

Giving Done Right, Season 5, Episode 1 - Mark Suzman on Effectively Funding Urgent Needs and What's Next for the Gates Foundation

Mark Suzman I think we're in for a tough couple of years. There's no sugarcoating it. The cuts that have come from the US, but also globally, some of the setbacks, that's gonna take some time to weather and manage and try and minimize the impact. But I am cautiously optimistic that when we come out of that, it's not just gonna be incremental progress that we will be in a position to put in place some interventions, that really are transformative, that are providing much more opportunity at scale for literally millions of people in the U.S. and around the world.

Grace [00:00:19] Welcome to Giving Done Right. I'm Grace Nicolette.

Phil [00:00:23] And I'm Phil Buchanan.

Grace [00:00:27] Today, our guest is Mark Sussman, CEO of the Gates Foundation. The Gates Foundation has assets of 77 billion and Bill Gates recently announced his commitment to spend down all of the Foundation's resources in the next 20 years. We wanted to have Mark on the show because of his leadership of the Gates Foundation and his views on a range of topics, including the recent dismantling of the U.S. Agency for International Development, also known as USAID, and what it means for donors at any level who care about global health. Welcome to the show, Mark.

Phil [00:00:57] Thank you, it's great to be with you. Really good to see you, Mark. And obviously the foundation is focused among other issues on global health. And I don't think it's an overstatement to say that Gates Foundation over the years has contributed to saving millions of lives worldwide. But this year's dismantling of USAID has had really brutal consequences from what we read anyway. And I wondered if you could help us understand that. What are you seeing in terms of the effects of those reductions in aid. What does it mean for your work and for the progress that had been made?

Mark Suzman [00:01:32] First, we really need to contextualize it in the progress that you talk about. I think most people don't understand just how profound and far-reaching the progress of the last two decades plus has been. When we were set up as a foundation in 2000, until today, we've been able to say that with the support of philanthropies like us and individual philanthropists, governments like the US and the work done by millions of people including civil society, practitioners, private sector, and others on the ground, we've seen progress year on year, which ultimately has led to amazing achievements, such as the halving of preventable maternal and child mortality, from a rate of, in 2000, nearly 10 million deaths a year, to fewer than five million deaths a year today. We've seen essentially a halving in extreme poverty worldwide. Those are the people who live on \$2 a day, roughly, or less. We've seen a halving in the impact of the big infectious diseases which disproportionately kill the world's very poorest people, which are HIV, TB, and malaria, and also diseases like polio, which don't kill as many but disable hundreds of thousands more. And all of that has really been done with partnership and with the U.S. as the single largest funder and supporter. Not necessarily in driving a lot of the original work, that's often where philanthropies like ours can come in, but in scaling it up and making sure it reaches the largest number of people possible. So to put it in perspective, USAID's budget alone last year was around \$40 billion. The Gates Foundation is approaching a \$9 billion budget a year, which is by far the largest of any philanthropy, and that's still a

quarter of USAIDs. So when you have the cuts, and the truth is nobody knows, can fully account for what the cuts are because they've been so quick and so abrupt, not even the state department can really tell you directly how much money they're giving out or not giving out for what used to be USAID. But we know there have been huge profound impacts on the ground of people unable to access HIV positive patients unable to access antiretrovirals, kids unable to get access to malaria bed nets that were about to be provided in areas where the Gates Foundation doesn't work directly, but have huge humanitarian impact, refugee camps across Africa or Asia, which suddenly don't have enough food to feed people that depend on it. And so that impact is real. It means tragically, this is almost certain to be the first year of the Gates Foundation's lifetime 2025, where we see an increase in preventable child mortality. And where we see an increase in some of those deaths from HIV, TB, and malaria. Exactly what that looks like, we don't know, because there's always a lag with the data. We're working hard with a lot of partners to minimize those impacts. And we certainly haven't given up on our advocacy in the U.S. and elsewhere to get the government to rethink some of the policy changes that it's implemented. But it is fair to say this is the most profound a moment of crisis in international development precipitated by those U.S. cuts in the Foundation's lifetime.

Phil [00:04:48] This is like so deeply frustrating and sad and heartbreaking, obviously all those things. I mean, it's so many thoughts going through my mind listening to you. One is, so I guess all those folks were wrong when they said, you know, billionaire philanthropy is pointless and doesn't do anything. Remember that whole conversation? Yeah. And now here we are. And I heard a little bit of hope at the end of what you said that maybe there would be some reconsideration. Of some of these cuts, but isn't it the case that there are organizations that have ceased to exist as a result? And so even if there is a reversal or a reinstatement of some of this funding, I assume it would be a long road to get back to even the status quo of where things were, is that right?

