

George Soros Transfers Billions to Open Society Foundations



Image

George Soros at the offices of the Open Society Foundations in New York in 2014. Credit: Joshua Bright for The New York Times

By David Gelles

Oct. 17, 2017

George Soros, the billionaire hedge fund manager and a major Democratic donor, has given \$18 billion to his Open Society Foundations, one of the largest transfers of wealth ever made by a private donor to a single foundation.

The gift, made quietly over the past several years but disclosed only on Tuesday, has transformed Open Society into the second-biggest philanthropic organization in the United States, behind the Bill and Melinda Gates Foundation. It will also place Mr. Soros, a lightning rod for conservative critics, squarely in the middle of the social and political debates convulsing the country.

Founded by Mr. Soros more than 30 years ago, Open Society promotes democracy and human rights in more than 120 countries. In recent years, the organization has

increased its attention on the United States, investing in programs to protect gays and lesbians and reduce abuses by the police.

The organization funded treatment centers during the 2014 Ebola outbreak, a center for Roma art and culture, and efforts to protect people in the United States from what it described as “a national wave of hate incidents” after the 2016 election. After that spike in hate crimes, Mr. Soros, 87, committed \$10 million to preventing such violence.

“We must do something to push back against what’s happening here,” Mr. Soros [said in November](#), lamenting what he called the “dark forces that have been awakened” by the election.

His political focus — including large donations to Hillary Clinton and other Democratic politicians — has made Mr. Soros a target of criticism from both the Republican establishment and fringe elements of the far right. The conservative website Breitbart, for example, has accused Mr. Soros of attempting to make Ireland a “pro-abortion country” and undermining the control of European countries over their borders.

“Given America’s place in the world right now, I think he’s making an enormous statement,” said Eileen Heisman, chief executive of the National Philanthropic Trust, a nonprofit that works with foundations. “He has a very clear point of view and he’s not trying to hide it.”

Patrick Gaspard, the vice president of the Open Society Foundations, who will take over as president at the end of the year, said the election of President Trump had given the organization’s work a new sense of urgency.

Mr. Gaspard specifically cited Mr. Trump’s commission on voter fraud, a panel that has [faced much criticism from Democrats](#) and that Mr. Gaspard said “utterly lacks integrity.” “Our work on equal access and protection is more vital than it’s ever been,” he said.

Editors’ Picks

Mr. Soros’s philanthropy is rooted in his past.

He lived in Nazi-occupied Hungary as a boy. With Budapest under Communist rule in 1947, he left for London and then the United States, where he found success on Wall Street.

In 1992, Mr. Soros made a \$1 billion bet against the British pound, a trade that famously earned him the nickname “the man who broke the Bank of England” when his aggressive selling of the currency pushed the government to devalue the pound.

As his fortune grew, Mr. Soros began funding efforts to promote democracy and human rights, establishing the first Open Society foundation in Hungary in 1984. Mr. Soros took the name from a book by the philosopher Karl Popper, “Open Society and Its Enemies,” in which he argued for democratic governance, free expression and respect for individual rights.

“He lived through Nazi Hungary,” Ms. Heisman said. “He knows what it’s like to live in a closed society.”

Mr. Soros eventually became one of the biggest donors to Democrats, including Mrs. Clinton. During the last election cycle, Mr. Soros gave millions to super PACs that opposed Mr. Trump and supported other Democratic candidates and causes. He also bet big in the markets that Mr. Trump would lose the election, a wager that cost him about \$1 billion.

For decades, Mr. Soros funded the Open Society Foundations through annual donations of around \$800 million or \$900 million per year. But beginning a few years ago, he increased his contributions as part of his estate planning, bringing the organization’s endowment to about \$18 billion this year. The total donation figure was [first reported](#) by The Wall Street Journal.

Mr. Soros is expected to contribute at least another \$2 billion in the coming years.

“There is no foundation in the world, including the Ford Foundation, that has had more impact around the world than the Open Society Foundations in the last two decades,” said Darren Walker, president of the Ford Foundation. “Because there is no part of the world that they have not been. Their footprint is deeper, wider and more impactful than any other social justice foundation in the world.”

Despite the infusion by Mr. Soros, the foundation said it did not plan to increase the amount that it hands out in grants or via programs in the near future. Open Society already spends about \$900 million annually on programs and grants, more than it is legally required to.

And Mr. Soros’s fortune will still be managed by familiar hands. Soros Fund Management, the entity that manages the billionaire’s personal fortune, is also responsible for overseeing the Open Society endowment’s investments.

Mr. Soros remains closely involved in the foundation’s work.

“I talk to George constantly, regularly,” said Mr. Gaspard, the foundation’s incoming president. “George is incredibly engaged on these issues.”

This year, Mr. Soros has fended off [attacks by the prime minister](#) of Hungary, who has been displeased with a university that the Open Society Foundations funded there.

Mr. Gaspard said the public pressure did not bother the foundation’s leadership.

“Since its inception, the Open Society Foundations has worked with leaders in civil society, whether they are the Roma in Eastern Europe or African-Americans in Cleveland, Ohio, who continue to be subject to a second-class form of justice,” he said.

Stacy Palmer, editor of the Chronicle of Philanthropy, said that no matter how the billions were spent, the gift by Mr. Soros would keep him in the center of social and political debates for years to come.

“He has been so transparent about his views, so we know where he stands on these issues,” she said. “This is going to fuel as much happiness as it is controversy.”

A version of this article appears in print on Oct. 18, 2017, Section B, Page 1 of the New York edition with the headline: Soros Gives Billions to His Charity, Now the Second Biggest in the U.S.. [Order Reprints](#) | [Today's Paper](#) | [Subscribe](#)