

Contributing to Evolution

An Interview with Ray Dalio, Founder and Member of the Board, Bridgewater Associates, LP

EDITORS' NOTE A global macro investor for more than 50 years, Ray Dalio founded Bridgewater Associates out of his two-bedroom apartment in New York City and ran it for most of its 47 years, building it into the largest and most successful hedge fund in the world. Dalio remains an investor and mentor at Bridgewater and serves on its board. He is also the long-running New York Times best-selling author of *Principles: Life and Work*; *Principles for Dealing with the Changing World Order*; and *Principles for Navigating Big Debt Crises*. He graduated with a BS in finance from C.W. Post College and received an MBA degree from Harvard Business School. He has been married to his wife, Barbara, for more than 40 years and has three grown sons and five grandchildren. He is an active philanthropist with special interests in ocean exploration and helping to rectify the absence of equal opportunity in education, healthcare, and finance.



Ray Dalio

Where did your interest and passion for philanthropy develop?

I was introduced to philanthropy by my son, Matt. When he was 11, he lived in China, and when he was 16, he visited some orphanages and learned that some of the orphans would die if they didn't get surgeries that cost \$500 on average. So, for every \$500 he could raise, he could save a life and for every \$500 he didn't raise, a child would die. He asked me to help and went around to neighbors to ask them for money which led him to start the China Care Foundation. That's what first got me involved with philanthropy.

It came at a time in my life when I was primed to give some of my money away to help others because I had earned enough to take care of my family's needs. I came from a family that had very little money but everything I needed so I viewed spending a lot of money on myself and my family as decadent. Also, I wanted to help others who were desperately in need because I could relate to them. For all these reasons, including my love of working on this with my son and my wife who got involved too, I was hooked.

How do you think about philanthropy?

I think of it as an attractive option for what to do with one's money that naturally comes

along once one has enough money to take care of oneself and one's family. At that point, the choice is between spending on helping people or other things that make the world better, or spending more than necessary on oneself and one's family. I personally find it unhealthy and decadent to overspend on oneself, and healthy and enjoyable to help others and the world more broadly. When people reach a point of earning more than they or their family need, I think that philanthropy is a natural,

logical, and emotionally satisfying choice – at least that is how it was for me. I'm not one who believes that philanthropy is something that people should feel obligated to do because it's what "good" people do. I think of philanthropy as an activity that one should do because one loves doing it, though I do believe that to have a good community, mutual caring and generosity is essential – and that's what philanthropy is.

To paint the picture, I will give you an example. My wife loves to help the poorest

students in the poorest school districts in Connecticut. These are students who would drop out of high school without her and her team's help, but they graduate and get jobs because of it. She would also be tormented if she didn't do that. She loves working with teachers and administrators in financially depressed school districts to help in ways the educational system is unable to. For example, when COVID came along, 60,000 students in Connecticut did not have computers, so they were not able to engage with remote learning, and so she got the computers for them. Now imagine her and our spending choice: to help these students in the way I just described or to spend more money on herself. Very simply, she could never be happy spending money on luxury items rather than helping those kids.

All my family members have a similar perspective about the choice between having more luxury or helping others.

How do you decide where to focus your philanthropic efforts?

We do it as a family activity in which each family member makes their own philanthropic choices based on their own passions. Early on,



Julia Iyasere, Executive Director of the Dalio Center for Health Justice at NewYork-Presbyterian, with Ray Dalio and Steve Corwin, President and CEO of NewYork-Presbyterian



Dalio Philanthropies supports microfinance and other financial inclusion initiatives including Grameen America

I thought about where we would get the most bang for the buck, but I quickly learned that one can't do that – it's comparing apples to oranges. How does one compare the per dollar invested return of saving a part of the natural world to that of helping kids who would otherwise have had a terrible life and hurt society become adults who have good lives and contribute to society? There is no way I can prioritize that way, and it's much less satisfying than pursuing one's passion. That's why our giving is eclectic, rather than focused on a single mission.

How important is it for the family's philanthropic work to not just be about writing checks, but also about giving time, ideas, and expertise to these projects?

Our foundation's rules require that grantors must spend time becoming knowledgeable of an area in order to be entitled to give in it, but how one chooses to allocate one's time between determining the best organizations to support by writing checks versus actually doing the hands-on charity work or running charitable endeavors is up to each person. Lately, this depends on where one is in one's life cycle – most importantly, on how much time one has. Volunteering time or running a charitable endeavor with employees requires a lot of time and that limits the number of things one can do. Some family members don't have that time because they have work demands and families to handle that don't give them the flexibility they need, so they choose supporting organizations that they like and know well. Also, I personally think that devoting a lot of time to philanthropy is naturally a later in life endeavor, not only because one has more time for it, but also because the natural cycle is to learn, then earn, and then give away. Learning prepares one for earning, and earning teaches one the practical aspects of money, which prepares

one for philanthropy. Also, it's good to make money and know how to take care of oneself before giving away money to help take care of others. Anyway, it's up to each person to decide whether to give money and/or give time, and in what amounts.

