Report

Impact evaluation toolkit for giving multiplier organisations v0.1

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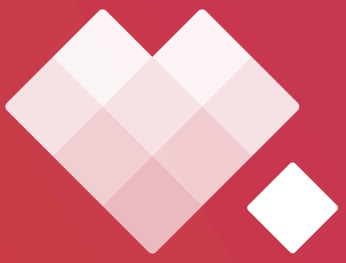

Giving What We Can

This is a pilot version of an MVP impact evaluation toolkit, put together by the GWWC research team. We invite feedback on how the next version of this toolkit can be made more useful for effective giving organisations, funders of these organisations and other relevant stakeholders. Please share any recommendations, questions or concerns you have with us via email at research@givingwhatwecan.org.

About the toolkit

This toolkit aims to provide a framework that effective giving organisations can use to estimate their counterfactual giving multiplier for a given period. The toolkit consists of a Google Sheet template that can be used to estimate this value and this accompanying document, which functions as a guide on how to use the template. This is intended to be a minimal viable product (MVP) toolkit, rather than a comprehensive set of instructions on how to conduct an impact evaluation. For instance, we do not explain how to measure or quantify impact from less tangible sources (e.g., from the influence effective giving organisations may have on cultural norms).

Because reasonable disagreement is common in this space, we think one of the most important aspects of any impact evaluation is carefully documenting the rationale behind the critical inputs. As such, we believe it is important that the reasoning behind the estimates discussed below is clearly articulated, particularly where it diverges from the estimates used by other effective giving organisations.

Finally, we want to emphasise that the aim of this toolkit is not to enforce a one-size-fits-all standard, but rather to:

- provide a framework that can help organisations structure their impact evaluations in a way that allows for productive comparison across organisations
- highlight the most critical considerations that should be addressed in an impact evaluation
- provide some guidelines around how these considerations can be addressed, based on how this has been done in the past.

As such, we encourage organisations to use this toolkit as a starting point for their impact evaluation and to think about what further analysis and adaptation[1] – if any – may be relevant in their individual situation to come to a full internal impact evaluation.

[1] If you do make changes to the template and think these changes could be useful for others, please consider sharing this information with the GWWC research team to consider in the next iteration of this toolkit.

The results — Giving multiplier

The template includes two estimates of your organisation's counterfactual giving multiplier, calculated using two different methods, explained in more detail below. These methods differ in how the value of pledges are included and so the two results should be identical for organisations who don't offer pledges.[2]

Current donations method

This method for estimating the counterfactual giving multiplier considers the total impact-adjusted value of money moved by the organisation, the opportunity cost of staff and contractors, and the financial costs of running your organisation during the evaluation period. It does not distinguish between pledge donations and non-pledge donations (i.e., it includes both) and does not consider the future value of pledges acquired during the period, as these will generally be accounted for in donations of future year impact evaluations. The general formula used to calculate this result is depicted in the figure below.

$$\frac{\text{Value from donations} - \text{Labour opportunity cost}}{\text{Financial costs}}$$

Future value method

This method for estimating the counterfactual giving multiplier considers the impact-adjusted value of non-pledge money moved by the organisation during the period and the lifetime value of pledges acquired by the organisation during the period. The non-pledge money moved figure attempts to exclude recorded donations from individuals who pledged with the organisation. The general formula used to calculate this result is depicted in the figure below.

$$\frac{\text{Value generated from pledges} + \text{Value from non-pledge donations} - \text{Labour opportunity cost}}{\text{Financial costs}}$$

[2] For organisations who offer pledges, these estimates should approximately converge in the longer term: the main way in which they differ is in *when* the value of a pledge is accounted for: in the years when donations are being made by the pledger (pledge donations method) or in the year of pledging (future pledge value method).

