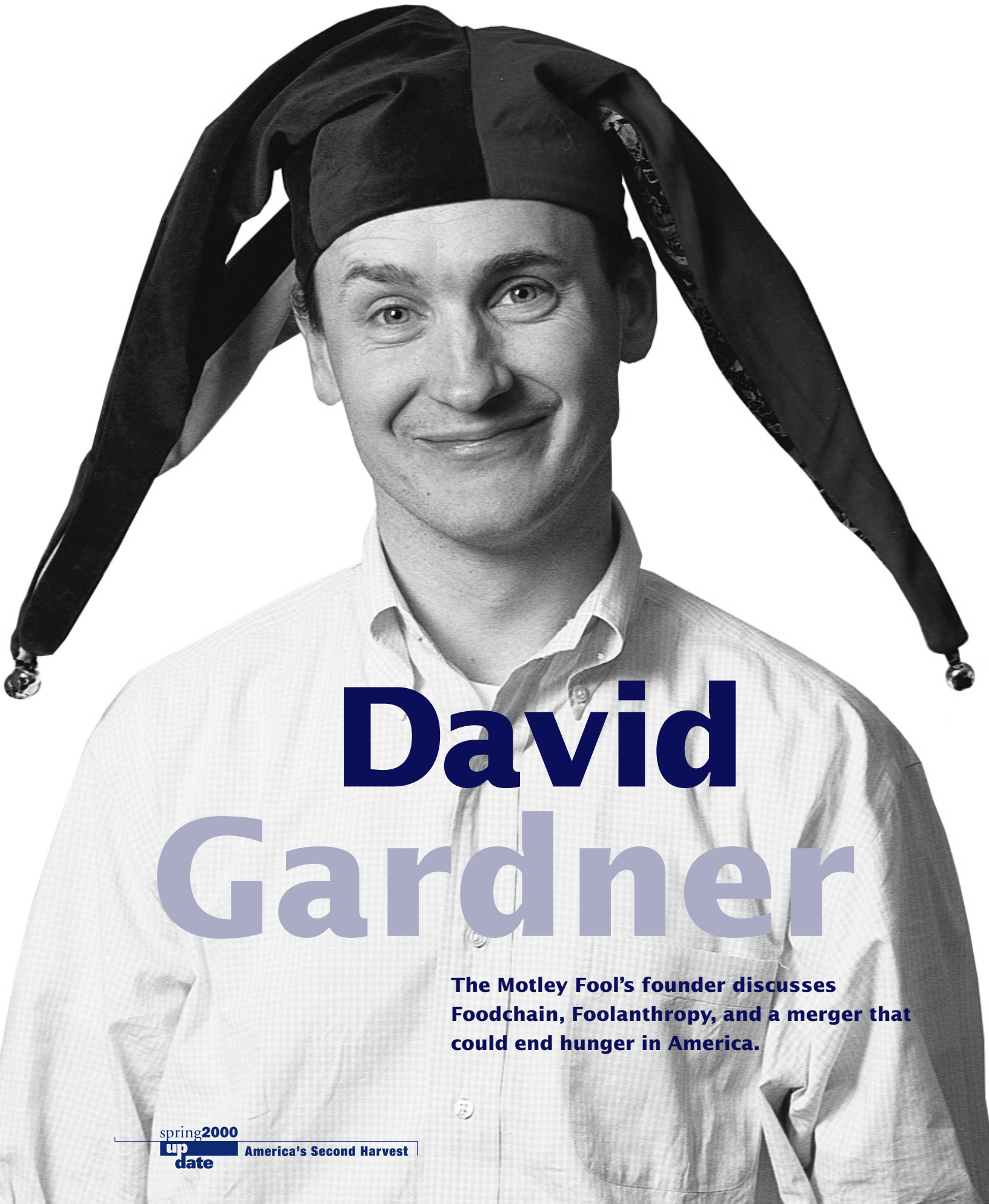


David Gardner

The Motley Fool's founder discusses Foodchain, Foolanthropy, and a merger that could end hunger in America.

David Gardner graduated as a Morehead Scholar from the University of North Carolina at Chapel Hill in 1988. With many ideas and no regrets, he quit his job writing for Louis Rukeyser's *Wall Street* (the newsletter, not the TV show) in order to start The Motley Fool in July of 1993. Today, The Motley Fool is one of the most popular online investment sites, and David and his brother Tom are the best-selling authors of such books as *The Motley Fool Investment Guide* and *You Have More Than You Think*. Three years ago, The Motley Fool started a charity fund to provide their customers with an outlet to give to worthy causes like Foodchain.

