Giving What We Can helps people donate as effectively as possible.

Our members pledge to donate at least 10% of their incomes to the world’s most effective charities.

We evaluate charities and recommend the most effective to our members.

So far, we’ve moved over $7 million, and our members have pledged over $400 million to these charities.

Now we need your support.

Go to givingwhatwecan.org/fundraising to donate.

Our Recommended Charities

Giving What We Can recommends the following charities on the basis of extensive research showing them to be among the most effective in the world.

Against Malaria Foundation
Malaria kills over half a million people every year, but the Against Malaria Foundation can provide an insecticide treated bednet for under $8!

Project Healthy Children
Malnutrition can stunt a child’s growth and lead to learning difficulties, but Project Healthy Children can fortify a year’s worth of meals with essential nutrients for just 5 cents!

Deworm the World Initiative
Treating intestinal worms is one of the most effective ways to improve school retention, and Deworm The World can deworm children for just 50 cents.

Schistosomiasis Control Initiative
Schistosomiasis is a devastating disease, but the Schistosomiasis Control Initiative can provide a child with treatment for less than $2!

Child from Orissa, India carrying a bednet provided by the Against Malaria Foundation
How effective are we?

we estimate that for every $1 we spend, between $6 and $60 will be donated to the world’s most effective charities.

we believe this represents a fantastic return on investment!

Want more info? You can review our calculations on page 14

Our achievements so far

1000+ members donating

$7 million already moved to effective charities

$400+ million pledged in future donations
Our Vision
A world without extreme poverty

Our Mission
Inspire donations to the world’s most effective charities

Our Mission Statement
We believe that people in the developed world have an amazing opportunity to substantially improve the lives of countless people at the other end of the global income scale. Our members pledge to give at least 10% of their income to the organisations which can do the most good with their donations. We use evidence to identify those organisations and share our findings. By forming a global community and making public our commitment to effective giving, we can inspire others and ensure that we make a real impact on global poverty.

The Pledge
I recognise that I can use part of my income to do a significant amount of good.

Since I can live well enough on a smaller income, I pledge that for the rest of my life or until the day I retire, I shall give at least ten percent of what I earn to whichever organisations can most effectively use it to improve the lives of others, now and in the years to come.

I make this pledge freely, openly, and sincerely.

To become a Giving What We Can member, you must pledge to donate 10% of your lifetime earnings to effective causes.

So far, over 1000 people have taken the pledge, collectively committing to donate more than $400 million over the course of their lifetimes.
Giving What We Can is an international society dedicated to eliminating extreme poverty in the developing world.

To achieve this aim, we work to build and maintain a community of members, all of them committed to giving at least 10% of their income to the world’s most effective charities.

We believe that extreme poverty, along with the problems it causes, is probably the worst ongoing disaster in the world today. A billion people lack access to clean drinking water, and more than 800 million go to bed hungry each night. However, it doesn’t have to be this way. For those of us living in the developed world, our comparative wealth gives us an amazing opportunity to make a real difference. But just as importantly, they donate this to the charity or charities which they believe to be the most effective in the world.

Since we were set up in 2009, over $2 million has been donated to effective organisations thanks to our efforts, and over $400 million has been pledged for the future. We’re ever-growing, and we’re changing the landscape of charitable giving.

Who we are

Giving What We Can is an international society dedicated to eliminating extreme poverty in the developing world.

To achieve this aim, we work to build and maintain a community of members, all of them committed to giving at least 10% of their income to the world’s most effective charities.

We believe that extreme poverty, along with the problems it causes, is probably the worst ongoing disaster in the world today. A billion people lack access to clean drinking water, and more than 800 million go to bed hungry each night. However, it doesn’t have to be this way. For those of us living in the developed world, our comparative wealth gives us an amazing opportunity to make a real difference. But just as importantly, they donate this to the charity or charities which they believe to be the most effective in the world.

Since we were set up in 2009, over $2 million has been donated to effective organisations thanks to our efforts, and over $400 million has been pledged for the future. We’re ever-growing, and we’re changing the landscape of charitable giving.

What we do

We want to change the way people give money to charity. Many people are happy to give, but do so sporadically and without much awareness of the impact their donations will have. Instead, we encourage people to commit to set aside and donate a fixed percentage of their income in a targeted manner. Giving What We Can members pledge to donate at least 10% on an ongoing basis. But just as importantly, they donate this to the charity or charities which they believe to be the most effective in the world.

