

## Nicholas Kristof's 'Path' to More Effective Giving by Knowledge@Wharton

When deciding how to use your time and money to address the world's problems, you may struggle with how to use those resources for the greater good. Exploring that challenge is the subject of the new book *A Path Appears: Transforming Lives, Creating Opportunity*, written by New York Times columnist Nicholas Kristof and his wife Sheryl WuDunn.

Wharton management professor Adam M. Grant recently interviewed Kristof about his new book when he visited campus as a guest lecturer in the Authors@Wharton series. In this interview, Kristof discusses how to address "the greatest inequality of all ... inequality of opportunity."

An edited transcript of the conversation follows.

**Adam Grant:** I've been a fan for a long time. You have two Pulitzer Prizes and a New York Times column. What inspired you to write this book?

**Nicholas Kristof:** Sheryl and I had written a previous book, *Half the Sky*, about empowering women in other countries. After we wrote that, so many people came to us and asked "What about the United States?" and "What can I do?" We wanted to address that [in this new book], and it seemed that there are so many Americans who want to make a difference in some form, but the problems seem too vast. They are suspicious about corruption and [in]efficiency, and they don't really know they can accomplish anything. In fact, we think there has been a pretty good evidence base that has emerged showing what works and doesn't.

**Grant:** That's one of the big points that you hammer home in *A Path Appears*: We need to take evidence more seriously in this domain. Why aren't we doing it, and how do we change it?

**Kristof:** It's so tempting to go with our gut, and that's always been the way we've done it. It's also just a little bit more work, but I think it's gradually coming. Now you have randomized control trials where you can test an intervention the way you would a pharmaceutical, and it gives you a real sense of what the impact is and at what cost. I find it so useful, because every aid group in the history of the world has found its own

interventions are incredibly successful, and they want me to write about them. I'm frankly a little bit skeptical. But when I see an outside measurement using a randomized trial, I'm much more confident that this is real.

Grant: But one of the things I found challenging reading the book was it led me to question how I actually make my everyday choices. I have a feeling I'm not alone. Did you find that writing the book transformed your own thinking about giving?

Kristof: It challenged Sheryl and me both. Frankly, we do a certain amount of giving that is not particularly optimized to create opportunity. We give to some cultural organizations and, to our alma maters. The beneficiaries of those are kids who are better off than average. They had to force me to think about that. It's a little like a buffet. Everything we do isn't intended to add [pure] utility.... But Sheryl and I also go out to dinner. That money might be better spent in Bangladesh, but so be it. As long as our donations to a cultural organization or to our alma maters are coming out of the "go to dinner" money rather than out of the Bangladesh money, then we're in good shape.

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Grant: A Path Appears includes a lot of powerful stories along with studies looking at different ways of trying to successfully make a difference. I thought Cure Violence was one of the most fascinating ones. How did you come across that story, and what did you take away from it?

Kristof: I've always been interested in public health approaches, because it seems to me we have this yearning for silver bullets, and that is not in fact how change comes about. Change comes through silver buckshot — a lot of little things that achieve results. That's a classic public health approach. Indeed, that is what Gary Slutkin, the founder of Cure Violence, did. He was an expert in epidemiology and looking at the way contagious diseases spread in Africa. He then went to [University of Illinois at] Chicago and looked at the way gang violence was spreading, and he realized this is a public health problem. It's not a criminological problem. We have tools from public health about stopping infections that we can apply to stop gang violence. He began to do that, and it worked, and it worked incredibly cheaply. He's been able to measure that and try it in other cities. It's even being introduced in Syria right now. This idea of trying creative new approaches, measuring them carefully and tweaking the model in a sort of iterative process to get the most impact you can at the cheapest price is such a powerful model.

Grant: What can companies learn from this approach? Social impact is a theme that runs throughout your book, and what do you think businesses should be doing differently based on everything you've been learning and studying?

Kristof: Businesses tend to approach corporate social responsibility [CSR] as this kind of fringe activity [done] on the side. Boards and CEOs spend very little time on it..... I think they've got to completely rethink this if they want to recruit and retain young people from the millennial generation. For millennials, these are issues that matter deeply, and if you are not competing in this space then you are undermining the long-term future of your company. And that goes to the long-term future of your share price as well, if you can't get good people. Companies can have a huge impact on society for good if they exercise it, but right now it's a peripheral thing. It's not well thought out, not much measured. People know within the company that if they go off in CSR, their career may be stalled.

We would all be much better off if companies made this much more front and center.

Grant: You talk not just about considering social responsibility, but about creating opportunity. How did you settle on that as your focus within the domain of making a difference?

Kristof: Sheryl and I feel that the basic aphorism for the 21st century is that talent is universal but opportunity is not. That just seems to sum up so much of the challenges we face. We wrote about women's empowerment [in *Half the Sky*] because one of the main reasons why opportunity is not fully exercised around the world is due to gender. But it's not the only one. There are an awful lot of people who don't exercise their talent and can't fulfill their contributions to society because of other reasons. They don't get a good education. They live poverty and are stuck in a poverty cycle. Trying to create that opportunity is a way of addressing inequities in society. We tend to measure inequality through metrics of income or wealth. The greatest inequality of all is inequality of opportunity, and those are things we can do something about.

