

Transcript

503:

I Was Just Trying To Help

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From WBEZ Chicago, it's *This American Life*, distributed by Public Radio International. I'm Ira Glass. Stay with us.

Act One. Money for Nothing and Your Cows for Free.

Ira Glass Act One, Money for Nothing and Your Cows for Free.

So there are charities that try to help poor people around the world in just about every way that you can possibly imagine. They give computers, they dig wells, they'll build schools, they send teachers or solar lamps. But a few years ago, four young guys-- they were grad students at the time-- decided they were going to try something simpler. They wanted to try just giving money to poor people.

After all, they figured, that's their problem-- they don't have money. That's what makes them poor. That's the definition of poor, they don't have money. Why not just give them money? No strings attached, they don't have to pay it back. Let people do whatever they want with it. The idea being, like everybody else, they will know what they need better than anybody else could. Give them money and they can buy what they need.

Michael Faye, one of the guys who had this idea, decided he was going to test it out himself. During a break from school, he flew to Kenya and tried giving away some of his own money, and it didn't go exactly as planned.

Michael Faye Some people said no to the money. And I'll be honest, that first trip, we had one village that said, thanks, but no thanks. We don't believe you. We think you're going to ask for something in return or need me to spend the money in a certain way. And I don't want the money.

Ira Glass Faye did his best to convince them. Really, he said, I don't need the money back.

Michael Faye I tried. They were pretty adamant that they didn't want it. They said, I just don't believe it. I think you will come back in six months or a year and ask me for something. And I don't know what that is, but I don't trust you.

Ira Glass Which sounds totally reasonable to me. If somebody walked up to me on the street and just said, "I want to give you money," I would be suspicious. But on that trip, Faye did manage to find people who were willing to accept free money, and Faye and his buddies went on to start a charity. It's called GiveDirectly, and it just gives money to poor people.

Faye and his friends have big plans. They think that, in the future, this could be one of the major ways that we help poor people. Jacob Goldstein and Dave Kestenbaum of *Planet Money* recently went to Kenya to see how this was working.

Jacob Goldstein There are lots of reasons charities don't usually just hand out cash.

David Kestenbaum Chris Blattman tells this one story. Blattman is a professor at Columbia who spends a lot of time in the international aid world. He was working with this charity that was trying to help former soldiers, some of them child soldiers, become farmers. They gave them land, they gave them training, they gave them almost everything they could need.

Chris Blattman But they wouldn't give cash. They said that they were very worried about what people are going to do with this money. They thought it was going to be spent on sex workers. They thought it was going to be spent on drugs or alcohol. The last thing they thought it was going to be spent on was agriculture.

David Kestenbaum This, of course, is one of the risks. If you give someone money and tell them they can spend it on whatever they want, they can spend it on whatever they want.

Carol Bellamy Cigarettes, alcohol, weapons--

Jacob Goldstein This is Carol Bellamy. She's a former director of UNICEF.

Carol Bellamy --just gambling it away. All the kinds of things that you don't want to have happen with money that, just, you find in your pocket.

David Kestenbaum Is it fair to say you think most of your colleagues in the charity world would be skeptical of this idea?

Carol Bellamy I think they are.

Jacob Goldstein It seems to be true. When we got to Kenya, we checked in with people at local charities, people who have grown up in Kenya, who've spent their lives doing aid work, and most of them shook their heads. They had a whole list of reasons why giving money wouldn't work.

David Kestenbaum Sam Owoko, with a local group called KMET told us, giving money is a handout. Handouts don't work.

Sam Owoko What we have learned is that giving people money creates a sense of dependency. People would not go out of their way to improve, to even look for other sources of money. They know they are going to get it, so they sit there and wait and don't care about anything else in the long run.

Jacob Goldstein People told us if you give money to some people but not to others, you could create real tensions between neighbors or even within families.

David Kestenbaum And, inevitably, someone brought up the "give a man a fish" thing.

Alfred Adongo I would rather teach them how to fish than to fish for them.

David Kestenbaum This is Alfred Okeyo Adongo with a group called SANA.