Donating 10% won’t always be easy, which is why we focus on building a community of givers: a support network in which effective giving is normalised and celebrated. Our pledge acts as a form of pre-commitment which helps members to stick with their intentions, and we provide reminders and encouragement to our members to help them meet their giving targets.

We undertake and review research to identify the most effective poverty-relief charities, which we then promote to our members, along with anyone else interested in making a difference. We also run the Giving What We Can Trust, which provides an easy and tax-efficient way for people to send donations to effective charities overseas.

Our Team

About Giving What We Can
Our plans for 2015

This year is set to be a big one for effective altruism. With four major books on the topic set to be published, including one by influential moral philosopher Peter Singer, we anticipate heightened public awareness of the importance of and arguments for effective giving.

With this in mind, our plan for 2015 and early 2016 is to capitalise on the media attention. We’ll have a particular focus on targeting people who are intrigued by the idea of effective altruism but don’t know where to start, converting their interest into action.

At the same time, as our community grows it is increasingly important to maintain personal contact with our members, so that they continue to feel close-knit and supported. We’ll also be stepping up our research programme to ensure that we make the best possible recommendations.

Effective altruism books set for release this year

The Most Good You Can Do
Peter Singer, April 2015

How To Be Great At Doing Good
Nick Cooney, April 2015

Doing Good Better
Will MacAskill, August 2015

Strangers Drowning
Larissa MacFarquhar, late 2015

Our priorities for the next year:

Making First Contact
Effective altruism’s profile is growing, and our job is to convert that into new memberships and more money moved to the world’s best charities.

We need to make first contact with potential members, communicating our goals and getting them interested. Based on our previous experience, two methods seem to be particularly well-suited to finding and persuading new members.

The first method is local chapters. Whether based around regions or educational establishments, these provide a more tangible, physical community, and can help to bring people in through word of mouth. We now have a Director of Outreach dedicated to overseeing the chapters and their progress.

The second method is social media. We have recently brought on board a social media specialist to allow us to spread the word and, more importantly, encourage existing members to share their experiences in order to pique the interest of their friends and families.

Getting New Members
Just as important as making first contact is ensuring that we maintain contact with people who do express an interest. We are working on improving the pathway to membership, maximising the chances of interested people taking the pledge and becoming members.

Our increased focus on local chapters and social media (see above) will improve our ability to follow up and help move people towards joining. We have already introduced our “try giving” feature, where people choose how much to give and for how long, to get a taste of how membership would work in practice. We also plan to have a dedicated staff member as the point of contact for people on the pathway. Someone who can answer questions and concerns and help to motivate people who are interested but have yet to make a commitment.

Maintaining Our Community
Our membership has doubled over the past year, making it increasingly important to focus on building and maintaining the community of members. We now have a staff member dedicated to existing members, answering questions and helping to introduce them to each other. We’ll continue to provide high-quality events to draw the community together.

Ensuring that lines of communication stay open helps members to learn from each other and to continue meeting their giving targets. It also allows us to promote effective altruism events and spread the word to new people through our members (see above), including by encouraging members to set up new chapters. It’s also an important way to ensure that members report their own giving, so that we can accurately evaluate our impact.

Improving Our Research
We have a shortlist of charities which we are proud to recommend. However we are constantly striving to improve our recommendations, checking to see whether there are any other possibilities we have overlooked.

Over the next year our research team will be re-evaluating our existing recommendations and looking into new possibilities, updating and adding to our current list. We will also provide advice on issues such as the most tax-effective ways to donate money, and whether it is better to donate now or donate later (such as through a will). We will then communicate this information to our members, and to the public, ensuring people have access to the best possible information on how to give effectively.
Our Impact

We think it is important that people choose where to donate based on how they can help others the most. Therefore, in order to know whether Giving What We Can is a good target for donations, we need to know the impact of our activities. In order to help people to donate to the charities they believe are the most effective, we’ve described our attempts at quantifying our impact. We’ve also provided a spreadsheet so that you can make the same calculation using your own assumptions.

We measure our impact in terms of how many dollars we move to highly effective charities. We need to be moving more than $1 to effective charities (which wouldn’t otherwise be donated) for every $1 given to us, otherwise it would be better to donate directly to those charities. Measuring impact is difficult and uncertain, so we have given a range of estimates, using different methods and assumptions. That range is between $6 and $300 to top charities for every $1 donated to Giving What We Can.

Impact Calculations

We measure our effectiveness using the amount of money we’ve caused to be donated to highly effective charities. We’ve set out detailed calculations, so you can see how we arrive at our estimates.

