Emily Pacetti (00:05):

All right. Thank you, Beth, and good morning everyone. I have the immense honor of introducing our keynote speaker to you this morning, Dr. Raj Shah. The Rockefeller Foundation's mission is to promote the well-being of humanity around the world, no small feat. They work on issues including health, sustainable food systems, energy, poverty, and economic mobility. In 2023, Dr. Shah published a book on Big Bets: How Large Scale Change Really Happens. I could think of few better ways to kick off a policy summit than getting out of our day-to-day and reflecting upon our work with and for lower-income people, why we do it, and how we do it effectively over generations. And I can think of few better people to join Dr. Shah on stage than Lillian Kuri, president and CEO of the Cleveland Foundation, to offer a local perspective on what that change entails in community.

(01:19):

The Cleveland Foundation was the first community foundation in the world and is one of the largest. In her first almost two years, Lillian's already shown visionary leadership on a number of initiatives and strategies meant to meet people's immediate needs while also bringing together unlikely partners to implement new ways of doing business that will have longer-term generational impact. As Beth mentioned, Rockefeller and the Cleveland Foundation were founded in 1913 and 1914, and because of this, they shared this challenge of staying true to mission at a time while they're also reinventing what it means to be a foundation in the twenty-first century. Both Lillian and Dr. Shah exemplify ingenuity, rigor, energy, and passion in their fields and can share perspectives that many of us may be able to learn from. We look forward to that discussion. But first, please help me welcome Dr. Raj Shah to this stage.

Rajiv Shah (02:27):

Hello, everyone. Good morning. Thank you, Emily, for that extremely kind introduction. We're very proud of Emily. She's an alumni of the Rockefeller Foundation and, I think, exemplifies the best of our talent—smart, committed, mission-oriented, and able to get things done on behalf of others. And so, we're very, very proud of Emily. And a special thank-you to Beth Hammack for that great opening set of remarks. Was a wonderful and important reminder that the Federal Reserve System has a mandate that goes far beyond what most people understand and appreciate, and I think it's a message that just has to get out there more fundamentally. I'd also like to take one moment and just introduce my colleague, Danielle Goonan. Danielle, where are you? There she is. I hope folks get a chance to meet Danielle. She's part of our extraordinary program that focuses on expanding economic opportunity here in the United States and just does amazing things, and we look forward to learning with and partnering with you over the course of time coming out of this important conference.

(03:33):

And I'm excited to have a conversation with Lillian as well after some short remarks. It is great and quite special to be in Cleveland and at the Cleveland Fed. Cleveland is of course where John D. Rockefeller spent his formative years and developed much of his own thinking about society, business, and philanthropy. On a personal note, it's great for this Michigan kid to be in Ohio and to get to say "Go Blue" to all of you. I've had the privilege of leading the Rockefeller Foundation for eight years now, and for those of you who are not familiar with our work, we make big bets on innovative solutions, extraordinary leaders, and unlikely public-private partnerships that we think can help lift as many people as possible. We have a long history of investing in bold, transformational change here in the United States and around the world. Today, I want to focus closer to home.

(04:32):

Today, for a kid in America, achieving a life better than the one their parents led is now the exception rather than the expectation, and that's fundamentally why we're here together. For the past 50 years, policies from both sides of the aisle have not changed this downward trajectory of economic opportunity. As a result, in so many places around this great nation, it's harder to dream about the future and easier to aspire to return to the past. So I want to talk to you today about how we got here and how you all can contribute to once again making the American dream affordable and accessible in the broad range of American communities.

(05:19):

Next week, we'll be celebrating the 250th anniversary of America's founding. This country was revolutionary because it declared human dignity defined by certain inalienable rights to be both inherent and universal. The idea that universal human dignity is at the heart of the American dream, it's the idea that everyone deserves a shot at economic advancement, at making a dignified living, at giving their families a better future of having hope. Over time, the definition of what Americans perceived as the American dream has changed. In 1986, the vast majority of Americans thought it meant getting a high school education. A decade later, the most popular answer to the survey question, at 77 percent, was owning a home. Today, the most common answer to what the American dream means to most Americans is simply freedom of choice in how to live.

