

Richard M. Schulze Foundation grows in prominence and assistance to those in need

By Neal St. Anthony Star Tribune
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Schulze Family Foundation - Richard M. Schulze, retired founder of Best Buy and philanthropist, has set a goal of \$1 billion in giving, about half his estimated net worth.

The Richard M. Schulze Family Foundation in 2018 distributed about \$42 million, 10 times that of 2013. It has grown in five years to one of Minnesota's five largest private foundations. In 2013, Dick Schulze, 77, founder of Best Buy Co., disclosed plans to donate \$1 billion to health, education and social services, about half his estimated net worth. He hired as CEO Mark Dienhart, former chief operating officer of the University of St. Thomas. Schulze knew Dienhart through his many years as a St. Thomas board member and benefactor. About 30 percent of Schulze Foundation grants are made in Southwest Florida, where Schulze lives in retirement.

The foundation is the second-largest Minnesota contributor to social services, including helping nonprofits such as Catholic Charities and Simpson Housing Services house the homeless, help the working poor make rent and work on self-sufficient livelihoods.

Dienhart's remarks were edited from written comments and a telephone interview.

Q: What is Dick Schulze's charitable commitment?

A: Dick's goal remains to hit \$1 billion in his own giving from personal, donor-advised funds and the foundation while he is active as chairman [of the foundation]. The foundation giving is about \$270 million since its founding. Dick's other giving brings the total to just shy of \$400 million.

Q: What has been accomplished since you ramped up the Schulze Foundation?

A: The Twin Cities is where Dick raised his family and built Best Buy into the world's largest consumer electronics retailer. More than half our grants are in human services. One of the biggest things the foundation has accomplished since ramping up in 2013-14 is investing more than \$100 million in helping more than 500 nonprofit organizations in the Twin Cities and Southwest Florida accomplish their missions of serving children and adults with a broad array of needs.

Q: What drives Dick to donate through scholarships, housing, the YMCA, Simpson Housing Services, Banyan Community and otherwise?

A: Dick gets a sense of satisfaction from the problem-solving our funding can accomplish when something good happens that otherwise wouldn't and the lives of others are better as a result. On occasion, when something of a major or truly transformative nature occurs, he takes pride [that] our funding was a part of that. Innovation was a big part of his business life and remains important to him. He likes to motivate others to give by offering organizations challenge grants.

Q: An example?

A: We were the largest private funder of the Catholic Charities [\$100 million Higher Ground housing and services] project in St. Paul, according to CEO Tim Marx. We were the last \$5 million in. So we challenged Catholic Charities to raise the private and public funds. Then, [Marx] could say 'We've got the \$5 million to finish the campaign.' We did about the same thing with Second Harvest Heartland. I believe we gave a final gift of \$3 million. It helps create a sense of urgency.

Q: Have you had a personal experience with a family/individual who benefited from RMS Foundation that stands out for you?

A: Some that stand out are when Dick is able to refer people in need of medical attention during the most difficult times of their lives to some of the premier health care organizations. Others are the heartfelt thank yous from Best Buy employees ... who are affected by natural disasters and get help ... or scholarship recipients who get an opportunity to attend a college.

Q: Is this work as satisfying as building Best Buy over a lot of up-and-down years?

A: Building his business was especially rewarding to Dick because of the [thousands of jobs] Best Buy created ... that enabled employees to buy houses, send children to college and save for retirement. On the other hand, Dick is a believer in the biblical exhortation that “from those to whom much has been given, much is expected.”

Q: Is there a downside to this work?

The downside to working in philanthropy is realizing that no one has enough money to do all of the important work that needs to be done. The best you can do is carve out the good work you think you can do and not let the good you can't do be an excuse for inaction.

Q: Other thoughts?

A: The people who are on the front lines of the organizations we fund are the real heroes of philanthropy. Without them, their hard work ... and extraordinary commitment, all the funding in the world wouldn't make any difference.

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