We’ve provided both a low, very conservative estimate, a higher, more realistic scenario, and an optimistic marginal impact calculation. We believe that, even at the lowest estimate of our effectiveness, Giving What We Can represents an excellent return on investment, and that you can be confident that a donation to us will have as much positive impact as possible.

The calculations are summarised here. For an in-depth look at how we arrived at these numbers, please see the appendices, starting page 18.

**Lower bound** 6:1

The lower bound calculation uses more conservative or pessimistic assumptions, and counts only the money that we know we have actually moved to charity (as opposed to what people have pledged to donate in future). We think that this represents the worst-case scenario for our impact.

Under this scenario, for every $1 spent by Giving What We Can, around $6 is moved to top charities.

The full calculation is set out on page 18.

**Realistic** 60:1

The realistic scenario uses detailed information about what we expect members to pledge into the future, and provides what we consider to be the most realistic estimate of our effectiveness.

Under this scenario, for every $1 spent by Giving What We Can, around $60 is moved to top charities.

The full calculation is set out on page 22.

**Optimistic** 90-300:1

The optimistic calculation tries to find our marginal impact – that is, what is the cost of signing up another member, compared what we expect that member to contribute over their lifetime.

This calculation considers a range of scenarios, and (while it is perhaps more speculative than the other two calculations) suggests that it is plausible that for every $1 spent by Giving What We Can, somewhere between $90 and $300 is moved to top charities.

The full calculation is set out on page 28.
Budget

This spring, we would like to raise our full budget for 2015, so that for the rest of the year we can focus on our core activities, instead of fundraising. We also want to finish the year with at least 12 months of reserves. In order to achieve both of these goals, we need to raise £150,000 in this fundraising round.

Our aim is to broaden our base of donors who donate regularly and substantially – at least £1,000 per year. To achieve this, we are running a matched fundraiser, in which people who have previously donated less than £1,000 to Giving What We Can, and are now donating over that amount, can have their donations matched (up to £5,000). We have previously relied mostly on a few very generous donors; we would like to be less dependent on any one individual going forward.

We have previously had more staff turn-over than we think is ideal. An important part of making sure that staff view working for Giving What We Can as their preferred long-term option is improving stability year-to-year. Therefore, it is crucial both to broaden our donor-base and to maintain adequate levels of reserves - preferably between 12 and 18 months.

2015 Budget

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<thead>
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<th>Item</th>
<th>Cost (£)</th>
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<tbody>
<tr>
<td>Employee pay/tax/other and intern support expenses</td>
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<tr>
<td>Communications and Chapters</td>
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<tr>
<td>Administration (members and GWWC Trust) and unassignable</td>
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<tr>
<td>Research, training and equipment</td>
<td>3,200</td>
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<tr>
<td>GWWC share of CEA expenses</td>
<td>53,988</td>
</tr>
<tr>
<td>10% contingency</td>
<td>20,342</td>
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<tr>
<td>Total</td>
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Expenses Summary

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<th>Item</th>
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<tbody>
<tr>
<td>Reserves at the beginning of the year</td>
<td>+ 207,000</td>
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<tr>
<td>Donations so far this year</td>
<td>+ 78,000</td>
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<tr>
<td>Expected donations from regular donors over 2015</td>
<td>+ 50,000</td>
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<tr>
<td>2015 budget</td>
<td>- 220,000</td>
</tr>
<tr>
<td>12 months of reserves</td>
<td>- 265,000</td>
</tr>
<tr>
<td>Total</td>
<td>£ 150,000</td>
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</tbody>
</table>

Giving What We Can share of CEA expenses

Giving What We Can is part of the Centre for Effective Altruism, which allows us to benefit from shared HR, office costs, services, staff benefits etc.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>20,468</td>
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<tr>
<td>Office</td>
<td>11,356</td>
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<tr>
<td>Services (recruitment, fundraising, intern accommodation)</td>
<td>9,112</td>
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<tr>
<td>Sundries (including financial and legal costs, lunches, technical, training)</td>
<td>5,281</td>
</tr>
<tr>
<td>Total</td>
<td>53,988</td>
</tr>
</tbody>
</table>
Appendix 1: Lower Bound Impact Calculation

This calculation is a conservative estimate of Giving What We Can’s impact. It only takes into account impact that has already happened and was concretely measured. In this calculation, we only count money that we know with high certainty has already been moved to effective charities, and would not have been moved without us. It takes in the years 2009-2013, which are years for which we have the most complete data. It considers only money that was actually given up to the end of 2013, rather than using donations made in 2009-2013 to make assumptions about future donations, and only includes money which went to the most effective charities and would otherwise not have been donated at all. It then compares that to our costs up to the end of 2013.

