

Wealth or work?

How to make the world a better place



**Christopher
Wong Michaelson**



**Jennifer
Tosti-Kharas**

Meaning and purpose scholars and co-authors of the forthcoming book, *Is Work Worth It?*

When he was young, Sam was a math prodigy, studied moral philosophy, and cared about animals.¹ As a college student, he became a vegan and considered working someday for a nonprofit² that improved farmed animal welfare.³ He thought that he could make a positive difference in the world with the admirable intent to serve other living things.

Within 10 years of graduating from MIT, Sam Bankman-Fried had grown rich and famous. The notoriously disheveled⁴ head of cryptocurrency exchange FTX gave substantial portions of his wealth⁵ not only to care for animals but also to environmental, social, and political causes. However, he was arrested at his apartment complex in the Bahamas⁶ after United States prosecutors brought charges against him that included securities fraud and money laundering. He fell off the Bloomberg Billionaires Index⁷ after his wealth, which had

1 Effective Altruism Forum, 'Sam Bankman-Fried'. Available at: <https://forum.effectivealtruism.org/topics/sam-bankman-fried>

2 Levitz, E. 'Is Effective Altruism to Blame for Sam Bankman-Fried?' *New York Magazine*, 6 November 2022. Available at: <https://nymag.com/intelligencer/2022/11/effective-altruism-sam-bankman-fried-sbf-ftx-crypto.html>

3 Effective Altruism Forum, 'Sam Bankman-Fried'. Available at: <https://forum.effectivealtruism.org/topics/sam-bankman-fried>

4 Friedman, V. 'Hey Silicon Valley, Maybe It's Time to Dress Up, Not Down', *New York Times*, 13 December 2022. Available at: <https://www.nytimes.com/2022/12/13/style/sam-bankman-fried-style.html>

5 Effective Altruism Forum, 'Sam Bankman-Fried'. Available at: <https://forum.effectivealtruism.org/topics/sam-bankman-fried>

6 Yaffe-Bellany, D., Rashbaum, W. K. & Goldstein, M. 'FTX's Sam Bankman-Fried Is Arrested in the Bahamas', *New York Times*, 12 December 2022. Available at: <https://www.nytimes.com/2022/12/12/business/ftx-sam-bankman-fried-bahamas.html>

7 Feng, V. & Maloney, T. 'Bankman-Fried's Assets Plummet From \$16 Billion to Zero in Days', *Bloomberg*, 11 November 2022. Available at: <https://www.bloomberg.com/news/articles/2022-11-11/sam-bankman-fried-s-assets-go-from-16-billion-to-zero-after-ftx-collapse?>

The real victims may turn out to be the potential beneficiaries of the philanthropist's largesse

peaked around \$26 billion in early 2022, suddenly dropped later that year to effectively zero when FTX and associated ventures filed for bankruptcy.

As of this writing, legal actions were anticipated⁸ among FTX investors, who included many celebrities⁹ who had bought into not only the allure of cryptocurrency but also the 'SBF' persona and philosophy. Arguably, however, the real victims may turn out to be the potential beneficiaries of the philanthropist's largesse. To fulfill its legal obligations, FTX's bankruptcy filings included attempts to claw back commitments not only from business investments¹⁰ but also political donations¹¹ and charitable giving.¹² Just as philanthropy can enable recipient organizations performing worthy work to plan to do more of it better, taking that money back from them can be disastrous.

'Can I make a bigger difference with my wealth or my work?'

The sentiment that contributed to the rise and fall of SBF reminded Christopher of an exchange he had with one of his students 20 years ago, when he was a new professor of business ethics. The student wondered why his mother, a schoolteacher, objected to his career plan, which was to work at a hedge fund, get rich, and retire at 40, when he would while away his time golfing and give away most of his fortune. We have had some form of this conversation with many optimistic and good-intentioned students and business executives in the years since. The question is some variation on the theme of: 'Can I make a bigger difference with my wealth or my work?'. Sometimes the sentiment is expressed somewhat differently, in the form of an assertion: 'Business doesn't get enough credit for making the world a better place.'