Why did you feel it was important to start the charity fund? We started the Motley Fool as a newsletter for our parents' friends, but once it took off, we began to feel a keen sense of social interest in the work that was being done outside our hallowed walls at Fool Headquarters. We really wanted to make an impact on the world, and we realized that money is one of the greatest tools for doing that. Teaching somebody to make better financial decisions is a profound achievement, one that we take very seriously here, but I think our favorite teachers were always those who demonstrated their teaching. We grew up studying leadership, we were taught to be leaders. Part of being a leader, as an individual or as an organization, I think, is thinking about social progress, things that are greater than maybe just our business mission, and I think all of those thoughts are what led to our decision to start our first drive.

Foolanthropy (n): The form of charity advocated and practiced by the Motley Fool.

Can you tell me how the drive works? Sure. It's actually worked differently each year, and I'll explain the evolution. The first year, we decided, well if we're going to ask a whole bunch of people – people who have mostly never met us even though they might read us on a regular basis – to join with us in giving money to a nonprofit, then we should probably ask them what they'd like to give to. We provided a list of six possibilities, just six good organizations, and we had a vote among our community, asking them which one they'd like to support, and they chose Share Our Strength. I think it was because hunger is such a compelling thing to be a part of solving. The second year we decided to team up with Share Our Strength again because our community of donors hadn't changed dramatically. Share Our Strength had given a lot of the money to Foodchain and their Community Kitchens program, so we decided to press forward with the understanding that Foodchain would get most of the money the second year. The third year – the one we just finished – we decided, okay, it's getting a little bit bigger now, and it makes sense to give people a little bit more choice. But we wanted to continue to serve as leaders, not just in raising the money, but in thinking about what it means to give and what we should be giving to. We decided to set down some tenants that typified the things that we would all want to give to and out of that grew our "Foolanthropic Principles" and a campaign that sort of revolves around the word Foolanthropy. We posted the principles, and then we asked our community, almost like we did the first year, who do you know that meets these principles. One of our principles is about the self-sustaining strength of an organization and that's very important to us. We certainly have nothing against organizations that are more hand to mouth, but we wanted Foolanthropy to be about organizations that actually create self-sustaining value. Our community read the principles, and we asked them to write up their suggestions, almost like an application. We then took all of those and had our Foolanthropy board here at the Fool whittle it down to a list of 20. We did a lot of homework on each one of those, and ended up selecting five, one of which was Foodchain, to be part of our 1999 drive.

What made Foodchain stand out? It was a combination of things. First of all, there's the model of the Community Kitchen. The way that it brings in food that otherwise would have been wasted, and then uses it to train people for jobs in the food service industry. Those trainees rework and reprocess the donated food into meals and then it ends up, pretty quickly, on the plate of someone who needs it. That model is one that spins off a lot of value. I mean that's three things – eliminating waste, providing job training, and feeding people who need it. And it's a model that works and can be taken, as I think Foodchain is demonstrating, to any urban place in America. It really pretty clearly demonstrates a lot of what we believe in. As opposed to just providing cans of food to people, it goes much further. It actually provides convenience for the people who receive the food. It's that sort of self-sustaining, self-renewing economical and efficient use of resources that I think Foodchain demonstrates.



The finale for the 1999 Motley Fool charity drive was held at a Foodchain Community Kitchen. Motley Fool employees joined representatives of all five benefiting charities, including Foodchain, for a day of volunteer work and a ceremony to transfer the donated funds. Here Gardner presents Foodchain's founding executive director, Christina Martin with a symbolic money bag.

The merger between America's Second Harvest and Foodchain is one of the first examples of nonprofit companies combining efforts to improve productivity and efficiency in a way that's standard in the business community. Can you help us understand its prospective benefits by giving us an example of a similar for-profit merger? There are a lot of good examples in the for-profit world of companies working together. Sometimes they're not merging, but it's the same idea. I think one example of something that really works is Starbucks coffee on United Airlines. Rather than just serve any typical coffee that doesn't matter to people, why not have a brand name there? You can enhance your own service through the inclusion of someone else's stuff in what you do. That's really the retail model period. Rather than just have a store of stuff, why not have a store with stuff that people know or really benefit from? Whether you're a clothier looking for the best clothes or a charity, that's what you're trying to do. You're trying to make yourself bigger and more successful by including the work of others in what you do. I recognize – and we at Motley Fool are pretty conscious of this as well – that working together we can achieve a heck of a lot more than by working individually or separately.