Summary of the calculation
Giving What We Can’s costs up to the end of 2013 were $395,000.

The donations to top charities that members told us about (and which would otherwise not have been donated) was $872,000.

From information provided to us by two charities, and one large donor, we learned about an additional $1,499,000 which was donated to top charities, and would not have been donated if not for Giving What We Can.

Adding these numbers gives the total donations to top charities attributable Giving What We Can in 2009-2013: $2,371,000.

This means that for every $1 donated to Giving What We Can over 2009-2013, $6 was donated to top charities. This excludes future donations from members who joined over the period, donations to other charities and impact from causing people who already planned to donate money to it to move to more effective charities.

Costs
Giving What We Can’s total monetary costs up to the end of 2013 were £119,838. Up to the middle of 2012, Giving What We Can was run entirely by volunteers. For the previous impact evaluation (up to 2012), we worked out the number of hours spent by the volunteers on running it, which gave 11,865. Costing volunteer hours at £10 per hour (indicative of salary costs were these people paid staff?), this volunteer time was worth £118,650. Therefore the total costs up to the end of 2013 were £238,488, which equates to around $395,000 (2013 dollars).

Total Donations from Members
Until 2014 (when we introduced the ‘My Giving’ section to our website, allowing members to report their donations directly), we used yearly surveys to ascertain how much members donated, and their incomes. For those members who joined before the end of 2013, 67% told us their income and donations for one or more years in which they were members. Member donations recorded by this survey up to the end of 2013 had totalled $3,994,000.

Try Givers (non-members who commit to donating regularly for a specified time) reported donating $11,000 over 2013.

This includes additional charities to those we currently recommend (see page 5). For the purpose this analysis, the charities in this category are listed at the right.

The first four are our recommended charities, and the rest are all charities that we consider to have a high chance of being extremely effective, but that we do not include in our current list of recommendations. While we consider our parent organisation, the Centre for Effective Altruism, to be a highly effective charity, we have excluded it from these calculations to avoid possible double counting and maintain probity.

Top Charities
Throughout these calculations, we refer to ‘top charities’.

This includes additional charities to those we currently recommend (see page 5). For the purpose this analysis, the charities in this category are listed at the right.

The first four are our recommended charities, and the rest are all charities that we consider to have a high chance of being extremely effective, but that we do not include in our current list of recommendations. While we consider our parent organisation, the Centre for Effective Altruism, to be a highly effective charity, we have excluded it from these calculations to avoid possible double counting and maintain probity.

Our list of top charities:

• Schistosomiasis Control Initiative
• Deworm the World Initiative
• Project Healthy Children
• The Against Malaria Foundation
• GiveDirectly
• GiveWell
• RESULTS
• The Abdul Latif Jameel Poverty Action Lab (J-PAL)
• Dispensers for Safe Water
• Cool Earth
• Stop TB
• Innovations for Poverty Action

(2) Some were previously recommended and have been supplanted by more effective charities, some have not been recommended yet because of uncertainties in the information available to us when we evaluated them, we are uncertain of GiveDirectly’s effectiveness, but defer to GiveWell’s consistent recommendation

(1) Numbers have been rounded to the nearest thousand for simplicity.

This number is sufficiently small that we have excluded it from our calculation of how much money would have been given anyway.

In the future we plan to use money flowing through the Giving What We Can Trust when preparing impact evaluations. However, we are unable to use it for the purposes of this evaluation as it was only set up in December 2013.

Donations that would have been made anyway
When they join, we ask all our members what percentage of their income they think they would have donated if they hadn’t joined Giving What We Can. This allows us to calculate the amount of money which would not have been donated if it had not been for Giving What We Can, by subtracting the product of their income and their previous predicted donation percentage from their actual donations. Of course this was only possible for those members who gave us both donation and income data. Doing this gives a donation total of $2,138,000.

Additional Tracked Donations
We also try to get information from our recommended charities as to how much of their donations were attributed by the donor to Giving What We Can.
Project Healthy Children told us over 2013 they attributed $74,000 of donations to us.

The Against Malaria Foundation got $424,000 in donations from donors who cited Giving What We Can as their reason for donating.

We did not manage to obtain this information for the Schistosomiasis Control Initiative or Deworm the World Initiative.