Mark Suzman [00:05:38] Oh, absolutely. I mean, it's much easier to lay people off than to hire them back that even with some of the bits of money that are coming back on stream now and some money is coming back on stream, they aren't people able in Washington to sort of implement or track or put the money out. It doesn't necessarily reach the organization that needs them. There aren't people on the ground able to implement. And so the damage has been done. There is profound damage and you know, some of it is irrecoverable. But when we talk about looking forward, we are trying to put some perspective on and say, well, silver lining is too strong, but if there's one countervailing force to the cuts, it has been a huge focusing of attention by governments, by civil society, by philanthropists on let's make sure that what is being spent where the resources that are still available are being spent as effectively and as high impact way as possible. I think that's always been true in terms of people's aspiration, but we know, and this is true for anything, domestically or globally, that often a little bit of inertia does set in. And I think in the provision of particularly some of these big programs like the HIV prevention programs, there is some scope to rethink what we do and see if we can do it cheaper and more effectively. Now I want to be clear, no one would ever try to reform the system the way in which it's being reformed now, with dramatic cuts that have these huge impact on human lives. But it does prevent an opportunity, and this is again an opportunity where philanthropy can play a key role, because I think one of the huge comparative advantages of philanthropy is being able to take a little bit of risk to experiment with different models and ways of operating, which it is very difficult for government to do with taxpayer resources and justified back to citizens. And so we're going to be looking to see what we can do, whether we can build some new coalitions, whether we build some kind of

programs that will have higher impact in the future, but that is going to be in the future. Right now we are still facing a pretty devastating crisis.

Grace [00:07:44] I'm curious if you could say more about what the Foundation is doing to respond. Say more about how that's changed the outlook for the Gates Foundation.

Mark Suzman [00:07:51] Yeah, well I'd say it's a little bit more like a both-and. So let me use the example of what we regard as one of the most successful public-private partnerships capitalized by philanthropy of the last 25 years. That's called the Global Fund to Fight AIDS, TB and Malaria. It's a huge multilateral enterprise which the Gates Foundation helped create. We funded it, but other individual philanthropists have also provided funding of the years globally and domestically. Its primary funders, though, are governments. The U.S. Has historically been by far the largest funder. Europeans are the second largest, Japan and others. That institution has saved many, many tens of millions of lives by providing antiretrovirals to HIV positive patients, by providing bed nets for babies who need them for malaria, writing treatments for tuberculosis. And it does it efficiently and effectively. It pools the resources together and uses that collective purchase and power to drive down the costs and maintain the quality. You get many more bed nets of a much higher quality right now than you did when the organization started 25 years ago. You'll get much cheaper antiretrovirals of a much higher quality and scale than you did 25 years ago. So for a model like that, we're both working and the replenishment is underway right now. By November, countries including the U.S. will have had to make commitments about what they're supporting. And we're saying, at a moment of crisis like this, let's not mess with things that really, really work. And this is one concrete example that really works. And we'll see what the U.S. administration does. The administration has actually proposed a significant cut in the U.S. contribution. So far, Congress, including the House of the Republican-led Congress, looks like it may be opposing that cut. We're gonna continue to advocate. But that said, so one part of what we're doing is let's keep maximizing things that we know that work. But then at the same time, we know we need to do some things differently. So let's take the case of HIV again, that even if the Global Fund does get properly funded, and even if we are able to resurrect some of the PEPFAR resources, we know there is a significant reduction in total resources available to treat HIV-positive patients across Africa. So we want to be able to look at are there things we can do differently. One thing we can do differently is there's a new treatment, which is just coming on there or not a treatment so much as a, a tool. It's an injection called Lenacaprivia. That's been developed by the company Gilead, which is the first effective, almost 99% effective injection that will prevent you from getting HIV. It's every six months. So it has a long time lag. For particularly groups who have been very vulnerable, like young women, this is a very attractive option. And we're trying to discuss what does it look like to have a different kind of prevention model? Can we, using our philanthropic resources, currently both test the model, which we'll do in a relatively modest way with support from the company now, but then also drive down the cost. Currently, you know, it's still pretty expensive. We can work with generic manufacturers, and again, this is philanthropic resources, to drive down the cost of the product the way we've done it for bed nets or antiretrovirals so that you're gonna have a very different mechanism for prevention of HIV going forward. A second area we're looking at, which is very live, is AI. AI is very hyped in many years, but some of the hype will turn into reality, we hope and believe. An example of where AI has particular possibilities is in healthcare in low and middle income settings. Where there are huge shortages of doctors and nurses and training and so you can actually envisage a kind of AI chatbot interactive thing that helps give you much better self-care advice on both prevention and treatment to an HIV positive patient or potentially HIV positive patients that currently requires personnel. Again, this is the kind of thing we are

now gonna be testing different models of doing that, in coming months. This is a recent shift in our strategy. And that we hope we can prove some models that then we can show to governments and to other partners of how to scale up successfully.

Grace [00:12:18] You know, listening to you, you and Bill have both written so eloquently about in this moment how important it is for other donors to step in and to really get involved. And this show is for everyday givers. And as I was preparing, I was just thinking about the Gates Foundation has been viewed as a model for so many years. And even just listening to, I imagine there are donors who say, look, the Gates Foundation has done the research. How can I give to some of these things that they've identified as being effective. And I was actually on the Gavi, Vaccine Initiative website looking, is there a button here that I could donate to? And I couldn't find one. And so what would you say, you know, as folks are listening and they're thinking, yes, this is actually what I really would like to give to, where should they go?