Do you need to have metrics to measure the impact of your philanthropic work?

Yes. Metrics are very important, especially since the clear metrics of running a for-profit enterprise don't exist when one is giving money away. For example, I support ocean exploration because I believe that it is

tragically underexplored which leads to a tragic loss of knowledge and resources we can use, damaging the world's largest and most important asset, and missing out on a lot of excitement. Right now, about 120 times as much money goes into space exploration as ocean exploration, and the cost effectiveness of ocean exploration is much greater than that of space exploration. I think we can change that, so one of our metrics is to raise the amount the world spends on ocean exploration relative to space exploration. Part of how we are trying to do this is by increasing the number of people who are excited by the ocean and supporting the exciting exploration of it, so we have an ocean exploration ship that is creating media for major platforms like National Geographic, Disney, and social media. As metrics, we use the number of eyeballs watching our and others' shows about the oceans, the number and quality ratings of papers written by those scientists we are supporting to do missions on our ship, the number of patents and commercial developments made, etc.

What are the reasons for the lack of funding for ocean exploration?

I think it is primarily a lack of awareness. While the ocean counts for 72 percent of the Earth's surface, its surface acts like a sheet that prevents people from seeing into it. When people go beneath the sheet and see what is there, they are drawn to it, understand how it relates to us better, and want to protect it. Our research shows that when people understand what's there, funding and excitement for ocean exploration increases. Government support for space exploration is so vast because space is critical for global communications, espionage, and war. At the same time, I believe what we can get from ocean exploration – in terms of new discoveries, medical compounds, etc. – is



OceanX is a mission to support scientists to explore the ocean and to bring it back to the world through captivating media

invaluable and essential for our well-being. I believe that as more discoveries are made and more excitement is created, which is now much easier to do because of big advances in ocean exploration technologies, more exploration will happen and there will be more excitement about it.

Is it hard to be patient when you are addressing long-term issues that do not have a quick fix?

Not for me. While of course I'm excited by achieving big audacious goals that I believe I can achieve, I get very excited by making incremental advances toward them. I have experienced accomplishing much more than I ever set out to achieve by making moderate sequential gains that at the time seemed like big gains to me, but were tiny in comparison with the whole achievement. It's like climbing a mountain. I'm not focusing on where I am relative to the top of the mountain. I'm thrilled when I get 10 feet higher, and I keep focused on getting the next 10 feet higher and being thrilled about that.

Where are you focusing your philanthropic efforts in addition to ocean exploration?

Helping those unfairly disadvantaged is a big focus. For example, in response to the inequities we saw during COVID, we funded the health justice institute at NewYork-Presbyterian Hospital. We are also big supporters of micro-finance, we fund research to improve dealing with mental illness, we support teaching meditation to those who desperately need it and can't afford it – it's tough for me to summarize because our foundation typically gives grants to over 400 organizations each year.



Dalio Philanthropies and OceanX have worked with hundreds of scientists at scientific research institutions including Woods Hole Oceanographic Institution, the American Museum of Natural History, California Academy of Sciences, Yale University, Harvard University, and local scientists and research institutions in various locations globally

How have you approached your transition from business to philanthropy?

My transition from starting and running a business and then passing it along is the same to me as my increasingly shifting my focus from doing business to doing philanthropy. I believe that there is a natural life arc in which one learns, acquires, passes along, and dies, and I'm in the passing along stage. It's what I'm into, which can be called philanthropy, though

I define it more broadly than just passing along money to include passing along principles that I learned that helped me. At this stage in my life, it's a great joy and necessity to give what I have that is of value to others so they can take it, improve on it, and later do the same for others.

In some ways philanthropy is the same as business, and in some ways they are different. There are some skills that are unique to being successful in specific areas and others that are essential for being successful in all areas. In fact, certain skills virtually guarantee being successful in any area if one has them. While I can't cover them all in a few words, which is why I wrote a book, *Principles: Life and Work*, to convey them, I can give you two big ones: First is the ability to visualize well what one wants, and second is the ability to work with people who can do most of what it takes to succeed at getting what one wants.

As for the question of how much time to spend on philanthropy, given my stage in life, I just do the things I love doing or fight the battles I'm forced to fight. To me, philanthropy is a category of things that I have a hard time distinguishing from other things that I'm compelled to do.

How do you define success?

Unlike most people, I don't define success as having obtained a lot of money, power, and fame. In fact, I believe that going after these things in the pursuit of trying to be successful can become an obsession that's unhealthy and can lead one to have a failed life. It's up to each person to define for themselves what the elements are that will make their lives successful, so I won't give the one and only definition of success. But for me, and what I believe for most people, success is evolving well and contributing to evolution, and in the process of doing this having meaningful work and meaningful relationships. ●



OceanX expeditions bring together incredible scientists and revolutionary marine tech to unlock the secrets hiding in our oceans