**Lecture 1**

**Bill Gates and Philanthrocapitalism**

Hi everybody. Uh, I can see you’re all settled in. OK, and ... um ... so why don’t we get started. Today I want to talk to you about Bill Gates. Now, I know you all know who Bill Gates is ... um ... you know him as the founder of Microsoft and you probably know him as a multibillionaire who’s ... uh ... still at the top of the world’s richest list every year. Um, but we’re also going to be talking about Bill Gate’s ... um ... not just the entrepreneur and the computer programmer but also the philanthropist ... um ... who is involved in something called philanthrocapitalism. Yeah, I can see from the look on your faces that is a mouthful, but hopefully by the end of this talk, you’ll not only know what philanthrocapitalism is but you’ll also be able to say it.

OK. So ... uh ... first I want to start out a little bit with his background. Uh, Bill Gates was born in 1955 in Seattle, Washington in the north-west of the United States. Um, he comes from a ... uh ... very affluent family. His father, who is still alive is a very successful lawyer and his mother was a school teacher, a businesswoman and a philanthropist herself who worked for many decades on the board of United Way and she also served on the boards of several other organizations in the city of Seattle. So, perhaps she set the tone for Bill Gates and his future of philanthropy. Who knows? OK.

So, first ... um ... I want to give you a little bit of background on his education. So when he was 13, he started to attend the elite preparatory school Lakeside in Seattle. Um, and that’s pretty much where his ... um ... I’d say ... uh ... his love affair with computers started and his obsession with software programming. Uh, the school got a thing called a teletape model 33SR terminal and then they ... uh ... booked some time with General Electric Computer, which is what you had to do in those days to—to get computer time. The school was hoping to increase students’ ... uh ... opportunities to—to use these new computers.

Bill Gates was so excited and so good at ... um ... doing this programming that he often became excused from his math classes so that he could actually ... um ... spend more time programming. Uh, the first programme that he wrote on this terminal was a game of tic-tac-toe against the machine. So that’s how he started off.

Um, so basically, Bill Gates was clearly a very gifted student. Um, he achieved a SAT score, for example, of 1590 out of 1600, which is awfully impressive. Um, and then he gained admission to Harvard University. So I’m sure his parents imagined a very bright academic future for him. But, like any parent knows, things don’t always go the way you hope for your children. And after just two years, he decided to drop out of Harvard. You’re probably wondering why. That’s a pretty rash thing to do. According to him, he felt that with the timing of what was going on in—in the world of computers and with the ideas that he had, he couldn’t ... uh ... wait out the next two years before he took the opportunity to jump on this new bandwagon.

Now, of course, in recent years, he regularly makes a point of telling college students whenever he’s speaking to them, you know, when he tours schools around the US that dropping out of school is not a good idea, but for him it obviously worked out well. Now, I don’t want you guys to go to your parents with this and say, ‘Well Bill Gates dropped out so so can I.’ Um, like he told *The Economic Times,* at the University of Chicago ... um ... in 2010, he—he always explains to these students, don’t even think about leaving your college without a very, very unique idea that fills a very specific niche.

So, let’s talk about Microsoft now just a little bit. So he started Microsoft with his ... uh ... childhood friend, Paul Allen, in the year 1975. The rest, of course, is history. Um, he went on to become one of the greatest innovators and wealthiest men on the planet, a true giant in the fields of ... uh ... computer programming and software.

But what I want to focus on now is what I call his second life purpose. Uh, the purpose is philanthrocapitalism. So, in the year 2000, Bill Gates decided to leave his position of CEO at Microsoft and by the year 2008, he had left the company completely. Um, he does continue on as chairman and technical director ... um ... to this day, but as far as the day-to-day running of the company, he has no direct involvement.

Now, his leadership style is sometimes criticized for too being rough and Microsoft was regularly dealing with litigation for many years. But most people know about that. What I think is far more interesting is that around this time he and his wife Melinda decided to form the Bill and Melinda Gates Foundation.

So, what does the foundation do? Its ... um ... main focus is on AIDS, malaria, big stream poverty and the US education system. They state their mission as—as this, they want to mix technological advances of our modern society ... uh ... to help those in the society who need it the most but benefit from that technology the least. And they have a really simple but I think really profound slogan, ‘All lives have equal value’. OK, so that’s—that’s what they’re working from.

