

Our 2017 Annual Letter

# Warren Buffett's Best Investment

**BY BILL & MELINDA GATES**

*February 14, 2017*

Why we wrote  
our annual letter to  
Warren Buffett  
this year.

February 14, 2017

Our 2017 annual letter is addressed to our dear friend Warren Buffett, who in 2006 donated the bulk of his fortune to our foundation to fight disease and reduce inequity. A few months ago, Warren asked us to reflect on our foundation's work: what has gone well, what we've learned, and what we hope for in the future.

What follows is our answer to him.

It's a story about the stunning gains the poorest people in the world have made over the last 25 years: cutting extreme poverty in half, reducing childhood deaths by half, and empowering millions of women. This incredible progress has been made possible not only by the generosity of Warren and other philanthropists, the charitable giving of individuals across the world, and the efforts of the poor on their own behalf—but also by the huge contributions made by donor nations, which account for the vast majority of global health and development funding.

Our letter is being released amid dramatic political transitions in these countries, including new leadership in the United States and the United Kingdom. We hope this story will remind everyone why foreign aid should remain a priority—because improving lives abroad is in our own national interest as well as the world's. By preventing the spread of disease, we save lives in other countries and at home. By stimulating economic development, we open new markets for our countries' goods. By making conflict less likely, we advance our own national security. And by lifting up the poorest, we express the highest values of our nations.

One of the greatest of those values—exemplified by Warren's gift to our foundation—is the belief that the best investment any of us can ever make is in the lives of others. As we explain to Warren in our letter, the returns are tremendous.

*Bill & Melinda*

The note we got  
from Warren that  
inspired us to write  
our letter this year.

WARREN E. BUFFETT

1440 KIEWIT PLAZA

OMAHA, NEBRASKA 68131

TELEPHONE (420) 346-1400

December 12, 2016

Dear Bill and Melinda-

Two years ago, I hit the 50-year mark as CEO of Berkshire and used the occasion to write a special report to the company's owners. I reflected on what had gone particularly well or poorly, what I'd learned, and what I hoped would get done in the future.

As you might guess, I ended up being the prime beneficiary of this effort. There's nothing like actually writing something out to clarify thinking.

It's now been ten years since what my children call "The Big Bang," the day in 2006 when I made pledges to the five foundations, including yours. Having hit that milestone, I thought you might enjoy writing a look backward and forward similar to what I did.

I'm not the only one who'd like to read it. There are many who want to know where you've come from, where you're heading and why. I also believe it's important that people better understand why success in philanthropy is measured differently from success in business or government. Your letter might explain how the two of you measure yourselves and how you would like the final scorecard to read.

Your foundation will always be in the spotlight. It's important, therefore, that it be well understood. And there is no better way to this understanding than personal and direct communication from the two whose names are on the door.

Best to you both,



# Bill & Melinda

OUR 2017 ANNUAL LETTER

February 14, 2017

Dear Warren,

Ten years ago, when we first got word of your gift to the foundation, we were speechless. It was the biggest single gift anyone ever gave anybody for anything.

We knew we owed you a fantastic return on your investment.

Of course, philanthropy isn't like business. We don't have sales and profits to show you. There's no share price to report. But there are numbers we watch closely to guide our work and measure our progress.

Our goals are shared by many other organizations working to save and improve lives. We're all in this together. So most of the numbers we look at don't focus just on how we as a foundation are doing, but on how *the world is doing*—and how we see our role.

Warren, your gift doubled the foundation's resources. It's allowed us to expand our work in US education, support smallholder farmers, and create financial services for the poor. But in this letter, we're going to tell you about our work in global health—because that was the starting point of our philanthropy, and it's the majority of what we do.

We'll tell the story through the numbers that drive our work. Let's start with the most important one:



## Bill

Warren, you've said "price is what you pay, value is what you get." There is no value greater than this.

**Bill:** If we could show you only one number that proves how life has changed for the poorest, it would be **122 million**—the number of children's lives saved since 1990.

**Melinda:** Every September, the UN announces the number of children under five who died the previous year. Every year, this number breaks my heart and gives me hope. It's tragic that so many children are dying, but every year more children live.

**Bill:** More children survived in 2015 than in 2014. More survived in 2014 than in 2013, and so on. If you add it all up, 122 million children under age five have been saved over the past 25 years. These are children who would have died if mortality rates had stayed where they were in 1990.

**Melinda:** Here's one of our favorite charts. It shows that the number of childhood deaths per year has been cut in half since 1990.



**Bill**  
I cut this out of the *Economist*. The drop in childhood deaths is accelerating: falling faster than expected.

© The Economist Newspaper Limited, London, September 27, 2014

**Melinda**  
This was before we got married, but what we saw has come to define our marriage and our partnership ever since.

**Bill:** Melinda and I first started following these childhood mortality numbers more than 20 years ago. As you know, we'd taken a trip to Africa to see the wildlife, and we were startled by the poverty. When we came back, we began reading about what we'd seen. It blew our minds that millions of children in Africa were dying from diarrhea, pneumonia, and malaria. Kids in rich countries don't die from these things. The children in Africa were dying because they were poor. To us, it was the most unjust thing in the world.