So many people are going on line to do business now. How do you appeal to people's sense of giving on the web? I don't find it very difficult trying to motivate people to give. We don't spend a lot of time with our Foolanthropy each time appealing to people's sense of guilt or, on the other side, to their sense of greed. I think that for the most part, if we can show people a problem and, with the help of a good nonprofit like Foodchain, show them an answer to that problem then people will give. I don't think anyone wants to see hunger in the world. When you can show people that just by giving a little, by banding together and pooling resources, it could actually solve the problem, that all of our lives would be better, I don't think it's difficult to get people to give.

Didn't you actually double the amount donated through your drive over the years? We're actually amazed by it. I don't think I mentioned it, but our third year we raised over $700,000. So it went from something like $120,000 the first year, to $220,000 the second year, to something like $760,000 last year.

That's a huge leap. It is, but I think it also reflects the growth of the internet. Certainly a good stock market, which plays into all three years, is always going to help. I think that when people have extra stuff they are more likely to give it away. When they don't have extra stuff, they're less likely. There's also been a growth in the awareness of what the Motley Fool does. Often when you start something, it takes a while for people to find out about it, maybe it takes a few years, but then once it catches on the growth can be logarithmic. I have no idea what we'll raise next year. We're hoping to have our first million-dollar year and that's something that we'll be very excited about.

One way we encourage individuals to give is by donating stocks. Can you tell us a little about the benefits of that? It's the way that we think everyone should give. You'll realize that you can give away more, and more will end up in the hands of the beneficiary then if you just give away cash. Obviously if you're giving away cash, or just writing out a check, presumably you're doing that with money that's already been taxed. The nice thing about stock is, let's say you've saved some money in your 401(k) plan so it's tax deferred, or let's say in your

own investment portfolio and it's appreciated, it's gone up over time. Well, obviously if you sold that in order to write a check to charity, you're getting taxed, but if you just give the shares directly, all tax is forgiven so that full amount goes to your beneficiary. You have to have appreciated stock first. For anyone who's been investing in the stock market over the last five years, they probably do have some appreciated stock because it's been such a strong market, and if you do, we believe that's the best way to give.

The internet is becoming such a huge presence. What do you see as the role for dot coms like the Motley Fool in building awareness for social issues like hunger? The internet has made it possible to get the word out about everything more cheaply, more efficiently, and more globally than anything that has ever been devised before. So companies that are focused on the internet have this great opportunity, particularly companies that have the average person tapping into their site in large numbers. I'd like that to be true of our business. We do have a few million customers, and we are focused on the average person. We're teaching that average person about money, and we have this great opportunity to get the word out about whatever we care about in life and whatever we think they should care about. That's certainly something that we've been doing pretty much from the get go at the Motley Fool because our business really is education, so we're even more peculiarly suited to building awareness about social issues than other companies. We tell the average person about these wonderful charities, the nonprofit organizations that we're going to ask them to give to, so education's a big part of it. The internet also makes possible the ability to click a button and send money, so not only do you have this great interactive educational device, but you also have this amazing thing that you can just hit and it gives money. Money starts shaking within it, and it moves from one place to another, so that's why the internet is so powerful to so many different businesses, and that's why it's going to be so effective for giving.

I understand that you have a particular interest in hunger relief. Can you tell me why? What I'll say is that for three consecutive years Foodchain has been a direct beneficiary of our Foolanthropic efforts and I can't say that about any other organization. We've been consistently impressed by the authenticity, sincerity, accountability, and self-sustainability of Foodchain's effort and that's why for three consecutive years it has been a Motley Fool Foolanthropy beneficiary. So, yes, to that extent, I guess you could say that we have a particular interest in hunger relief. But really, it's not about hunger relief as much as it's about good people and a good organization.

The Five Tenets of Foolanthropy

1. **Foolanthropy** seeks to fulfill the same mission as The Motley Fool: to educate, to amuse, and to enrich.
2. **Foolanthropy** expects something back.
3. **Foolanthropy** make its finances transparent.
4. **Foolanthropy** creates sustainable solutions.
5. **Foolanthropy** involves the public at large.

When you think about the future, how would you like to see the Motley Fool's role develop as a partner in ending hunger in America? We're flattered that we would ever be considered such, and I think it adds meaning to our lives and meaning to what we do at Fool Headquarters when people would point to us as a participant in something big and something important. We do try to focus on that within our space and our business, but part of the reason that we have Foolanthropy is that we want to actually do more than just meet the ostensible purpose of our for-profit business. I certainly expect for your merger to proceed successfully and for both of your organizations, as a single organization, to have a stronger presence. We certainly hope that your new organization will be one that our customers point to for our future charity drives and one that they will want to give to.

To find out more about Foolanthropy, The Motley Fool, or how to nominate America's Second Harvest for next year's charity drive, visit The Motley Fool web site at www.fool.com.