Alfred Adongo He will be able to eat well for one year, but beyond that, what else?

David Kestenbaum Adongo did see something appealing about the idea of giving money, though. You could see him wrestling with it. And he said this thing you rarely hear anyone say. He said, maybe I'm wrong.

Alfred Adongo I'm curious. I would want to see how it is working. And if it proves to work, we would be very, very grateful.

Jacob Goldstein There is one other big reason no one had set up a charity to give money to poor people. Until a few years ago, it was really hard to do.

David Kestenbaum Poor people often don't have bank accounts, so if you wanted to give someone money, you'd have to physically hand it to them, which could mean bringing lots of cash into very remote villages. You'd need security so you didn't get robbed. You'd need some sort of ID system to make sure the people lining up are who they say they are. All that would be expensive.

Jacob Goldstein But today in Kenya, if you want to give away money, you don't need bags of cash. You don't need an armored car. You just need a cell phone, any crappy cell phone.

David Kestenbaum Kenya has this amazing system where you can send money instantly from one phone to another. It's called M-Pesa. There are M-Pesa stores everywhere in Kenya. They have these bright green signs. The one we went to, "store" isn't really the right word for it. It was in an old van.

Man It's an old VW bus.

Allan Obiero Sure, sure, VW.

Man My mom had one of these.

Alfred Adongo Ah.

Man We used to go camping in it.

Alfred Adongo Ah.

David Kestenbaum It's like a snack shop. It's like we're under a little awning here.

Man Except it's a bank.

David Kestenbaum Inside the van/bank is a woman with a ledger book, a cell phone, and a box of cash.

Jacob Goldstein I'd give her 100 Kenyan shillings-- about \$1-- and right away I get a text message saying the money is now in my M-Pesa account. And then I'd press a few buttons and send money to the only person in Kenya who I have in my phone, our interpreter, Allan. And it works.

Allan Obiero Sum received. Kenya shillings 90 from Jacob Goldstein.

Jacob Goldstein M-Pesa makes it really easy for GiveDirectly to give away a lot of money. In Kenya, we met Piali Mukhopadhyay, who works for GiveDirectly. With just an old laptop and a spreadsheet with people's names and numbers, she can send money to hundreds of people.

Piali Mukhopadhyay Violet, Adeline, Celine, Benta, Rose, Risper.

Jacob Goldstein Have you met any of these people?

Piali Mukhopadhyay I don't know any of these people, but I know them in the sense that I send them money each month. [LAUGHS]

David Kestenbaum This year, GiveDirectly is giving away \$5 million. We wanted to meet some of the people who were getting the money. So we got in a car with Piali and we went to find them.

[ENGINE TURNING OVER]

Jacob Goldstein And it turns out, while sending thousands of dollars to people in rural Kenya has recently gotten a lot easier, going to visit them-- still really hard.

[VEHICLE ON BUMPY ROAD]

To get to this one village, you drive on the main road past the sign that says "Equator"-- because that's where the Equator is-- and then you turn off onto these increasingly rough dirt roads. And of course, there aren't any street signs because, really, there aren't any streets. No one has an address. You have to stop and ask for directions. Eventually, you have to get out of the car and walk down a path.

[DOG BARKING]

It's very green. There are trees and birds, little farm plots where people are growing corn. And then, finally, by the side of the path, you find the guy who got the money on his phone.

[NOKIA STARTUP TONE]

Bernard Ohmondi Nokia.

David Kestenbaum This is Bernard Ohmondi. He's 25 years old and he's got two kids. He lives in a small house with mud walls, a dirt floor, and an old couch. There's no sink because there's no plumbing. There's no running water. There's no electricity. The way it all happened, he says, is that one day the village elder came by with some people he'd never met. They explained that they wanted to give him \$1,000, which, to him, seemed like a very strange idea.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero I had to be suspicious because in African setup we believe somebody cannot give you such kind of huge money without working for it. Even our own president cannot give you, so I had to be suspicious.