In recent years, a more formal and arguably ambitious combination of these sentiments has emerged in the shape of a movement termed effective altruism. 'EA' is inspired by the work of utilitarian moral philosophers both historical – such as Jeremy Bentham, to whom the 'greatest happiness principle'

8 Godoy, J. "Wave" of Lawsuits Over FTX Expected, but Investors Will Face Legal Hurdles', *Reuters*, 17 November 2022. Available at: <https://www.reuters.com/legal/wave-lawsuits-over-ftx-expected-investors-will-face-legal-hurdles-2022-11-17/>

9 Goswami, R. 'FTX's venture backers included Patriots owner Robert Kraft and billionaire Paul Tudor Jones, new filings show', *CNBC*, 10 January 2023. Available at: <https://www.cnbc.com/2023/01/10/ftx-investors-included-robert-kraft-paul-tudor-jones-new-filings.html>

10 Kokalitcheva, K. 'FTX to claw back over \$400 million from hedge fund', *Axios*, 23 March 2023. Available at: <https://www.axios.com/2023/03/23/ftx-modulo-recovery>

11 Hughes, C. & Powers, B. 'Campaign Vendors Are the Next Clawback Targets in FTX Bankruptcy', *Bloomberg Law*, 23 March 2023. Available at: <https://news.bloomberglaw.com/us-law-week/campaign-vendors-are-the-next-clawback-targets-in-ftx-bankruptcy>

12 Mittendorf, B. 'What the FTX bankruptcy means for the charities that Sam Bankman-Fried supported', *Fast Company*, 19 November 2022. Available at: <https://www.fastcompany.com/90813909/what-the-ftx-bankruptcy-means-for-the-charities-that-sam-bankman-fried-supported>

has been attributed¹³ – and contemporary – such as Peter Singer, who has said that affluent people should give away a substantial share of their incomes, perhaps especially to support people in places where the marginal utility of each dollar is greater.¹⁴ EA professes to be ‘about doing good better,’¹⁵ maximizing one’s contribution to the world by putting one’s resources and abilities to their highest and most profitable use. According to legend, it was SBF’s encounter as a student with EA evangelist William MacAskill¹⁶ that led him to change his plans from animal welfare worker to cryptocurrency magnate.¹⁷ Maybe SBF should have stayed among the animals.

Financing or operating the motor of the world?

The wealthiest person in American history, John D. Rockefeller, is perhaps also its greatest philanthropist

Effective altruists are far from the first captains of industry to rationalize that the work that made them wealthy was also good for society. The wealthiest person in American history,¹⁸ John D. Rockefeller, is perhaps also its greatest philanthropist. Rockefeller, who built the Standard Oil Company, grew rich in an industry that has always involved some level of danger to people and exploitation of the environment, though of course far more climate and energy science is known today. During his business career, he was repeatedly cited for anti-competitive practices, but later in his professional life, he gave much of his wealth away to establish foundations and institutions of higher learning¹⁹ that have continued to give back to society many times over.

Other billionaires have followed in his footsteps. After making his fortune co-founding computer software company Microsoft, Bill Gates co-founded the Bill and Melinda Gates Foundation to work on public health and climate change, among other societal challenges. Warren Buffett, who with the Gates’ established The Giving Pledge,²⁰ has led by example, promising to give away 99 per cent²¹ of his wealth. While Virgin Group founder Richard Branson and Amazon founder

13 Crimmins, J. E. ‘Jeremy Bentham’, *Stanford Encyclopedia of Philosophy*, 2021. Available at: <https://plato.stanford.edu/entries/bentham/>

14 Singer, P. ‘Famine, Affluence, and Morality’, *Philosophy and Public Affairs*, 1972. Available at: <https://www.jstor.org/stable/2265052?origin=JSTOR-pdf>

15 See: <https://www.effectivealtruism.org/>

16 Bakekal, N. ‘Want to Do More Good? This Movement Might Have the Answer’, *Time*, 10 August 2022. Available at: <https://time.com/6204627/effective-altruism-longtermism-william-macaskill-interview/>

17 Kulish, N. ‘FTX’s Collapse Casts a Pall on a Philanthropy Movement’, *New York Times*, 13 November 2022. Available at: <https://www.nytimes.com/2022/11/13/business/ftx-effective-altruism.html>

18 Nicholas, T. & Fouka, V. ‘John D. Rockefeller: The Richest Man in the World’, *Harvard Business School Case 815-088*, December 2014 (Revised March 2018). Available at: <https://store.hbr.org/product/john-d-rockefeller-the-richest-man-in-the-world/815088?sku=815088-PDF-ENG>

19 ‘John D. Rockefeller’, *Encyclopedia Britannica*. Available at: <https://www.britannica.com/biography/John-D-Rockefeller>

20 See: <https://givingpledge.org/about>

21 See: <https://givingpledge.org/pledger?pledgerId=177>



The majority of us will never have billions to give away

Jeff Bezos were jostling like little boys to become the first billionaire to reach the firmament aboard his own spacecraft,²² Bezos' ex-wife, MacKenzie Scott, was working hard to give her money away to advance social justice.²³

