

A Brash Hedge-Fund Manager Applies His Tactics to Philanthropy

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A few years ago, Cheryl L. Dorsey was hosting a lunch for Echoing Green Foundation, the social-entrepreneurship fund she runs, when a man she had never met before approached her.

“If Echoing Green is as good as you say it is, I’ll commit \$1-million and get involved,” she recalls him saying.

Not too long after, the then \$2.6-million New York group had the money—and the man on its board.

That kind of move is quintessential William A. Ackman. The 44-year old hedge-fund manager is well known in the financial world for his brash brand of activist investing, by which he has amassed a fortune that *Forbes* magazine last year estimated at \$700-million. (Mr. Ackman declined to confirm whether that is accurate.)

He’s not yet a familiar name in philanthropy—but that could change.

By many accounts, Mr. Ackman, who makes swift decisions and likes to nudge grantees to try new approaches and reach more people, wants his giving to achieve an audacious goal: changing the world.

Through a foundation they created in 2006, Mr. Ackman and his wife, Karen, plan to eventually give away most of their wealth. Last year, they donated \$58-million to the Pershing Square Foundation, whose name reflects Mr. Ackman’s Pershing Square Capital Management, the hedge fund he started in 2004. The contribution, along with \$1.3-million they gave to 50 other nonprofits, puts the Ackmans in the No. 17 spot on *The Chronicle’s* list of the most-generous

donors.

... Hedge-Fund Investments

Mr. and Ms. Ackman, meanwhile, are the foundation's sole trustees. That's not enough people to ensure diversity of opinion and guard against overreach, says Aaron Dorfman, executive director of the watchdog group National Committee for Responsive Philanthropy.

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