(06:29):

Whatever the definition, the American dream inspires people all around the world. Our foundation works on a global basis, and I've heard the same hope and the same yearning for dignity in my recent conversations with farmers in rural India, with small business owners in urban communities in Nigeria, with school kids in the Peruvian Amazon. They may not have known the exact phrase, “the American dream,” but they know what it is. There's a universal aspiration to achieve economic success in order to live a better, more dignified life and to provide hope for kids and family.

(07:13):

But today, that American dream has become both inaccessible and unaffordable to families in the vast majority of our communities. While 90 percent of children born in the 1940s earn more than their parents would have, ironically, the ones who didn't often had parents who were named Rockefeller; today, only half do. In 2010, in the immediate aftermath of the financial crisis, 47 percent of Americans said the American dream doesn't hold true anymore. Today, that number is now 70 percent. Recent polling shows a record-high share of Americans, 53 percent, believe their personal economic situation is worsening, and 42 percent of young Americans under 30 say they're barely getting by, including many with college degrees. How did this happen?

(08:05):

There are many factors at play. You are the economists and the development experts that study these issues deeply, but technology and innovation have always been at the core of drivers of massive economic and social change and disruption, the agricultural revolution, the industrial revolution that so defined this city's history, the information technology revolution of the last several decades, and now, we are on the cusp of an AI revolution, which I believe will be the most profound technological revolution of them all.

(08:41):

These shifts always produce social adjustments to meet the scale of transformation required. In the case of the disruption we're living through right now, one of the most striking byproducts has been the

leaving behind of too many communities. Research by economist, Raj Chetty, tells us that your zip code is one of the strongest predictors of your future economic mobility. There's been a powerful positive trend around economic performance in a few key geographical areas in this country, but the vast majority of counties in America have been left behind. In fact, the neighborhood a child grew up in has a measurable effect on their well-being. For every year a child spends in a better neighborhood, their future economic outcome improves by about 4 percent. In the aggregate, geographic income inequality has risen more than 40 percent between 1980 and 2021; opportunity has become concentrated geographically.

(09:43):

But even in those communities and economies where opportunity thrives, in practice, those places have become unaffordable to most families. Affordability has made access to the American dream difficult, even when opportunity is present. The disappearance of access and affordability around the American dream, it's connected to all kinds of negative outcomes, health problems, distrust in institutions, polarization in our politics, deaths of despair related to drug overdoses and mental health struggles. We know that left-behind communities are hungry for viable economic development strategies to help them rebuild pathways to the American dream. As just one example, the US Economic Development Administration found that the Recompete Pilot Program, which sought to invest in economically distressed communities, was the most popular program in the history of the agency.

(10:45):

So how do we meet this need? How do we make the American dream affordable and accessible in an economy that is transforming at a breakneck pace? How do we bring back living wages, affordability, good schools, and strong families during a technological shift even more seismic than the Industrial Revolution or the Internet Age?

(11:05):

I'll give you a spoiler up front. I don't know the answer. But here's what I do know. It's human nature in a crisis to want to go back to the past or to reflexively defend the present. For instance, today, some nostalgically want to revive America as a manufacturing economy, but recreating that economy of the past is unlikely to be our path to the future. Others hang on to the present at any cost, layering on onerous rules or engaging in massive government interventions to preserve a status quo that is not fit for purpose either. Neither tariffs nor price controls are likely to make the American dream affordable and accessible at scale. The question isn't, how do we get back to the past or how do we tinker with the present on the margins? The question is, how do we shape the future?

(12:03):

Here in Cleveland during the Industrial Revolution, John D. Rockefeller developed a theory of progress that was about bringing together public governance and private enterprise to harness the science and innovations of the future to lift up humanity at scale. Since 1913, the Rockefeller Foundation has catalyzed partnerships that have helped create modern, science-based medicine, global, international public health initiatives that have saved tens of millions of lives and changed the trajectory of entire continents.

(12:37):

One initiative yielded a green revolution that changed agricultural food production in many parts of the world and moved almost a billion people off the brink of hunger and starvation. Today, we're advancing that mission with our own big bet on pursuing the provision of universal energy abundance, particularly for the 1 billion people on this planet who still live in the dark without access to the energy to allow their communities to thrive. We call this approach to making bold long-term investments in public-private

partnerships inspired by technology and science and success being determined by measuring results for vulnerable families, and are they doing better? We call this approach “making big bets.” John D. Rockefeller actually called this approach Scientific Philanthropy, but my book editor didn't like that title.

