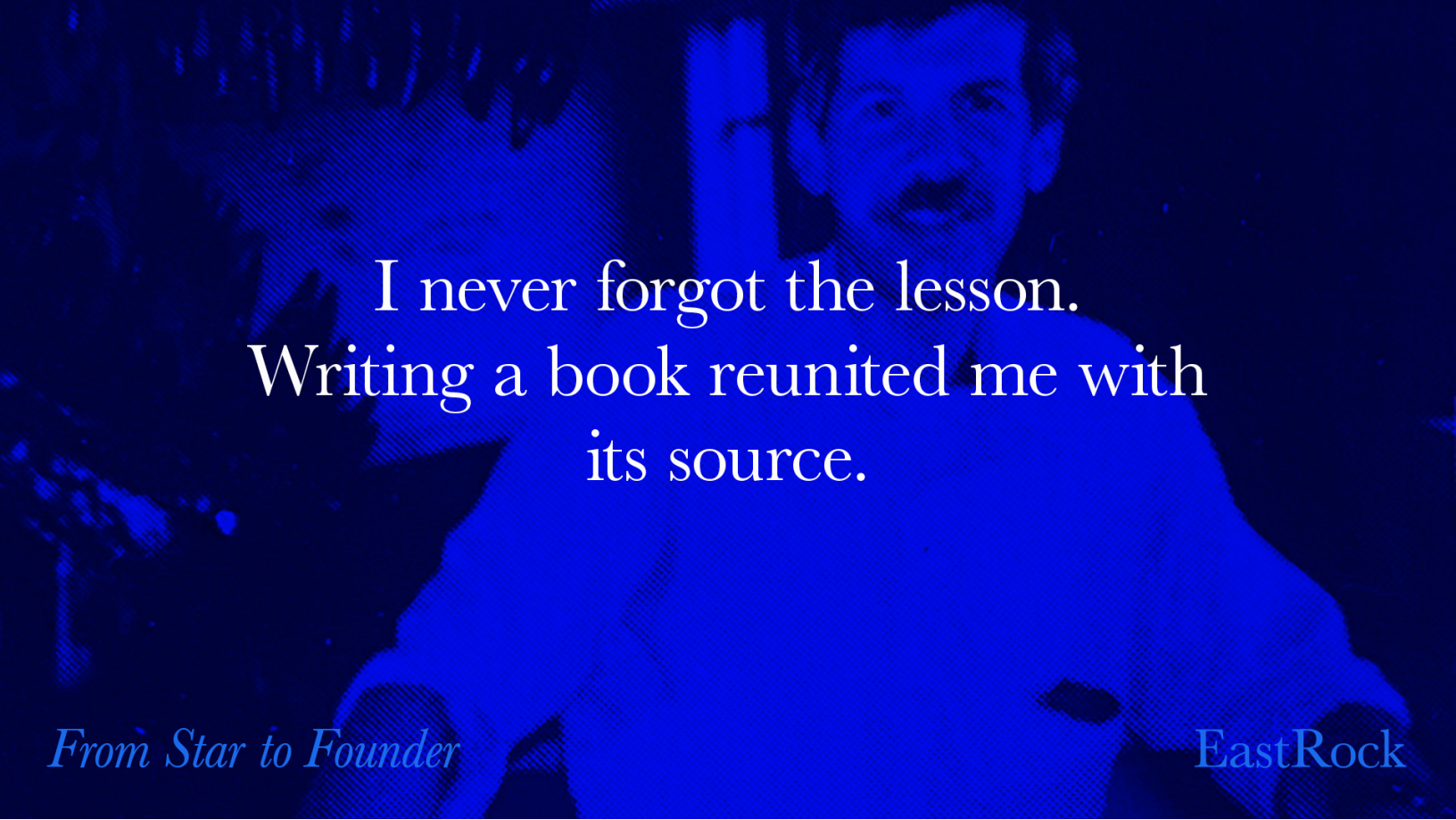




I never forgot the lesson.
Writing a book reunited me with
its source.

From Star to Founder

EastRock

How I Learned to Look Beyond Mean & Median

Adam Shapiro

May 28, 2026

I WROTE A BOOK. 40,000 words, no title yet, and Chapter 6 needs a heavy edit. So, not quite done.

Still, it's a working draft that contains quite a lot of what I believe about investing.

I wrote it, took a break, then read it again, and I noticed something I had somehow missed: a powerful voice guiding the book without being quoted or even acknowledged.

How did this happen? How did I fail to mention a key figure who helped form my deepest beliefs?

