

Want to Change the World? Sponsor a Child

A top economist shares the astounding news about that little picture hanging on our refrigerator.

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What can an ordinary person like me do to help the poor?" When people find out at parties and social gatherings that I am a development economist (and yes, we economists do attend such events), often they ask me this question. For a long time my response was the same: "Perhaps sponsor a child?"

I suppose I gave this answer because I myself sponsored a child, and if I was supposed to know something about helping the poor, I should encourage people to do what I was doing. After all, child sponsorship makes sense: By focusing on youth instead of adults, it aims to nip poverty in the bud, providing children in the developing world access to education, health services, and, in some programs, spiritual guidance. But over time my autopilot response started to annoy me. The truth was that I hadn't the slightest clue about the effect child-sponsorship programs had on children. Dissatisfaction with my pat answer began to inform conversations with my graduate students. "Have you considered researching the impact of child sponsorship?" I would ask. One student was interested, and she followed the topic long enough to find out that no one had ever investigated the topic, despite 9 million children sponsored worldwide, and the more than \$5 billion per year being channeled into sponsorship programs from ordinary people wanting to help. But we were having trouble finding a sponsorship organization willing to work with us. What if the research discovered that sponsorship didn't work? This was the risk that some organization out there had to take.

A couple years later, another graduate student, Joanna Chu, became interested in the topic, in part because she was sponsoring a child with Compassion International. Chu put out some feelers with Compassion's research director, Joel Vanderhart, who decided to risk what no other child-sponsorship organization was willing to risk at that point: to allow its program to be scrutinized. We were able to carry out the study with one major condition: Compassion would remain anonymous. They would be referred to as "a leading child-sponsorship organization" in any academic publication.

In the course of talking with Vanderhart, we stumbled upon a vein of gold for any development economist: He casually mentioned that Compassion had used an arbitrary age-eligibility rule when they underwent a major worldwide expansion during the 1980s. When one of Compassion's programs entered a new village, typically only children who were 12 and younger were eligible for sponsorship. With that, our strategy for identifying the causal impacts of the program became clear. We would obtain early enrollment lists from different village projects introduced during the 1980s, and track down the families of those who were first sponsored in these projects. Then we would obtain information on the life outcomes of these formerly sponsored children—now adults—and compare them to their adult siblings who had been slightly too old to be sponsored when the program arrived in their village. In this way we would be able to control for genetics, family environment, and a host of other factors that the siblings held in common. The only difference that could affect adult life outcomes across the sample would be the fact that Providence had allowed some of these siblings and not others to be age-eligible for child sponsorship.

The Results

Chu found a partner for her research project: Laine Rutledge, now a doctoral student in economics at the University of Washington. The two graduate students spent the summer of 2008 in Uganda, where they

obtained data on 809 individuals, including 188 who were sponsored as children. The students had a number of adventures in the field, including a run-in with a wild dog that took a bite out of Rutledge's leg. A couple of months after they returned, Chu and Rutledge stopped by to share the results. A nervous excitement quickly filled my small office.

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We loaded the data onto my computer from Rutledge's flash drive, and I rattled off some code to replicate their estimations. I was looking at the results of Compassion's impact on educational outcomes in Uganda—I stared at the statistics on my screen to make sure I was seeing correctly. “This is ... amazing,” was all I could mumble. We tried slicing the data different ways, but each showed significant educational improvements. You could beat this data senseless, and it was incapable of showing anything other than extremely large and statistically significant impacts on educational outcomes for sponsored children.

A few months later, I presented the Uganda findings in the weekly development economics seminar at UC–Berkeley. The Berkeley seminar was familiar turf, but not a place to suffer fools gladly. We received a number of constructive comments, but the consensus was that the underlying methodology was sound. What was obvious was that the study needed external validity. Uganda was one country. Compassion was one organization. We would try to expand the study to multiple organizations and countries.

Vanderhart flew out to San Francisco to talk about expanding the study. This was our first in-person meeting. Vanderhart is a big, conservative man with a lumberjack beard who instantly reminded me of Merlin Olsen from *Little House on the Prairie* reruns I watch with my kids. I wondered how he felt about trusting a bunch of San Francisco academics with the public credibility of his organization. We strategized about expanding the study to include other major child-sponsorship organizations. But those organizations weren't interested. So with Compassion remaining as the only organization amenable to the project, we drew up a plan to carry out the study in six countries: Uganda, Guatemala, the Philippines, India, Kenya, and Bolivia—two countries on each of the three continents that make up the developing world. They represented Compassion's work worldwide.