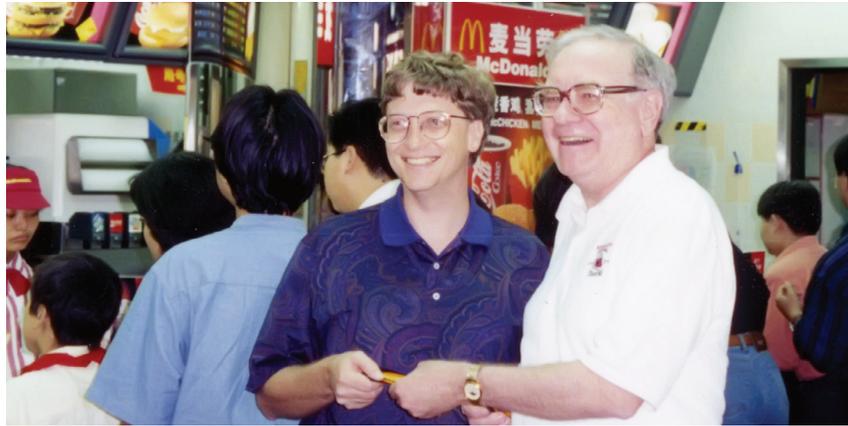
**Melinda:** Saving children's lives is the goal that launched our global work. It's an end in itself. But then we learned it has all these other benefits as well. If parents believe their children will survive—and they have the power to time and space their pregnancies—they choose to have fewer children.

**Bill:** When a mother can choose how many children to have, her children are healthier, they're better nourished, their mental capacities are higher—and parents have more time and money to spend on each child's health and schooling. That's how families and countries get out of poverty. This link between saving lives, a lower birthrate, and ending poverty was the most important early lesson Melinda and I learned about global health.

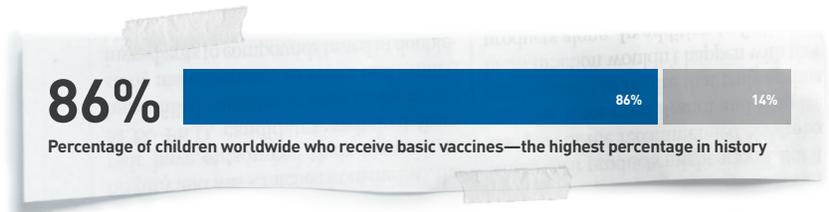
**Melinda:** This is why reducing childhood mortality is the heart of the work for us. Virtually all advances in society—nutrition, education, access to contraceptives, gender equity, economic growth—show up as gains in the childhood mortality chart, and every gain in this chart shows up in gains for society.

**Bill:** Back in 2001, after I gave a talk to a group of your friends about cutting childhood deaths, you told me that the foundation's values and your values aligned. Saving children's lives aligns with another one of your deepest values, Warren: using resources wisely and never wasting money when it can be avoided.

**Melinda**  
Who brings  
McDonald's  
coupons on  
vacation? You  
do, that's who!

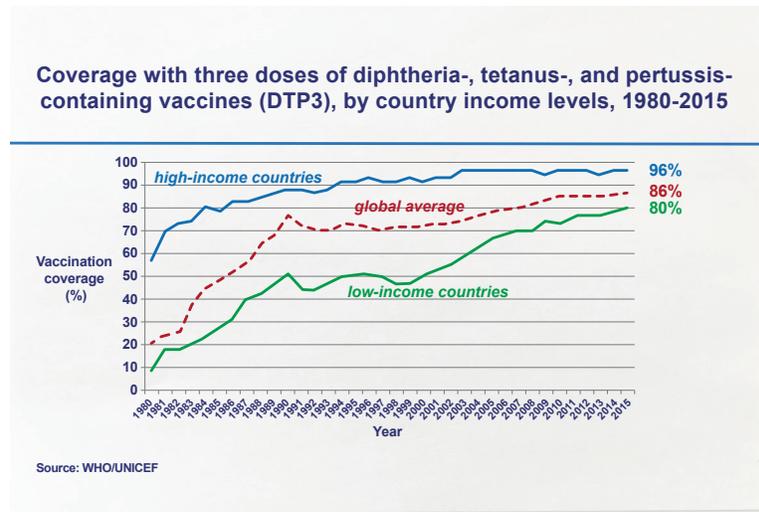


Remember the laugh we had when we traveled together to Hong Kong and decided to get dinner at McDonald's? You offered to pay, dug into your pocket, and pulled out...*coupons!* Melinda just found this photo of me and "the big spender." It reminded us how much you value a good deal. That's why we want to point you to this number, 122 million. Saving children's lives is the best deal in philanthropy.



**Melinda:** And if you want to know the best deal *within* the deal—it's vaccines. Coverage for the basic package of childhood vaccines is now the highest it's ever been, at **86 percent**. And the gap between the richest and the poorest countries is the *lowest* it's ever been. Vaccines are the biggest reason for the drop in childhood deaths.

**Bill**  
This inspiring  
graph is from the  
UNICEF website.  
This is one place  
your investment  
is making a  
difference.



**Bill**  
We believe this investment will be like buying Berkshire stock 30 years ago.

**Melinda:** They're an incredible investment. The pentavalent vaccine, which protects against five deadly infections in a single shot, now costs under a dollar.

**Bill:** And for every dollar spent on childhood immunizations, you get \$44 in economic benefits. That includes saving the money that families lose when a child is sick and a parent can't work.