Mark Suzman [00:13:09] Yeah, well it's a great question and there are lots of ways in which you can do it. One is, and we don't actually make a huge deal about this, but there is an entity we've set up called Gates Philanthropy Partners that does take donations directly and that we do get donations every year of all sizes, some very small, some quite large, which essentially is giving to certain categories. You can earmark some of it for particular categories. Do you want to give to child health? Do you want to give to gender equality causes? Do you wanna give in education in the U.S.? And essentially we help make sure those resources get channeled into these highly effective investments. So that's one area that's direct. For people who aren't as comfortable here directly, there are both advocacy entities and so on that often needing support. There's a great organization called Friends of the Global Fight, which tries to generate and get resources for the global fund and all those kinds of initiatives we've talked about. And then really a lot of the organizations that do work internationally and globally, they don't work as directly in this space, but depending on what issue people are interested or excited about, we work closely with organizations like CARE or Save the Children. Save the Children is a very good example, again, of a partnership that does work with us, with often, with UNICEF who's a big supporter. UNICEF actually does a lot of the implementation of GAVI. GAVI raises the money, but then partners with UNICEF to actually procure the vaccines, then partner with country and implementing partners to get them out to the kids who need them. So there are lots of those kinds of routes.

Phil [00:14:48] We're obviously looking out at significant domestic cuts as well. And so whether we're talking internationally or domestically, it seems like there will be more pressing immediate need that donors are wanting to respond to. And I think, you know, historically folks have sometimes talked in these binaries about, like, do I focus on root causes. Do I go upstream or do I respond to the suffering that's right in front of me? And then there's a worry, I think, that some donors have that if they respond to the suffering, that they think should be the responsibility of the governments, are they then enabling an approach to a safety net in which the government just sort of walks away and assumes philanthropy will be there. And it feels to me like a lot of these assumptions need to be reconsidered now because things have shifted. Even the idea that, you know, philanthropy can be risk capital and then government will come in to scale what seems to be effective. I'm not sure that was ever as true as people wanted it to be, but it feels like it might be less true now. I guess I would ask you just almost to adopt the role of coach of other donors. Like how would you advise people to think through those competing tensions in this very challenging current context?

Mark Suzman [00:16:21] Yeah, well, those are great and super complex questions. And there's no easy answer. And the first thing I would say, which we strongly believe in our philanthropic partnerships team, which I know you've worked with is your first of all, just the impulse to give is good. You know, giving on its own is worthwhile, and there are lots and lots of ways to give effectively. And there's no one script or one route or one direction. And certainly the Gates Foundation has a particular model, but we definitely don't say this is the best or the only model. We think there are lots of different ways to approach it. And so first of all, giving is very personal and it needs to have a strong link to your personal commitments and values. So that issue about, do you give to the direct impact? Do you give the underlying causes? I think is some of it will depend on where you're feeling motivated to call. There'll always be direct need that can be alleviated through direct support and we would encourage that and support that when appropriate. But I do believe that point that you made about philanthropy, investing in innovation and venture scale does remain true. As you say, it's never been a neat throughline in the way that sometimes it looks like on a PowerPoint. It's lots of complex curves and twists and turns and what becomes politically manageable or not. But the truth is, if you want to deal with the kind of issues that we're very focused on, which are human issues, there are lots of other issues, but essentially impact on human beings, providing opportunity in health and education. And in the U.S., our biggest area of funding by far is education, which is also on the chopping block right now in terms of potential significant federal cuts, including to state-level spending, but they expect resources to come from the federal side. And so I think it is important that you both try and look for areas where you can minimize the impact of potential cuts. So in the education space and frankly in the global health space, one of the areas which may not seem very sexy but is critical is data sets. They're huge data sets tracking how students are doing or not doing, which have actually been funded by the federal government, funded by USAID globally in terms of health-funded domestically. By the Department of Education. We're looking very actively at, are there some things that we and other partners and philanthropic partners can be doing to make sure that these kind of true public goods aren't lost, aren't set back. But we definitely don't think the appropriate answer is to say we should be the right long-term funders. We want to take a look at this and say, are there different ways of collecting the data, retaining it more deeply, making it more publicly available for public use? Are there, again, using new tools like AI, can you do these in more effective, smarter ways going forward? I just use those as sort of two examples because they're live. But I definitely don't want to lose the fact that philanthropy, by definition, can never fill the gap of government because of its size and scope. In the U.S., we're what, maybe 2% of GDP, globally, it's closer to 1%. Those numbers just aren't able to drive the scale when I was giving you the numbers of the USAID spending versus our spending, it gets much bigger in the U.S. education, federal spending, which is much smaller, is still in the hundreds of billions. You can't fill that gap philanthropically, but you can provide different models, different solutions. Some things might be just community-based investments that are testing different models or you might be somewhat filling a gap locally. But you're filling a gap in the short-term to try and provide a different model for long-term sustainability. And I think that model of how you think about the long-term impact is a lens that I would encourage all your listeners to think through. That yes, you want to meet a need in the short term, but you don't want it to extend possible, create a dependency in exactly the way you talked about. You want to have some kind of roadmap for how this is going to be sustainable in the long term.

Grace [00:20:30] About education in the U.S. As you mentioned, you all are such a core funder. And it sounds like here, too, there's kind of staying the course, but also adapting. I wonder if you could say a little bit more about that. And I'll also just mention, I mean, you all funded an initiative here at CEP called Youth Truth, which does help gather student

data for school districts and local communities. And, it's been really powerful, actually, for schools to understand how students are experiencing their education. So yeah, tell us more about your thinking now about your education strategy.

