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INTRODUCTION
The Monks and the Fish

Morning in the harbor at Marina del Rey in Los Angeles is steely bright, and it smells of brine and of fish, and it is filled with the sound of pelicans. They congregate by the hundreds on the end of the jetty, strutting and chattering and throwing their heads back to slug down great bulging beakfuls of breakfast. Completely absorbed in the guzzling of their food, they seem not to notice the dinghies puttering by.

Jake was in one of those dinghies with his girlfriend Chelsea and her father, returning from a short ride out on the gentle rolling swell of the Pacific. They passed the gray-brown pelicans on the gray-brown rocks and continued into the marina. Coming down the causeway, they passed the gas pumps, the big prow of the Catalina ferry, and the Buddhist monks.

Yes, the Buddhist monks: those unassuming men and women, some dressed in saffron robes and others in street clothes, standing on the dock around a folding card table on which was erected a little altar with a statue of a sitting Buddha and an oil lamp. On the ground in front of the table was a plastic tub as big as a steamer trunk. From the boat, low in the water, Jake couldn't see what was inside. They were saying prayers over it.

Chelsea's father put the boat into idle and turned in a half-circle to stay even with the monks. They came to the end of their prayer and bowed deeply, and the two closest to the bin took it by the handles and dragged it forward to the edge of the dock. Then they tipped it.

Out came a great torrent of water and minnows, which landed in the causeway with a silvery clatter. The minnows disappeared instantly, darting away in every direction, and the ripples from the splash were drawn down the causeway to the ocean by the outgoing tide. The monks bowed again, deeply, and began to pack up their things.

What Jake had seen, Chelsea told him afterward, was a regular ritual. Those particular Buddhist monks set a tubful of fish free every couple of weeks. It was their small way of setting right something they believed was wrong. They didn't think those fish ought to be killed, so they bought their freedom. They would approach some fishermen, purchase their day's catch, say a prayer, and release the fish into the causeway to return to the ocean.

It was a moving gesture. Jake can attest to that. Whatever can be said against it—that it is merely symbolic, that those minnows might just be caught again later, that it does nothing to change the fact that fishing still goes on every day, that it is at best just a drop in a bucket (or a bucket in the sea)—it doesn't change the facts. The monks believed in something and they acted out of kindness and compassion.

When Jake and I talked about it together, though, there was one question we couldn't get around: The monks had done a good thing—but could they have done better?

If their goal was to save a day's catch of fish from certain death, why not pay the fishermen ahead of time and just tell them to stay home? That would save the fish the trauma of being caught and dragged out of the water in the first place. It would save the fishermen the effort of waking up at dawn to complete the Sisyphean task of catching fish only to see them thrown back.

It would save the gas they used to run the boat. And it would save the bait they used, too.

The monks clearly had good intentions, but they may not have found the best way to act on them. Granted, some might argue that this is a relatively minor tragedy, that freeing baitfish is not a dire global concern. But the lesson still stands: We need more than good intentions in order to solve problems. Nowhere is this more essential than in the fight against world poverty—a truly dire and truly global concern, in the service of which good intentions are usually the first (and all too often the only) resource to be mustered.

A Two-Pronged Attack for Fighting Poverty (And Saving Fish)

It is the best part of us that endeavors to be like the monks, to act out of compassion and do something positive for others. The vast majority of the work being done around the world to fight poverty fits this description; and anything that springs from such a genuinely altruistic impulse should be encouraged.

But there is a lesson in the monks and their tubful of minnows. Sometimes, even when we have all the good intentions in the world, we don't find the most effective or most efficient way to act on them. This is true whether we want to save fish, make microloans, distribute antimalarial bed-nets, or deliver deworming pills. The question is: How can we get beyond our good intentions and to the best solutions?