**Melinda:** At the start, we just couldn't understand why vaccines weren't available to every child who needed them. We were naïve. There were no market incentives to serve people, and we had never seen that before.

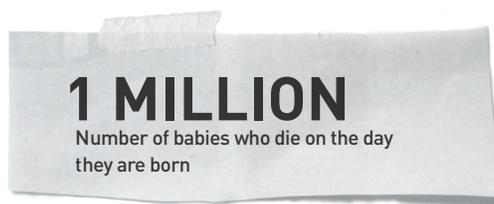
**Bill:** The market wasn't working for vaccines for poor kids because the families who needed them couldn't afford them. But this gave us an opening. If we could create a purchasing fund so pharmaceutical companies would have enough customers, they'd have the market incentives to develop and produce vaccines.

**Melinda:** That's the magic of philanthropy. It doesn't need a financial return, so it can do things business can't. But the *limit* of philanthropy is that the money runs out before the need is met. That's why business and government *have* to play a role if the change is going to last.

**Bill:** That led us to partner with business and government to set up Gavi, the Vaccine Alliance, with the goal of getting vaccines to every child in the world. Gavi connects companies who develop vaccines with wealthy governments that help with funding and developing countries that get the vaccines to their people. Since 2000, Gavi has helped immunize 580 million children around the world. The United States is a major donor to Gavi—with bipartisan support—along with the UK, Norway, Germany, France, and Canada. It's one of the great things the rich world does for the rest of the world.

**Melinda:** But there's more to do—19 million children, many of them living in conflict zones or remote areas, are still not fully immunized. Their governments have to work harder to reach these kids. It's crucial to the goal of cutting childhood deaths in half again—down below 3 million by 2030.

**Bill:** We can get there, but we have to learn more. The childhood mortality chart is a huge success story, but it masks some areas where we've not made as much progress. Here's the big one:

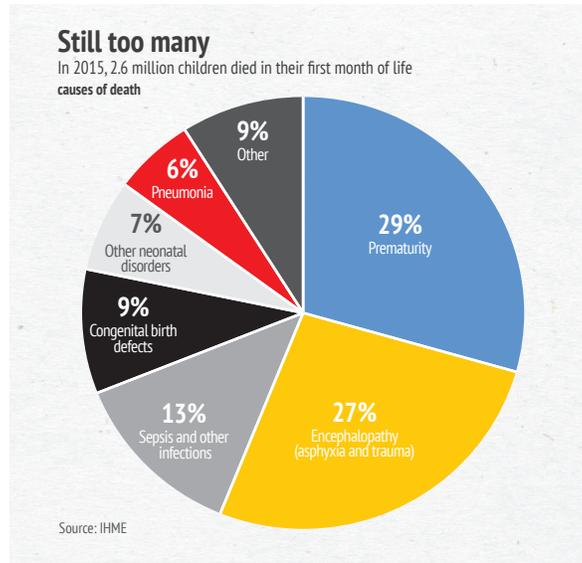


**1 MILLION**  
Number of babies who die on the day they are born

**Melinda**  
The first 24 hours are the most dangerous in a person's life.

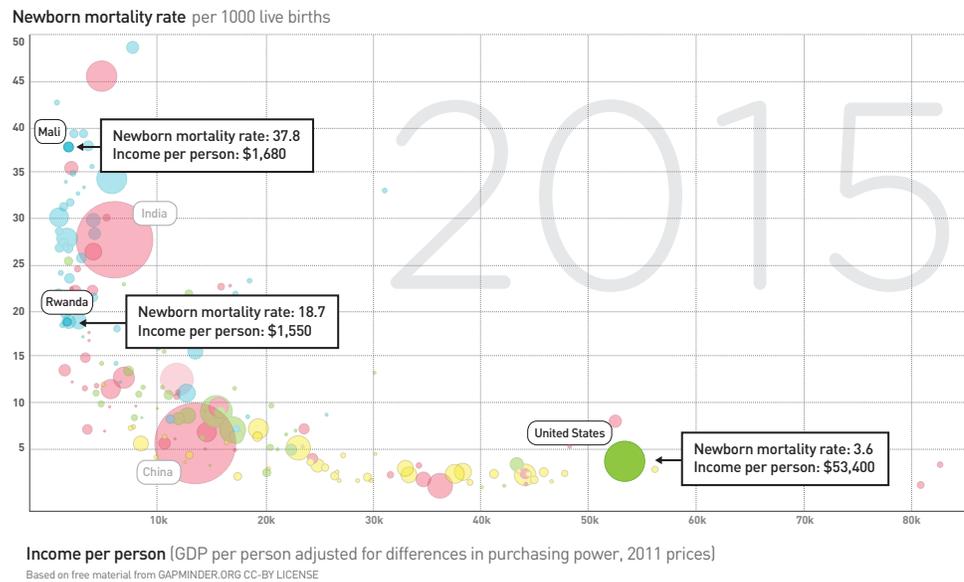
**Bill:** Last year, about **one million infants** died on the day they were born. A total of more than **2.5 million** died in their first month of life. As the total number of childhood deaths has dropped, the proportion that are newborn deaths has gone up. Newborn deaths now represent 45 percent of all childhood deaths, up from 40 percent in 1990.