David Kestenbaum But Ohmondi said, fine. I'm a poor man-- you want to give me money, I'm not going to say no. The visitors gave him a cheap cell phone and then, a while later, he got the text message.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero It was sent very early in the morning.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero (LAUGHING) I was still in my bed. I jumped up.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero My wife asked me, Bernard, what is it? Then I told her, the guys of GiveDirectly have sent us the money. It's here.

Jacob Goldstein He still has the message on his phone.

Allan Obiero "Confirmed you have received 41,000." [FOREIGN LANGUAGE]

Jacob Goldstein All over the village that morning, people were getting their first payment from GiveDirectly and having that jump-out-of-bed experience.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Jacob Goldstein This is one of Bernard's neighbors, Daniel Otieno Ombock.

Allan Obiero I got the message when I was in bed.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Allan Obiero And I told my wife, hey, you also read this message.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Allan Obiero Immediately she saw it and read, she burst into laughter. She laughed and told me, now, my husband, what do we do?

David Kestenbaum It's worth pointing out just how much money \$1,000 is in this village. \$1,000 is about what one of these families spends in an entire year, so you could think of it as someone coming up and offering to double your salary. But really, it's a much bigger deal than that. Most of the people in this village have no savings at all, so \$1,000 is just this unimaginable sum. Daniel had never had this much money at once, nothing close to it.

Jacob Goldstein So what do you do when more money than you've ever had in your life suddenly drops onto your cell phone? If you're Bernard Ohmondi, you buy one of these.

[MOTORCYCLE ENGINE]

Allan Obiero This motorcycle is called Bajaj Boxer.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero It consumes low fuel.

David Kestenbaum The motorcycle cost him about \$600, and this is not the kind of motorcycle you ride around so everyone will think you're cool. Around here, where most people live on dirt paths too narrow for cars, motorcycles are basically used as taxis, and Bernard bought his so he could become a taxi driver.

It beat his old job. He used to work as a laborer. Often, he would spend all day carrying heavy stones from one place to another. That's when he could find work. A lot of days, there was no work at all. Now that he has his motorcycle, he says, his work is much steadier. His kids used to go hungry and they don't anymore.

Jacob Goldstein People bought all kinds of things with the money. One family bought a little mill to grind corn for people in the village, another started selling soap and cooking oil. Daniel Otieno Ombock, the other guy who jumped out of bed when he got the message, bought something he'd always wanted.

Daniel Otieno Ombock [FOREIGN LANGUAGE] Mattress high-density beds.

Jacob Goldstein "Mattress high-density bed," it turns out, is basically just a mattress. He used to sleep on a mat on the ground.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Allan Obiero Now I look like a human being. I'm now human being.

Jacob Goldstein What were you before?

Allan Obiero (LAUGHING) [SPEAKING FOREIGN LANGUAGE]

Daniel Otieno Ombock [LAUGHS] [SPEAKING FOREIGN LANGUAGE]

Allan Obiero [FOREIGN LANGUAGE] Before, I was an image of a human being, but in real sense, I wasn't a human being.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

David Kestenbaum The thing that really changed his life, he says, was the new roof. Daniel bought a metal roof to replace his old one, which was made of grass. He showed it to us. And if buying a new roof sounds like something that's nice to have but isn't really going to help Daniel in the long run, you've probably never owned a grass roof. Just about everyone we talked to had replaced their grass roofs with metal ones.

Caroline Odhiambo I was, yes, very happy. I was very happy about the money.

Jacob Goldstein This is Caroline Odhiambo, who also bought a metal roof, and who explained why everyone was doing it. First of all, grass roofs are terrible roofs. They leak, failing to perform what is arguably the single most important job of any roof. When it rains, everything you own gets wet, it's hard to sleep, you have to keep moving around to find a dry spot.

But also, grass roofs need to be constantly maintained. You have to keep replacing the grass and, apparently, you can't just cut any grass from the field. You need a special kind of grass, and often you have to pay for it.

Caroline Odhiambo The grass is very expensive. Because you have to buy grass every year, even three times a year, and it costs a lot.

