

## Looking To Chart A Path for Charities

Philanthropists' Foundation To Aid Nonprofit Research Is So Innovative Few Really Understand How to Use It

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When Arthur A. Bushkin became a tech-boom multimillionaire four years ago, he decided to boldly go where no philanthropist had gone before.

Bushkin, an accomplished local techie who has a weakness for "Star Trek," became fixated on becoming the Andrew Carnegie of the World Wide Web. He sank \$15 million into an Internet portal he named StargazerNet, with the intention of revolutionizing the way charities work. The system he designed offers nonprofits a way to network, conduct online chats among offices, organize their data -- services that would cost thousands of dollars if bought from consultants -- free. One breakthrough, a method to save research done by one person for use by anyone else researching the same subject, could, he asserted, change the nature of research for everyone.

But two years after he unveiled Stargazer, few nonprofits use it and many seem puzzled by it. Meanwhile, the value of the stock that funds the foundation dwindled when the market collapsed.

Bushkin is undeterred. He believes charities will hail his work -- years, perhaps decades, from now -- when its value is fully understood. "People used to say, "Well, why do I need e-mail?" or "What's instant messaging?" " he said. "And it takes a certain amount of time for people's behavior to change, to use the new technology."

He is one of several members of Washington's technology elite who, during the height of the Internet bubble, turned their attention to a hopelessly "old economy" charitable sector and promised to bring quick reform with an "if it doesn't work, replace it" attitude. Five hundred new private foundations were created in the Washington area between 1996 and 2002, many funded by tech executives. America Online's Steve Case and James V. Kimsey started their own foundations. MicroStrategy Inc. founder Michael J. Saylor, venture capitalist Mark D. Ein, and WebMethods Inc. founders Phillip Merrick and Caren DeWitt all followed suit. The names on Mario Morino's Venture Philanthropy Partners read like a winner's circle list of local tech executives.

But many soon found their companies in crisis, and for most, salvaging businesses took precedence over saving the world. The plans MicroStrategy chief executive Saylor had to spend \$100 million establishing a nonprofit online university are on hold indefinitely, according to the company.

Talk of revolutionizing philanthropy with the superior methods of the dot-com world fell away, as did many new foundations, when the money and the optimism contracted.

"They just didn't have the know-how and the economy turned too quickly," said Kae Dakin, president of the Washington Regional Association of Grantmakers.

Bushkin and his wife, Kathy, were among those who felt driven to philanthropy in a personally tailored, dramatic way befitting their sudden wealth, which came from Kathy's stock options at America Online. Art Bushkin set to work studying the great philanthropists, and he zeroed in on Carnegie, a steel magnate who believed that the wealthy should contribute not just their cash but their know-how.

Since technology brought the Bushkins to this place in life, they decided technology would also be their vehicle for giving back. Carnegie built libraries; Bushkin built Internet tools.

"I tease myself and say you have to be a little bit crazy to undertake such a huge endeavor," he said. "We honestly believe that this is the 21st-century equivalent of the Carnegie library online."

The Bushkins have separated, but Kathy, 54, maintains a seat on the foundation's board and says she still actively supports Stargazer's mission. Kathy Bushkin worked full time at AOL until September, when she moved to the United Nations Foundation, and is more circumspect about the project's potential. "I'm not as comfortable with the scope that Art talks in. It's not how I speak," she said. "But I recognize that if you don't think big, you can't see big results."

She was the one who had the good fortune in 1997 to take the top communications job at AOL, a position that came with generous stock options. "About three days after she took the job, AOL stock went through the roof," Art Bushkin said recently. After making more than \$11.8 million on AOL stock in 1999 alone, the Bushkins began discussing philanthropic strategies with others.

Art Bushkin, 60, a large man with graying hair and ruddy cheeks, had witnessed big thinking firsthand decades ago, when he spent the summer of 1967 working at the Defense Advanced Research Projects Agency, assisting Bob Taylor and Larry Roberts as they worked to develop what would become an early incarnation of the Internet. He later taught computer science at the Massachusetts Institute of Technology, served as an adviser to President Jimmy Carter's privacy program and then led Bell Atlantic Corp.'s ill-fated interactive television division.

Kathy Bushkin, a petite blonde with a quick smile, worked as a communications director for Sen. Gary Hart in the mid-1980s and then spent a decade as a director at U.S. News & World Report magazine before running media relations for Hill & Knowlton USA.