If you look at the pie chart below, you can see at a glance that well over half the newborn deaths fall into one of three categories: sepsis and other infections; asphyxia, which means the newborn isn't getting enough oxygen; and prematurity, which means the baby was born early.



**Melinda:** For decades now, health experts have been struggling to treat or prevent these conditions, with disappointing results. When a huge challenge comes up and you have no answer, it's crucial to ask, "Is anyone doing this well?"

**Bill**  
Gapminder is one of the places we go to "see the facts" about global health and development.



**Bill:** Right, so here's a chart I found on Gapminder.com that applies to a lot of work we do in global health. It describes health as a function of wealth. It's pretty uniform around the world that health gets better as wealth rises. But newborn death rates have this huge variance, and not just according to income. There are some positive outliers: poor countries that are doing a better job than wealthier countries and a far better job than some of their peers.

**Melinda:** It's super-exciting to find countries that have figured things out. From 2008 through 2015, Rwanda, one of the poorest countries in Africa, cut its newborn mortality rate by 30 percent, down to 19 deaths per 1,000 births. By comparison, Mali—with a comparable GDP—has a newborn mortality rate of 38 deaths per 1,000, *twice* as high as Rwanda.

What were they doing in Rwanda? A few things so cheap that any government can support them: breastfeeding in the first hour and exclusively for the first six months. Cutting the umbilical cord in a hygienic way. And kangaroo care: skin-to-skin contact between mother and baby to raise the baby's body temperature. These practices led to big drops in newborn deaths.

**Bill:** But it's not just the practices. We're funding a study now in India that started with a checklist of practices. That got some improvement, but the real gains came when trained health care workers with the right tools attended the births. Rwanda *doubled* the percentage of childbirths attended by a skilled worker.

**Melinda:** I've seen how this saves lives. I was in a hospital in Malawi when a nurse rushed in carrying a newborn girl with asphyxia. She was purple, and I watched the staff resuscitate her with a simple five-dollar bag-and-mask device. Then they laid her on a warmer next to a boy who also had asphyxia. The doctor told me the baby girl would live, but the baby boy had been born on the side of the road, and he was dying. I could see him gasping for air. The memory still breaks my heart.

**Bill:** Birth attendants can save millions of babies. But there are cases of asphyxia that even skilled workers can't treat, because we don't know enough about what causes it.

**Melinda:** Six or seven years ago, Bill upset some health officials by saying "Why can't we do autopsies on these babies and find out why they're dying?"

**Bill:** They said, "Oh, my gosh, you could never do that!" Here was this black hole of health understanding, and they acted as if it would be impolite to find out more. Fortunately, one researcher figured out how to do a minimally invasive autopsy, and when parents were asked if they would allow that procedure for their babies, a huge majority said yes.

**Melinda:** People in grief will fight for a cure.



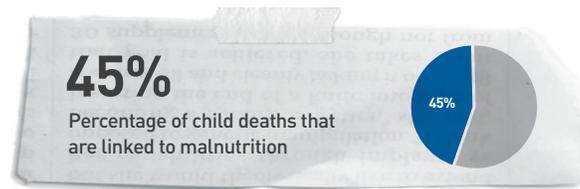
**Bill:** On July 12, 2016, the baby boy in this photograph was born to a family outside Johannesburg in South Africa. Three days later, he died. His parents graciously gave me permission to be present at his autopsy.

**Melinda**  
Bill can cut to the core of an issue in ways that make people wince.

**Bill**  
His parents made a decision to turn their heartbreak into hope for others.

**Melinda:** This site Bill visited is part of the Child Health and Mortality Prevention Surveillance Network (CHAMPS), which gathers data about why children get sick and die. After the doctors there take the tissue samples, they analyze them for things that might have caused the death. They can then send samples to the Centers for Disease Control in Atlanta, where pathologists can use special stains and nucleic acid testing to identify virtually any germ in the world that could kill a baby. Twenty years ago, this technology wasn't available even to the richest families. Now it could help save babies from the *poorest* families.

**Bill:** This research is crucial to saving more newborns. It's not enough to know that a newborn died from asphyxia or sepsis or prematurity; we need to find out what causes these conditions, so we can find the tools to prevent them. This is the most exciting, high-stakes work we fund, Warren: solving mysteries to save lives.



**Melinda**  
Malnourishment isn't just about being hungry.

**Bill**  
A severely malnourished child is nine times more likely to die from pneumonia.

**Melinda:** Here's another challenging number that's linked to the childhood mortality chart. Malnutrition is partly responsible for **forty-five percent** of childhood deaths.

Malnutrition is not starvation. Malnourished children can be getting enough calories, but not the right nutrients. That makes them more susceptible to conditions like pneumonia or diarrhea—and more likely to die from them.

But better nutrition is not just about preventing deaths.

**Bill:** When I first started traveling to Africa, I would meet kids in the villages I was visiting and try to guess their ages. I was amazed how often I was wrong. Kids I thought were 7 or 8 told me they were 12 or 13. This photo shows a group of 9-year-old boys and girls in Tanzania who stand below the median height for their age. They are stunted, which means they are shorter than their healthy height because they're missing key nutrients in their diets—or they missed nutrients in the womb because their mother was malnourished.