Mark Suzman [00:21:08] In our education strategy, we're very focused on K-12 and post-secondary, and particularly in K-12, it's really the 9th through 12th grade. We're really looking at the 9th grade through and to college and ultimately through the completion of college, partly because you know this is what is the true engine of mobility that has driven success in the U.S. over so many years and that we know it's an engine that to some degree has stalled and needs to be revitalized. And so we're looking again at what are the areas where we can provide some of that broader support, the example is about in issues like data or policy, but then also find interventions that are going to be hopefully transformative. So a particular area of focus right now in the K-12 area is math curricula. And that sounds very technical and narrow and I get it, but it's also based on a finding that what the most reliable predictor And this is a correlation and not causation, we acknowledge, but the most reliable predictor of whether you will be successful through high school and into college and through college is how you do on ninth grade algebra. And that's a proxy for a whole lot of other things, obviously. How you tackle it, whether you feel as a student that you can feel motivated around math, what math is as a pathway, or just again as a proxy pathway in and through the rest of high school and into college. But we know it's a huge gap, and we know that it's particularly challenging in low income settings and among minority students. And so we've got a big push on the way that's looking at and using AI and a number of other tools. Can you provide much more effective curricula that actually help teachers and help students in much more customized ways? What AI tools can do, for example, is encourage and teach and identify what's holding back a student. Can you provide some of the curricula in more culturally appropriate ways that actually resonate with the students? Can you write for a teacher who's in an overcrowded classroom in a city somewhere? Something that allows them to much more clearly target where is a particular student struggling or not and you can come in in a customized intervention and I know that sounds very techie and narrow but we're actually finding through some of our early pilots that this it can actually be really pretty successful and transformative and so we think that's the kind of thing which most school districts are not going to be able to have the resources to experiment with right now you know they're full on trying to do their day to day job. And so that feels like exactly the kind of area that a philanthropy can come in, work again with public and private, it has to be done in partnership. It has to be done engaging with the local communities, with the school districts, with parent groups, with teacher groups. You know, that's one lesson we've really learned at the foundation over the years, the importance of engaging and being transparent with local community to build time because that's the key to sustainability and scalability. But we think that that actually can be transformative in coming years. Similarly, in the post-secondary space, we're looking at in similar courseware, but the ability to significantly expand both access to college, the quality of courseware. In this case, we're looking at math, but we're expanding beyond math and some related areas like statistics, but can be pretty transformative in improving graduation rates, because it's not just getting into college is an important element, but we know that far too many people don't get through to college and are left saddled without a qualification and with often significant student debt. So ways in which you can actually manage this, help the institutions themselves better target and provide surround support to the students. In this case, that's beyond curriculum. This is institutional support around financing, around healthcare, around family issues. And so those are the kind of areas that we've been working on.

Phil [00:25:06] I wanted to say that this Youth Truth initiative, which came out of the grantee perceptual report process, so where we survey grantees of foundations and provide that feedback because foundations often don't get candid feedback. So I think you've been at the foundation, Mark, what, 17, 18 years, is that right?

Mark Suzman [00:25:25] 18 years.

Phil [00:25:26] Yeah. So it was, um, back in roughly 2006, actually, we provided grantee perceptual report to a couple of the programs at the Bill and Melinda Gates foundation as it was then called and Faye Torsky, who's now at the Blank Family Foundation said, you know, this feedback is really valuable, but you should be helping us hear from folks whose lives we're trying to improve. Why are you just giving us feedback from grantees? What about the people who should matter the most? And we said, well, we're probably not the right people to help you with that. I mean, that's really important. And then she said, well, you know, why don't you pilot something in K-12 education with us, a comparative student survey. And we said, surely that exists. Somebody's doing that. And it didn't really exist at that time nationally. So anyway, so Youth Truth has grown since then as this program that CEP runs. And actually you may or may not know this because I know it's a big foundation, but a couple of years ago you all came back to us and asked us to add some questions about math to the Youth Truth Survey. And exactly to the point you were making one of the things we learned when we added those questions was that students saw a lot of the math problems that they were being asked to grapple with as totally disconnected from their lives and totally uninteresting. And to me, it was a good reminder of the power of hearing from people about what their actual experience is. What is it like for you, whether that be grantees or the people whose lives you're trying to improve. And I know since you've become CEO, you have, you've really made a point of saying like, feedback is really important to us. Can you tell us a little bit about that commitment?