The only real consensus view on the issue is about the gravity of the problem. Three billion people, about half the world, live on \$2.50 per day. (To be clear, that's \$2.50 *adjusted for the cost of living*—so think of it as living on the amount of *actual goods* that you could buy for \$2.50 per day in the United States.) In the public dialogue about aid and development—that vast complex of people, organizations, and programs that seek to alleviate poverty around the world—there are two main competing explanations for why poverty persists on such a massive scale. One camp maintains that we simply haven't spent enough on aid programs and need to massively ramp up our level of engagement. They point out that the world's wealthiest nations dedicate on average less than one percent of their money to poverty reduction. In their view, it just doesn't add up. We could get serious about ending poverty, they say, but we haven't even given our existing programs a fair chance. The first thing we have to do is give more. A lot more.

The other camp tells a starkly different story: Aid as it exists today doesn't work, and simply throwing money at the problem is futile. They point out that $2.3 trillion *has* been spent by the world's wealthiest nations on poverty reduction over the past fifty years and ask: What have we accomplished with all that money? With poverty and privations still afflicting half the globe, can we really claim to be on the right track? No, they say; we need a fresh start. The aid and development community as it exists today is flabby, uncoordinated, and accountable to nobody in particular. It's bound to fail. They argue that we need to pull away resources from overgrown, cumbersome international organizations like the United Nations, wipe the slate clean, and focus instead on small, agile, homegrown programs.

The two camps each boast prominent economists as adherents: Jeffrey Sachs of Columbia University, an advisor to the United Nations, and Bill Easterly of New York University, a former senior official at the World Bank. Sachs and his supporters regale us with picture-perfect transformational stories. Easterly and the other side counter with an equally steady supply of ghastly the-world-is-corrupt-and-everything-fails anecdotes. The result? Disagreement and uncertainty, which leads to stagnation and inertia—in short, a train wreck. And no way forward.

Jake and I propose that there actually *is* a way forward. My hunch is that, at the end of the day, even Sachs and Easterly could agree on the following: Sometimes aid works, and sometimes it does not. That can't be all that controversial a stand!

The critical question, then, is *which* aid works. The debate has been in the sky, but the answers are on the ground. Instead of getting hung up on the extremes, let's zero in on the details. Let's look at a specific challenge or problem that poor people face, try to understand what they're up against, propose a potential solution, and then test to find out whether it works. If that solution works—and if we can demonstrate that it works consistently—then let's scale it up so it can work for more people. If it doesn't work, let's make changes or try something new. We won't eradicate poverty in one fell swoop with this approach (of course, no approach yet has managed to do that), but we can make—and are making—real, measurable, and meaningful progress toward eradicating it. That's the way forward.

To get there, we need a two-pronged attack.

The first prong is to understand the problems in the first place. Some problems are systemic, in the way entire populations interact and exchange information, and in the way they buy, sell, and trade. Increasingly we are recognizing that the problems are also with *us as individuals,* with the way we make decisions. Here we turn to behavioral economics for insight.

In the past, economists would have thought about the monks in a pretty wooden, mechanical way. They would have talked about the cost of the fish, the value the monks imputed to their survival, the opportunity cost of the fishermen's time, and the social impact of running the boat on diesel fuel. They would have put you to sleep. More importantly, at the end of the discussion the monks probably would still be dumping tubs of fish into the Marina del Rey causeway.

This is a narrow view of what makes us tick. Traditional economics gives us economic humans, the archetypes for rational decision-making. Borrowing a term from Richard Thaler and Cass Sunstein (from their book *Nudge*), I call these folks "Econs." When they need to choose between two alternatives, Econs weigh all the potential costs and benefits, compute an "expected value" for each, and choose the one whose expected value is higher. In addition to keeping a cool head, they are very methodical and reliable calculators. Given accurate information about their options, they always choose the alternative most likely to give them the greatest overall satisfaction.