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Grant: One of the things that I found striking at minimum, maybe even unsettling at maximum, is how close you got to people who are experiencing this inequality of opportunity. There are some stories in the book that were absolutely gut-wrenching. What's also inspiring is that many of them turn around and are able to discover opportunity. But what was it like to engage with people, both in the developing world and here in the United States, who are experiencing some of the worst of what life has to offer, and they still come away with a sense of hope?

Kristof: It is so frustrating when you see people whom we let down because they slipped through the cracks. There's a 4-year-old kid in West Virginia whom we saw who had had ear infections that weren't addressed early. He went deaf. There was no hearing screening, and so as his brain is developing, he's not getting any auditory stimuli, and so he can't speak. It's not clear if he's ever going to bounce back, and I think what I find most frustrating is that there's a tendency of successful people to harp on personal responsibility, and it's absolutely true. There's a lot of self-destructive behavior that goes with poverty. Of course, we want personal responsibility on the part of the poor. But we also want responsibility on the part of society. When we let kids get by without a hearing screening, not able to go to a good school, or not have access to family planning at a time when one-third of teenage girls become pregnant by age 19, then that's irresponsibility not just on their part, but on all of our parts—especially when we have the tools and the evidence about what works, yet we don't implement them.

Grant: What would you like to see happen in schools? Let's take business school as an example. If you want to teach the next generation to think differently about solving these kinds of problems, where would you start?

Kristof: Business schools have so much to offer, because one of the problems in the nonprofit sector has been that you have people with very good intentions who are very, very well-meaning, but productivity in the nonprofit sector has hugely lagged that in the for-profit sector. Because you're not getting market signals, people are much more inclined to invest in non-optimal uses. During the past 15 to 20 years, it's been quite useful to have more people coming from the business world into the do-gooder world with

a real emphasis on measurement, on bang for the buck. That's useful, but there's a lot more that can be done. In particular, the nonprofit world often doesn't have people who are good at some of the peripheral areas, such as marketing. Marketing is so much more important if you're encouraging girl's education than it is if you're trying to sell a Coke.

Grant: Do you think the same skills apply, or do we need to rethink the way we actually teach people to market in this new domain?

Kristof: In marketing, probably the same skills apply. I think we need to rethink a lot of business skills. In finance, for example, social impact bonds are potentially a way of providing capital for investments that save the public money in a context in which government often doesn't invest in things that would save it money. It's going to be a mix of both applying existing business tools to the nonprofit world and rethinking some of the conventional business tools for a new context.

Grant: If you think about your typical business reader coming away from the book, what actions would you like to see them take that they are not doing currently?

Kristof: One of my frustrations is that we in society generally have this bifurcation in how we see the world. That's probably a little less true with business audiences, but in general, there tends to be this view that for-profit companies are greedy, and nonprofits are noble. It's absolutely more complicated than that. What matters is whether there's impact. Some for-profit companies can have tremendous impact for good, and some nonprofits can have none. Likewise, when we allocate our capital at the end of the year, we divert a little bit of it toward charity, and we want no return. We give it all away, we want to lose all of our investment. Much of it we will invest in the market, or for our retirement. There, we want the highest possible return, and no compromise on that. We don't look at all for social impact there. There should be something in between the two. Maybe people are willing to invest their capital, but not get a return, or to lose part of their capital, or there should be something in between those two poles.

Grant: Where do you stand on B Corps as an example of falling in the middle?

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Kristof: B Corps are a great idea. The whole idea of trying to find alternatives to these two extremes is a really useful one. In practice it has been hard to figure out how you manage the trade-offs. But in general, I think it's a great idea.

Grant: On a similar note, "buy one, give one" models are exploding in popularity, if you think of a Tom's Shoes or a Warby Parker. How does that fit into the picture for you?

Kristof: That works really well as a marketing technique for the companies. I'm less convinced that it's always the optimal way of addressing that social need. But on the other hand, if the marketing works, and it's a way of getting customers, then it may in the long run be successful there, too.

Grant: There was a very moving review of the book in the New York Times by an Oxford professor who warned, "If you don't want to rethink the way that you spend your time — don't read this book." I think that was a very accurate way of characterizing the effect it

has. What was your reaction to that review?

Kristof: We were incredibly flattered because we wrote the book not just to inform, but ultimately we want people to then take action. The most flattering thing for us has been when a book club reads *A Path Appears*, and then asks: "What are we going to do now?" We would love to see people who read it then decide they are not going to only support a business school with their donation, but also support a nursery school, for example. There really is a toolkit out there to have an impact on the world that we are under-utilizing right now, and I hope people will pick that up and do things with it.

Grant: If you wanted someone to take away one major message from the book, what would that be?

Kristof: We can indeed have an impact, and by having an impact on others we have an impact on ourselves. You know, purely altruistic behavior is pretty much impossible because of the selfish pleasures we derive from it. The other is that, both in this country and abroad, one reason why we haven't had more luck in chipping away at poverty has been that we typically start too late. It's an awful lot easier to help a troubled 6-month-old than a 16-year-old down the road. That is the low-hanging fruit, these early interventions, and yet we invariably try to pick the high-hanging fruit of building prisons later on to address those who have slipped through the cracks that we put there.