Mark Suzman [00:27:00] Yeah, well, first, your core point, which when you were going, surely that exists already. That's something for any philanthropist, big or small, to look at or you think about giving. Often these things don't exist, or if they do exist, they're not being used, or that's an enormous opportunity in the space, and I do think that is a key role for philanthropists, seeing where there are gaps, where there opportunities, what you can learn from them. Second on the wider issue of feedback, yeah, it's something that I've been preoccupied with ever since I got to the foundation and certainly as CEO, I've made it a much higher priority for a couple of reasons. First reason is exactly where you start. Unless you know what the people and communities you're trying to work to help improve their lives are actually thinking or prioritizing, you're likely to do the wrong thing. I'll do you examples of some of our earlier work in agriculture. Where we would work on developing much more productive crops, you know, a different kind of breed of rice or a different kind of cassava to do a plant that's used often in Africa. And sometimes our research scientists were so excited at the improvements in productivity, they didn't do the use as we would find, actually, why wasn't it being used by women? And they go, well, it turns out this rice took twice as long to cook and they're not interested. Or this tasted a little different. And you go, okay, so productivity isn't the only thing, or one of them had a funny color, which they didn't like. And so you've got to think about user preference and that issue of what's the ultimate user, whether it's a student trying to get a math problem crafted in a way that feels accessible or resonant in the case of using the research that you guys provided. If you make your math question more about how a basketball team can improve its shooting percentage that obviously can often resonate a little bit more than if it's just a sort of abstract thing calculating numbers. How do you put these questions in ways that resonate? So that's one set and that's why the data we talk about is so critical, whether it's

data use about, your impact with this data use about perceptions and we do do a lot of survey data about people's perceptions of both our work and the issues we work on because you need that as an input. The second, which given you were talking to your own work there, but is the perceptions of the partners we work with, the grantees, you know, the reason why we need to hear from them directly, because they are our arms and legs. In the end, they are the implementers. We don't implement anything as a foundation. We fund these intermediaries who then go on and are responsible directly or indirectly themselves for making sure that the issues we work on reach the people who need them most. And so if we don't understand and map those on a regular basis, how can we succeed? And we have lots of proxy methods we use team by team, whether you can use sort of small surveys and so on. But we know that it's very challenging to get honest feedback. When you're a donor, again, any kind of donor, honest feedback is difficult because people want your money. Even if they want to give you feedback, they don't want to give you feedback that's going to stop you donating, ideally, I mean, a few exceptions might, but for the most part, people don't do that. And that's where surveys like the ones you guys do are so critical. And you know, we did one shortly after I became CEO, I know we're planning to do another one next year, which will be in a different and changed environment. But you know we absolutely need that kind of information to understand where we need to course correct, how can we be responsive to our partners? How do we understand the impact on the sector as well as the partners directly? And even when you try your best, I'm conscious that we're often still not getting as much feedback as we need. So I'm always open to ideas and thoughts and how we can keep getting more honest and open feedback.

Phil [00:31:01] Stick with us, we'll be right back.

Grace [00:31:10] Switching gears here, Bill Gates recently announced that he was gonna give away all his wealth via the foundation by the end of 2045. And this was huge news around the world. I guess I wanted to ask you how he came to that decision and did it have to do with the current political climate in the U.S. or was that a conversation that was ongoing even before everything that's gone on?

Mark Suzman [00:31:33] Yeah, well, the truth is, it's important to remember that we've always been a foundation that was going to spend ourselves down from the time we were started when Bill and Melinda set us up in 2000. And then when Warren Buffett became a major funder, the commitment was we would start to spend ourselves down and we would spend ourselves done within 20 years of the last of the three of them to die, whoever that would be. And, you know, with Warren and Melinda both having left the board, our existing parameter was that we would still spend ourselves down within 20 years of Bill's death. And as we approached our 25th anniversary, which is this year, Bill and the board and I started discussing you know what are the ways we can maximize, what lessons have we learned from our first 25 years, what are the lessons we want to take going forward and are there ways we can be dramatically increasing our impact. And we thought that one of the key things was that in some of the areas we work, especially in our global health work, but also in some our U.S. education work, we felt we'd had setbacks and lessons, but we had a pretty good idea right now of a set of interventions which we think could work, could work at scale and scope, but needs to be resourced at a high and predictable level now. And the best way to make sure that they would continue to be resourced and to try and incentivize others was could we essentially double down on that. And so that led to the idea of bringing forward the spend down date, saying if we wanted to be able to keep operating at the scale we currently operate, even with Bill's vast resources and our endowment, if you're getting close to \$9 billion a year, which we are right now, that can be

spent down pretty quickly. And so, that led to an ongoing dialog with Bill and the board where we decided, well before the end of 2024, that this was an announcement we wanted to make in 2025. And the truth is, we'd actually planned originally to make the announcement in January of 2025. But partly because of the political situation and the shifts that were happening after the election of President Trump, and we weren't sure quite what policies were going to come through, but we knew they were likely to have a significant impact on our areas, we wanted to wait a few months before making that announcement so that we could calibrate the response and make sure that it was resonant with the challenges that we started this podcast talking about. But we also wanted to try to be careful to be explicit that this was not a response to these decisions by this administration. It really was a true and sincere belief about how the foundation could maximize its own impact and not and unsignificantly maximize, we hope, the example to other funders because there are lots of ways to do funding. We respect and applaud nearly all of them, but we also believe giving to issues of human poverty and opportunity and need giving now rather than delaying to give later and giving it whatever scale you feel comfortable and able to give and in Bill's case it obviously is a very significant scale but by committing to actually spend down his fortune and give away 99 percent of his wealth it's sending a very strong statement about commitment which we hope will galvanize and capitalize the field so that By the time we reach that 2045 date, our vision and aspiration is still as they will be a very crowded, engaged, and energized philanthropic ecosystem ready to take up the challenges of the future that we won't be around to be tackling.

