Hong Kong Tops List of Foreign Donors to U.S. Schools

Chan Brothers’ Gifts Latest Examples of Generosity from ‘New York of Asia’

By JASON CHOW

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HONG KONG—Two billionaire brothers’ pledges this month of a combined $370 million are just the latest example of Hong Kong’s wealthy lining the coffers of U.S. universities.

The $350 million gift by the younger brother, Gerald Chan, to Harvard University’s School of Public Health, which will be renamed for the brothers’ late father, is the largest gift in the school’s history. Ronnie Chan’s pledged $20 million to the University of Southern California’s occupational science and therapy program, which will be renamed after the brothers’ still-living mother.

According to a Wall Street Journal analysis of U.S. Department of Education data, Hong Kong has been the top
international source of large gifts to U.S. colleges, giving $181 million during the period between January 2007 and November 2013, the longest continuous period of foreign-gift data available from the department.

Without counting the Chans’ latest contributions, Hong Kong donations make up 17% of the world’s total donations to U.S. universities, ahead of the U.K. ($147.6 million) and Canada ($136 million) over the period.

“Hong Kong is seen as the New York of Asia,” said Amir Pasic, vice president of international operations at the Council for Advancement and Support of Education in Washington. “All the fundraisers in the U.S. have to go to New York because the wealth is there. Now, so much wealth is in Hong Kong, so fundraisers go to Hong Kong as well.”

The U.S. government requires all colleges to disclose to the Department of Education any gift over $250,000 received from a foreign source; some colleges also disclose gifts of smaller amounts.

The biggest beneficiaries of Hong Kong residents’ largess over the six-year period were the country’s elite colleges. Princeton University ranked first among recipients, with $67.6 million from Hong Kong donations, followed by Stanford University ($39.3 million) and the University of California at Berkeley ($28.8 million).

Harvard ranked fourth with $19.6 million, though that doesn’t include the latest donation from Gerald Chan, who heads the private investment firm Morningside Group.

“U.S. universities are now playing a more prominent role in educating students” from around the world, said Martin Shell, vice president for development at Stanford. “As wealth around the world has expanded, these individuals have increasingly shown remarkable generosity through their philanthropic gifts. Stanford is exceptionally grateful to be one of those beneficiaries.”

Ronnie Chan, the 64-year-old chairman of Hang Lung Properties Ltd., has been on the board of trustees at USC, and earned an M.B.A. from the school in 1976. He also has two sons who are USC graduates. One has earned a doctoral degree in occupational therapy and recently joined the division as a faculty member. Following the new gift, the division will be renamed after Mr. Chan’s mother as the USC Mrs. T.H. Chan Division of Occupational Science and Occupational Therapy.

For 63-year-old Gerald Chan, who attended the University of California at Los Angeles and Harvard, his large pledge to Harvard’s School of Public Health was due partly to his alumni connection. (The school will be renamed as the Harvard T.H. Chan School of Public Health in honor of his father, who died in 1986.)
“We ourselves are Western-educated,” said Gerald Chan. “Many Hong Kong families have donated to American universities” because many have either attended or have children attending school in the U.S., he said.

Hong Kong’s philanthropy has been dominated by the city’s powerful tycoons. Li Ka-shing, Asia’s richest man according to Forbes, gave $38 million over the six-year period, with much of it going to UC Berkeley. In 2011, the school named the new Li Ka Shing Center for Biomedical and Health Sciences, which was built with the billionaire’s gifts.

“Berkeley has always viewed Hong Kong as a focal point in its global fundraising activities,” said José Rodríguez, a Berkeley spokesman who added that the school has received $299.1 million from overseas sources during the past 10 years.

Hong Kong residents accounted for a total of 163 disclosed gifts during the 2007-13 period reviewed by the Journal, with an average donation of $1.1 million.

In a survey of 2,000 ultra-high-net-worth individuals from around the world released this month by Ledbury Research (CHW.LN -0.66%) and Barclays (BARC.LN -0.68%) Wealth, 99% of the respondents from Hong Kong said they would consider giving money to a foreign cause.

The first major gift from a rich Hong Kong resident to a U.S. college was a $100 million donation to Princeton in 1995 from Gordon Wu, the billionaire founder of property conglomerate Hopewell Holdings Ltd. (0054.HK -0.18%).

Donations from Asia to U.S. colleges aren’t free of controversy. They are often criticized as benefiting an institution far away rather than a school at home. Also, they are sometimes depicted as the wealthy’s way of buying their children an elite education.

College fundraisers say they sometimes refuse gifts if a donor’s child is in the middle of the admissions process, said Mr. Pasic at CASE.

College fundraisers are now setting their sights on today’s largest source of international students to the U.S.: mainland China. Though China ranked only eighth among countries in donations between 2007 and 2013, it is regarded as the next major fertile ground.

“Schools are dedicating more staff to international fundraising,” Mr. Pasic said. “The Asian wealthy are only starting to enjoy their global philanthropic reach.”

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