(13:36):

Today, the challenge we face requires those unlikely partnerships and that bold, innovative thinking. I hope you all will take this on as your agenda for this conference, as your agenda for the research you pursue and as your task, as you craft models of community development that are fundamentally designed to bring back an affordable and accessible American dream for most American communities, most American families, and all American kids.

(14:04):

We need you to create and study the models of community-driven economic development that can meet the challenges of this era and shape a new future. We need to invest in skilled trades as a durable path forward for a very large share of the American labor force. We need to prevent the scourge of chronic diseases, including by investing in “food as medicine” in a way that can prevent chronic disease from holding back so many American families and yielding consequences that are so horrific and absolutely unnecessary. We need to reinvent our educational system to give our kids a secure future in the economy of the future, so they can access jobs in the future that maybe don't exist today. And we need to figure out how to use free, accessible, and universal intelligence to unlock a true era of abundance and make the American dream far more affordable.

(15:04):

Today at the Rockefeller Foundation, we're investing in partnerships, in making big bets on each of these specific challenges. We look forward to partnering with and learning from you and from communities across this country to help shape that future together. Thank you, and I look forward to the conversation.

Speaker 1 (15:27):

Please welcome to the stage Lillian Kuri from the Cleveland Foundation.

Lillian Kuri (15:38):

Welcome Cleveland. It's such an honor to have this conference here in Cleveland and just welcome you to Cleveland. It's just extraordinary to have this many people here. It means a lot to the Cleveland Foundation, but to Cleveland in general, to have you here and to have all of you here joining today for this incredible two-day conference. So on behalf of the Cleveland Foundation, and those of you who don't know me, I'm the president and CEO of the foundation. Have been in this role for two years, but many of you from Cleveland know me and know that I've been at the foundation quite a while, and it's a really, really exciting time in Cleveland. Before I get started, I really want to thank Beth for the honor of being part of this. The relationship between the Cleveland Fed and the Cleveland Foundation is long, as you heard, but the Fed has played an important role and partner for us at the Cleveland Foundation here.

(16:40):

And in addition, a little announcement, but a wonderful thing to share is that just a few days ago we had our March board meeting and Emily Garr Pacetti came on to the Cleveland Foundation's board, who did the introduction here, and we're so proud that she will be a tenure board member of the Cleveland Foundation. So the history and the relationships continue. So I wanted to share that with you. So Raj, it is really an honor, and I really get to dig deeper, especially into big bets, which I'm going to do today. But

I wanted to open with something that I found in preparation for this that I think speaks to the DNA of both of our institutions.

(17:27):

So you heard a little bit about this, that Fred Goff, who was our founder here in Cleveland, most of you may have heard that we are the first community foundation, but truthfully, we were inspired and our founder was inspired to create the Cleveland Foundation because of John D. Rockefeller. And what I found was that as Goff was the lawyer and the banker helping many Clevelanders plan their estates, he worried that many clients were leaving large amounts of money to causes that would outlive them. And he admired and was very close to John D. Rockefeller, whose both business and philanthropy, which was founded a year before us, pioneered game-changing research.

(18:18):

And so, when Fred began to think about that and how John D. Rockefeller was looking forward to think about working on long-term systemic change, he established the world's first collective savings account to not work on doling out money but solving problems. And so, our DNA is intertwined. The idea of taking on gnarly big issues and doing it over a long period of time. And so, I wanted to start with a reflection of that and how that relates to your time now here. And I think you raising this back up to the world.

Rajiv Shah (19:10):

Well, thank you, Lillian. Look, I think John D. Rockefeller had a very simple idea, and it's important to understand the origins of it. It was grounded in the idea that science and innovation are the largest drivers of human uplift and that industry, that enterprise would harness science and innovation as Standard Oil did in that era to create massive economic opportunity, but that there would be areas where science and innovation were simply not being fully maximized on behalf of those who are vulnerable. And I always find it interesting, of course, the foundation was created with, I think 0.65 percent of GDP when it was created. It would be nice if we had that much money now. We don't. And it happened before there was an income tax, so there was no real deduction to benefit from. And it happened, frankly, before the federal government was a significant investor outside of the Land-Grant University system in American science and innovation. It really was not.