Grace [00:35:09] I've read in the different reports that perhaps the number that the Gates Foundation plans to spend before it closes is about 200 billion. And thinking that you all are giving about nine now, it seems like, you know, with compounding in interest and perhaps the growth of his wealth, that it may actually well be beyond 200 billion? Is that number sort of fixed or is the thought really, it truly is 99 percent of his wealth whichever number it ends up being?

Mark Suzman [00:35:38] Yes, so the 200 billion is calculated, you're looking at Bill's remaining wealth and our endowment at a certain rate of return, looking at markets and accepting that you can get down years in markets. And so you could say it's a conservative commitment, but it's a commitment that we want to be sure that we can actually meet. That it's very important, especially at this moment of volatility in the field, that we want our partners and the world to know that the Gates Foundation will be predictable. And reliable and supportive funders for the short, medium, and long term, if you can still count 20 years as long term. I'm still thinking of that as long-term. If we do get additional returns, Bill's commitment is to give those to the foundation. So yes, it's possible, and I would love for that to be the case, that if we get some really good market returns years, we will be able to spend more than \$200 billion. That said, although we haven't lived through this for a while, it's also not impossible that you have a couple of very big down years in the market, which have a long-term impact. That's the kind of challenge that many other philanthropies will likely be cutting back their funding. And the way we're budgeting is we would be willing to dig into our endowment and make sure we keep all our existing commitments, no matter what happens in the markets.

Phil [00:36:57] I'm sure it is incredibly daunting for you to think about getting this done, but it is also so exciting and inspiring to hear of that decision. I had a list coming into this discussion with you, Mark, of critiques of the Foundation that I wanted to ask you about. And the Foundation is often critiqued in a way that's particular to the Foundation, but sometimes critiqued as kind of like a proxy for just like big elite philanthropy. And actually you've sort of touched on a number of them already. So there's the technocratic critique.

And you talked about that in your example of crops and understanding what people actually want in terms of the rice that they're cooking or whatever. And related to that, sometimes folks talk about the Foundation being overly top down and you sort of address your commitment to feedback and the importance of, of understanding those perspectives. I think another critique more of foundations broadly or ultra wealthy is this sort of hoarding of assets and not getting the money out the door. But you just talked about how you are getting the money at the door by 2045. But one we haven't touched on yet is sort of the way in which you support nonprofits. And we've done this research over the last few years on Mackenzie Scott's giving and what has happened to the organizations that receive those gifts. And sometimes I see people put Mackenzie Scott at one end of a continuum for the large unrestricted gifts that she has given to organizations. No time constraint on when the money is spent, you know, five and a half million at the median, which is large even relative to big foundations. And then people will juxtapose that with Gates Foundation as more, the grants are also very big, but restricted, not necessarily interested in providing general operating support more focused on a particular outcome that the foundation defines. Can you say a little bit about whether you see that as an accurate sort of on the one end of the spectrum, on the other end of spectrum kind of description? And if so, why have you chosen to support grantees in the way that you have?

Mark Suzman [00:39:11] First let me just say that I think Mackenzie Scott has been an amazing breath of fresh air to the entire philanthropic ecosystem and by giving in the speed, the scale in which she's done, the manner in which he's done I think it's had a huge and very very positive impact all round and when I talk about different ways of doing philanthropy I have nothing but applause for, her model and hope others take it up. That said, one of the ways I hear the critique you've talked about is people talk about her model of unrestricted giving and general operational support as quote-unquote, trust-based philanthropy, unquote. And I occasionally get the question of, when will the Gates Foundation embrace more trust- based philanthropy? And I go, hang on. You know, I actually reject that proposition. I don't think giving with a clear set of shared outcomes in mind, which is our model, it means that we necessarily have a lack of trust. The definition of the issues we pick, because we start on issues, if we're dealing with, let's go where we started, HIV AIDS. And if you're working on something like that new drug I talked about, and we want to come up with a model for lowering the cost of that drug, Lenacapriava, that's gonna be transformative for HIV prevention. That is very technical. Back to your technocratic question, we acknowledge it. That is, it has to be made with a very, very high degree of precision, amazing quality, because this is about human health. And so when we are giving grants, as we are in real time, to a set of partners to potentially drive down the costs while retaining the quality, we're gonna be quite prescriptive. We're not gonna go here, have a check, go off and do good things. We've got deep technical people who know about every aspect of the regulatory, the manufacturing process. We'll be wanting to engage in real time about how that's looking, what your progress is, what that's gonna be. Now, that's a model. It's one we've chosen. We've hopefully landed on choosing that particular product through open and transparent dialog with Rata saying this is the best way to intervene. But we are going to be engaged. You know, my first warning with the Gates Foundation is yeah, if you're going to a grantee of ours, and I say it very much to all our partners, you'll be surveying again, you should expect that we will be very engaged. And if you are not comfortable with that, you probably shouldn't be seeking a grant from the Gates Foundation. But I do think that engagement can be a very healthy and respectful ongoing dialog. And that's one of my aspirations. I hope to see some of that reflected in next year's survey. We'll see if we, because we know we've been uneven on that. That we definitely have cases where we are seen as, to your other critique, top-down and arrogant. That we're seen as declaring a vision and expecting you just to be an implementer. Rather