Jacob Goldstein A metal roof costs more up front-- \$200 or \$300-- but it can last for more than 10 years, and in the long run, it's way cheaper than a grass roof. So buying that metal roof means that, every year, Caroline and the others won't have to spend money buying new grass. It's like they just boosted their income for the next decade. They'll have more money in their pockets-- money to pay for school fees or food or to buy a cow.

David Kestenbaum And buying a cow, that was also really common.

Jacob Goldstein Oh, there. That's your cow.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Allan Obiero I named her Apala.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Allan Obiero It's a female cow. A very good one, because it produces milk.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

Allan Obiero A lot of milk.

Daniel Otieno Ombock [SPEAKING FOREIGN LANGUAGE]

David Kestenbaum Daniel told us his cow cost about \$400. He says it produces 2 liters of milk a day. His family drinks 1 liter and sells 1 liter for about \$0.50. Caroline also bought a cow, but she says don't think of it as a cow. Think of hers as a bank.

Caroline Odhiambo The cows are just like bank. When we put there, it's

just as if we have saved it in the cow.

Jacob Goldstein And why buy a cow instead of putting the money in the bank?

Caroline Odhiambo In the bank? You know, money in the bank, sometimes you can just go and take it, small, small, small, small, until it got finished.

David Kestenbaum A cow, on the other hand, you can't fritter away a few shillings at a time. If you want to get your money out of a cow, you have to take your cow to market and sell it.

Jacob Goldstein All these things people spent money on-- cows, roofs, a motorcycle-- they seem like reasonable choices. In fact, they seemed so reasonable, we started to worry that people were just telling us the good news stories. So we asked a different question-- not what did you do with the money, but what did your neighbors do?

David Kestenbaum And then we started to hear different stories. Bernard told us, sure, I spent the money well, but not everybody did.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero There's so many guys who are very careless, and I know as you are going to walk around in some homes, you're going to see guys who misuse their money. You'll get that some of them didn't even put up a house.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero They didn't even buy a motorcycle.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero Some of them are still staying in their grass thatched houses.

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero You'll just see there's nothing, there's no change in his life, and they misused the money.

Jacob Goldstein What did they do with the money?

Bernard Ohmondi [SPEAKING FOREIGN LANGUAGE]

Allan Obiero So some of them are drunkards, so they probably used it to buy alcohol. Others just spent the whole amount on food. They just ate and became fat and there's nothing to see, nothing has remained of it.

David Kestenbaum Bernard didn't name anyone in particular, but another guy in the village, a guy named Julius, said, my neighbor right over here. Look, he still has a thatch roof on his house. He wasted his money. He was so embarrassed, he didn't even want to talk to you.

Allan Obiero He saw your vehicle and he knew that you were around. He decided to run away. They're not here now.

David Kestenbaum So we went to the neighbor's house and, just like Julius said, he wasn't home. There were two little kids there who told us that their parents had gone into town.

Jacob Goldstein It seemed like Julius might be right, so we asked GiveDirectly about

the neighbor and a woman named Lydia Tala, who works for GiveDirectly and is from the region, managed to reach him on the phone the next day. He told her he wasn't hiding and he wasn't embarrassed.

He said his first wife had died. He wanted to get remarried, but in this part of Kenya, the groom traditionally has to pay the bride's family. So that's what he spent the money on. He spent it on a dowry so he could get remarried, and that's why he still had a thatched roof.

David Kestenbaum There was one problem we did see in the village-- the money sometimes created tensions between people who got it and people who did not. Bernard told us he lost some friends over it. They'd come by and say, hey, I heard you got a bunch of free money. Share the wealth. He told them, sorry, I can't. Daniel told us he started staying late on his farm plot to avoid people.

Jacob Goldstein And if you think it's tough getting free money when your neighbors don't, try being the guy who doesn't get money.

Charles Odhiambo [SPEAKING FOREIGN LANGUAGE]

Allan Obiero I was feeling pretty bad.

Jacob Goldstein This is a man named Charles Odhiambo. We ran into him one afternoon while we were walking along a dirt path. He was herding cattle. He said his neighbors got \$1,000, he got nothing.