To prevent double counting, we subtracted the donations of members who told us they gave to PHC and AMF in the giving survey from the amounts that PHC and AMF gave us. Doing this gave an additional $52,000 going to PHC and $95,000 going to AMF. This will be an under-estimate, given that not all members would have mentioned Giving What We Can to the charities when donating. This gives an additional $147,000 attributable to Giving What We Can.

A large donor who has given us detailed information on their donations and the extent to which those were caused by Giving What We Can was not a member at the time, though they subsequently joined. Over the period 2009-2013 they donated $8,560,000, of which they estimate $7,123,000 wouldn’t have been donated to effective charities if it weren’t for Giving What We Can. Therefore, a counter-factually adjusted lower bound for the money Giving What We Can moved to charity between 2009 and 2013 in total is $9,414,000.

Donations to Top Charities

Of the donations our members reported over the 2009-13 period, $3,055,000 was to top charities. Excluding money which would have otherwise been donated to charity, and money donated to the Centre for Effective Altruism, gives $872,000. This does not include money which would have been donated anyway, but which was given to more effective charities due to Giving What We Can.

The large donor mentioned above donated both to a Donor Advised Fund, and to a number of charities. Of their combined donations, $1,346,000 was donated to top charities. Adding this to the information provided to us from the Against Malaria Foundation and Project Healthy Children and donations that would not otherwise have been made to top charities from members gives $2,365,000.

Putting it all together

Given our costs for the period ($395,000), this means the lower bound for our leverage ratio (the number of dollars which we caused to go to top charities for every dollar donated to us) over the period 2009-2013 was approximately 6:1.

(1) Again, excluding the Centre for Effective Altruism.

Limitations of this calculation

This calculation does not include:

- any impact we had on non-members apart from the one large donor mentioned who joined after 2013
- any impact from causing people to give to more effective charities rather than the ones they otherwise would have
- members who did not tell us about their giving
- any impact by non-top charities
- any donations made in the future.

Consequently, it is likely to undershoot Giving What We Can’s actual impact by a considerable margin.

To try to get a more realistic estimate of our effectiveness, the next section (page 22) outlines a more sophisticated calculation which takes some of these factors into account.
Appendix 2: Realistic Impact Calculation

This calculation aims to provide a realistic estimate of our actual impact. The previous calculation (page 18) gave a very conservative lower bound for our effectiveness – it simply asked how much our members had already reported they had donated to our recommended charities which they wouldn’t have otherwise donated, compared to how much our costs had been.

By contrast, this calculation aims to provide our best guess for how much money will be donated to top charities from our members for each dollar spent by Giving What We Can. The assumptions are therefore intended to be realistic, not pessimistic. If you wish, you can visit givingwhatwecan.org/impact we have provided a spreadsheet where you can try out the calculation using your own assumptions.

Summary

In this calculation, we start with the total amount of money members who joined between 2009 and 2013 pledged to donate to the most effective charities.

We then adjust to account for people leaving or ceasing giving, donating a different amount than they pledged and a discount rate.

We then calculate our impact from a number of different sources, in each case calculated in terms of ‘top-charity equivalent’ dollars.

The donations we would expect to go to top charities which would not be donated if it hadn’t been for Giving What We Can total $17 million.

Donations which we would expect to go to non-top charities, which would otherwise not be donated total $7 million. Members donating to more effective charities than they would have otherwise total $9 million.

This means that the total value donated to top charities by the members we recruited between 2009 and 2013 is $34 million, time discounted and adjusted for donations that would have been made anyway.

This equates to $67,000 per member, and suggests that our leverage ratio is around 60:1 – that is, for every $1 spent by Giving What We Can, around $60 will be donated to top charities.

Limitations of this calculation

This analysis does not take into account any impact we have aside from the money we move to our recommended charities by getting people to join Giving What We Can (for example, people who are persuaded by the case we make for effective giving and who donate to our recommended charities, but have not chosen to become members). We believe that this means our estimate is likely to be lower than reality.

Furthermore, the calculation only includes the future donations of members who joined up to the end of 2013, because we do not have complete figures for 2014 yet (the UK tax year has only recently finished, and the Australian one does not end until mid-year). As our membership has grown faster than our costs over 2014, this also means that our estimate is likely to be lower than reality.

Costs

Total costs for Giving What We Can over the 2009–2013 period were $395,000. This includes actual expenses, and volunteer time costed as if it were paid as salary (see page 18 for more detail).

It is plausible that, in order for the rate of membership attrition to remain at its current level (see below), we need to invest time in the future into activities promoting member retention.