In 2010, they sat down with journalist Christiane Amanpour and talked about the foundation. She asked how they chose these issues as their primary focus. Um, and they—they explained that good health has a stabilizing effect on the population. And when they looked at the US, they wanted to focus on education because they felt that the greatest inequity that they could see in the US was in education. And that they felt that not every child in the nation ... um ... was getting a phenomenal education; the education that they deserved. So that’s—that’s how they decided to focus on those areas.

Now, when Bill Gates was visiting MIT and speaking to students, he famously asked, ‘Are the brightest minds working on the most important problems.’ We have lots of talent that could be shifted, at least to some degree from sports, entertainment, investing, or in the area of innovation, but a lot of that focuses on the needs of the rich, again, not the people who need it the most.

So you’re still wondering, I’m sure, what is philanthrocapitalism? So first of all, let’s look at philanthropy. So we know that philanthropy is the act of giving to, or doing something for poor people or those who need help, or giving to a— a good cause. A philanthrocapitalist is a business person, primarily, who believes that business should not just be about profit. But that business has a moral duty to give back to the society that gave it so much.

Philanthrocapitalists believe that they are better poised, through their extensive business skills and their background in business, to deliver philanthropy in a way that maybe will be more efficient or specific than government programmes alone. Gates r— regularly cites vaccines as one of the best forms of global investment and giving. So he sees this as— as offering up the best return, i.e. the best chance of saving lives, especially young lives, at the lowest cost. So as you see in that example, he applies business principles to his choices in philanthropy.

One of the most interesting things related to the Bill and Melinda Gates Foundation, is the Giving Pledge. So this is something that Bill Gates and legendary financier Warren Buffett formed in 2010. And the Giving Pledge works like this. Basically, they focus on billionaires … um … excuse me … they get them to agree to give away at least half of their wealth to philanthropic causes within their lifetimes or after their deaths. Um, now th— this pledge is— is really just a verbal promise. They don’t sign a contract. And they do, however, make a very public commitment to give away the majority of their fortunes. So for example on their website, they have a long list of … um … the people who have agreed to this pledge. It includes names like Mark Zuckerberg of Facebook and a brief explanation from each person who’s sign— who has … um … not signed on, but agreed to this pledge. Gives an explanation of why they’ve chosen to do that. So far, they have managed to sign up just under one hundred American billionaires, which is quite amazing when you think about the fact that it’s only been going on since 2010. And now they’re starting to focus on China and other countries where there’s a lot of wealth being generated.

So, Warren Buffett himself, has pledged 75% of his fortune which is about 31 billion dollars in shares ... um ... and he is going to give that out over th—over several years. So, starting around this time and that will all be given directly to the Bill and Melinda Gates Foundation.

One of the main goals that ... um ... Bill and Melinda Gates have for their foundation is that of inspiration. They—they really want to inspire others in society, the—the very wealthy like themselves but also everyday people to give back ... um ... either financially or to give of their time. So, you know they—they want to remind us that even though the US has a very strong ... um ... history of philanthropy, that everyone should still be involved in—in giving back in some—in some form.

Now, some people are uncomfortable with ... um ... basing philanthropy on a business model approach ... um ... but, really, you know, philanthrocapitalists themselves don’t worry about that, they just get on with impacting lives of people in the world in the best way that they can.

So, now that you know what philanthrocapitalism is, I—I want to end this talk by posing a question for yo—for yourselves to ponder. Um, so when you go off into the—the wider world and you make your first million and then your first billion ... um ... if you’re very talented and—and have a lot of luck, will you remember this discussion and will you remember philanthrocapitalists and do you feel like it would make you think more about giving some of your money back or some of your time ... uh ... to those who need it. So, Bill and Melinda Gates really hope that you will. Uh, to them it’s really a moral imperative.

OK, so, what I’d like you to do for your assignment tonight is ... uh ... could you read Chapter Seven on Philanthrocapitalism. And then I’d like you to write a response to the questions at the end.

OK, thanks everybody.

***This lecture has been transcribed with permission from Jenny Siklos, Madison English as a Second Language School.***