(20:12):

And so, it wasn't until World War II and then the post-World War II era that the federal government took on that mandate. And so, the idea of saying, let's find areas where science innovation can be transformational on a global basis, led to the idea of modernizing medicine. The Flexner Report in 1917, the investment in medical education, science-based medical education, invention of yellow fever vaccine, which won the Nobel Prize, and then the creation of institutions to make those benefits accrue to everybody, including those who'd be left behind. We launched a hookworm program that eradicated hookworm from the American south. It was based out of Atlanta. It then became a malaria program. It then became the CDC, the creation of America's county-based public health system. When we helped establish the League of Nations, which the Rockefeller Foundation did, the institution asked them to create an international public health committee to look at diseases around the world and the plight of children who were dying of diseases around the world. And they said, "Well, that seems a little far-fetched."

(21:29):

So we incubated that inside the institution for decades and spun that out as the World Health Organization. And so, it wasn't just the idea of science innovation, it was like long-term thinking as you

said, and then investments in institutions and people who ultimately carry the mission forward long after a philanthropic effort ends. And I think that's the mindset we need today. We need to apply that mindset to the biggest challenges we face. For example, there's no question when you look around the world that economic opportunity is fundamentally constrained for a billion people who live consuming less than 150 kilowatt-hours per capita per year of energy. We consume 12,000 kilowatt-hours per capita per year here in the United States. And you can visit a community in Nigeria, for example, where I've spoken to a woman, business owner of a small retail shop who spends 90 cents a kilowatt-hour basically powering her business with a diesel generator and expensive fuel. And you couldn't run a business like that anywhere in Cleveland, anywhere in America.

(22:39):

And so, of course, they can't create jobs in a society that's growing, the fastest growing country in the world, population-wise, 4 million new job entrants every year, no jobs. And so, either we will live in a world defined by sort of scarcity and lack of opportunity for generations of young people, or we can figure out how to harness the technology frontier in renewable electrification and solar power and batteries and in nuclear fission and fusion and make energy abundance and low-cost energy abundance a reality for literally everybody and jumpstart economic viability in communities across the globe. So we do a lot of our work in international development, and we think this long-term approach to making big bets grounded in the new possibilities that science innovation unlock is the right approach for the moment we're in.

Lillian Kuri (23:35):

We are lucky to have Dr. Shah at the helm of the Rockefeller Foundation, but also just as a leader in our country. And so, really wanted to go back and ask a question that's a little bit of a personal question, but it came from his book to understand where your thinking and innovation and also your, I think, how you really think about how this affects a person. And I hope it will connect to my question, which is in the very first chapter of your book, you talk about coming from immigrant roots in Detroit and it impacted how you see the world.

(24:22):

Some of you here in Cleveland may know how this will resonate with me as being the daughter of Lebanese immigrants and how it has shaped how I have thought about, especially the Cleveland Foundation's move into the community and who we want to be as a community foundation. It comes from a personal sense of being more open and welcoming that I got from my parents. So could you describe how growing up as an immigrant in Detroit shaped your worldview and how your background actually informed or maybe it didn't, this big bold belief in change?

Rajiv Shah (25:04):

Well, thank you, Lillian. That's kind to ask. Look, I grew up in an immigrant community, an Indian-American community, as you can tell outside of Detroit and West Bloomfield, Michigan. My parents came to the US in the late '60s, both for educational purposes. My dad got a scholarship to get a master's degree in engineering, and his father was an accountant in India. And as an accountant, you live a middle-class life, but you don't accumulate a lot of excess capital. And so to get my dad on the very first airline flight he ever took in his life, which was to leave his home country to come to the US to take on his graduate studies under a scholarship, my grandfather actually liquidated his retirement account for a one-way ticket for my dad to come here.

(25:57):

And as a young kid, and I think many immigrant families have these stories, and I'm sure you have a version, if I left too much food on the plate at dinner, I would hear that story. If I didn't get my homework done, I would hear that story. And so, it always felt like we had this ingrained sense of we're fortunate to have the opportunity. Well, my dad would say it over and over. We're fortunate to have the opportunity to raise our kids in America where if you work hard and play by the rules, you can really be very successful. And that's just an ingrained thing.

(26:34):

The other thing about, for those of you, I think Cleveland is very similar. If you're in an Indian-American community being raised in the '80s or something in Detroit and you were all good at school and you were expected to be good at school, you'd either be an engineer or a doctor. So I went to Michigan School of Engineering. My dad worked at Ford for 35 years. I thought I'd work in automotive engineering. Did that for about a day and a half and said, "Okay, I'll be a doctor." And there really wasn't much more to it than that.