Charles Odhiambo [SPEAKING FOREIGN LANGUAGE]

Allan Obiero Those who benefit from the project are laughing at us, saying that us who are-- we are sort of becoming a bother to them.

Charles Odhiambo [SPEAKING FOREIGN LANGUAGE]

Allan Obiero It's been bothering me all the time, because I always ask myself, why did myself not benefit from the project?

David Kestenbaum The issue came up again when we were talking to a village elder. We were asking him lots of questions and, as we were leaving, he said, can I ask a question? We said sure. It was a question for Piali from GiveDirectly, who was traveling with us that day, and it was about the people who didn't get the money.

Allan Obiero He's saying those who are not enrolled in the program, are there plans that they could be enrolled in the future?

Piali Mukhopadhyay So, unfortunately at this time, the enrollment is closed for this area. So we typically come to a village, enroll as many people as we can who are eligible, and then we move on. So we wish we could help everyone here, but we're moving on to other places at this point.

Jacob Goldstein Here's how GiveDirectly decides who gets money. They pick a poor village and then they go to the village and find everyone with a grass roof, because people with grass roofs tend to be the very poorest. Those people get money.

David Kestenbaum Piali says GiveDirectly is aware that handing money to some people in the village and not others is an issue, that it's creating tensions between the super poor and the slightly less poor. In fact, GiveDirectly is now testing out a new approach where they just pick a poor village and give money to everyone, no matter what kind of roof they have.

[COW LOWING]

Jacob Goldstein We wanted to compare what GiveDirectly is doing with what other, more traditional charities are doing, so we went to another village nearby. It looked a lot like the GiveDirectly villages, except for one thing-- the cows. The cows we saw in this village were much, much bigger.

David Kestenbaum The cows were given to the people in this village by a charity called Heifer International, working with another charity called Send a Cow. And let's just say right off, these were some very impressive cows. They looked strong and healthy. They looked like they could eat the other cows we saw in Kenya. In fact, there was a minute where I thought one of them was going to eat me.

Woman [SPEAKING FOREIGN LANGUAGE]

[CORRAL RATTLING]

[COW LOWING]

David Kestenbaum Maybe it's not a good idea.

Jacob Goldstein Yeah, maybe it's not a good idea. We should just step out of the corral and ask her to tell us. Why don't we step back?

The people got these cows told us not only did they get an impressive cow, they also got a lot of really useful training. They were taught how to make sure the cow is getting the right nutrition. They were taught how to keep detailed logs to track milk production. They got visits from someone from Heifer to make sure everything was going well. And people told us all that made a huge difference.

One woman, Grace Ochang, told us her cow produces an enormous amount of milk.

Grace Ochang Mine is 14, 15 liters per day.

David Kestenbaum It used to be--?

Grace Ochang One. The local cows.

David Kestenbaum 1 liter, compared to 14 or 15? So it's 14 or 15 times better?

Grace Ochang [LAUGHS] Yes.

David Kestenbaum This cow makes her a lot of money. She sells most of the milk, and there's this other nice thing about cows-- they have babies, and a calf you can sell for hundreds of dollars.

Jacob Goldstein As part of the Heifer Send a Cow program, Grace is supposed to give away the first female calf to another family. That family will also get training and then pass on their firstborn calf to another family, and so on.

David Kestenbaum Which is a nice idea. If you're a donor, you give one cow and you imagine it turning into lots of cows, helping lots of people. And all that training-- you could argue this is one of the most valuable things the developed world has to share. All that knowledge about how to get the most milk out of a cow and keep it healthy. If you just give people money, you're not passing on that knowledge.

Jacob Goldstein So if you want to help poor people in Western Kenya, what's better? Should you give them training and a giant, impressive, somewhat-frightening cow, or should you just give them the money instead?

David Kestenbaum The guys who started GiveDirectly think that question can be answered. They're great believers in data. In fact, Michael Faye, one of the founders,

told us that's part of the reason they started GiveDirectly.