It is likely that some of Giving What We Can’s general activities will contribute towards member retention (Giving What We Can continuing to grow might keep members feeling enthusiastic about the organisation for example). However, it is also likely that other activities would be explicitly required to retain these members (e.g. events, newsletters, support etc).

We estimate that for the 391 members in these cohorts, the work involved would be the equivalent of around one full week of work per year for a member of staff (which costs us in the region of $1,200) over the next 40 years. This puts our total costs for these cohorts at $445,000.

Donations pledged by members

The amount of money pledged by members who joined up to the end of 2013 was $146,119,864.

Members pledge to donate a proportion of their income (at least 10 per cent) for the rest of their working lives. They provide us with information about how much they expect their average future salary to be, and their current age. From the latter we work out how many working years they are likely to have left, and therefore their total expected income over their working lives. We then multiply this by the proportion of their income they have pledged to donate (in most cases, 10 per cent) to derive the total donations we expect them to make in the future.

This methodology obviously relies on the accuracy of members’ predictions about their future income. In general we have found that these predictions seem conservative, as most people underestimate their future earning potential. If members do not estimate their future salary, we use the median salary for their country. We think that is a fairly pessimistic assumption, as our median member has an expected earning potential higher than the median wage.

Accounting for membership attrition

Some members leave Giving What We Can, and therefore it is also likely that other activities promoting member retention.

it is plausible that, in order for the rate of membership attrition to remain at its current level (see below), we need to invest time in the future into activities promoting member retention.

The rate of membership attrition is 4.7% per year (we have counted people as silent if we haven’t had any contact with them for over 2 years). It seems likely that members who go silent still donate some amount, but it is likely to be less than the amount they pledged. We have assumed that this will be around one-third of their original pledge (for example, if a person pledging the standard 10% of their income has gone silent, we’ve only counted 3.33% of their pledge in this calculation).

Given these numbers, the total of those ceasing donations per year is 4.8%. We’ve assumed that this percentage will remain constant over time. This means that after, say, 30 years, each member has a 23% chance of still donating, which we believe is a plausible estimate.

We have made the simplifying assumption that the money pledged will be donated in
equal parts over the next 40 years (the median expected working life of members as at the end of 2013). If no members ceased donating, that assumption would mean that around $3,652,997 was donated each year. The assumption that the money will be donated in equal parts seems optimistic, because people’s incomes typically increase with age. The assumption that the percentage of people ceasing donations is a constant percentage, on the other hand, seems pessimistic, as it seems likely that members would either drop off within the first few years, or remain engaged long-term. Making these assumptions, the total donations we would expect to be made would be $62,323,117.

Discounting future donations

We discount the effective value of donations over time, to account for the diminished value of a donation made in the future, versus a donation made right now. This assumes that there is some loss of value caused by delaying an intervention; in essence, if people donate now, the people affected by the interventions they fund will be alive and making ongoing and valuable contributions to their community, and this is likely to have a compounding positive effect into the future. By contrast, these effects will not be compounding during the period between the present and the date of a future donation, and therefore the total future positive effects will be lower. The UK Treasury Green Book, used for appraisal and evaluation in the central UK government, recommends using a discount rate of 3.5% per annum to find the present values of benefits and harms accrued in the future. (See box below for rationale).

Using the Green Book rate to discount future donations, we expect future donations to have a present value of $40,420,077.

Accounting for members donating a different amount than they pledged

The average pledge percentage for our members is 11.03%. The average percentage of incomes people actually donate is 12.92%. Using the ratio between these, given the amount of money pledged, we would expect to be donated is $47,346,092.

The percentage of income that people actually donated comes from self-reported data contained in our membership records. We considered that the actual average might be lower; however, we cross-checked figures attached to members whose average donation percentage was more than 15% of their income by contacting these members directly. By only revising figures for higher-donating members, the lower-donating members are effectively weighted higher, and therefore bring the average down. Additionally, the people who give a greater percentage than their pledge percentage are disproportionately people with larger-than-average salaries (as you might expect), therefore the actual weighted average could be a bit higher than the one we use in this calculation. We therefore expect this number to be fairly accurate.

How much of this would have been given anyway?

Some of the money given by our members would have been given to charity anyway. To work out this figure, we ask people when they become members what percentage of their income they would have given to charity if it had not been for Giving What We Can (1).