Behavioral economics expands on narrow definitions of traditional economics in two important ways. The first is simple: Not everything that matters is dollars and cents. In a sense, this is nothing new. For instance, Gary Becker—by many accounts a "traditional" economist—has been using economic analysis to think about marriage, crime, and fertility for years. The second expansion is a bit more radical. Behavioral economics recognizes that, unlike Econs, we do not always arrive at decisions by calculating a cost-benefit analysis (or even act as if we had done so). Sometimes we have different priorities. Other times we are distracted or impulsive. We sometimes slip up on the math. And, more often than we'd like to admit, we are shockingly inconsistent. To mark all of the ways we are different from Econs, Thaler and Sunstein use the powerfully simple term *Humans.* I will do the same.

Behavioral economics incorporates more nuanced behavior, and sometimes inconsistent behavior—like when we continue to sneak an occasional candy bar when we say we want to lose weight, or when we still eat dinners out while we try to pay down our credit card debt. It might suggest that the monks don't care what traditional economics has to say. Maybe they throw the fish back because paying for not-fishing wouldn't serve their purpose. Maybe it's important to them to hear that silvery splash, or to see the minnows dart away like a bursting firecracker. Maybe there is something psychological about the salience of seeing, with one's own eyes, fish jump free. And maybe the monks simply are willing to accept a less efficient solution in exchange for that moment of spiritual connection.

The breakthrough of behavioral economics has been to claim that if we want to understand the monks, then we must know how and why they make the decisions they do. Instead of deducing a way to think from a core set of principles, behavioral economics builds up a model of decision-making from observations of people's actions in the real world. As we will see throughout this book, this way of thinking can help us design better programs to attack poverty.

This does not suggest that we throw out the old models. Behavioral economics is a powerful tool, but the proverb still applies: Just because you have a hammer, doesn't mean everything is a nail. The inspiration for some of the antipoverty programs we'll see comes straight from nuts-and-bolts economics. Combining the old and new approaches gives us the best chance to understand exactly what problems we're up against.

This first prong of the attack is a start, but it's not enough. Imagine you are stranded on a desert island with a rusted-out rowboat. Understanding the problem, even deeply, is like understanding why boats full of holes don't float. That alone will not get you home. You need to find a way to build a better boat.

Hence, the second prong of the attack: rigorous evaluation. Evaluation lets us compare competing solutions—like different boat designs or plugs for the holes—and see which one is most effective. Creative and well-designed evaluations can go even further, and help us understand *why* one works better than another.

Here's how it might work with the monks. I could propose setting up a new market, a market for hiring fishermen to not-fish, which would enable the monks to save fish more efficiently. It might sound good in theory, but then we'd go to the field and test.

Sometimes things that sound good fail. Suppose the monks actually don't care about seeing the splash of the minnows and would be happy to pay fishermen to not-fish; maybe they are simply up against a problem that makes it unfeasible. It could be a trust problem, where the monks fear the fishermen would accept payment for not-fishing and go out fishing anyway. Or maybe it is a monitoring problem, where there just aren't enough monks to tail around all the fishermen on not-fishing days to ensure they keep their word. A rigorous evaluation could point us to the specific problem that keeps the not-fishing market from saving more fish.

In the context of development, rigorous evaluation can help resolve the debate about how best to attack global poverty, by going to the field and finding out whether specific projects work or not. (It turns out that some projects work better—sometimes much, much better—than others.) You might think this goes without saying. You might assume that aid organizations have always routinely conducted careful and rigorous evaluation to see if they're doing the best they can. If so, you would be surprised.

Until very recently, we knew astonishingly little about what works and what doesn't in the fight against poverty. We are now beginning to get the hard evidence we've lacked for so long, by measuring the effectiveness of specific development programs, many of which you'll read about in these pages. The next chapter will go into a bit more detail about how these evaluations actually work.

Microcredit, the provision of small loans to the poor, is a perfect example of an idea that generated tremendous enthusiasm and support long before there was evidence on its impact. The excitement is largely understandable, for the very design microcredit is appealing. It strikes a lot of chords: Microcredit often targets women, and many believe that the economic empowerment of women redounds to the benefit of the entire family; microcredit often focuses on entrepreneurs, and many believe that such individuals, given access to a modicum of working capital, are capable of dramatically improving their lives through their ingenuity and enterprising spirit; microcredit often involves communities, and many believe that by involving the community rather than just individuals, we are more likely to succeed.

