

Philanthropy

Doing Good Better; How Effective Altruism Can Help You Make A Difference
William MacAskill, Gotham Books, 2015.

Most people give little thought to selecting their charitable contributions. (Solicitations, diseases, etc.)
Research websites to identify the best charities, e.g. www.charitynavigator.org
Most efficient charities spend >75% on programs, <25% on fundraising, administrative costs.
But this method is seriously flawed; e.g. Donuts for cops program !

There has to be a better way Five key questions of effective altruism

1. How many people benefit, and by how much?

Someone living below the US poverty line (~\$11,000 pa) is still richer than 85% in the world.

100x Multiplier: You should expect to do at least 100 times as much to benefit someone in a poor country as you can to benefit yourself. A \$30 dinner could feed 100 people in a poor country.

2. Is this the most effective thing I can do?

Quality Adjusted Life Year, QALY (“kwalee”); measure of health benefits

One QALY = (Percentage improvement) times (# years).

College education; \$40,000 → 40 years x 20% improvement = 8 QALYs → \$5,000 per QALY

Homeless; \$2,000 pa → 30 years x 40% improvement x 50% success rate = 6 QALYs → \$333 per QALY

3rd World; 1,000 mosquito nets = \$5,000 → 5 years x 10% improvement x 1,000 = 500 QALYs → \$10 per QALY

Important to focus on the best charitable programs, not merely the good.

3. Is this area neglected?

We probably shouldn't donate to disaster relief! They may be over-subscribed.

Less widely publicized disasters need the help more.

4. What would have happened otherwise?

Volunteering to serve may not be the best option. Earning to give may be more efficient.

5. What are the chances of success, and how good would success be?

GiveWell (www.givewell.org) provides research-backed philanthropic ideas and lists “high impact giving opportunities that are supported by in-depth charity research.”

To evaluate a charity better:

What does the charity do?

How cost effective is each program?

How robust is the evidence?

How well is each program implemented?

Does the charity need additional funds?

Framework for thinking about what is important to focus on

Scale: Size of problem in terms of impact on others' wellbeing.

Tractability: How easy is it to make progress? How can you tell?

Neglectedness: How many resources are already focused on the problem? Diminishing returns.

Example: Global poverty outranks domestic poverty on all three measures.

Mega-charities (e.g. UNICEF, Oxfam) don't make the best list because they run a variety of programs, often including disaster relief, which are difficult to evaluate.

Focus on health-based programs in poor countries with a proven track record and robust evidence.

Remember: The best charities are often far better than the merely very good charities.

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