“Marketing Alpha”

Fundraising Intelligence For “Sub-Institutional” ($0-$100 Million AUM) & “Smaller Emerging” Managers.

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PRIVATE WEALTH HIDDEN IN PLAIN SIGHT!

Despite the seemingly ubiquitous display of wealth today, often by “celebrity”, the vast majority of individuals and families with significant wealth opt for privacy. In my 33+ years within the family office eco-system, I have found modesty, confidentiality and anonymity are valued highly.

Consequently, a billion-dollar foundation without a website is NOT uncommon. Such an institution (which obviously could afford to put up a website placeholder) has chosen not to volunteer any information, meaning would-be grantees as well as fund managers must rely on third parties for clues to its priorities and passions + investing preferences/asset allocation activity. In short, such foundations are publicly visible entities, but only if you know where to look.

This is the nature of “stealth wealth”: Individuals and families effectively “hidden in plain sight” i.e. invisible to those outside of their eco-system and those with an untrained eye.

"Stealth wealth foundations" — defined as foundations with 10-digit endowments and IRS filings but without websites, LinkedIn pages or virtually any other public presence on the web — are growing and a barometer of the largely opaque behavior of private wealth.

Below are 5 examples of "stealth wealth": LOW to NO PUBLIC VISIBILITY (WEBSITE/ETC) BUT AMONG THE LARGEST PRIVATE FOUNDATIONS IN THE US. Some have been around for many years, even decades, with a long-term commitment to a low profile. Others have grown in size and visibility due to billion-dollar infusions.

Gottesman Fund: A newly massive family.

- **This family philanthropy has been around since the 1960s. But it was only in 2023, following the death of cofounder David "Sandy" Gottesman, that its endowment climbed to $1.3 billion.**
- **His widow, Ruth Gottesman, who has long served as the fund's co-president, made national headlines for a $1 billion donation in 2024 to the Albert Einstein College of Medicine.**
- **Historically, the foundation has focused on Jewish causes, along with grants for education, public health, housing and homelessness, and arts and culture. Immediate evidence suggests that won't change much.**

Tansy Charitable Foundation: A low-profile former hedge funder's operation.

- **Eric Wepsic is in his mid-50s, is newly retired, and has a grantmaking operation, Tansy Charitable Foundation, that reported $1.2 billion in assets at the end of 2024.**
- **The stage is set, in other words, for the former hedge fund manager to play out a major philanthropic act or two. But so far, the low-profile math whiz — whose wealth was once reported to top $9 billion — has stayed behind the curtain.**

Hess Foundation: Highlighted for secrecy.

- **Founded in the 1950s, this Parsippany, New Jersey-based foundation had the unfortunate distinction of earning a 2015 IPPY for "Worst Reviewed Foundation." Hess received a withering assessment that year in Philamplify, a past initiative of the National Committee for Responsive Philanthropy. Aaron Dorfman, NCRP's executive director, called it "by far the least transparent foundation of its size that we've ever seen."**
- **Little seems to have changed. The foundation still has no website, LinkedIn page or other public presence, nor does it list any staff on its tax filings. But it has grown bigger. Its endowment reached $1.07 billion in 2023, in part thanks to incoming contributions. Every year since 2018, a trust has sent the foundation annual checks for exactly $21,547,444.**

Red Gates Foundation: New mega philanthropy emerged from early death.

- **Richmond, Virginia-based was born, as sometimes happens in philanthropy, out of misfortune. William Hunter Goodwin III — the son of businessman and Virginia powerbroker William H. Goodwin Jr. — died in 2020 at age 51, following a battle with cancer. Two years later, his estate transferred more than $2 billion to his Red Gates Foundation, which the same year reported unrealized losses of $703 million, bringing the endowment to its current level of about $1.4 billion, still qualifying the operation as the second-largest foundation in Virginia.**
- **In 2023, its first substantial year of grantmaking, every single gift went to a Virginia nonprofit. Red Gates focused on a classic philanthropic combo: eds and meds. It issued nearly $72 million in grants that year and approved future payments totaling $157 million.**

Koum Family Foundation: Billionaire WhatsApp founder.

- **Jan Koum, the cofounder and former CEO of WhatsApp, actually has two under-the-radar philanthropies. The $2.3 billion Koum Family Foundation and the K18N Foundation, a $1.5 billion fund I reported on late last year, which also has no website. But the latter's grantmaking is largely a mystery. K18N sent its inaugural round of grants, totaling $19 million, to the Silicon Valley Community Foundation — it is technically a "supporting organization" of SVCF — and it is unclear whether that sum will be used by the community foundation or distributed via a donor-advised fund.**
- **Koum Family Foundation, by contrast, is a regular private foundation and lists its grants each year. Nearly all go to Jewish organizations, mostly in New York and California.**

WHAT'S THE TAKEAWAY??

A. Each of these "stealth wealth foundations" is a "COI³" (CENTER OF INFLUENCE, INTRODUCTION + E(I)NDORSEMENT) with family $$$ to INVEST, foundation $$$ to INVEST and family members + board members who are "influencers" within the private wealth "eco-system" that can provide access to other families + endowments (most wealthy families are BIG supporters of college endowments, who also have $$$ to invest (see NACUBO - National Association of College and University Business Officers, THE organization within the endowment segment to which almost all Chief Investment Officers are members)

B. Keep in mind these are the most skeptical and highly-intermediated (LOTS OF GATEKEEPERS) investors = "pitching" doesn't cut it within this segment....

C. It takes a "PROCESS of consistent + appropriate, "investor-centric + prospect-specific" engagement" to achieve success attaining the "ACTIONABLE CONVICTION" (TRUST) TO RECEIVE (RAISE) ASSETS....

Since 2011, Johnson & Company has been the only specialist providing "Marketing Alpha" to "sub-institutional" (AUM $0-$100 million) & "smaller emerging" managers to optimize success fundraising.

FOR A "NO-BS" MARKETING PROCESS CONVERSATION.

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