Calculating your giving multiplier with this template

Calculating your counterfactual giving multiplier using the provided template consists of the following steps:

1. Select an *evaluation period* over which to estimate the impact multiplier — by default, this should be a period of one calendar year for most organisations.
2. Choose a consistent *monetary unit* to use in the evaluation — for your internal use we recommend using local currency (or USD for international organisations) in the final year of the evaluation period (e.g., USD 2022, EUR 2024).
3. Create a copy of our Google Sheets template
4. Populate values (see Outputs and inputs section below for guidance). Add notes to explain how each input value (expected and conservative) was estimated/calculated — This could be done either in notes in the sheet itself or in a linked accompanying doc.

Once you follow the above steps, your organisation's counterfactual giving multiplier can be found in the results rows of the sheet (for more on the results, see the Result section below).

Once you've completed filling out the sheet and have reached a final result, you can create a copy of your evaluation sheet, with monetary inputs converted to USD in the evaluation year (to promote comparability with estimates of other organisations in the ecosystem) and add it to the EG Ecosystem counterfactual giving multiplier spreadsheet (to be created at a later date).

Uncertainty

In this guide, we recommend considering uncertainty by including both an expected and conservative estimate for each uncertain input:

- The expected estimate is your expected value for the input after weighing all the evidence and competing considerations (we have referred to this as a 'best guess' estimate in the past)
- The conservative estimate is your attempt to provide an estimate using assumptions that a reasonable person who takes a relatively sceptical stance on each assumption would agree with

Though ultimately flawed (for reasons explained here), this is a simple and legible approach to modelling uncertainty that we think is preferable to only producing a single point estimate.[3]

[3] Those with the expertise and capacity, might consider using more sophisticated approaches for modelling uncertainty (e.g., using Squiggle, Guesstimate or Carlo).

Outputs and inputs

Here we explain the inputs and outputs in the impact evaluation Google Sheets template we have developed. The **orange** headings below correspond to outputs, while the **purple** subheadings correspond to inputs used to produce those outputs. Typically, we expect you will only need to modify the values in the Input and Assumption/Estimate rows of the framework sheet, as the Output, Calculation and Results rows are calculated from formulas.

Value of high-impact donations caused

Input

This output capture the impact-adjusted value of donations counterfactually caused by your organisation in the evaluation period. The template includes two outputs related to the value of donations:

- High-impact donations caused — This estimates the counterfactual, impact-adjusted value of all donations that were influenced by your organisation during the evaluation period
- Non-pledge high-impact donations caused — This estimates the total counterfactual, impact-adjusted value of donations minus the value of donations made by individuals who took a pledge counterfactually caused by your organisation (the impact of these donations will be captured in the "Value of new pledges caused" output)

These two outputs are used respectively to calculate the two results (see above for more information on these two results):

- Giving multiplier — current donations method
- Giving multiplier — future value method

Because many organisations have multiple systems for recording donations or multiple types of donations and these different types may require different adjustments, we have included the ability to include up to 3 different donation sources in the template, with the option to apply different adjustments for each source. Correspondingly, a different value for each of the below inputs can be used for each source of donations.

Input: Recorded inflation-adjusted money moved

What is this input?

The total donations recorded from this source by your organisation for the evaluation period, with necessary adjustments for currency conversion and inflation.

Input guidance

To estimate this, you can follow the below steps:

1. Calculate the total recorded donations from this source for each year in the evaluation period
2. Convert each year's total to the correct currency and adjust for inflation to arrive at your chosen common monetary unit (e.g., 2022 USD)
3. Combine inflation-adjusted totals to arrive at the input

Input: Recording adjustment

Assumption/Estimate

What is this input?

- The adjustment required to account for:
    - Any additional donations from this source during the evaluation period that do not appear in your records (e.g., because you don't have records for some donations)
    - Errors in reporting in cases where recorded donations may overestimate actual donations (e.g., because they are self-reported).
- This figure is multiplied by recorded money moved to estimate actual money moved.