Malnutrition destroys the most human potential on the planet. Kids who are stunted are not just below their global peers in height; they're behind their peers in cognitive development, and that will limit these children their whole lives. Nutrition is the biggest missed opportunity in global health. It could unleash *waves* of human potential—yet only 1 percent of foreign aid goes to basic nutrition.

**Melinda:** There is a lot we can do. Breastfeeding in the first hour and exclusively for six months is the first and simplest intervention. It has long-term benefits for nutrition. Experts are also figuring out how to breed crops with higher nutrient levels and how to get key nutrients in the food supply, in either salt or cooking oil.

**Bill:** These are promising approaches, but nutrition is still one of the biggest mysteries in global health. Nutrition gets better as a country gets richer, but unlike with newborn survival, there are no significant positive outliers—no poor countries with almost all of their children well nourished. That's why we're funding more research in this area and urging governments to do the same. Big discoveries in nutrition are ahead of us. When the researchers find them, the rise in children who achieve their potential will change the world.



**Melinda**  
Warren, when I took a public role in promoting family planning, you sent me a note telling me “it was gutsy, and it was right.” I’ve kept that note.

**Melinda:** This is another number we follow closely. For the first time in history, more than 300 million women in developing countries are using modern methods of contraception. It took decades to reach 200 million women. It has taken only another 13 years to reach 300 million—and the impact in saving lives is fantastic.

**Bill:** When women in developing countries space their births by at least three years, their babies are almost twice as likely to reach their first birthday. Over time, the ability of women to use contraceptives and space their pregnancies will become one of the largest contributors in cutting childhood deaths.

Warren, you’ve compared your philosophy of investing to Ted Williams’s science of hitting. Williams waits for the right pitch, and you wait for the right deal. This is the right deal, Warren. Like vaccines, contraceptives are one of the greatest lifesaving innovations in history.

**Melinda:** Contraceptives are also one of the greatest antipoverty innovations in history. When women are able to time and space their pregnancies, they are more likely to advance their education and earn an income—and they’re more likely to have healthy children.

**Bill:** They are also more likely to have a number of children they can support. This leads to fewer dependents that need government services, a growing workforce that includes more women, and more resources for sending children to school.

**Bill**  
When Melinda goes out into the field she talks to everyone and brings back insights you just can't see in a chart.

**Melinda:** When a country sends a generation of healthy, well-educated young people into the workforce, it's on its way out of poverty. But this doesn't happen by accident. No country in the last 50 years has emerged from poverty without expanding access to contraceptives.

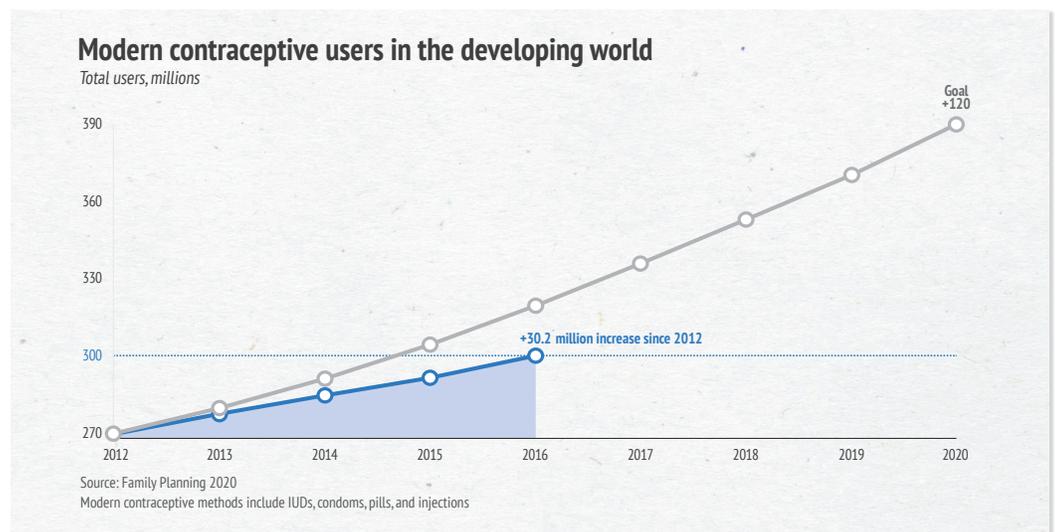
**Bill:** When we started the foundation, I underestimated the power of contraceptives to lift families out of poverty. I began to see it because Melinda is a great storyteller—and that includes *getting* the story. When I was still full-time at Microsoft, she'd go out in the field and come back and tell me what she saw. One time when the data said family planning clinics were "stocked," Melinda learned they had only condoms, which most women will not ask their partners to use.

**Melinda:** Most of the women I talk to in the field bring up contraceptives. I remember visiting the home of a mother in Niger named Sadi, whose six children were competing for her attention as we talked. She told me, "It wouldn't be fair for me to have another child. I can't afford to feed the ones I have."

In a Kenyan slum, I met a young mother named Mary who had a business selling backpacks from scraps of blue-jean fabric. She invited me into her home, where she was sewing and watching her two small children. She used contraceptives because, she said, "Life is tough." I asked if her husband supported her decision. She said, "He knows life is tough, too."

**Bill:** Right now, there are still more than 225 million women in the developing world who don't want to get pregnant but don't have access to contraceptives. A recent youth survey in the Indian state of Uttar Pradesh showed that 64 percent of married teenage girls wanted to postpone their first pregnancy, but only 9 percent practiced a modern method of contraception.