To work out how much money Giving What We Can caused to be donated, we divided the difference between the pledge percentage and the percentage members would have given anyway by the pledge percentage for each member, and then averaged over these:

\[
\left( \frac{\text{pledge percentage} - \text{counterfactual percentage}}{\text{pledge percentage}} \right)
\]

This tells us that, on average, 53 per cent of members’ donations would not have been made were it not for Giving What We Can. Multiplying this by their total donations results in $22,252,663.

What charities do the donations go to?

The purpose of this calculation is to find our impact in terms of the dollars we cause to be donated to top charities. This impact could come from two main sources. Firstly, from members donating to top charities when they would otherwise not have donated at all. Secondly, from Giving What We Can causing members to choose to donate to more effective charities than they would otherwise have donated to.

To take this into account, we have estimated the amount of money given to top charities which would otherwise not have been given to charity at all. We have also estimated the amount of money which will be donated to more effective charities (weighting to account for the fact that the money would have been donated anyway, but to a less effective charity). Combining these figures gives the amount Giving What We Can caused to be donated to top charities, in 2013 top-charity equivalent dollars.

Value of donations that would not have been made otherwise

The fraction of money donated by members to top charities

Choice of discount rate

The Green Book discount rate incorporates a number of factors (1). One of these is a pure time discount, which we consider to be a dubious method of discounting future value; however, this is only a small component of the rate (less than 0.5 percentage points). The rate primarily tries to capture the effects of potential future catastrophes which would prevent the benefits of a policy (or in our case, a poverty-reducing intervention) from accruing, and the effects of economic growth combined with diminishing marginal utility of resources.

There are many considerations bearing on what the correct discount rate to use is. You might think that interventions such as deworming have strongly compounding benefits to a society, and therefore that the discount rate should be very high. However, as compounding benefits do not get reinvested into the same interventions, we cannot assume that social benefits necessarily lead us to conclude we should apply a very high discount rate.

Another way we might choose a discount rate is by looking at the savings rate as a proxy for the social return that we would lose out on by donating later. In other words, if people pledge to give $100 in the future, what present value of money would be required to generate that future $100 if invested now. The rate of return you could get on investments depends on the risk you’re willing to bear, but a 3.5% discount rate is higher than the average UK savings rate of the last decade, and around what you could expect to achieve at the moment with a balanced investment portfolio. (2)


(2) This prevents any one member’s projected donations skewing the number too heavily, and means that the number can be generalised to other members more easily.

(1) For people who had put their counter-factual as larger than their pledge, we contacted them to check that they had not thought that Giving What We Can had resulted in them donating less (none of them thought that). We then capped their counter-factual at their pledge (that is, we assumed we had no counter-factual impact on them). For people who took the Further Pledge, only their pledged percentage was used (for simplicity). This makes the final number more pessimistic, because it does not account for people who would have given their pledge percentage if it were not for Giving What We Can, but would not have given everything above their baseline.

(2) This prevents any one member’s projected donations skewing the number too heavily, and means that the number can be generalised to other members more easily.
The remaining 46% of our expected donations ($11,542,977) is going to charities which we consider to be less effective than a ‘top charity’. We still expect them to be reasonably effective – they tend to be well-respected developing-world charities. We have multiplied these donations by a factor which reflects how much less effective we think those charities are than our recommended ones.

We have assumed that a non-top charity is around 50% as effective as a top charity. Using that factor to weight the value of donations expected to go to non-recommended charities, gives $5,771,489 in top-charity-equivalent dollars.

Adding these figures, the total future value of donations that would not have been donated otherwise is $13,550,452.

Value of donations that would have been made anyway
We also need to know the impact we could expect in terms of affecting where people donate in cases where they would have given to charity anyway, but would have given to less effective charities than top charities.

As above, $22,252,663 of expected donations would have been made anyway.

To determine that, we need to know the fraction of people for whom we affected where they gave. Information is limited, but in 2014 we put a question on our pledge form asking whether we influenced where people gave. The percentage of people who said that Giving What We Can affected where they give is 65%. Assuming this information is broadly representative of all our members, the amount of money for which we expect to affect the destination charity is $14,464,231.

As this money would have been given to charity anyway, Giving What We Can’s impact lies in the difference in effectiveness between where the money would have been donated, and where it was actually donated. As above, we have assumed that the value of the charities people would have donated to is about 50% as effective as the ones we influence them to actually donate to. Therefore the expected value of changing the locations of people’s donations, in top-charity-equivalent dollars, is $7,232,116.

Adding it all together
Overall, the total value we might expect the members in the 2009-2013 cohorts to have, in counter-factually adjusted time-discounted dollars to top charities equivalent is $26,554,056.

