

Entrepreneur Who Gave \$50 Million to His Alma Mater Looks to Broaden His Giving

By NICOLE WALLACE

FOR AS LONG as Austin McChord can remember, he's wanted to figure out how the world works.

"I was a kid that asked for screwdrivers for Christmas to take stuff apart," McChord says. His parents, however, worried he "was going to disassemble everything in the house."

Over time, the desire to take things apart blossomed into a love of building things. It's a passion that has served him well. Datto, the data backup and security company he started while he was in college at the Rochester Institute of

Technology, was wildly successful, which gave McChord the means to donate \$50 million to his alma mater in 2017 and set up a foundation earlier this year.

McChord, 37, says he's applying his learn-by-doing approach to his philanthropy.

"I'm immensely grateful to have the opportunity to give and have the opportunity to give in a way that I would have

Young donors → remake philanthropy

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NHRL

STEM CHAMPION

The technology company Austin McChord started when he was a student at the Rochester Institute of Technology was a huge success. He has since started an e-sports league where competitors pit their robots against each other.

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never imagined,” he says. “It is both exciting and a responsibility — and you want to do it right.”

Summer Project

Datto started as McChord’s college summer project to create a network-attached storage device to back up data to the cloud. The work combined his love of building hardware and programming software. McChord’s adviser wasn’t sure the idea would work as a business — which added to its allure.

“This is at the beginning of the Internet of Things,” McChord says. “It’s like, ‘Oh wow, it’s this box and it connects to the internet, and all the data that you put on it, it will make a copy of somewhere else.’ While that seems super trivial now, at the time, it was relatively novel.”

McChord felt like he was onto something. He didn’t return to school in the fall and set out to build a business. McChord took night classes and eventually graduated, albeit two years later than he would have otherwise. “My parents were like, ‘You must finish your degree,’” he says.

Several years passed, and as McChord continued to build the business, he began to reconnect with his alma mater. He rented space in a building owned by RIT to open Datto’s second office, and the university invited him to speak at an entrepreneurship conference and join its board of advisers.

As the relationship deepened, university officials encouraged McChord to think about a gift to the university in the event Datto hit it big. They worked out a gift agreement in which he pledged to give RIT 10 percent of his earnings from the sale of the company, a public offering, or something else significant; the agreement capped the gift at \$50 million.

The figure seemed like a “comically large number at the time,” McChord says. When the final document arrived, he was conflicted. “I felt really, really, really nervous about signing it, because I just I hate this idea of promising stuff before you can deliver it.”

McChord made RIT officials promise not to say anything publicly until he could fulfill the commitment. “We had to wait and keep it quiet for almost a year and a half,” says Adam Platzer, the university’s assistant vice president for college advancement.

In 2017, Vista Equity Partners bought Datto for roughly \$1.5 billion and merged the company with Autotask. The sale price more than exceeded the total imagined in the gift agreement. McChord, who became the combined company’s CEO, announced after the acquisition that he would give \$50 million to his alma mater.

“As soon as I got my first really, really big check out of Datto, the first thing I did was make good on my promise,” he says.

The gift, the largest in RIT’s history, included \$20 million to bolster the university’s cybersecurity and artificial intelligence programs and \$30 million to foster creativity and entrepreneurship. A new building scheduled to open in 2023 will include huge maker spaces, classrooms, a black-box theater, dance studio, and music rehearsal rooms.

“Basically, you’re going to take everything

that’s awesome about RIT and put it in one building right in the middle of campus,” Platzer says.

McChord didn’t want anything named after him, so the university let students pick the name. The winner: the SHED, or the Student Hall for Exploration and Development. McChord named four scholarship and professorship endowments for educators who had a significant impact on his life, including his fourth-grade teacher.

“He’s so passionate about building and creating things,” Platzer says of McChord. “And he’s at the same time still so generous and humble.”

Flamethrowers and Saw Blades

McChord had more time to tinker after he stepped down as CEO of Datto in 2018, and he took up a new hobby: fighting robots. He bought an old warehouse in his hometown of Norwalk, Conn., which he renovated so it would be a safe place for robot combat. Then he invited enthusiasts to join him to fight their bots.

What started as a hobby grew into a business, the National Havoc Robot League, which hosts tournaments with 3-, 12-, and 30-pound divisions. Competitors arm their robots with weapons — including flamethrowers and spinning saw blades — as well ingenious defenses. McChord says that interest has skyrocketed and that more people flew to the league’s last event than drove.

“This is a high-octane sport,” he says. “It’s got that fun factor associated with it but still brings an enormous amount of real-world engineering challenge.”

McChord is adding philanthropy to the mix as well. He started an NHRL program to award \$1 million to college robotics teams. Up to 100 colleges and universities will receive \$10,000 grants each. And when combatants gather this month for the NHRL World Championship tournament, they will fight for cash prizes, bragging rights, and the chance to do good. The winners of each weight class will award a \$250,000 donation to the STEM charity of their choice. The remaining finalists will select charities to receive a share of an additional \$250,000.

“The opportunity to get the competitors directly involved is unique,” McChord says. “It forces them to think philanthropically and think about the causes that they want to support and the impact that they can have.”

Making Waves

McChord is slowly moving to expand his philanthropy beyond STEM education. This summer, Kaseya, an IT services provider, bought Datto for \$6.2 billion. McChord, still a significant shareholder, put most of the money he received from the deal into a donor-advised fund and a foundation.

As a first step, McChord asked his parents, brother, and sister to get involved in the foundation and challenged them to give away a total of \$250,000 by Christmas. He figures the donation to RIT was a chance to experience big-ticket philanthropy, and the foundation and robotics program give him the opportunity to experiment with smaller gifts.

“This is a slightly different scale,” he says. “I’m trying to see how big of a ripple can I make this way.”

AUSTIN McCHORD

Cambridge, Mass.

Age: 37

Supports the Rochester Institute of Technology, STEM education, and college robotics