PHILANTHROPIC

J.P.Morgan



DONNA AND PHILIP BERBER

A Glimmer of Hope Foundation UNITED STATES

- Irish-born Philip Berber and English-born Donna Berber met in 1979 and were married in 1985
- Ms. Berber was deeply moved by the famine in Ethiopia. The images of displaced families and children dying of malnutrition stayed with her over the next 15 years (1985)
- The couple moved to Texas, where Mr. Berber started CyBerCorp (1991)
- A Glimmer of Hope began with the vision to relieve some of the pain and suffering on the planet (1999)
- CyBerCorp was sold to Charles Schwab for dotcom millions (2000)
- \$100 million of Schwab stock set up the Glimmer endowment (2000)
- Barron's ranked the couple sixth on the list of "The 25 Best Givers" in 2009 and seventh in 2010

the better the chance for sustainable change

Donna and Philip Berber's work across Ethiopia's vast rural regions is a testament to how a strong emotional response to suffering can transform one's life and the lives of millions of others.

In 1985, Donna Berber attended Live Aid, the global concert that showed the world the human misery caused by Ethiopia's severe famine. That famine—the worst in a century in Ethiopia—began in 1983, claimed eight million victims and caused one million deaths.

"Seeing those children dying was one of those hopeless moments," she says. Ethiopia's plight made a lasting impression on Ms. Berber, then in her early 20s, and planted a seed for what would later become her life's passion.

Then family life took over. The Berbers married in 1985 and later moved to Texas. There, Mr. Berber set up CyBerCorp, an online brokerage. While enjoying a happy family life with three young sons, Ms. Berber describes herself as "comfortably numb" with the growing financial success. "The nagging got louder as more time passed," she said.

"Our philosophy was to go and listen to what people wanted.

We tuned in to what they needed."

"He told me to go to Ethiopia and see it for myself," Ms. Berber says.

Ms. Berber made her first trip to the East African country in 2000, and she says that when she arrived, she "fell apart. I was absorbing the depth and breadth of need." Ethiopia still had an ongoing structural food deficit and remained one of the least developed and poorest countries in the world.

At the same time, though, Ms. Berber was "changed and uplifted" by the realization that she could, and would, do something to help.

LOOKING FOR SYSTEMIC CHANGE

In 2000, Mr. Berber sold his company to Charles Schwab for dotcom millions, and the Berbers formally set up A Glimmer of Hope as a family foundation, endowed with \$100 million of Schwab stock.

Their mission expanded—and not just as a result of the increased capital available to fund their philanthropic work. The Berbers had decided to focus on systemic development work in Ethiopia, rather than a single project or area.



▲ IN COUNTRY—Since Donna Berber first started visiting Ethiopia 15 years ago, she and her husband have touched the lives of millions of people.

VISITING THE COUNTRY

In 1999, Ms. Berber started to plan a \$250,000 project in Ethiopia—the seed of what would become A Glimmer of Hope. She wanted to set up an orphanage, and she arranged to go to Washington to speak to the Director of NGOs at the Ethiopian embassy. It was from him that she received the best advice.

8 OUT 10 ETHIOPIANS LIVE IN POVERTY¹



Esther Havens

"Our philosophy was to go and listen to what people wanted. We tuned in to what they needed," says Ms. Berber. "If they needed a school, we brought the bricks, and the community helped build it." Their first project was a school in Dembi Dollo, a rural village in the southwestern region of the country.

The Berbers work in four areas—education, health, water and microfinance—which Ms. Berber describes as having the best chance of lifting communities out of poverty. To date, A Glimmer of Hope has invested approximately \$85 million in Ethiopia, including supporting more than 9,000 development projects and distributing 44,000 microfinance loans.

The Berbers continue to partner with small, local organizations. "We are working with communities of 25,000 to 50,000 people at any one time," says Ms. Berber. "What we

have learned is that the deeper you go into a community, the greater the opportunity for life to change and to be sustained across the generations."

Though Ethiopia's needs remain acute, progress has been made. There is, actually, a glimmer of hope.

MAKING A PROMISE TO DONORS

To maximize the organization's impact, Glimmer developed the 100% promise: All money donated to the foundation supports programmatic work, while the Berbers' original endowment supports the foundation's operating and administrative costs. The foundation has a staff of 30, split between Austin, Texas, where the foundation is headquartered, and Addis Ababa, Ethiopia's capital.

Given Mr. Berber's technology background, it is not surprising that the Berbers have also been pioneers of digital fundraising and multimedia feedback on projects.

Mr. Berber believes donors value this level of engagement, which has helped increase private donations to \$9 million in 2014. With overhead at \$2.5 million, this means the Berbers achieved more than three-and-a-half times the leverage: For every \$1 of overhead invested, another \$3.50 of donors' money went directly to projects in Ethiopia.

Additional leverage is generated between local villages, adds Ms. Berber. Once one village sees what another has achieved, they are inspired to create change for themselves, she says.

It has been 15 years since the Berbers first touched down in Ethiopia and devoted themselves to helping the country's people. They have had an impact on millions of lives,

transformed communities and sparked systemic change in the country's infrastructure. The effort has become a full-time job for Ms. Berber, who stepped into the role of president of Glimmer in 2014. Two of the Berbers' three young-adult children have joined the foundation board, and are very committed to Glimmer's work in Ethiopia.

"This has been our life's work," says Ms. Berber.

"But, given the size of the population in

Ethiopia and the scale of problems, it is work
that must continue."

Key notes

- Development work in remote, rural communities requires close interaction with the local people to listen to, learn and understand their needs
- A holistic, systemic approach takes on multiple issues rather than focusing on select projects





▲ SEE FOR YOURSELF—Philip Berber (left), and his wife, Donna Berber, visit Ethiopia to gain a truer understanding of life there. Ms. Berber (right) visits students at a local school.



Excerpted from J.P. Morgan's Philanthropic Lives, June 2015