than actually giving us real feedback and dialog. And back to the point about feedback, I think it's essential with our partners that we are able to hear that feedback. I will plead guilty that one of our tensions and then one of the things that comes back in the survey sometimes is people wondering, do we care enough about the organization we're funding? And because we're focused on the outcomes, is that HIV prevention going to reach the woman needs them, we sometimes do, I think, overlook a little bit the needs, the organizational needs of the intermediary partner. And I think trying to find a balance on that is something we can do better at and we're trying to do better at. But we are always gonna be outcomes focused. I mean, that is our metric. And so it is a different model. And to your Mackenzie Scott example, I think these are great examples of how philanthropy should be embracing both kinds of models. We would encourage more people who are comfortable following Mackenzie Scott's model and we would love more people to follow our model at all and I don't see any contradiction between the two.

Grace [00:43:18] How would you counsel a donor who wants to follow more of your model? You know, we often talk to donors and foundation leaders who are thinking about measurement and evaluation. And I think the Gates Foundation has a reputation of being quite thoughtful and sort of deep benched when it comes to that. Like, what would you advise a donor who says, you know, I actually would really like to be very data-driven, similar to, you know walking in the footsteps of the Gates Foundation perhaps. What would your advice be to them?

Mark Suzman [00:43:47] Depending on the scale and scope, if you're a very large donor, you can invest some of it in the data. You know, I've given a couple of examples of data set. It doesn't feel sexy, people don't love it, but even just, you know, funding you guys to do that research you were talking about about students, that is a huge public good. And so I think there are opportunities to fund data, so I would encourage people to look at that first. A good example would be an area of gender data. We've done a lot of investments in gender data over the last decade. And we set up a gender equality division because we found that often there isn't good gender disaggregated data. That if you're working with farmers in Africa or Asia, but over half the farmers are women, they actually need different kinds of approaches because you have data that shows that those smaller farmer women are less likely to own their land, are less likely to get access to extension services, have less time available to farm are less likely to get loans for their farming. That's all about datasets. So a little bit of a rabbit hole, but an important step.

Phil [00:44:48] Well, just for the record. Yeah, exactly. We find data super sexy. So we're all on the same page here.

Mark Suzman [00:44:54] But the second area is to look for organizations partnership that do use data successfully. What are the metrics? When you look at a partner, there are and we help support the efforts that do the Guide Star and related ones, which are one metric. But when you're looking at impact metrics, some organizations are better than others. And I think asking questions of the organizations that you're looking to fund about how they use data to support their own feedback loops, to understand and assess their own impact. And you can do it, I'll use one example, just an area where we've been working, which we'd love more people to find, because we think this is a huge area of opportunity that's very tangible for people is neglected tropical diseases. It sounds very weird, what's a neglected tropical, and these are things like guinea worm, which President Jimmy Carter was very deeply engaged on, it's sleeping sickness, it's elephantiasis, which is your horrible disease that leads to big swelling of the limbs, and often these are hugely impactful are high burden diseases that affect communities, particularly in the Global South, where there are

treatments available that can successfully address these. These all have treatments available. The treatments just need to be scaled and delivered to those who need them. There are collaborative philanthropic efforts like this organization, which I think is a great organization called the End Fund, which exists to end these diseases. And that is an organization that is very high impact, does amazing metrics. You can actually go down to the granular level and see exactly where your dollar's going against one or particularly impact. And so I think finding in each sector, depending what sectors animate you, there are organizations that are able to use those impact measurements and that data very well. And as a donor, also ask. To simply asking organizations how they measure impact, I find is a very helpful tool to force them to think a little bit more about how they're measuring that impact. Because all of these resources are scarce resources. You want to make sure they're being used as impactfully as possible. And most of the people doing the work want to do that as well.

Grace [00:47:01] I like that because asking, I imagine very few, you know, nonprofit leaders will say, well, I look at my administrative cost ratio, which I know a lot of donors do like to look at, but you know we would say is not the best metric, but really asking the nonprofit what data and metrics they do use to inform their success, I think is very powerful.

Phil [00:47:23] I made a sarcastic comment at the outset when you were talking about the millions, tens of millions of lives that the foundation has contributed to saving. And I said, what about all those, you know, critiques of billionaire philanthropy as completely ineffectual? But there are legitimate critiques, both of billionaire philosophy and of certain folks who maybe haven't made the kind of commitment that Bill Gates has to leaving a legacy of a better world and I know about exactly 15 years ago, I believe, the giving pledge was launched, which was an effort to influence others with vast fortunes to commit to give back. And I guess I'm curious how you assess that 15 years on, or if you know how Bill Gates feels about it, has it lived up to his hopes in terms of when he looks around at peers is not the right word, but others with vast fortunes does he feel like, oh, yeah, people are doing good things, or does he feel disappointed that there hasn't been more of a commitment?