When the Bushkins set up Stargazer Foundation in 1999, they said they would funnel \$25 million into the organization. They also set up a venture capital fund for charities. The theory was that the fund's investments would guarantee a steady stream of future donations.

The couple also announced two \$100,000 genius grants in 1999. The recipients were Bill Shore, president of Share Our Strength, an anti-hunger organization, and Tim Berners-Lee, director of an MIT research program, who helped create the World Wide Web. Berners-Lee was unable to accept the money because of a professional restriction. The two "exhibited an entrepreneurial spirit as we define it," Bushkin said at the time.

But Art Bushkin's main focus was StargazerNet, a massive undertaking driven by his passions and personality. Twelve developers worked for two years to create it. Bushkin designed an elaborate \$2 million Tysons Corner office, which took most of its decorative cues from the starship Enterprise, for the StargazerNet team.

The rooms of the richly colored headquarters were wired and arranged so that groups of beneficiaries could come in to do their altruistic work at mach speed. Large windows surrounded sleek modern chairs and tables shaped like waves. The ceiling lit up like an exact replica of the night sky, complete with constellations.

Asked to describe the system, Bushkin said: "StargazerNet is many things, and I would answer the question in many different ways. One of the things that StargazerNet is is an attempt to put a certain amount of technology in the public domain. Secondly, and more importantly, put it in the public domain in a way the public can use it and control it themselves."

Bushkin explains it like this: An after-school program coordinator in Malibu conducts a lengthy search to find and compare the most effective and affordable math tutorials on the market. The next semester, a school volunteer director in Omaha looks for the same thing, and up pop the earlier results. Effort saved, time saved, money saved.

The idea was to level the playing field for nonprofits. Charities often could not afford tools that corporations were buying to improve workplace efficiency. The Bushkins wanted to give the nonprofits the means to perform the same functions -- send out surveys, conduct Internet chats, organize data -- at no cost.

Bushkin gave the tools celestial names. Individual Web addresses are called StarBases, and the application used to search for information is a StarQuest. Each time a Web search or chat is held, a StarBase is created. It is given its own Web address, and the data are saved permanently and can be accessed by others. Nothing evaporates after a user logs off.

This last feature is the additional layer of the Internet that Bushkin believes is as big of a leap forward as the Web was in the early 1990s. Anyone -- students, patients, historians -- can use it, and the more people who use it, the more effective it becomes.

Bushkin admits that StargazerNet did not turn out to be an intuitive system. Groups invited to the office to learn the technology often became lost in its complexity. A dozen nonprofit professionals who have tried the system said in interviews that they were confused by the celestial terminology and couldn't figure out how to apply it to their charities.

But Bushkin said the initial confusion is a natural reaction to something as forward-thinking as the system. (Web site: <http://www.stargazernet.net/>)

Right now, StargazerNet gets from 500,000 to 1 million page views per month, Bushkin said. In comparison, a search engine such as Google gets billions.

Art Bushkin never drew a salary from the Stargazer Foundation. He said that he and his wife, like most other investors, took a hit when tech stocks plummeted. They could still afford to buy a \$3.6 million home in McLean last year, but they don't have the kind of money they did during the boom. He said the project certainly "hasn't drained all of our wealth." But he acknowledged that their donation "was a substantial portion of our wealth."

Their contributions never grew to the \$25 million they talked about giving before the tech bubble burst.

The venture capital fund that was to fuel their giving in years to come never produced any returns and was forced to close.

No genius grants were given out after 1999.

Yet the efforts of Art and Kathy Bushkin continue to win praise. They are on a first-name basis with leaders of the charity umbrella groups. "Our goal is quite clearly to support their activities," said Art Bushkin.

Last month at a Northern Virginia conference on philanthropy co-sponsored by StargazerNet, a string of noteworthy speakers, including former House speaker Newt Gingrich, Washington Capitals owner Ted Leonsis and Virginia Gov. Mark R. Warner (D), lauded the couple's good works.

"It seemed to me what Art had a vision for was using these three Ps -- public, private, philanthropic -- to set off an explosion of tech innovation," Sen. Ron Wyden (D-Ore.) told the conference audience.

When the StargazerNet organization left its fancy Tysons Corner offices last year, and relocated to a small Fairfax office, the move prompted speculation that StargazerNet was dead.

Art Bushkin denied that assertion. He said he is simply waiting for a tipping point, when a critical mass will log on to StargazerNet and see what he sees.

"It took more than 20 years for the Internet to get traction," Bushkin said.

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