Each of these successful billionaires has done a great deal of good by putting their wealth to work. Yet, it is conceivable that they have made an even more significant contribution directly through their work – from providing energy to investing intelligently to simplifying computing to delivering essentials in the pandemic. Ayn Rand, the novelist whose individualist philosophy has inspired many more industrialists to maximize their wealth, suggested that business executives earn their pay because their work is arduous and impactful. In *Atlas Shrugged*, her most well-known and polarizing book that is curiously popular among CEOs,²⁴ she implies that it is their work that makes a difference, when a strike among the wealthy threatens to 'stop the motor of the world.'

When it comes to repairing the world, it is worth considering whether wealth or work is more effective – especially among the majority of us who will never have billions to give away. Can we do more good by doing whatever work allows us to have enough money to give to people who work with animals, or by being a person who works with animals? By being a schoolteacher who educates children, or by being one of her children who grows up to become a hedge fund manager, industrial philanthropist, and scratch golfer? By financing the motor of the world, or by operating it? By donating to organizations with the goal of ending poverty, or by working with people living in poverty?

The risks of relying on wealth

The fundamental moral question about career choice that precedes the question of wealth versus work is whether we should work primarily to advance our self-interest or to serve others. According to philosopher Norman Care,²⁵ we would ideally do both together; however, when they are in tension, in a world full of challenges, we have a moral obligation, if we have the choice, to choose work that

22 Wattles, J. '2021: The Year of Space Tourism', *CNN Business*, 3 January 2022. Available at: <https://www.cnn.com/2022/01/01/tech/space-business-year-in-review-scn/index.html>

23 Connelly, A. 'MacKenzie Scott is shaking up philanthropy's traditions. Is that a good thing?' *NPR*, 10 January 2023. Available at: <https://www.npr.org/sections/goatsandsoda/2023/01/10/1147903370/mackenzie-scott-is-shaking-up-philanthropys-traditions-is-that-a-good-thing>

24 Girard, K. 'Why Do CEOs (Still) Love Ayn Rand?' *CBS News*, 25 February 2009. Available at: <https://www.cbsnews.com/news/why-do-ceos-still-love-ayn-rand/>

25 Care, N. 'Career choice', *Ethics*, 1984. Available at: <https://www.journals.uchicago.edu/doi/10.1086/292533>

serves others. Working solely for ourselves subscribes to a worldview that is narrowly focused on the one life we are each living, whereas working for others is aligned with a broader perspective in which our lives are interconnected with other lives, past, present, and future.

While SBF, JDR, and many other wealthy people may have more than a few moral shortcomings, it is important to acknowledge that those who wondered how they could maximize their social contribution had already committed themselves to serving others – even while they did quite well maximizing their wealth along the way. Moreover, if you believe the world has benefited from even one of their industrial enterprises, then you agree that it is at least possible to fulfill a commitment to serve others through the wealth we create and the work we do at the same time.

However, if our path to wealth is fraught with ethical questions or destructive practices – or if the problem we are best equipped to solve through our work does not pay well – then the question of wealth or work becomes much more complicated. Unfortunately, the reality is that the free market, as effective as it is at aligning supply with demand, is not perfect. It can be manipulated through fraudulent practices, it can be distorted to deliver supranormal profits when there is not fair competition, and it cannot adequately value many

If our path to wealth is fraught with ethical questions or destructive practices ... then the question of wealth or work becomes much more complicated





Do the ends justify the means if we maximize our earnings from monopolistic practices and extractive industries so long as we reinvest them in social and environmental welfare?

of the most important things in life that are priceless – such as happiness, human rights, and animal welfare. Among other things, the tension between wealth and worth raises questions of moral, temporal, and political priority: Do the ends justify the means if we maximize our earnings from monopolistic practices and extractive industries so long as we reinvest them in social and environmental welfare? Should we help the person dying from a disease in front of us today or many people who might suffer in the future if we have to prioritize between them? Who gets to decide?

The question of who gets to decide is probably not for us to decide on our own. That is, if we live in a political democracy that entrusts society together to prioritize which problems are most worth solving, but we work in a capitalist market that enriches a few people with a disproportionate share of the resources that can be voluntarily allocated to solve those problems, then our economic system works at cross-purposes with our political system. It becomes dependent not only upon the generosity of the wealthiest but also on their personal judgment to know better than the rest of us where to decide to send their money. Failing to invest some of it in addressing imperfections of the market system that enabled their extreme wealth arguably might perpetuate the very problems that their money is endeavoring to solve.

