

Jeff Bezos

Jeff Bezos divorce casts spotlight on wife MacKenzie



MacKenzie Bezos has been married to Amazon founder Jeff Bezos for 25 years

Shannon Bond in San Francisco YESTERDAY

The divorce of [Amazon](#) founder Jeff Bezos has put a spotlight on his wife, the author MacKenzie Bezos, who will go from being half of the world's richest couple to the world's wealthiest woman.

The division of the couple's estimated \$137bn fortune stands to affect people outside their immediate family, from Amazon shareholders to the recipients of their charitable contributions — even if lawyers say the details of any financial settlement will almost certainly be kept private.

But one thing is clear: Ms Bezos is about to take sole control of a significant amount of money, and she may choose to handle her finances and [philanthropic giving](#) differently as a single person than as part of a couple for the past 25 years.

“To me the interesting question is the financial issues with the divorce: how this goes forward, how philanthropy plays a role,” said David Callahan, founder and editor of Inside Philanthropy, a news website. “You could imagine the scenario where whatever is interesting to her, she has the resources to scale up a meaningful philanthropy.”

The Bezoses had not engaged in large-scale charitable giving until last September, pledging \$2bn to launch the [Bezos Day One Fund](#), a charity focused on early childhood education and homeless families.

The announcement of the project, which followed Mr Bezos's 2017 Twitter appeal for ideas for [how he should give away money](#), signalled the issues they consider important and worthy of funding. The couple also both serve as managers and directors of Mr Bezos's parents' foundation, which gives money to educational projects.

“Research suggests that almost all couples do their philanthropy jointly,” Mr Callahan said. “Whether or not MacKenzie Bezos decides to become a big-time philanthropist in her own way really hinges on how interested she is.”

‘They each own 100% of the assets’

In a public statement announcing their divorce, Mr and Ms Bezos said they would “continue our shared lives as friends”. They added: “We also see wonderful futures ahead, as parents, friends, partners in ventures and projects, and as individuals pursuing ventures and projects.”

Nearly all of the Bezos wealth derives from Amazon, the company Mr Bezos founded in 1994 and in which Ms Bezos played a number of significant roles, including accountant in its early years. Mr Bezos is the company's largest shareholder, with a 16 per cent holding valued at more than \$130bn.

Additional assets include Mr Bezos's other companies, the rocket maker Blue Origin and the Washington Post, as well as the venture capital investments he has made in groups including Uber, Airbnb and Twitter. The couple have homes in suburban Seattle, New York, Washington and Beverly Hills, and 400,000 acres of land in west Texas.



Jeff and MacKenzie Bezos in Sun Valley, Idaho, in 2010. The couple had not engaged in large-scale charitable giving until last September © Bloomberg
If they file for divorce in Washington state, where their family home and Amazon's headquarters are located, they could be subject to the state's community property law, which treats income and property earned by each spouse during the marriage as belonging to both spouses.

“Community property doesn’t mean and half and half. They each own 100 per cent of the assets and have fiduciary duties toward each other,” said Steve Mindel, managing partner at the Los Angeles law firm Feinberg, Mindel, Brandt and Klein, who handles divorce cases for wealthy individuals. In the case of the Amazon shares, while they are in Mr Bezos’s name, Ms Bezos would have a claim to them.

“Jeff Bezos is the wealthiest man in the world because he owns 100 per cent of the stock,” he said. “And she’s technically already the richest woman in the world because, under community property, she owns 100 per cent of that stock.”

‘Philanthropy is very hard’

Experts say the options facing Ms Bezos as an individual donor are similar to those facing her and Mr Bezos when they were considering whether and how to deploy their wealth. She could give anonymously; she could start her own foundation with her name on it or directly fund a project.

She could also follow a newer financial model that has gained popularity in recent years among tech billionaires: the [limited liability company](#), embraced by Facebook founder [Mark Zuckerberg](#) and his wife, Priscilla Chan, eBay founder Pierre Omidyar, and Laurene Powell Jobs, the widow of Apple founder Steve Jobs.

LLCs do not offer the tax benefits of private foundations in the US, but they are subject to fewer rules, such as the requirement that foundations spend at least 5 per cent of the value of their endowment each year on grants and other charitable expenses. LLCs also have greater ability to back political causes and for-profit businesses.

Ms Powell Jobs’ Emerson Collective, for example, uses a combination of investments and grants to carry out its social justice mission, ranging from donating to educational causes, funding activism over immigration reform, and taking [stakes](#) in a range of media properties, including The Atlantic magazine.

“If your interest in social change spans the spectrum of that change, then an LLC is helpful,” said Kimberly Dasher Tripp, a philanthropy consultant in San Francisco. “You can make investments in companies working on green energy, donate to non-profit fighting climate change and buy green bonds.”

So far, the Bezoses’ approach to philanthropy has taken a more traditional route — and the tax breaks that come with that approach. Their Day One Fund made its first round of grants in November, giving out \$97.5m to 24 organisations serving homeless families. It is also preparing to launch a non-profit network of Montessori preschools in poor communities.

Starting up a multi-billion-dollar philanthropic effort requires substantial time and a staff of employees, meaning Ms Bezos may elect to stick with the projects she has already begun rather than strike out with a new foundation. Or she may choose to do something else entirely, such as start her own business.

“This idea that just because you are the spouse of someone who has become very wealthy you automatically become a visionary philanthropist is a farce,” said Ms Dasher Tripp.

“Philanthropy is very hard, it’s very hard to do well with enormous amounts of money . . . It could be she is much more like other wealthy people who give money anonymously or through donor-advised funds,” she added. Such funds allow contributors to receive an immediate tax break and then disburse the money to charitable causes over time without having to disclose what those causes are.

Who controls the trust?

Lawyers and philanthropy advisers say the Bezoses have probably already put much of their wealth in charitable trusts established for the benefit of their four children and future descendants. Crucially, trusts allow them to offset taxes.

“I would imagine a lot of this money has already been bequeathed to their kids and grandkids and the fund,” Ms Dasher Tripp said. “The bigger question is who controls the trust?”

If control is not already laid out in the trust instruments, it would be specified in the terms of the divorce, Mr Mindel said.



Jeff and MacKenzie Bezos at an Oscars after party in 2018. Nearly all of the Bezos's wealth derives from Amazon, the company Mr Bezos founded in 1994 and in which Ms Bezos played a number of significant roles

Very wealthy families tend to turn over financial operations — including charitable giving, inheritance planning and other issues — to family offices, with their own armies of financial