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FACEBOOK CEO MARK ZUCKERBERG EXPLAINS WHY HE IS NOT GIVING HIS \$45 BILLION TO CHARITY

By **David Curry** — December 4, 2015



Facebook chief executive [Mark Zuckerberg](#) defended his philanthropic plans earlier today, disclosing the goals of the [Chan Zuckerberg Initiative](#), where 99 percent of his wealth will be distributed.

This follows criticism of the LLC company Zuckerberg set up to distribute his wealth. Some commenters suggested that he should've set it up as a charity, and others have said it is a way for him to [dodge taxes](#) on investments.

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“By using an LLC instead of a traditional foundation, we receive no tax benefit from transferring our shares to the Chan Zuckerberg Initiative, but we gain flexibility to execute our mission more effectively,” says Zuckerberg in the Facebook post. “In fact, if we transferred our shares to a traditional foundation, then we would have received an immediate tax benefit, but by using an LLC we do not.”

Zuckerberg wrote that the shares would be used to fund non-profit organizations, make private investments, and to “participate” in policy debates. The last part is essentially lobbying, which Facebook does [quite a lot](#) of already in the U.S., alongside its other neighbouring Silicon Valley friends.

Most of the investments will be targeted at education, science, health, Internet access, and inclusion, according to Zuckerberg. He named a few of those investments further in the post, and they included Startup:Education, the Breakthrough Energy Coalition, the CDC Ebola Response, and the San Francisco General Hospital.

The post still didn't touch on the fact that Zuckerberg is able to save a substantial amount by moving stock, rather than cash, into an LLC company. Forbes contributor [Robert Wood](#) says: “Why donate stock? With stock, the donor gets a charitable contribution deduction based on the fair market value of the shares. Value and basis are different things, which can mean enormous tax advantages.”

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Berkshire Hathaway owner Warren Buffett uses the same stock investment strategy, according to Wood, to keep a larger proportion from being taxed by the government. That said, both Buffett and Microsoft founder Bill Gates have fought [against lower taxes](#) for the super wealthy.

Is Zuckerberg doing this out of self-interest or the goodness of his heart? Like so many of Facebook's philanthropy plans, we suspect [it is a bit of both](#). These uber-rich billionaires probably do want to make the world a better place, but most likely are not happy giving millions more over to the government.