But in some sense the enthusiasm is surprising: It seems to be predicated on a double standard about the useful role of high-interest debt. At the same time that we see millions of dollars pouring into microcredit programs to lend to poor microentrepreneurs at rates ranging from 10 to 120 percent APR (all in the hope of alleviating poverty), we also see millions of people outraged at payday loans outfits at home, which lend at similar rates to the poor in America.

Without some basic facts about whether these loans actually make people better off, I would not know which side to believe, much less how to reconcile the two positions. But rigorous evaluation can—and does—help. Many were surprised by a study in South Africa, which we will see in chapter 4, that found that access to consumer credit, even at 200 percent APR, made people much better off on average. This does not imply that all credit is good for all people, but it should make us look critically at our strong opinions about what works and what doesn't, about what's good and what's bad. Do we have concrete facts to back them up?

The two-pronged attack we'll see throughout this book is a powerful economic tool. I use it (albeit in a slightly different form) whenever I teach development economics, both to undergraduates and doctoral students. I use three questions to organize discussions. First: What is the root cause of the problem? Using both behavioral and traditional economics to answer this question is exactly the first prong of our attack in this book. Then two more questions: Does the "idea" at hand, whether a government policy, NGO intervention, or business, solve the problem? And how much better off is the world from having solved the problem? Using rigorous evaluations to answer these two questions together is the second prong of our attack.

Jump in the Lake

Even in the absence of hard evidence about specific programs, people find compelling reasons to engage in and support the fight against poverty. One such reason comes from ethics, plain and simple: Suppose you are walking down a street by a pond on your way to a meeting, and if you miss the meeting you will lose two hundred dollars. You see a child drowning in the pond. Do you have an ethical obligation to stop and jump in and save the child, even though it will cost you two hundred dollars?

Most people say yes.

Don't you then also have an ethical obligation to send two hundred dollars right now to one of many organizations delivering aid to the poor, where it can save a child's life? Most people say no—or, at least, they don't cut that check.

The example comes from Peter Singer, a utilitarian philosopher at Princeton University and a hero of mine.[1] I tend to think of it at some very specific moments, like when I am in a store and tempted to buy something that I don't really need. Couldn't that money go toward something better?

Singer's basic idea resonates, at least with me, but the logical conclusion of his argument is hard to swallow. The implication of his strict utilitarian reasoning is that we should all give away our money until we are so hard up that we honestly *couldn't* spare two hundred dollars to save a drowning child. Maybe an Econ would feel compelled by the cold force of logic to do so (assuming, of course, he'd had the heart to save the drowning child in the first place). But no Human I know of—not even Singer himself, a tireless advocate for doing more—goes that far.

Because the conclusion to the lake analogy makes us uncomfortable, we grope for holes in the logic. We raise objections. Often people's first response is to point out that when you dive in and pull the child to safety, there is no question that you've made a difference in the world. You can see with your own eyes that you've saved a life. But when you cut a check to an aid organization, the link is much less clear. How can you know your two hundred dollars is really doing good?

Most of this book is an attempt to answer that objection. I hope that seeing some successes (and failures) up close convinces you that we *can* know we're doing good—if we commit to rigorously testing aid programs and supporting the ones that are proven to work.

The second objection people raise to Singer's lake analogy is about the "identifiable victim"—a vague sense that there's something morally significant about *seeing* the child flailing around in the lake, whereas we can't see the child our two-hundred-dollar check would be saving in, say, Madagascar. Logically, this objection is easy to refute. If someone runs to your house to tell you there is a boy drowning in the lake, you still have to go save him even though you haven't seen him with your own eyes. You can't dissolve your ethical duties by wearing a blindfold, or limit them geographically.