But to expand the project, we needed grant money. Based on the preliminary results in Uganda, we were able to obtain usaid funding through basis, a development economics research network based at the University of California at Davis. Rutledge coordinated the fieldwork in the remaining five countries. By August 2010, we had obtained data on 10,144 individuals over an array of variables: primary, secondary, and tertiary education; type and quality of adult employment; community leadership; church leadership; assets owned as adults; and a number of other variables that would measure that slippery word that economists love, *development*.

We presented the results at a number of universities and research institutions: Stanford, the World Bank, UC–Davis, Georgia Tech, the University of Southern California, the University of Washington, and Cornell, among others. I had asked Paul Glewwe, an expert on the economics of schooling and children's issues in developing countries, to join the project. I had met Glewwe, a professor at the University of Minnesota and former economist at the World Bank, through the Association of Christian Economists. I knew he would bring additional expertise in program analysis and econometrics (a branch of statistics for testing economic hypotheses) to the larger research project. The results in our other five countries confirm the positive impact of Compassion's child-sponsorship program in Uganda. In all six countries, we find that sponsorship results in better educational outcomes for children. Overall, sponsorship makes children 27 to 40 percent more likely to complete secondary school, and 50 to 80 percent more likely to complete a university education. Child sponsorship also appears to be the great equalizer in education: In areas where outcomes are worse, such as sub-Saharan Africa, impacts are bigger. In countries where existing outcomes aren't as bad, like in India and the Philippines, impacts are significant but smaller. In countries where existing outcomes are higher among boys, the impact on girls is larger; in countries where the existing educational outcomes are higher for girls, the impact on boys is larger. We even find some evidence for spillover effects on the unsponsored younger siblings of sponsored children.

To put it simply, these educational impacts of sponsorship are large—roughly equal to the substantial effects of the Rosenwald Schools program that from 1913–31 educated blacks in the Jim Crow South. They are roughly double those of *Oportunidades*, the celebrated conditional-cash-transfer program that gives cash to mothers in Mexico for keeping their children in school. It's so successful, it has been replicated in

dozens of developing countries around the world with financial incentives from the World Bank.

Compassion's results extend beyond school attendance. We found that child sponsorship means that when the child grows up, he is 14–18 percent more likely to obtain a salaried job, and 35 percent more likely to obtain a white-collar job. Many of the Compassion-sponsored children become teachers as adults instead of remaining jobless or working in menial agricultural labor. We found some evidence that they are more likely to grow up to be both community leaders and church leaders. The academic paper containing the full methodology and results of our study appears in the current issue of the *Journal of Political Economy*. Edited by the department of economics at the University of Chicago, the *JPE* is comparable to, say, *The New England Journal of Medicine* for medical researchers, accepting only a small fraction of submitted papers whose results are often pertinent to the general population.

Compassion inquired politely: Do you think we could remove the anonymity clause?

The Hope Hypothesis

Compassion asked me to visit Colorado Springs to present the results of our research. I had an appointment with Wess Stafford, then president of Compassion, a man I had always respected from a distance but now had a chance to meet. His secretary ushered me into his office, where a large wooden skipper's wheel was mounted on the rear wall. It was a big ship to pilot: Compassion sponsors 1.3 million children in 26 countries.

Stafford greeted me with a warm handshake and ushered me into a comfortable chair in front of his desk.

"Your program works," I said.

"I know," he smiled.

"But I am analyzing this data as a dispassionate scientist, not as an advocate of Compassion like yourself," I replied. "We're not just finding positive correlations, but substantial *causal* effects from the program—in every country—especially Africa. I'm wondering what is happening here. You're a former academic. I think there is something deeper going on in the program that would interest the greater development community. I need some leads."

"Try hope," he said.

I raised my eyebrows. "Hope?"

Hope is a fuzzy concept for economists. I squinted my eyes. He explained:

For my dissertation, I asked a bunch of kids what they wanted to be when they grew up. Some were Compassion kids, some were unsponsored. There was a little bit of a difference between the two groups. But then I asked them later what they realistically expected to be when they grew up. Here, there was a big difference between the sponsored kids and the other kids. You see, poverty causes children to have very low self-esteem, low aspirations. The big difference that sponsorship makes is that it expands children's views about their own possibilities. Many of these children don't think they are capable of much. We help them realize that they are each given special gifts from God to benefit their communities, and we try to help them develop aspirations for their future.

