in a very narrow world," says Ms. Johnson, who now sits on the college foundation's board. "They don't have the savvy, the institutional knowledge of how to navigate the real world." Part of her gift supports a diversity institute, which pays for special events, trips to places such as the Harriet Tubman Home, in Auburn, N.Y., and campus appearances of speakers and performers designed to expand students' horizons.

A portion also supports a fellows program, in which select students meet scholars, politicians, and other community leaders. Ms. Johnson has gotten personally involved with the program's success, and has bought formal wear for some students to attend events, invited them to her farm - for many, their first trip outside New York - and even called several students when asked by the program director to offer encouragement or nudge them to hit the books.

"She imparts on them strategies and insights and examples in her own life where she has made mistakes and learned from them," says Mr. Hastie. "She is developing, or fine tuning, a moral compass within these young adults from her own experience."

Designing a Strategy

While Ms. Johnson says she is pleased with how her money is being spent by all her current grantees, other charities whose boards she recently joined - including the University of Illinois at Urbana-Champaign and the Wolf Trap Foundation for the Performing Arts - will have to wait at least two years before making a case for large gifts. The Johnson Foundation plans a respite

from big gifts to pay off previous commitments, chart a grant-making strategy, and develop a Web site.

Ms. Dinkins says past grantees have a good chance of receiving more aid, but the foundation is also investigating some partnerships with "higher visibility types of organizations" as well, on which she declined to elaborate. In the interim, Ms. Johnson will make smaller grants, up to a total of \$750,000 annually.

Also in the works: a larger philanthropic role for Ms. Johnson's children. For the past three years, each has had the responsibility of donating \$25,000 of the foundation's assets. Paige, an accomplished horsewoman, has earmarked money for the American Society for the Prevention of Cruelty to Animals and other animal-welfare causes, while Brett has directed gifts to building a local playground and providing scholarships to a performing-arts high school in North Carolina.

"I'm trying to teach them to find a passion," says Ms. Johnson, who sees her son leading the foundation one day. "I want to teach them generosity and giving. I think a lot of families forget to do this, and it's really important."

In April, Ms. Johnson's own passion for young people led her to speak at a Maryland hotel to a dozen girls and their parents from Club Lady Bug, a local organization that emphasizes religion and building friendships. "You don't see people of her stature doing those things, and she loves it," says Ms. Dinkins, who accompanied her. Ms. Johnson could have left after her remarks, Ms. Dinkins notes, but she stayed for most of the Saturday-night dinner-dance, chatting with the families.

"She wants her legacy to be, 'Sheila Johnson really cared about children, education, and music,'" says Ms. Dinkins. "She doesn't want to be known as the first black female billionaire. 'Who cares?' as she would say. But what did she do with her wealth - what did she do to make this a better place?"