Input guidance

- For many organisations, this estimate may be 100% (i.e., no adjustment is made), because their records reflect all the donations they wish to include in the evaluation.
- See table below for values used by other organisations historically and why

	Best guess (expected)	Conservative	Reasoning
GWWC 2020–2022 — Pledger	127%	100%	**Best guess:** Surveys conducted for the evaluation implied GWWC pledgers were giving more than was recorded. **Conservative:** Unrecorded donations could be compensated for by potential inaccuracies of our recorded donations.
GWWC 2020–2022 — Non-pledger	125%	125%	Our database does not track certain types of donations (e.g., stock donations), which we estimated constituted 20% of total donations for the period.
ES 2019–2022	N/A (100%)	N/A (100%)	In this analysis Effektiv Spenden estimates their multiplier based only on donations that went through their platform (their recorded money moved) and so no adjustment is used.
GWWC 2025 — Pledger (CEARCH)	78%		CEARCH discounted the reported donations of pledgers based on external reference class studies on the reliability of self-reported donations.

Further reading

- Record accuracy and Appendix: Recording adjustments sections of 2020–2022 GWWC evaluation
- CEARCH's discussion of recording adjustments in their evaluation of GWWC

Input: Counterfactuality adjustment

Assumption/Estimate

What is this input?

- This input estimates the proportion of actual money moved that counterfactually occurred because of your organisation's influence.
- This will typically be the proportion of actual money moved that only happened (or only went to impactful organisations) because of your organisation's influence.
- This figure is multiplied by total money moved to estimate total counterfactual money moved.

Input guidance

For many organisations, we expect this will be one of the most difficult (and important) figures to estimate.

Estimating from reference classes

For organisations that do not yet have their own survey data on counterfactuality (see below), we recommend using the counterfactuality adjustments of other similar organisations as a default value. Even when you do have surveys that inform your counterfactuality adjustment, particularly where these surveys have small sample sizes, we recommend partially weighting external reference class estimates in your final counterfactuality adjustment.

The table below includes values used as counterfactuality adjustments by other organisations in recent impact evaluations. We expect the list of available reference class estimates will expand as more organisations gather results from their own surveys.

	Best guess (expected)	Conservative
GWWC 2020–2022 — Pledger	30%	17%
GWWC 2020–2022 — Non-pledger	26%	20%
Effektiv Spenden 2019–2022	32%	19%
GWWC 2025 — Pledger (CEARCH)	50%	

General donor surveys

Where possible this adjustment should be partially informed by surveys of the donors whose donations are included in your recorded donations for the period. The way you conduct these surveys and the questions you ask, will depend on your particular context, but two broad approaches include:

- Asking questions of donors at check-out
- Running a survey of donors who use your services

You can see examples of the kinds of questions that could be included in these types of surveys in order to assess counterfactuality in the appendix. For some organisations, it may not be worth the resources required to run a targeted survey of donors to estimate counterfactuality, although we expect including a check-out question is a lower lift approach that will be suitable for many organisations. When estimating your counterfactual adjustment from surveys, we recommend using various surveys with different framings, in order to account for bias in responses based on how questions are framed. This might involve sharing multiple small surveys with different samples of donors, rather than sharing one survey with a single larger sample. We recommend keeping surveys short and putting the most important question on the survey first in order to maximise useful survey data.[4]

Note that non-response and social-desirability bias effects are likely to have some influence on the results of these kinds of surveys and you should consider ways you could account for these. For example, if characteristics of the non-respondents are known, certain potential systematic biases in the response sample caused by non-response bias can be identified using a balance table (also referred to as a baseline characteristics table). Additionally, the adjustment that you apply due to non-response bias could be roughly estimated by following up with a sample of non-respondents. The responses from this followup sample could be weighted by the size of the non-response group to help inform a principled adjustment for non-response bias.

One way to try and mitigate social-desirability bias is by framing questions to reduce this risk (e.g., using neutral and nonjudgemental language and avoiding leading questions).