Mark Suzman [00:48:27] So first, the giving pledge, just for context, as you say, was set up 15 years ago, it was set up by Bill along with Melinda and Warren Buffett, jointly, and it was there to try and inspire and energize other billionaires, and the end was to explicitly aim at billionaires with the commitment, if you signed up for it, you would have to commit to giving away at least 50% of your wealth. That's the minimum. You could obviously give more, but that's the minimal threshold. Everyone has to make a public commitment around it and write that public commitment. And it's global. Although the majority is still in the U.S., there are giving pledges from every continent. And so I think, at that level, Bill, Melinda, Warren, all feel very proud of their role in helping set up the Giving Pledge, and it's important to emphasize the Giving Pledge is something that's completely separate from the Gates Foundation. We provide some support to help manage it, but it is a different entity. That said, and I'll say this more as Mark Sussman, the CEO of a foundation implementing the resources that come from the generosity of Bill, Melinda, and Warren, we live in a world where there are over now 3,000 billionaires. There are now over 250 giving pledges from around the world, members from every continent, even though the majority of them are still American. So 250 of those 3,000 is at one level great and another level not so great. That even among the existing pledges, I think it's fair to say that although the commitment says you can give at anytime, including in your will, you don't have to give while living, the model that Bill, Melinda, and Warren have all demonstrated

that we are now doubling down on, give however you want, but we're biased and we think giving while living, giving at scale while living and giving to areas of human need and opportunity as your priorities are all really good things. I think personally we could see more and both scale and scope and I think some of the critiques that you do get about billionaire philanthropy is that people worry there's a disconnect between statements of commitment that sound grand and good about their commitments but not actually necessarily following through, especially at these moments of great need. And as you started the conversation on, I think this is a moment of huge need and opportunity where there is a real opening for philanthropy both to help address some of the short-term impact, but more fundamentally, help us rethink the ways in which we do our work, both domestically and globally, to make them more effective, more fit for purpose, better aligned because That's not going to be something that's being driven by government right now. And the private sector is not incentivized to focus on these kinds of issues unless they're incentivized by philanthropic dollars to come in and help do it like again, like the examples I gave you. So great to see the energy and engagement that has happened, but I would love to see much, much more in the years to come.

Grace [00:51:37] So Mark, as our last question, what gives you hope during these times? You see a lot and I think what gives you hope may give the rest of us hope as well.

Mark Suzman [00:51:47] Well, two things. The first has actually been the response to our announcement. You know, I really didn't know how it would be received either internally, to be honest, because, you know, you're putting an end point on an organization where many people are seeing their careers. Then externally. And I think there's just been a huge energizing momentum. People are excited to hear what we're going to do, how we're gonna do it. We're working on trying to think that through how we leave the field stronger and sustainable. We definitely don't want to leave gaps behind us but that's been very motivating and energizing. The second is, innovation hasn't stopped. Yes, we're having massive consequences, but every great set of progress that we've seen ultimately has been driven by innovation. It's innovation, not just of products, but really of the way in which things are delivered, the way, in which partnerships are put together, the way which collaboratives are put-together. And I think that innovation is underway and probably working at a faster timeline than it ever has before. You know, we haven't really talked about AI on this call. And I know there's a lot of hype and discussion around AI. I mean, I mentioned it in the context of our U.S. education work, but really in all the areas we work, in primary healthcare, in agricultural development, in financial inclusion. There is real potential to massively expand some of the interventions that we're able to use and target them much more towards those in great need. And I'm genuinely hopeful that that will allow us to actually like to do these graphic things I call bend the curve. That at the moment we're sort of flat and we're just trying to meet the immediate needs. And our aspiration always is to try and massively accelerate progress. And yeah, I think to sort of close where we started. I think we're in for a tough couple of years. There's no sugarcoating it. The cuts that have come from the US, but also globally, some of the setbacks, that's gonna take some time to weather and manage and try and minimize the impact. But I am cautiously optimistic that when we come out of that, it's not just gonna be incremental progress that we will be in a position to put in place some interventions, whether it's in the education space, whether it is the healthcare space that really are transformative, that are providing much more opportunity at scale for literally millions of people in the U.S. and around the world. And that's what we're really, really focused on trying to make sure we are helping deliver on. And I feel it's both an amazing opportunity, but to be honest, also a huge obligation that when we are entrusted with the resources that Bill has entrusted us with going forward, that we do want to make these are being spent as

impactfully as possible, because I think this is going to be critical for the field of philanthropy. There's so much scrutiny on us that the model we need to be able to demonstrate and show there is space and energy and momentum for giving at all sizes and then whether you're giving ten dollars or whether you are giving a billion dollars there is a tremendous opportunity and need and we hope we can sort of showcase and build a wide tent that people are excited to be part of.

Grace [00:54:55] Mark, thank you so much for joining us today. Great.

Mark Suzman [00:54:57] No, thank you. It's been a great pleasure. Really appreciate it.

Phil: There are a slew of resources about effective giving on The Center for Effective Philanthropy's website, cep.org, as well as givingdoneright.org, where you'll find all of our episodes and show notes.

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Grace: Giving Done Right is a production of the Center for Effective Philanthropy. It's hosted by me, Grace Nicolette, and Phil Buchanan. It's produced by Rococo Punch.

Our original podcast artwork is by Jay Kustka. Special thanks to our colleagues Sarah Martin, Molly Heidemann, Christina Tran, Chloe Heskett, Naomi Rafal, and Serina Gousby for their marketing, research, writing, and logistical support.