Portraits of Change

Stafford's story brought to mind another one I had heard in the field from Compassion workers in Kenya. A pilot from Kenya Airways had visited a number of Compassion projects to talk about his job. The children were fascinated to meet someone who flew the planes they saw zooming across the sky. They had never met such an amazing and interesting person, and after his visit, most of them wanted to be pilots.

Whatever it was, something that Compassion was doing was working, and we wanted to explore the mysterious black box of poverty and child psychology. To test the hope hypothesis, we carried out a follow-up study on currently sponsored children. Did sponsored children have higher aspirations than non-sponsored children who were just like them in other ways? If there were no statistical differences in aspirations between sponsored and non-sponsored children, we could rule out the hope hypothesis and explore something else.

We carried out three studies—in Bolivia, Kenya, and Indonesia—with 1,320 children. The sample included sponsored children, their unsponsored siblings, and other unsponsored children from the same communities. In each of the studies, we found that sponsored children consistently had significantly higher expectations for their own schooling than unsponsored children, even when controlling for family and other factors. They also generally had higher expectations for adult employment. (Years later, a disproportion-

ate number of Kenyan kids still wanted to be pilots.) Many of these findings came close to mirroring the adult differences we measured between formerly sponsored children and nonsponsored children.

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In Indonesia, my graduate students carried out a unique experiment with 540 children living in the slums in Jakarta. Of these 540 children, 288 were sponsored and the rest were either siblings of sponsored children, children on the waitlist to be sponsored, or siblings of children on the waitlist. We sat each child at a desk with a blank piece of paper and a fresh box of 24 colored pencils. We asked each to “draw a picture of yourself in the rain.”

Child psychologists have demonstrated that self-portrait drawings reveal a cornucopia of information about the psychological health of children. Different facets of children’s drawings have been empirically correlated with various emotional disorders: missing facial features correlate with shyness; a tiny figure, with insecurity; big teeth and monster figures, with aggression; choice of dark colors over light colors, with depression. In self-portraits set in the rain, drawing yourself holding an umbrella could indicate an enhanced view of self-efficacy—dealing with a challenging situation proactively rather than being a victim of it.

One of my graduate students, Teddi Auker, spent dozens of hours coding these drawings with 1s and 0s to account for 20 different features for each drawing. What the self-portraits revealed was remarkable. Compassion children were 12 percentage points more likely to choose light colors to draw pictures of themselves than nonsponsored children. They were 13 percentage points less likely to draw themselves as a tiny figure, 6 percentage points less likely to draw themselves as a monster, and 9 percentage points more likely to draw themselves holding an umbrella. Overall, when we combined these characteristics into aggregated psychometric indices, controlling for other factors, we found that Compassion children’s drawings displayed significantly lower levels of hopelessness, higher levels of optimism and self-efficacy, and higher levels of overall happiness.

We can’t yet establish a clear causal link between the increased levels of hopefulness and aspirations among sponsored children and their improved adult lives. But the puzzle pieces are beginning to fall into place: the patient nurturing of self-worth, self-expectations, dreams, and aspirations may be a critical part of helping children escape poverty. It is a holistic approach that secular antipoverty initiatives have largely downplayed, but an approach that Christian development groups have championed for decades.

Creating Givers

The traditional approach to development work has been to provide things for people. If people lack education, we build them schools. If they are unhealthy, we build them hospitals and provide doctors, or we drill a freshwater well. If their small businesses are stagnant, we provide microcredit so they can borrow. While each of these interventions can be helpful in the right context, mere provision fails to address the root of poverty: the behaviors, social systems, and mindset that are created by poverty. The key to ending poverty resides in the capacity of human beings—and their *view* of their own capacity—to facilitate positive change.

Indeed, every time we provide something for someone else in need, we send a subtle message to them that we believe they are incapable of providing for themselves. While some interventions are necessary, especially in the area of health, they come at a cost of reinforcing an inferiority complex among the poor. Good development organizations understand this. Along with providing some basic resources that allow children to progress farther in school, the child-development approach advocated by Compassion appears to get under the hood of human beings to instill aspirations, character formation, and spiritual direction. In short, it trains people to be givers instead of receivers.

When someone asks me what an ordinary person can do to help the poor in developing countries, I tell them about our research. The most common response is, “That’s good to know. I always wondered if all that was a scam.” At this point we can confidently state that it is not.

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