The trouble is that, while this refutation might be logically valid, it isn't viscerally compelling. We cannot simply reason our way into having a feeling of compassion, of responsibility for others. We need to be *moved* to act.

Behavioral Solutions Right under Our Noses

Aid organizations, which depend for funding on our feelings of compassion, know from experience that appealing only to people's ethical obligations doesn't pay the bills. That's why tactics like the identifiable victim are longstanding staples of fund-raising. Think of Save the Children, which promises a photograph and a handwritten letter from *your* sponsored child in exchange for thirty dollars a month. Rather than approaching donors with facts, figures, and tables—which is what might sway an Econ—aid organizations take full advantage of the fact that we're Humans. They capitalize on our emotions.

This is behavioral economics applied to marketing, plain and simple. Once you get inside the minds of those who give, you can come up with clever strategies to raise more money.

One such fund-raising strategy takes the financial sting out of giving by tacking donations onto other purchases. Recently I was in the checkout line at Whole Foods Market when the cashier asked me if I wanted to donate a dollar to the Whole Planet Foundation. She pointed to a small flyer on the counter. If I wanted to donate, she could scan a bar code on the flyer and add a dollar to my bill.

With a hundred dollars of groceries already rung up, an extra dollar is a tiny hit to take—so tiny you'd hardly notice it. And you get a lot of bang for that buck. Suddenly, you feel good walking out of Whole Foods Market with your bags of groceries. You've done something positive. It's not hard to see why the Whole Planet Foundation has been awash in donations.

Another behavioral approach to fund-raising involves separating the good parts of contributing (i.e., the satisfaction of doing a good deed) from the bad (i.e., the pain of parting with your money). Giving becomes much easier if you can enjoy the satisfaction up front, unencumbered by that irksome feeling that your wallet is thinner, and pay later.

That's exactly what happened in the phenomenally successful "Text to Haiti" campaign in January 2010. In the weeks following the devastating earthquake, people rose up in unprecedented numbers and acted to help those in need. Small individual contributions—the vast majority of them ten dollars or less—piled up at an unbelievable pace. Text donations from the first three days alone totaled more than ten million dollars.

Giving by text takes a few seconds and is utterly gratifying.

You type in "HAITI," press Send, and get an instant response thanking you for your generosity. You hardly have time to think of the phone bill coming at the end of the month. When it does arrive, your ten dollars is easier to part with because it's tacked onto the cost of phone service—a cost you're already prepared to bear.

Unless, that is, you are Cara. The following was pulled from a real Facebook page:[2]

Cara's profile said: "I've texted Haiti to 90999 over 200 times . . . over $2000 dollars [sic] donated to Haiti relief efforts. Join me!"

COMMENTS

Noah: Your parents might not like your cell phone bill this month

Cara: It's not my money! Hah

Cara: Wait a second . . . this doesn't get added to the phone bill does it? I thought it was just a free thing . . .

Aaron: Cara shooot. No every text is $10!!!

Cara: Oh wow, are u sure? This could be very bad for me.

Aaron: Yeah I saw it on the football game they bill it to your cell phone bill.

Chloe: Yeah. Every text is 10 bucks. It said so when the Health and Human Services lady came on and told people about it on the Colbert Report. Uhh, Ask for people to help you pay your phone bill?

Cara: Thanks for letting me know! Haha Haiti must love me!

Kyle: A 2000 dollar phone bill? this is sitting in its own special zone of hilarious.
Aaron: Well . . . you may be screwed but, in this case there's a big upside at least
Cara: Just counted my texts . . . grand total is 188 texts. $1,880 phone bill . . . this is not hilarious Kyle!!!!!!

Never mind, Cara—there are worse ways to make a mistake with $1,880. And this really doesn't happen very often—in the vast majority of cases, people know exactly what they are giving when they give it.

But behavioral marketing approaches can make it so donors may not always know exactly what, or whom, they are giving *to,* and this is more disquieting.