**Melinda:** Family Planning 2020, a global partnership that we're a part of, has set a goal of providing 120 million more women access to contraceptives by 2020. We're focusing on South Asia, where contraceptives are used by only a third of the women, and on Africa—where they're used by fewer than one in five.



**Bill:** The past four years have shown the greatest increase in history, but this chart shows we're halfway to the deadline and only a quarter of the way to the goal. We need to speed up.

**Melinda:** The challenge is to provide women access to the widest range of contraceptives so they can find a method that fits their lives.



The latest is an injectable that lasts for three months and combines the drug and needle in a tiny device you can hold in your palm. It's so easy to use that the design *itself* expands access to contraceptives. I was talking to a woman about taking her kids in for shots, and she said, "What about *my* shot? Why do I have to walk 20 kilometers in this heat to get my shot?" Now she doesn't. Instead of getting the shot from a nurse in a distant clinic, she can get it from a health care worker who comes to her village. Eventually, she can give herself the shot at home.

**Bill:** These changes are rolling out now, and that's encouraging. But we still face one of the biggest and oldest challenges: making sure people understand the lifesaving, poverty-ending power of contraceptives.

**Melinda:** Public advocates are important, which is why I've taken on that role. But nothing can take the place of a trusted voice in the community. In Senegal a few years ago, I was visiting with a number of imams who were talking about how contraceptives are consistent with Islam. One young imam, whose babies had been very tightly spaced, told us, "My wife died in childbirth because I didn't let her use contraceptives, and now I'm raising our children alone." Then he began to weep. Today he's saving lives by telling his story.

**Bill:** The support of men is crucial, especially the support of the husband. But there is another thing that's crucial—and that's the support of other women.

**Bill**  
Bono said this to me once, and I never forgot it. He has a way with words.

**Melinda**  
Women's rights and society's wealth rise together. The top countries for gender equality are Denmark, Sweden, and Norway. The top for male dominance are Niger, Somalia, and Mali.



**Bill:** Poverty is sexist. The poorer the society, the less power women have. Men decide if a woman is allowed to go outside, talk to other women, earn income. Men decide if it's acceptable to strike a woman. The male dominance in the poorest societies is mind-blowing.

**Melinda:** It's also crippling. Limiting women's power keeps everyone poor. Fortunately, as a society becomes better off, a woman's position in that society improves. But what good is that for a young woman in a poor country who doesn't want to wait? How can she get more power *now*?

**Melinda**  
Where do women  
get the power to  
speak out? From  
other women.

**Bill:** Melinda and I have seen over and over again that social change comes when people start talking to each other—and that’s the magic of women’s groups. If you go out in the village, you’re rarely going to find a men’s group where they all share information. You’ll find a big man of the village, and the key aides to the big man, and people who work for the key aides. That hierarchy stifles conversation. It keeps people from talking about what matters. Women’s groups don’t get as caught up in that, so they’re better at spreading information and driving change.

**Melinda:** Right now approximately 75 million women are involved in self-help groups in India alone. We want to drive that number higher. The groups might form to help women get loans or share health practices, but after things get started, the women take it in the direction they want to go. *That* is empowerment!

**Bill:** The most touching thing we’ve ever done was to help create community groups in India where sex workers had a place to go and talk about HIV prevention. We did it so they could help each other insist on condom use from their clients. But our vision was way too narrow. What the groups did from a human point of view for those women was phenomenal, independent of HIV prevention.

**Melinda:** One of the first things the groups did was ease stigma. These women were excluded by everyone except each other—and softening the stigma started the healing. That’s why when Bill told me a few years ago that he had scheduled a meeting with a group of prostitutes, I was proud of him. I had done the same. I never imagined, as a Catholic school girl growing up in conservative Dallas, Texas, that I would ever have a meeting with sex workers and come away admiring them. But I did.



**Bill:** Warren, if Melinda and I could take you anywhere in the world so you could see your investment at work, we probably would take you to meet sex workers. I met with a group in Bangalore, and when they talked about their lives, they had me in tears. One woman told us she turned to sex work after her husband left her—it was the only way to feed her children. When people in the community found out, they forced her daughter out of school, which made the girl turn against her mother and threaten to commit suicide.

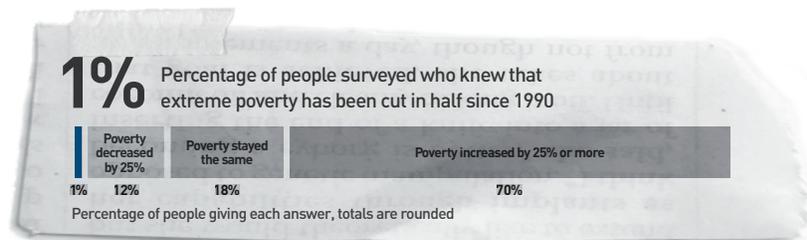
That mother faced the scorn of society, the resentment of her daughter, the risks of sex work, and the humiliation of going to the hospital for an HIV test and finding that no one would look at her, touch her, or talk to her. Yet there she was, telling me her story with dignity. The women who emerged as leaders in that community were just tough as hell, and all the women benefited from that.