Michael Faye We literally just wanted to give away our own money. We don't have a very exotic story of founding the organization. We were in graduate school, we were studying development economics, we had a little bit extra money to give, and we wanted to know the best place to give it. Surprisingly, we had no idea.

Jacob Goldstein Faye and his friends were in grad school and they wanted to give away a little money to help people in the developing world. And despite the fact that they were all studying the economics of the developing world, Michael Faye says they could not figure out which charity to give money to.

Michael Faye There are two questions that we wanted to answer about charities that we found hard. One is, where does my dollar go exactly? If I want to trace it, where does it go? And two is, what's the evidence of impact? Not the anecdote, not the story, but real, scientific evidence that would convince a bunch of geeks at Harvard.

Jacob Goldstein As geeks, there was one thing that did stand out to them, one place where there was lots of data-- giving money. In the past decade or so, dozens of governments have started giving money directly to millions of their poorest citizens, and the results are pretty remarkable.

David Kestenbaum In Mexico, families' incomes went up for years after they got the money. In Malawi, HIV rates dropped. In South Africa, one study found children ate better and actually grew taller. Giving money made kids taller. Faye and his grad student friends read the evidence on giving money and thought, wow.

Michael Faye This is incredible. Cash is one of the most researched interventions in development, and there's no one doing it.

David Kestenbaum There's no charity doing it.

Michael Faye There's no charity doing this exclusively. And then you started to get this idea that, wow, this could be something quite big.

David Kestenbaum Michael Faye says the whole idea just made sense to him. Poor people know what they need, so give them money and let them decide how to spend it.

Jacob Goldstein Now, in a lot of the programs with those impressive results, people did not just get money with no strings attached. Parents had to do things like take their kids to school or get them vaccinated, and the money usually kept coming for as long as families qualified. But the GiveDirectly guys thought, let's keep our charity as simple as possible. Just give cash to poor families for about a year, no strings attached.

David Kestenbaum To figure out whether giving money with no strings attached is working, GiveDirectly is doing something that's very rare in the charity world-- they're doing an actual experiment. The fancy term for it is a "randomized controlled trial." Basically, you take a bunch of people who are all similar-- in this case, they're all really poor, they all live in thatch roof huts in villages in Western Kenya-- and you randomly put them into one of two groups. Group one gets money, group two doesn't.

Then you follow everybody and you see what happens. You compare the two groups so you can tell what difference getting money makes.

Jacob Goldstein The experiment is being done by independent researchers who go out to the villages. And they do this incredibly detailed survey with people. It takes about six hours per family. Michael Faye says there are hundreds of questions.

Michael Faye Have health outcomes improved? Has your income

improved? Have you been able to feed yourself and have basic nutrition? How have family dynamics evolved? Do you feel like you have more respect in the family? School attendance, all these sorts of things. You do those in both cases and you compare.

David Kestenbaum They also measure kids' height and weight to see how they're doing. The results from the study are due out later this year and will be made public.

Jacob Goldstein This study is not just about figuring out how well giving money works. It's also a challenge to other charities. Michael Faye's co-founder, Paul Niehaus, was pretty blunt about it. Providing training, flying in experts, paying staff-- all that costs money. If you think what you're doing is better than just giving that money to people, prove it.

Paul Niehaus We would like to see organizations make the case that they think they can do more good for the poor with a dollar than the poor could do for themselves. That would be fantastic. And I think some may be able to make a convincing case. But if you go to the websites today, I don't think you're going to see that argument being made. Nobody even bothers.

David Kestenbaum So for example, if you're trying to figure out which is better, giving cows or cash, you could do an experiment. Take one village, give the people cows and training, and the next village over, take the money you would have spent on cows and training and just give it to the people. Paul, not surprisingly, loves this idea.

Paul Niehaus It'd be great, wouldn't it? It would be fantastic. That's exactly what the sector needs.

Jacob Goldstein We called up Heifer International to see what they thought of the idea. We talked to Elizabeth Bintliff, vice president of Heifer's Africa programs.