I'm not sure. Maybe it's because this person never wrote a word about finance or economics. Maybe it's because so many years have passed since I first encountered his wisdom.

Whatever the reason, the act of reading my own manuscript brought his voice back into my consciousness and compels me to revisit how he changed my view of the world. Perhaps he will change yours too.

The person behind this voice is Stephen Jay Gould, the great evolutionary biologist, paleontologist, and broad-audience science writer.

For those not familiar with Gould, I'll mention two credentials.

First, he won the Darwin-Wallace Medal, the most prestigious honor awarded in evolutionary biology.

Second, Gould played himself in an episode of The Simpsons.

But these accomplishments do not explain the power of his voice in my subconscious. The real reason for that is his 1985 essay "[The Median Isn't the Message](#)," which was assigned to me as an undergraduate by the renowned data visualist Edward Tufte. Few things have hit me as hard before or since.

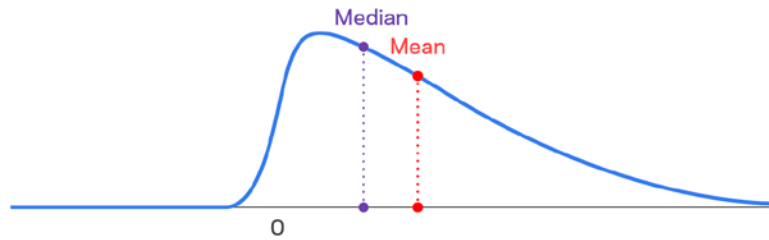
In a mere 1800 words, Gould tells the story of his diagnosis with abdominal mesothelioma, a rare and aggressive cancer. His doctors, uneasy about delivering a devastating verdict, dodged Gould's questions about his outlook. They were focused on median survival from the date of diagnosis, which was eight months. They didn't want to tell him. But they shouldn't have feared the message, because his understanding of statistics allowed him to see something that most people could not: the power and inherent optimism of a right-skewed probability distribution.

For anyone needing to make sense of illness and survival—a group that included me in the early 1990s—Gould's essay explains the importance of looking beyond basic measures like mean and median, which Gould discounts:

"[W]e view means and medians as the hard 'realities,' and the variation that permits their calculation as a set of transient and imperfect measurements of this hidden essence... But all evolutionary biologists know that variation itself is nature's only irreducible essence. Variation is the hard reality, not a set of imperfect measures for a central tendency. Means and medians are the abstractions."

Instead of means and medians, Gould guides us to focus on entire probability distributions—i.e. the full set of possible outcomes and how likely each one is to occur. Those distributions have shapes, and the shape really matters!

In stark contrast to a standard bell curve, a right-skewed distribution is a set of possible outcomes that is substantially "bounded" on the bad end (unlikely or impossible to get worse than a certain level) and "unbounded" on the good end (for a fortunate minority, things can turn out really, really well). It's a simple shape that looks like this:

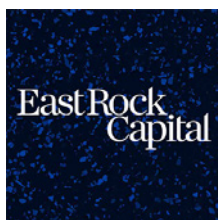


Before diving into the medical research on abdominal mesothelioma, Gould had already surmised that he was dealing with a right-skewed distribution. After all, survival couldn't be less than zero months and it was likely that certain patients would live way beyond the mean. Data he was able to find proved him correct. That insight, combined with an assessment of his own characteristics, provided the boost he was looking for. What were his chances of being in the right tail? "[D]amned good. I possessed every one of the characteristics conferring a probability of longer life: I was young; my disease had been recognized in a relatively early stage; I would receive the nation's best medical treatment; I had the world to live for; I knew how to read the data properly and not despair."

Gould's essay has stayed with me all these years in part because of its wit and humanity, but also because of the power of its thesis and the breadth of its applicability.

Simply put, if a probability distribution is thrust upon you (as with a cancer diagnosis), an understanding of statistics can be a source of well-grounded hope and confidence.

And in the fortunate circumstances in which you get to choose your probability distributions—e.g. investing!—choose carefully. Discount the median. Discount the mean. Find this beautiful right-skewed shape and find versions of it where you have good reason to believe you can get yourself into the right tail. That's it. Do that over and over again with Gould in your thoughts, consciously or not.



NEWSLETTER

From Star to Founder

Insights from partnering with exceptional investment managers as they launch and build new firms

Published by **Adam Shapiro**

Managing Partner @ East Rock Capital, LLC | Generational Wealth Manager

EastRock

65 East 55th St, 33 Fl
New York NY 10022

T 212 630 5000
F 212 624 0231
info@eastrockcap.com