**Melinda:** These communities expand their mission to meet the needs of their members. They do everything for each other. They set up speed-dial networks to respond to violent attacks. They set up systems to encourage savings. They use financial services that help some of them start new businesses and get out of sex work.

**Bill:** There are huge benefits that come from these women getting together and supporting each other. And the original purpose—preventing HIV—was a phenomenal success. It’s well documented that the decision of India’s sex workers to insist on condom use from their clients kept HIV from breaking into the general population. The empowerment of these women benefited everyone.

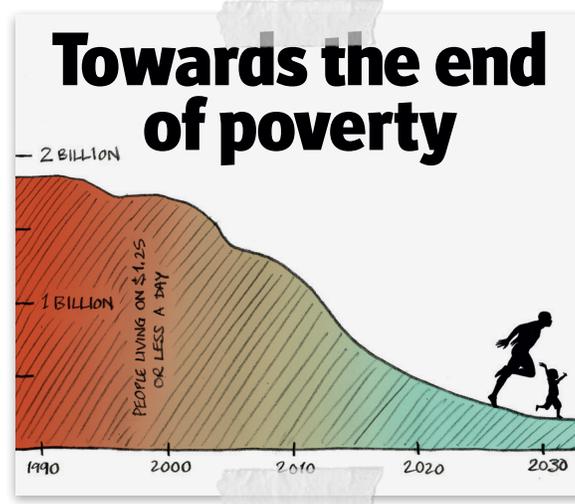
**Melinda:** That’s why a big part of our work in global health is including the excluded—going to the margins of society and trying to bring everybody back in. For us, “All lives have equal value” is not just a principle; it’s a strategy. You can create all kinds of new tools, but if you’re not moving toward equality, you’re not really changing the world. You’re just rearranging it.

**Bill:** When women have the same opportunities as men, families and societies thrive. Obviously, gender equity unleashes women’s potential, but it also unleashes *men’s* potential. It frees them to work as partners with women, so they can get the benefits of a woman’s intelligence, toughness, and creativity instead of wasting their energy trying to suppress those gifts.



**Bill:** Extreme poverty has been cut in half over the last 25 years. That’s a big accomplishment that ought to make everyone more optimistic. But almost no one knows about it. In a recent survey, just **1 percent** knew we had cut extreme poverty in half, and 99 percent underestimated the progress. That survey wasn’t just testing knowledge; it was testing optimism—and the world didn’t score so well.

**Bill**  
This was on the cover of the *Economist*. It shows that there could be almost no people living in extreme poverty by 2030.



© The Economist Newspaper Limited, London, June 1, 2013

**Melinda**  
Progress never  
comes without  
setbacks.

**Melinda:** Optimism is a huge asset. We can always use more of it. But optimism isn't a belief that things will automatically get better; it's a conviction that we can *make* things better. We see this in you, Warren. Your success didn't create your optimism; your optimism led to your success.

It's especially valuable to stay optimistic when you face disappointments, and we've had more than a few. We're deeply disappointed we don't have an HIV vaccine yet, or an effective microbicide: a cream women can use to block HIV infection. We were also hoping by now to have a stronger malaria vaccine.

**Bill:** And we haven't had advances in tuberculosis for a long time. We think we're close to a fantastic new diagnostic, but we don't have it yet. Researchers are making progress on a TB vaccine, but I wish we had one now.

And the best causes *always* need more funding. That's why the 2008 financial crisis was such a huge setback for global health. We'd be getting much more aid from donor countries now if it had never happened.

**Melinda:** But if you're optimistic, disappointments are just disappointments. You don't twist them into evidence that the world is getting worse.

**Bill:** One of my favorite books is Steven Pinker's *The Better Angels of Our Nature*. It shows how violence has dropped dramatically over time. That's startling news to people, because they tend to think things are not improving as much as they are. Actually, in significant ways, the world is a better place to live than it's ever been. Global poverty is going down, childhood deaths are dropping, literacy is rising, the status of women and minorities around the world is improving.

**Melinda:** A lot of people feel the world is getting more fragmented, and we all can point to examples of that. But if you look along a timeline, the periods of fragmentation often come when society is digesting its new diversity. The larger historical trends are toward greater inclusion and caring. We definitely see it in global health. Governments are prioritizing it. Citizens are supporting it. And scientists are migrating to it.

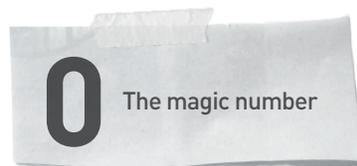
**Bill:** Warren, this commitment to global health is driven by empathy—the same impulse that made you decide to give your wealth back to society.

**Melinda:** We're trying to channel your empathy, add your optimism, mix in technology, apply strategy, and work with partners to save more lives. That's how we're spending your gift.