David Kestenbaum How would you feel about a head-to-head trial where one village gets cash, the other village gets the same amount of money spent on cows and training, and we see which does better?

Elizabeth Bintliff [LAUGHS] Well, let me say this-- I mean, as an African woman, that sounds to me like a terrible idea.

David Kestenbaum [LAUGHS]

Elizabeth Bintliff I mean, it sounds like an experiment, and we're not about experiments. These are lives of real people and we have to do what we believe is correct. We can't make experiments with people's lives. They're just-- they're people. It's too important.

David Kestenbaum I think the GiveDirectly response to that would be, we have to do experiments, because that's how we can figure out the very best way to help people.

Elizabeth Bintliff It's just not that linear. It's not an equation. It's an ecosystem-- that's the only way I can describe it.

David Kestenbaum Is part of what you're saying that you feel like there's a limit to data?

Elizabeth Bintliff Well, data has its value but it cannot capture everything. There is a limit to it.

David Kestenbaum If you're someone who got into the aid world to help people, the idea of dividing them off into two groups and tossing a coin to see who gets this and who gets that could just feel cold, especially if you've done this work for years and

you've seen that you're helping people.

Elizabeth Bintliff I was in Zambia in September of last year, and, I was with a woman whose name is Flora, who I will forever remember. And she had received a couple of draft animals from Heifer. And within two years-- and she had really good records-- within two years, she had more than tripled what she was getting out of that farm.

And for her, it wasn't just about the money. I talked to her about what the real value is and she said, I am a proud woman and I can stand up and I can talk and people listen to me and I have a voice. And you can't measure that stuff. Sorry, I'm getting emotional. You just can't measure that stuff.

Jacob Goldstein Elizabeth Bintliff told us Heifer does try to measure certain things about their programs. She said Heifer's worked with independent researchers who study Heifer projects.

Elizabeth Bintliff The University of Western Michigan evaluates Heifer's projects and has found that there is a very positive return to families in terms of income, nutrition, and other indicators-- gender relations, children's welfare, education, and so on.

David Kestenbaum Do you know what any of the numbers are from that study?

Elizabeth Bintliff I can send those to you, yes.

Jacob Goldstein But after we talked to Elizabeth, we got an email from Heifer. It said, thanks for your interest in those Western Michigan evaluations but, quote, "as the sources cited are unpublished, we're not able to provide further information publicly at this time."

David Kestenbaum So we asked Heifer for whatever they could show us about what their projects cost and what they achieve. They told us that, according to a progress report for the project we visited, families make about \$950 a year off their cows. But they said that number, quote, "is not meant to be considered an analysis of the project. It is information collected at the project level by field staff." And they wouldn't show us the report.

Jacob Goldstein We also asked how much it cost to provide a family with a cow and training. Heifer told us it varies from family to family, and they couldn't provide a number.

David Kestenbaum Giving cash with no strings attached clearly has limits. Even if it works in rural Kenya, it may not work so well in Asia or in urban areas. It won't magically fix all the other things that keep people poor. It won't end civil wars or fix corrupt governments or create new vaccines. But even if it just helps poor people climb up a couple rungs, that would be a huge accomplishment.

And here's something else-- until pretty recently, the charity world has been about doing stuff that helps without really thinking, well, how much does it help exactly, and how much does it cost? And there does seem to be this shift that's happening, a shift away from glossy brochures and smiling children and happy anecdotes, a shift toward data. Philanthropy is getting nerdier.

Jacob Goldstein Last year, the GiveDirectly guys gave a presentation at the corporate charity office of Google, a place where data counts for a lot. In the presentation, they didn't show any pictures of people. What they did show were charts and studies and lots of numbers, and the people at Google were impressed. In fact, they gave GiveDirectly \$2.4 million and told Paul and Michael, you're thinking too small. Go figure out how to give money to lots more poor people.

Ira Glass Jacob Goldstein and David Kestenbaum for *Planet Money*, which is a co-production of our program and NPR News. Their blog and twice-weekly podcast about economics, but for the rest of us who don't necessarily give a damn about economics, is at npr.org/money.