(27:03):

And so, I transferred out. But one thing led to another when I was younger and one moment in particular that some of you . . . Or how many of you are from the Midwest? Oh, awesome. So I was in high school. Do you remember when Nelson Mandela came to the Midwest? He came to Detroit. He got out of prison after 27 years in prison. He comes to Detroit and obviously if you're in like New York, LA, they get visitors like that all the time. But Detroit, it was very special. And he went to the assembly line floor at the River Rouge plant. He went to Tiger Stadium where he was introduced by Stevie Wonder. And I was watching all this on TV in high school, and I remember that he concluded every one of his speeches with the same refrain.

(27:46):

He would say to the people of Detroit, "I have a message from the people of South Africa. We respect you, we admire you, but above all, we love you." And I just as a kid, was blown away by how someone who had been through what he had been through could express that sense of connection and love. And years later, I had the chance to work with Bill Gates and others to establish something called the Global Alliance for Vaccines and Immunization. And Mandela was the first chair we recruited to lead that effort. And I got to meet him and tell him that story. And it was just a very special part of my own thinking, but it made me want to do something that made a difference. And I had no idea what that was. I had no idea how to get there. I ended up in medical school because for reasons I told you.

(28:40):

And then one day, I had a chance to work on Al Gore's presidential campaign. So I left medicine and ended up on that campaign. For those of you who remember, we didn't quite win that election, so, I was unemployed for a while, landed getting a job with Bill Gates as an intern, sort of a part-time person helping out as they were starting their philanthropy. And that led to a career of getting to work on big bets, on things that really do make a difference for people all around the world. And I'm just honored to have that path.

Lillian Kuri (29:11):

Thank you. It's powerful and really resonates with me. That's the story. And just a small aside, understanding that my parents also wanted their three kids to go into technical degrees, I went into architecture school, I'm licensed. I've not practiced and needed to figure out my path to put that technical background to work. But the rigor ingrained in me, what you described is just so powerful. Can

I follow on to something you said about Detroit, and not just your upbringing, but maybe your view today of Detroit, Cleveland, the Midwest, and how Rockefeller maybe thinks about the heartland?

Rajiv Shah (30:04):

Yeah. Well, we're very cognizant of the reality that, as I said in my remarks, that geographic opportunity in this country has become extremely concentrated. And if you took the top 10 metropolitan statistical areas out of the economic story of America over the last 50 years, what you'd see that remained would be a dramatically different story than the one that is defined by relatively low structural unemployment, relatively consistent economic growth, and relatively successful industrial development led by technology-oriented industries over the last 50 years.

(30:48):

And so, Detroit, Cleveland, all of these, the entire American Midwest deserves a strategic resurgence, grounded in a theory of economic development that is pointing to the future. And I ran USAID for President Obama for a number of years and would spend a lot of time with country leaders helping leaders around the planet say, okay, what's your strategy for winning in the economy of the future? Is it manufacturing and export? Is it revitalizing agriculture and moving people out of a high share of labor in the food production sector into a more diversified economy? Is it a consumer-based economy, et cetera? I think we need that kind of thinking now because what is happening is actually quite extraordinary. Intelligence is on a path to being largely free or to being priced at the cost of energy, effectively.

(31:53):

And what that's going to enable is really up for grabs. It could enable a hyper-concentration of wealth where almost all the gains in an AI-driven economy go to a few communities or a few countries or a few companies, which is by the way, if you listen to both Sam Altman or Kai-Fu Lee, who's really, in my view, one of the top thinkers of this globally and based out of China, that's probably the default perspective, that there'll be a hyper-concentration of wealth and that redistribution will be the right path to make sure everybody has viability in the future. I don't know that that has to be the answer. I think you all could define a different kind of answer where relatively low-cost and ubiquitous intelligence can be deployed to make almost any community more economically successful in the future. And that communities can come together and figure out how do you become a care economy and use AI tools to help upskill talent and care-driven talent across an economy?

(33:02):

What's the future of health and the health outlook going to look like? How can we shape and fix our food system, which eight of the top 10 chronic diseases that caused burden of disease on a global basis and in the US are caused by what we eat, our dietary consumption. And we already get to work on programs that show that shifting diets to healthier diets, more fresh fruits and vegetables frankly, can move people out of pre-diabetes fairly quickly and prevent the long-term costs of chronic disease management. We conduct more amputations in America to care for people who have diabetic sequelae than we did throughout the Afghanistan and Iraq wars for American service members. That's just wrong. 27 percent of American veterans who fought in those wars come back and experience food insecurity on an annual basis. 32 percent get diabetes at about a third higher than the general population.