As an example let's look at Kiva.org, a tremendously popular Web site that raises money for microlenders around the world. Ask a user of the site how it works and this is what you're likely to hear: You log on and read through the stories of people who need loans. When you find one you like, you can fund her loan by clicking and sending money through Kiva. When the client repays her loan, you get your money back.

That's what most users would tell you, but most users would be wrong.

Suppose you click to fund a Peruvian client's hundred-dollar loan. Here's what happens behind the scenes: Some weeks before, bank staff went out to the field to take pictures and write up profiles of existing clients. Those profiles are what you see on the Web site. When you click to fund the woman's loan, you make a hundred-dollar no-interest loan to Kiva. Kiva then makes a hundred-dollar no-interest loan to the client's Peruvian microlender. The hundred dollars goes into the microlender's loan portfolio, and is lent out to clients (but not the one you clicked on, who already has her loan) at around 40–70 percent APR. If the client you clicked on actually defaults on her loan, you could lose your hundred dollars, but that's rare. Most of the time, either another client repays the loan for her, or the lender pays back the loan itself (in order to keep its "record" on Kiva.org clean, so that it can attract more money). That's how it really works.[3]

In innumerable casual conversations, people have told me that they use Kiva exactly because they love the idea that *their* money goes to *that* particular person whose story they read, whose story moved them. They feel a connection, and that inspires them to give.

I have mixed feelings about this. Raising more money is a good thing, of course. Kiva is out there raising millions (over a hundred million as of November 2009)[4] for microcredit. The problem is that pitching a development program on something other than its impacts puts some distance between the means and the ends. Tactics that work brilliantly to mobilize donations—focusing on the identifiable victim, for instance—don't necessarily work best to design programs that truly help poor people improve their lives.

The very best organizations pursue effectiveness in their fund-raising *and* in their programs with equal tenacity—and they usually end up with very different approaches to each. The point is that they have to recognize and respect that difference. We have to trust them to know that anecdotes are a far cry from real, systematic impact. And then we have to trust that, even as they use anecdotes to court donors, they will demand rigorous evidence to shape their programs.

For an organization to be worthy of that trust is no mean feat.

We Can Demand Better

Fortunately, we don't have to rely on development organizations to come around entirely on their own. If we want aid programs to do the most good, we have to recognize that as donors—the ones who pay the bills—we are the people who ultimately have the power to steer the ship. Yes, us. You and me.

Large donors—governments, major philanthropic foundations, the World Bank—clearly matter. But small donors matter even more. Individual donors in America contribute over $200 billion to charity every year, three times as much as the sum of all corporations, foundations, and bequests.[5] As we've just seen, aid organizations have spared no effort in developing an acute understanding of what works to raise funds from you and me. You can be sure they'll respond to the incentives we give them.

Jake and I will conclude this book with some practical suggestions for what you, as an individual, can do to help steer the ship. I hope I won't spoil the suspense, though, if I give you one bottom line up-front. Cutting checks is good, but it's not enough—especially when, thanks to behavioral marketing, we can do it with such little effort or deliberation.

Instead, we ought to find out where to our money will make the biggest impact, and send it there. Some large donors, like the Bill & Melinda Gates Foundation and the Hewlett Foundation, try to do this as a matter of policy—and, sure enough, organizations respond by showing evidence that their programs work. Naturally, a small donor acting alone can't drive that kind of change. But if enough small donors start to reward aid organizations for providing credible demonstrations of their impacts, you can bet that better programs will ultimately result. And perhaps, if a critical mass of donors does this together, we can slowly but surely contribute to a shift in how we as a society view the act of giving money. This isn't just about making better use of the money raised, but also about helping to convince skeptics, who think aid isn't worth giving, that development can work if done right.