The case for good work

If we are inclined toward the direction of accumulating enough wealth to give most of it away, how much is enough?

What is in our power to decide, if we are fortunate enough to ask the question of whether to contribute our wealth or our work, is whether we individually should work for the sake of making money and serving society through our indirect philanthropic contributions or by doing work that matters in the form of direct service. That is a question worth asking, whether or not it has the same answer for all of us and even if it does not have a certain answer for any of us. Choosing a right answer that may be one of multiple ways to make the world a better place is certainly better than choosing a wrong answer that makes it worse.

There are also likely to be worthwhile questions that we encounter along the way to a decision – questions that are always unanswerable but to which we might have a hunch if we are honest with ourselves. If we are inclined toward the direction of accumulating enough wealth to give most of it away, how much is enough? How long will it take us to get there? Will we ever get there? What if we don't? These are not easy questions to wrestle with, because it is difficult to admit that we might fail. However, not becoming a billionaire is not

Financially successful people usually work hard, have talent, and vastly underestimate the role of fortune in making a fortune

a failure, when becoming a billionaire involves significant chance and good timing. To plan to become a billionaire is to suffer delusions of grandeur. As economist Robert Frank observes, financially successful people usually work hard, have talent, and vastly underestimate the role of fortune in making a fortune.²⁶ And we need not make billions to justify giving it away; arguably those who give despite earning humble incomes are making an even more impressive contribution.

Although Singer's utilitarian ideals suggest that wealth maximization is the surest way to do 'the most good you can do,'²⁷ we would contend that, in pragmatic reality, there is always something right about being the sort of person who works virtuously or out of a sense of moral duty to help another person who needs it. Even a utilitarian might concede that if everyone worked in direct service to others, we might all be better off than if we waited for the wealthy to get rich, give to the right causes, and stay financially solvent so they could keep their commitments.

If we are inclined toward the direction of serving society through good work, we will encounter more questions: What does society need? What do we care about? What are we good at? Will the market pay for it? It has become trendy to plan for purposeful work that is said to be found at the intersection of these four questions – which are often associated with the Japanese term 'ikigai,'²⁸ or 'reason for being' – but it would require another significant dose of good fortune to find work that hits the mark. Most work satisfies one or two of those questions but rarely all four at the same time. This is not to say that we should not try to find purposeful work, because part of what makes these questions worth asking is that the answers usually require us to choose and prioritize among them. It is to say, however, that we will be likelier to find it if we seek our purpose through our work than through our wealth.

26 Frank, R. H. 'Why Luck Matters More Than You Might Think', *The Atlantic*, May 2016. Available at: <https://www.theatlantic.com/magazine/archive/2016/05/why-luck-matters-more-than-you-might-think/476394/>

27 Singer, P. *The Most Good You Can Do*. New Haven, CT: Yale University Press, 2016.

28 Gaines, J. 'The Philosophy of Ikigai: 3 Examples About Finding Purpose', *Positive Psychology*, 17 November 2020. Available at: <https://positivepsychology.com/ikigai/>

About the authors

Christopher Wong Michaelson and Jennifer Tosti-Kharas are the authors of the forthcoming book, *Is Work Worth It?*, which explores what makes work worth doing – and the debates we have about what we do all day, how much, for whom, and why. The book is scheduled to be released in 2024 by PublicAffairs. Christopher is the Opus Distinguished Professor of Principled Leadership at the University of St. Thomas and also teaches at NYU. Jen is the Camilla Latino Spinelli Endowed Term Chair and Associate Professor of Management at Babson College. They are both former management consultants and continue to advise business professionals.

This article is part of a series of publications from the Meaning and Purpose Network (MaPNet) of employers and academics which was founded at King's Business School in 2020 with the aim of 'creating more ethical, inclusive and sustainable futures for organisations through partnership and knowledge sharing'.

The opinions presented in this report are those of the author and do not represent the official position of King's Business School.

**KING'S
BUSINESS
SCHOOL**



Find out more
[kcl.ac.uk/business](https://www.kcl.ac.uk/business)

Design by [williamjoseph.co.uk](https://www.williamjoseph.co.uk)
Approved by brand@kcl.ac.uk
April 2023

Photography

Page 4: Zlaťáky.cz on Unsplash
Page 5: gryffyn m on Unsplash
Page 6: Drew Hays on Unsplash