(34:00):

And so, we're working with the Veterans Affairs Administration to get “food as medicine” benefits to as many of the 9 billion customers of that system as we can. So I do think there's a way to rethink what the future looks like in a way that helps strengthen communities as opposed to a worldview where very,

very, very few innovators capture all the gains of the future technological frontier and the rest of the communities go through what Detroit and Cleveland and other Midwestern economies have experienced over the last 40 years.

Lillian Kuri (34:39):

Let's hope it's what you see versus what the default is. That's my hope.

Rajiv Shah (34:45):

Well, it's the mission before us together, yeah.

Lillian Kuri (34:49):

It's up to all of us. It's up to all of us. We are going to allow an opportunity for questions so I don't get to get to all my questions, but I had a few burning ones, so I'm going to try to put two into one because I really wanted to, especially around your book, which as a new leader coming into the foundation inspired me and I will tell you why and then I'm going to try to fit both my questions into it. One is coming into be the first female CEO of a 100-year-old institution that is strong and very unusual in the resources that we have that are flexible and we can put to work in place. Your book and your thinking really helped me think about how the Cleveland Foundation could reinvent the future of place-based philanthropy, which needs to be disrupted, in place—community, foundation, field. And second, what were the big bets that we were going to take on in this next era?

(36:00):

And so, my question relates to two parts of your book. I'm going to try to weave them together. It's going to be hard, is really powerful idea that I encourage you all to read and think about, which is the aspiration trap and this idea that I say all the time that Cleveland actually doesn't have a resource problem, right? I know resources are important, but we don't have a resource problem. We get stuck, and this is a quote, "We lower our aims. We think about incremental investments, which are important especially to meet immediate needs, but to solve these big gnarly problems." This idea of the aspirational trap is so important. So I'd like you to talk a little bit about that so people can understand why that is the kind of thinking we need. I'm going to just weave my second part that I loved about your book, which is the idea that the work also changes you. And I can say it has changed me, too.

Rajiv Shah (37:02):

Well, thank you. I wrote the book because I find if you're starting a great business today in this country, your aspiration might be to transform an industry or build a world-changing enterprise. When John D. Rockefeller started Standard Oil here, his aspiration was to change the global economy, but starting small and building to that. But it's those big visions of success that mobilize and inspire and attract resources and attract talent and get you out of bed in the morning to go for it. And then when we do work in the charitable sector, we might say, okay, there are 11 and a half million kids who die every year under the age of five. 70 percent of that is vaccine preventable. We'll do one small program, in one small place, in one small country and help a few hundred kids survive.

(37:55):

And to his credit, I learned this from Bill Gates, he said, "That's not good enough." When he started his philanthropy, he said, "I want to really make sure every child on a planetary basis benefits from immunizations," because we thought it was the most cost-effective way to save lives. And to make a very long story short, after 25 years and more than a billion childhood vaccines delivered around this

planet, that enterprise, now called the Vaccine Alliance, has saved 17 million child lives. And if we had succumbed to the aspiration trap, to all the experts who sat with us back then and said, "This is very hard. That's not allowed to procure product that way. You can't raise money this way. This is how things are done." We would've done pilot projects in communities as opposed to seek to make transformational change happen.

(38:53):

Barack Obama made the same big bet when he said there was a raging pandemic of Ebola in West Africa in 2014, and he deployed American troops for the first time in our 250-year history to fight a disease at huge risk. And we didn't know exactly how we would succeed. I had a chance to lead that effort in West Africa and instead of 1.6 million cases and hundreds of thousands here in the United States, at a time when a case meant 70 percent of people who got Ebola died, there were 30,000 cases, 11,000 deaths all in West Africa, only two cases in this country, and no transmission on American soil. Every service member of all 3,200 came home safe and sound.

(39:36):

And it's really being clear about what success looks like, and aiming big is the fundamental antidote to the aspiration trap. So for those of you about to embark on a two-day conference on community development, I would say, aim big. Your goal should be that your work should add up to making the American dream accessible and affordable to every single kid in this country. And just be relentless until you get there.