Remember Cara's Facebook page? There's a serious point lurking there. Cara's initial post showed not only that texting to Haiti was easy, but that it was cool—cool enough for her to think it was worth sharing on Facebook. Whether we like it or not, for most of us there's an element of social display mixed up in our motivations for giving—and aid organizations know this, too, which is why visible signs of donation such as wristbands, stickers, and ribbons are also an effective fund-raising tool.

Anyone acting on good intentions deserves praise, no matter how far from optimal their actions may be. But how much more good could we do in the world if impact-informed giving came to be seen as the coolest kind of all?

Where This Book Is Going

So much for the theory. How do we actually tell which programs are doing the most good? We'll get to the nitty-gritty in the next chapter. And in the rest of the book, Jake and I will share some of what we've learned about specific programs that really do work. The inspiration for many of these programs is surprisingly simple, and close to home: It's taking innovative insights and solutions that have given us new ways to succeed in so many of the things we all do—rich and poor alike—and adapting them to the fight against poverty. For that reason, the chapters are organized and named according to those basic, universal activities, from Buying to Mating (and a quite a bit in between).

Chapter 3 looks at an often-overlooked aspect of development programs: selling them to the poor. We often assume that designing a good program is all that matters. This is odd, because nobody in the developed world thinks it's sufficient to design a good product without also getting the sales pitch right.

Chapters 4 to 7 explore different aspects of microfinance, from the various flavors of microcredit to saving. The topic deserves this depth for two reasons. First, it touches practically all of us. In the United States, formal finance is universally available. If you have a credit card, a mortgage, or a bank account, you're part of that vast network of borrowers and savers. The simple fact that financial solutions work for so many—and such a wide variety of—people in the developed world is a compelling argument that they can be tailored to help the poor. This has not gone unnoticed: Microcredit has generated more enthusiasm and support than perhaps any other development approach in history, and that's the second reason for taking such a close look at it. It is so much a poster child of the aid industry that you might think it was a universal cure-all, and first we want to show that, for all its virtues, it is not a panacea—but it can generate some real benefits. Second, when it is designed well, it isn't just about credit, but about savings too. Some of the most exciting work in microfinance has shifted away from borrowing and toward saving, with big donors like the Bill & Melinda Gates Foundation leading the charge.

Chapters 8 to 11 expand the search for poverty solutions beyond the realm of dollars and cents and into some places where you might not expect to find economists at work. From the public sphere—farmers tending their fields in the open, parents sending their children to school—to the more intimate spaces of doctors' offices and finally people's bedrooms, we'll look at some innovative approaches to the problems of agriculture, education, health, and sex. We will see that many of the tools we now use to do better in those areas of our own lives can serve the poor as well.

Finally, the book concludes with some ways forward—specific ideas that have the power to make a big difference in the lives of the poor, and things that each of us can do to help them succeed.

Most of the research I'll talk about in this book is evaluation. It gives us concrete evidence, and concrete evidence truly should be the driving force in deciding which development approaches to support. But I don't believe it should be the only consideration. There is room for creativity, for trying new things, and for failure. We need new ideas to push us forward, and as donors we should reward those too.

Jake and I don't claim to have all the answers in this book. As we shall see repeatedly, behavioral economics reveals that, just like everyone else, poor people make mistakes that end up making them poorer, sicker, and less happy. (If they didn't, they could quickly escape poverty by selling self-help classes to the rest of us.) Identifying and correcting these mistakes is a prerequisite for solving global poverty, and we don't have a foolproof way of achieving that any more than we have foolproof way to make every person in the developed world win all of his or her personal battles.

That said, we in the developed world are beginning to chip away at these insidious and persistent problems for ourselves, one by one. We *have* found specific ways to improve our decisions and make our lives profoundly better. We can and do use new tools—like SMarT and StickK.com, which we'll see later—to spend smarter, save more, eat better, and lead lives more like the ones we imagine. The leap is in understanding that solutions like these, that have so enriched our own lives, can do the same for the people who need them most.

This book is about finding out which of them really work for the poor, and finding new solutions for the problems that remain.