This is approximately equivalent to $67,000 per member who joined over that period.

Our impact
We can use the total amount we expect our 2009-2013 members to donate to find our total impact – that is, how much we might expect our members to donate to top charities for each dollar we receive.

As above, costs up to the end of 2013 were $443,000.

Dividing the total amount we expect to be donated ($26,554,056) by our costs produces a leverage ratio of 60:1. That is, for every dollar we spend, we expect approximately $60 extra to be donated to effective charities (in present-day, top-charity-adjusted dollars).

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Want to try out your own assumptions? Use the spreadsheet at givingwhatwecan.org/impact
Appendix 3:
Optimistic Marginal Impact Calculation

A related way to estimate the fundraising multiplier for Giving What We Can is to determine the cost of attracting an extra member, and take the average amount we expect them to give over the course of their membership (in this case taken from the above), and take the ratio of the two.

The analysis above estimated that an additional member would on average give around $90,000 to top charities due to signing up to Giving What We Can and the follow-up we offer over the course of their careers.

We now need to estimate how many more members we would get if we incrementally grew the organisation, say by adding one more staff member. We will never know this number precisely - unlike average costs, marginal costs can't just be read off a spreadsheet and so are hard to pin down - but the data we have does offer some useful clues.

The average cost of getting a member up until the end of 2013 was around $900. More recently, in 2014, Giving What We Can's membership grew by 415 at a direct cost of £85,000 ($130,000). This comes to a much lower $320 per member on average.

As we grow it seems that the average cost of attracting members, rather than increase as we exhaust the available opportunities to find members, has gone down. Possible reasons for this are that a) we have made it easier to sign up online, which has made it easier to attract members; b) we are learning how to better convince people to join; c) as we hire more people, specialised roles within the organisation allow everyone to work more efficiently; d) existing members spread the word about us, creating some level of exponential growth; e) as we get bigger, we can spread the fixed costs of maintaining an organisation, such as legal compliance and strategic planning, over a larger amount of growth. This is some evidence that rather than Giving What We Can confronting increasing marginal returns as one might naturally expect, the marginal cost of getting members today could be lower than its average over the lifetime of the organisation. This is actually not so surprising for an organisation as small as Giving What We Can, which can enjoy increasing economies of scale as it grows.

Another clue about the marginal cost of attracting members is to study the specific activities that you undertake and look at the number of members who seem to sign up as a result. In 2014 we conducted a trial with two interns contacting prospective members through Facebook. They spent around 100 hours together on this project. Over that time they messaged 680 people, corresponded with 142, and ultimately convinced 8 people to take the pledge, and another 3 to take the Try Giving pledge. This would suggest that at the time we could get one person onto the full pledge with an additional 13 hours dedicated to the task - 1.5 days of full-time work. From our experience, this seems intuitively plausible. Of course, not every hour of staff time can realistically be dedicated to such outreach, as there are operational and management overheads. It is reasonable to assume that each extra hour of outreach requires approximately one hour of other work to support it. We would then need 26 total hours of staff time to attract a member. At our current salaries, this would cost around £300. The overhead on salaries for office rent and other materials would raise this estimate to £350, or more than $520, per additional member generated.

Of course, all of these estimates are just indications, but they build a reasonable case for the marginal cost of signing up an extra member falling between $300 and $1000. If the cost of attracting a new member is $1,000 and they give an additional $90,000 to top charities as a result, this implies a fundraising ratio of 90, while if the cost of an extra member is $300, the multiplier would be as high as 300.

These numbers seem remarkably high, and it is quite reasonable to think that they are probably overestimates. However, they emerge naturally from the data we have collected, and bolster the case that Giving What We Can’s fundraising multiplier is very likely over 10-fold, and could plausibly be much higher than that.
Giving What We Can would like to thank our previous donors, who make what we do possible:

Previous Donors

Luke Ding
Julia Wise and Jeff Kaufman
Alexander Gordon-Brown and Denise Melchin
Frederick Mulder
Oxford University RAG
Ross Reason
Andrew Sutton and Shiwei Jin

Pears Foundation
Patrick Brinich-Langlois
Lyndsey Pickup
Robert Collins
Softwire
Shola and Jonathan Asante (First State Investments)
Michael Peyton-Jones
Diana Fleischman
Giving What We Can is an international society of people committed to donating at least 10% of their income to the most effective charities in the world.

By donating to Giving What We Can, you aren’t just supporting a charity – you’re supporting donors all over the world to make the biggest difference they possibly can.

Find out more inside...

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