**Bill:** It won't surprise you to know that we're more optimistic than ever.

**Melinda:** And more impatient too.

**Bill:** Especially for this:



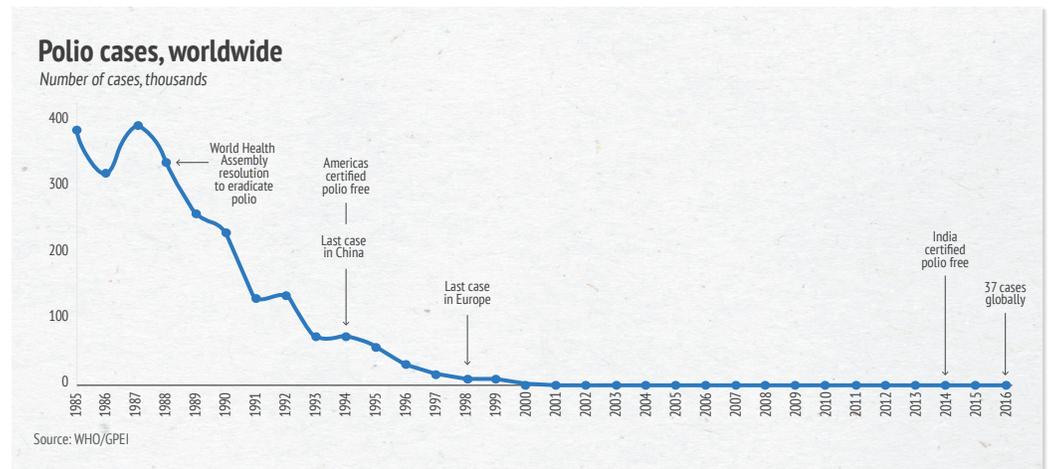
**Bill:** We want to end our letter with the most magical number we know. **It's zero.** This is the number we're striving toward every day at the foundation. Zero malaria. Zero TB. Zero HIV. Zero malnutrition. Zero preventable deaths. Zero difference between the health of a poor kid and every other kid.

**Bill**  
I spent more time  
last year on polio  
than anything else.

**Melinda:** Moving toward zero is perhaps the biggest difference between our philanthropy and a business. In the private sector, the goal is to stay in business. In our case, nothing would make us happier than going out of business because we've achieved our goals.

**Bill:** Polio is closest to reaching this magic number. You and I have talked about polio a lot. When you were growing up, you saw things kids never see today: children with polio on crutches and photos of kids in iron lungs. By the late 1970s, with the help of vaccines, the United States eliminated polio, but it still raged around the world. In 1988, when the global campaign was launched to end polio, there were 350,000 new cases each year.

Last year, there were 37.



**Melinda:** Those 37 cases were confined to northern Nigeria and parts of Afghanistan and Pakistan. Honestly, Warren, we thought polio would be over by now. But immunizing children in conflict areas is hard—and dangerous. We're awed by the teams of vaccinators who take risks to reach each child. And we're inspired by the infinite persistence of Rotary International. They were leading this fight long before we joined it, and they've just kept moving forward. They know that going from 350,000 cases to 37 is amazing, but success is zero.

**Bill:** It's thrilling to be nearing the day when no children will be crippled by polio. But we're often asked why we're making such a big effort on polio if our priority is to save lives. The answer is, ending polio *will* save lives—through the magic of zero. When polio is eradicated, the world can dedicate polio funds to improving child health, and the lessons from polio will lead to better immunization systems for other diseases.

**Melinda:** And the world will benefit from the electrifying effect of ending a disease. The surge of optimism will draw energy and brains and dollars into global health, and that will intensify the fight against measles, malaria, TB, and AIDS.

**Bill:** Warren, when you announced your gift to our foundation, you told us to make big bets. The whole world is making a big bet here. A lot of gains in global health don't get noticed. Polio is different. Everyone is watching. If things stay stable enough in the conflict areas, humanity could see its last case of polio sometime this year.

**Melinda**

Warren, you've said you wouldn't mind going to jail if your three cellmates played bridge!



**Melinda:** Warren, you're one of the most competitive people we know. (Why else would you eat the score sheet showing you lost to your sister at bridge?) But outside business...and bridge...and golf... you are the most *generous* person we know, donating your life's earnings to others and counting on us to make good decisions.

That responsibility weighs on us. To make sure your investment keeps paying higher returns, the world has to save more lives in the future than we've saved in the past.

That's why we have not used your money just to send a grant here and a grant there. We've been using it to build an ecosystem of partners that shares its genius to improve lives and end disease.

**Bill:** This ecosystem includes our foundation, but goes far beyond it. It includes a global database on disease that helps countries spend their money where it matters most. It directs scientific capacity toward research that will make an impact in the lives of the poor. It recruits scientists to global health and gets experts in other fields to apply their findings to infectious disease.

Building this ecosystem is one of the most important things we've done—because we're going to need every bit of this capacity to solve the next challenges. As hard as polio is, malaria is harder. As hard as reproductive health is, nutrition is harder than that. As hard as it is to save children under five, saving newborns is the hardest test of all.

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Still, we're optimistic. This expanding capacity gives us a chance to solve mysteries and save lives—and that lets us end our letter with a bright look ahead:

Polio will soon be history. In our lifetimes, malaria will end. No one will die from AIDS. Few people will get TB. Children everywhere will be well nourished. And the death of a child in the developing world will be just as rare as the death of a child in the rich world.

We can't put a date on these events, and we don't know the sequence, but we're confident of one thing: The future will surprise the pessimists.

Thank you for putting your trust in us, Warren. We won't let you down.

*Bill & Melinda*

P.S. People ask us all the time how they can help in the fight against child mortality—and we are always proud to recommend making a donation to UNICEF, an organization that is successful at serving families and children worldwide. We hope your gift will help inspire others to get involved as well.