

Authors

Jeffrey Mosenkis Senior Manager, Research & Policy Communications

GiveWell and Evidence-based Philanthropy

We've long been fans of the charity rating organization <u>GiveWell</u>. Writing in the <u>Wall Street Journal</u>, Farhad Manjoo explains



A float promoting deworming at a parade in Andhra Pradesh, India

GiveWell studies charities the way a stock analyst might research companies. The group was founded in 2007 by Holden Karnofsky and Elie Hassenfeld, who were analysts at the hedge-fund Bridgewater Associates and had been stymied by a lack of online guidance about how to give. "We wanted to do the same thing for charitable giving as we could do for any online purchase—get the best deal for the money we were giving," Mr. Hassenfeld says.

GiveWell does complicated work to make charity-picking easy for everyday people by doing very thorough vetting of charities and recommending a few top ones. Like IPA, they place a premium on data and being able to assess an organization's effectiveness.

That's why we're thrilled at this year's top choices, which are all close to IPA's heart, or in this case, data. Two of the three organizations chosen have had close, data-driven relationships with us, and the third's work is similarly grounded in many of our findings. We agree wholeheartedly with GiveWell's recommendations:

<u>GiveDirectly</u> gives "unconditional cash transfers" (economist speak for "free money") directly to poor people, allowing them to spend it as they wish. The organization was founded by a number of economics students because the idea had been thoroughly theorized about but not definitively studied. Part of the plan was to incubate the idea in the context of a study



conducted through <u>IPA-Kenya</u>, with researchers <u>Johannes Haushofer</u> and <u>Jeremy Shapiro</u>. The results, summarized <u>here</u>, showed that the poor were able to use the money effectively to improve their economic situations and well-being, and didn't spend it on alcohol and tobacco. GiveDirectly is now expanding into Uganda as well.

You can hear IPA's founder <u>Dean Karlan</u> and behavioral economist <u>Richard Thaler</u>, discussing the results in a recent Freakonomics Radio podcast here.

The other two top charities recommended deal with a topic we've been heavily involved with, inexpensive "deworming" treatment for parasites, particularly in children. <u>Our work</u> has shown that these treatments, which often cost far less than a dollar per child at scale, increase graduation rates. When we followed up ten years later, we found young adults who'd received the deworming pills as students were earning significantly more. The <u>Deworm the World Initiative</u> took the expertise in administering deworming programs to scale, and after reaching tens of millions of children, we recently launched <u>Evidence Action</u> as an independent organization to further expand it and other proven interventions.

The other charity, the Schistosomiasis Control Initiative (SCI), does similar work, helping African Governments scale up deworming programs. The fact that two of the three charities are based on the deworming research stresses its importance.

Soon after the GiveWell's announcement <u>Good Ventures</u> announced over <u>\$4 million in grants</u> to these organizations and up to an additional \$5 million in matching funds for donations to GiveDirectly. More than just an end-of-year philanthropic donation, this represents the ideal cylcle for evidence-based philanthropy. An idea is proven through research to be effective, vetted by outside organizations, and with philanthropies, individuals, and aid organizations knowing exactly what they're getting, they can donate with confidence.

We applaud these organizations' commitment to evidence-driven philanthropy and look forward to many more years of data-driven recommendations and action.

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