

How to Spend It

Buy a baseball team? Fine art? Zuckerberg has a bunch of options.

BY REBECCA DANA

► **IT'S NOT** easy to spend tens of billions of dollars these days.

Feel the pain of 28-year-old Facebook CEO Mark Zuckerberg, who after last Friday's IPO ranks among the richest people in the world. The be-hoodied tycoon, whose greatest extravagance to date is a \$7 million Palo Alto home, now has the enviable burden of finding a place to park all his lucre.

Will he start a foundation like Bill Gates? Will he splurge on a super-yacht like Paul Allen? Will he bail out Greece?

If he has good advisers—and if he listens to them—he'll likely play it safe at a time of global economic upheaval, says equities analyst and blogger Barry Ritholtz. That means diversifying his holdings rather than leaving them all in Facebook.

"Believe it or not, and this is a real issue, any time anybody on planet Earth comes to their first billion dollars, the advice is always to create a very conservative bond ladder," Ritholtz says. The idea is to "set up that billion so that no matter what happens with Facebook, for the rest of eternity, he's going to be making between \$20 million and \$40 million a year, tax-free."

Once several generations of Zucklets have their college tuitions guaranteed, the uncommonly young billionaire can start to think about his legacy. Zuckerberg, though hardly profligate, has already taken steps in this direction. In 2010 he made two eye-catching philanthropic moves: he gave \$100 million to the Newark, N.J., public school system, and he joined Gates and Warren Buffett in signing the "Giving Pledge," promis-

ing to donate half his wealth to charity.

"There will be a long line of people telling him what the most important issue in the world is, trying to persuade him where he should put his philanthropic resources," says Melissa Berman, president



The IPO made Zuckerberg the 29th richest person in the world.

of Rockefeller Philanthropy Advisors. She has seen plenty of overnight tech titans throw their fortunes into dubious prospects. Her recommendation: go slow and do your research.

Some of Zuckerberg's largesse will likely flow to tech startups like his own. Two years ago, Zuckerberg gave an unspecified

donation to Diaspora, an open-source social network. Tech investing is de rigueur for Silicon Valley billionaires: Zuckerberg's cofounder and earliest backer, former Harvard classmate Eduardo Saverin, who recently renounced his U.S. citizenship (saving himself at least \$67 million in taxes), has said he will invest in startups from his hastily adopted home base of Singapore. Napster founder and early Facebook investor Sean Parker, a billionaire who got even richer last week, invested in music startup Spotify.

Parker has also famously lavished himself with fabulous suits, expensive homes, and other beautiful things. Zuckerberg, who kills his own food, could stand to learn from Parker's taste for luxury. "What I would tell him to do is set aside \$10 billion to buy art in the next 20 to 25 years," says Judith Selkowitz, president of the Manhattan firm Art Advisory Services. She suggests a work by 16th-century painter Paolo Veronese, "two or three Picasso paintings from the 1940s," and "about 50 paintings by emerging artists." Ritholtz suggests sports teams and collectible cars, both of which have performed well in recent years.

TV investment guru Suze Orman says she hopes he'll use some of his influence to help the nearly 100 percent of Americans poorer than him to at least learn a little about personal finance. Beyond that, it's a free-for-all: "Mark," she says, "you're now a multi-multi-multibillionaire: maybe invest in a hoodie factory or something. Put a logo on it. Just something to take the look one step up." **MW**