(40:07):

And on the second part of your question about the work changing you, I will just say I had a chance once to be in Eastern Congo and meet with a group of kids, boys who had been repatriated from one of the militias in a UNICEF project. And these kids had been taken from their communities, their homes had been burned down, their mothers had been dealt with horribly, and girls had been abused in ways that are unspeakable. They had been drugged and put in these militias. And I walked in that room and got to see these kids come back to life because of the work of these wonderful, courageous UNICEF workers in really the farthest corner of the globe. And you do get a feeling from that, that this work ultimately changes you far more than you change the world.

Lillian Kuri (41:04):

Beautiful. We have time for one or two questions, and there's mics. I see one here, so if anybody would like to come up—I see a second one—and ask a question or two. We have time. Go ahead.

Speaker 2 (41:23):

Good morning.

Rajiv Shah (41:24):

Good morning.

Speaker 2 (41:25):

Solving “food as medicine” in urban areas that are food deserts on a national basis.

Rajiv Shah (41:33):

Well, thank you. Look, I think in America, we made a decision in the late 1970s to create a food production system through policy that unbelievably changes the relative prices of things that are healthy versus unhealthy. And so, to me, solving “food as medicine” requires three things. It requires ultimately changing our food system, which is a long-term task that can apply everywhere. It means targeting those communities that are, and I'm glad you used the term “food deserts,” that are literally food deserts where if you want to get fresh vegetables, for example, it's too expensive, it's too erratic, and it's inconsistent. And there are proven strategies for how to do that in local communities across this country, especially in urban communities. And I think, importantly, America is a country that treats health through its medical system. We spend what? Five, $6 trillion a year on medicine, on medical care.

(42:38):

And there are many vertically integrated payers who should have every incentive to target very specific populations that are pre-diabetic, provide them with proven “food as medicine” interventions, and then they as the payer get to benefit from the long-term cost savings. And that's what our foundation's focused on. We've supported 11 states with Medicaid waivers. We have a national scale project with the Department of Veterans Affairs. We're partnering with the American Heart Association and Kaiser Permanente to say, "Let's demonstrate to the nation's payers that targeting high-risk communities, providing ‘food as medicine’ interventions, measuring results by measuring hemoglobin A1C and seeing what actually happens can be a cost saver for you." And let's build that into the reimbursement systems in American medical care because that ultimately will help change behavior and drive performance.

Speaker 2 (43:34):

I'll just add a point there. The life expectancy in those food-desert neighborhoods is 25 years less than suburbia, so . . .

Rajiv Shah (43:43):

It speaks to the problem. Thank you.

Lillian Kuri (43:46):

Thank you.

Ross Cameron (43:48):

Hi, thanks. My name is Ross Cameron, I just want to say thanks very much to the Federal Reserve for bringing this panel together. And for you, Lillian and Dr. Shah for being here. It's an inspiring message. And having read your book, I have a question. For those of us here that are excited and as we come through on Friday and we try to bring this mindset into our organizations. Within your book, you had a couple of points where you talk about the way that decisions were made or the way that you operationalize these ideas within the Bill and Melinda Gates Foundation. So I wonder if you had any advice for those of us that are trying to do this, trying to drive “big bets” mindset within our organizations and our community, suggestion, advice, or words of encouragement around operations?

Rajiv Shah (44:38):

Well, thank you, Ross. I'll give you three. First is ask simple questions. I'm struck by whether you're fighting the Ebola response, I write about overseeing the Haiti earthquake response as well. I'm struck by how we have a tendency to make things very complex and the power of asking simple questions like

are the things you're going to come up with over the next day and a half robust enough to change the felt reality of an American family in this community or that community? And just keep asking those questions so that we don't settle for second-best solutions.

(45:15):

The second is really build partnerships with people who are different than you. I write about working across the aisle with Senator Jim Inhofe, a conservative Republican senator, on programs that help change climate and food and hunger issues around the world. But that relationship and those bonds were formed based on sitting together, getting to know each other, breaking bread, traveling, and ultimately, praying together and appreciating that we had more in common in our core values than separated us in our politics.

(45:53):

And then the third—I really believe this—is just, big bets start with betting on yourself, and you guys in this room and women in this room have the expertise, have the knowledge, have the mission to make a huge difference and trust that instinct and take it forward. But I find too many people discount their own capacity to be real change makers. And of course, you're not doing that because you're here, but always bet on yourself.

