

**Sunday Review** | OP-ED COLUMNIST

# The Trader Who Donates Half His Pay

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MATT WAGE was a brilliant, earnest student at Princeton University, a star of the classroom and a deep thinker about his own ethical obligations to the world. His senior thesis won a prize as the year's best in the philosophy department, and he was accepted for postgraduate study at Oxford University.

Instead, after graduation in 2012, he took a job at an arbitrage trading firm on Wall Street.

You might think that his professor, Peter Singer, the moral philosopher, would disown him as a sellout. Instead, Singer holds him up as a model.

That's because Wage reasoned that if he took a high-paying job in finance, he could contribute more to charity. Sure enough, he says that in 2013 he donated more than \$100,000, roughly half his pretax income.

Wage told me that he plans to remain in finance and donate half his income. One of the major charities Wage gives to is the Against Malaria Foundation, which, by one analyst's calculation, can save a child's life on average for each \$3,340 donated. All this suggests that Wage may save more lives with his donations than if he had become an aid worker.

"One thought I find motivating is to imagine how great you'd feel if you saved someone's life," Wage says. "If you somehow saved a dozen people from a burning building, then you might remember that as one of the greatest things you ever did. But it turns out that saving this many lives is within the reach of ordinary people who simply donate a piece of their income."

Hm. Wage may be the only finance guy who I wish could be paid more!

Wage is an exemplar of a new movement called “effective altruism,” aimed at taking a rigorous, nonsentimental approach to making the maximum difference in the world. Singer has been a leader in this movement, and in a book scheduled to be released in the coming week he explores what it means to live ethically.

The book, “The Most Good You Can Do,” takes a dim view of conventional charitable donations, such as supporting art museums or universities, churches or dog shelters. Singer asks: Is supporting an art museum really as socially useful as, say, helping people avoid blindness?

After all, an American aid group, Helen Keller International, corrects blindness in the developing world for less than \$75 per patient. It’s difficult to see how a modest contribution to a church, opera or university will be as transformative as helping the blind see again.

Even though he’s one of the founders of the field of animal rights, Singer is skeptical of support for dog rescue organizations. The real suffering in the animal world, he says, is in industrial agriculture, for there are about 50 times as many animals raised and slaughtered in factory farms in the United States each year as there are dogs and cats that are pets in America. The way to ease the pain of the greatest number of animals, he says, is to focus on chickens.

GiveWell, a website reflecting the ethos of the effective giving movement, recommends particular charities for cost-effectiveness. Its top recommendations at the moment are Against Malaria Foundation, GiveDirectly (transferring money directly to the very poor), Schistosomiasis Control Initiative (inexpensively combating a common parasite), and Deworm the World Initiative (deworming children).

Singer himself donates about one-third of his income to charity, he says, and I admire his commitment. Still, I wonder about three points.

First, where do we draw the line? If we’re prepared to donate one-third of our incomes to maximize happiness, then why not two-thirds? Why not live in a tent in a park so as to be able to donate 99 percent and prevent even more cases of blindness?

I want to take my wife to dinner without guilt; I want to be able to watch a movie without worrying that I should instead be buying a bed net. There is more to life than self-mortification, and obsessive cost-benefit calculus, it seems to me, subtracts from the zest of life.

Second, humanitarianism is noble, but so is loyalty. So are the arts, and I'm uncomfortable choosing one cause and abandoning all others completely.

For my part, I donate mostly to humanitarian causes but also to my universities, in part out of loyalty to institutions that once gave me scholarships.

Third, I flinch at the idea of taking a job solely because it's high-paying — even if the money is to be given away. Bravo to Matt Wage, who says that he relishes his work as an arbitrage trader (now based in Hong Kong), but I'm not sure this would work for everyone.

Still, Singer's argument is powerful, provocative and, I think, basically right. The world would be a better place if we were as tough-minded in how we donate money as in how we make it.

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