Lillian Kuri (46:22):

We're only going to be allowed to do one more quick question. So I'm going to ask who wants this question? It has to be quick. Go ahead. You got it. I didn't want to pick.

Rajiv Shah (46:23):

You got it.

Lillian Kuri (46:37):

Thank you. And thank you for that.

Speaker 3 (46:40):

Thank you. I appreciate you for allowing me to ask my question. Thank you both for the panel. But here's my question. I wrote it down. Given the intersection of urban development, health disparities, and economic equality, how can the policies you talk about more specifically better address the unique needs of African American communities in urban areas, particularly in the context of systemic barriers of racism and inequality? Because I hear you talking and I'm all for it, but there's a segment that does not get talked about because inside of our African American communities, a lot of our children in our community experience the same disparities that are happening overseas in the foreign nations that you're talking about. Could you please address that?

Rajiv Shah (47:26):

Yeah. I really appreciate that question. And just about a month and a half ago, I was in a part of Baltimore walking in a community with a gentleman named Pastor Billy. And Pastor Billy runs a wonderful community program that helps young, almost all Black kids aspire to have better opportunities in that community. And he was discussing how when we were talking to these kids and their experience has been schools that don't serve them effectively, a labor market that doesn't reach into their community and give them real opportunity and a lack of access to people who can be mentors and supporters to help guide them on their path. And in one tragic case, a kid told me that they know

more people who've been victims of gun violence in Baltimore than they do people who have graduated from a four-year college. And that is the result of systemic racism, that is the result of institutions that have not served a community that deserves to be served.

(48:44):

And Pastor Billy, to his great credit, knew these kids, provided programs that got these kids connected and would help the kids connect to job opportunities that took their desire to experience uplift and put the capacity to lift themselves up in their hands. And the question I asked myself was, we were talking about this because it was happening right around the time that USAID was being dismantled, that we were having this conversation. And Pastor Billy said, "Well, why can't we do more of this work in the United States? Why can't we have efforts that give these kids a chance, especially at an early age, to connect into places where opportunity is more available?" And that's why I mentioned the Raj Chetty data about neighborhoods. The data around having these kids exposed to people and opportunities in other neighborhoods is so powerful at creating a long-term trajectory of growth and opportunity that we just have to do a much, much better job.

(49:50):

And we cannot do it without understanding that a huge part of what holds us back is systemic and institutionalized racial practices that define so much about what accessibility to an affordable American dream actually means. And it's not just about the access to community programs, it's about families being able to build wealth. And the reality that homeownership has been a major pathway for wealth creation and systemically denied to generations of Black families. It's about really understanding that when we talk about school and school choice and the things that people say they want, when we are depriving mothers of school choice, we are primarily depriving Black mothers in our cities of having the choice of where to send their kids to school. And when we've offered it through the charter school movement and elsewhere, we've seen a tremendous impact on outcomes and performance in an educational context and in a labor force participation context after the fact.

(50:59):

So I would argue, we know the solutions, and we're never going to really implement them unless we take what you said very seriously. That we understand why we haven't been able to do these things at scale and just deal with it head on. And I left that experience in Baltimore just recently, and it felt a lot like when I was doing medical school in Philadelphia and part of a program called Students Teaching Aids to Students in West Philadelphia, same thing. And when I was a kid growing up around Detroit doing work in the city of Detroit, we know what's going on. And if we're not honest about why we deprived certain communities from the pathways to wealth creation, the pathways to business starts, the pathways to homeownership that we rely on in this country to build wealth and opportunity, we're never going to get there. So I appreciate that last question.

(51:52):

And I would say we can't get discouraged by the moment we're in. We've got to double down and understand that every single child in this country deserves the opportunity to be hopeful for the future. And that's simply not the case today. And that's why your work over these next two days is just so important. So, thank you for having me.

Lillian Kuri (52:10):

Thank you for that powerful, powerful answer. So we are closing, and I just want to thank you. What an honor to have you here in Cleveland, to have this opportunity. And I would say it is rare for all of you, but even for me, to meet someone who has a big, bold vision, but also, is getting stuff done at equal

parts, that's required. That is, we are so lucky to have you at the helm of the Rockefeller Foundation, and thank you for the inspiration for all of us.

Rajiv Shah (52:42):

Thank you. Thanks for all you do. Thank you.

Lillian Kuri (52:42):

Thank you.