Large donors

Critically, donations tend to follow a heavy-tailed distribution and donation size may not be independent of the probability that a donation is counterfactually caused by a given EG org.[5] If these considerations aren't accounted for, then organisations may overestimate their giving multiplier, because they will assume

[4] In GWWC's 2020–2022 impact evaluation we included the first question of each of our surveys within our email so that it could be answered with a single click. This resulted in the first question having a much higher response rate than other questions. See here for more.

[5] In the experience of at least some effective giving organisations, large donors are less likely to report that their donations were counterfactually caused by the organisation than typical donors.

large donations are as counterfactual as typical donations. Some approaches that somewhat reduce this risk include:

- When calculating counterfactuality adjustments from the results of surveys, we recommend weighting each response by the amount donated, to account for possible associations between these variables.
- Consider conducting a separate survey of your largest donors and creating a separate counterfactuality adjustment for this group.

Further reading

- Accounting for the counterfactual section (Effektiv Spenden 2019–2022 evaluation)
- See the sheet in which Effektiv Spenden estimated their counterfactual coefficient for their 2019–2022 evaluation
- Counterfactual adjustments section (GWWC 2020–2022 evaluation)
- To see information about all surveys GWWC conducted for our 2020–2022 impact evaluation see our survey documentation here.

Input: Effectiveness adjustment

Assumption/Estimate

What is this input?

- This input attempts to account for cases where donations influenced by your organisation go to opportunities that are more/less cost-effective than some highly cost-effective benchmark that can absorb significant funding.
- One way to define this benchmark for each cause area is as the direct impact charity or fund you would, under the relevant worldview,[6] choose to donate your organisation's funding to if you had to donate it to a direct impact organisation (i.e., you couldn't donate it to a giving multiplier).
- For example, a common benchmark for EG organisations primarily promoting global health and wellbeing is GiveWell top charities.

Input guidance

- If all your influenced donations occur through your own donation platform and your donation platform only offers high-impact opportunities that you cannot adjudicate between in terms of cost-effectiveness, then your effectiveness adjustment would be 100% (i.e., no adjustment applied) (see Effektiv Spenden 2023).
- A more in-depth approach involves attempting to estimate the relative cost-effectiveness of donation opportunities (see CEARCH 2024).
- An alternative approach would be to simply estimate the fraction of recorded donations that met a certain cost-effectiveness bar. For example in GWWC's 2020–2022 impact evaluation, we categorised donation

[6] By comparing charities within worldviews, this means that EG orgs that are 'cause neutral' don't have to wade into cause prioritisation as part of their impact evaluation.

opportunities as either 'top', 'standout', or 'unknown' in a way roughly consistent with how we highlighted charities and funds on our platform at the time. For our best guess (expected) impact estimate, we considered donations to 'top' and 'standout' organisations as 'donations to highly effective charities'. For our conservative impact estimate, we included only donations to 'top' organisations.

- If you have recorded donations to a large number of organisations, you may wish to estimate a effectiveness adjustment across a subset of these and then apply adjustments to this to reach an effectiveness adjustment across all money moved.[7]

Further reading

- Donation effectiveness and Appendix: Effectiveness adjustments sections of 2020–2022 GWWC evaluation
- CEARCH's discussion of effectiveness adjustments in their evaluation of GWWC

Input: Discount for overlap with lifetime pledge value

Assumption/Estimate

Relevant for: Organisations with pledge impact — other organisations should set this at 0%.

What is the input?

- This input estimates the fraction of donations from this source that would be already accounted for under 'Value of new pledges caused' and so shouldn't be additionally accounted for under current donation value.
- This will typically be the proportion of total donations from individuals who have made a pledge as a consequence of your organisation's work in this or earlier years.[8]

Input guidance

To calculate this, you could consider the following factors:

- Your estimate of the number of donors for whom you have recorded donations who have taken a pledge with your organisation

[7] For example, in GWWC's 2020–2022 impact evaluation, rather than categorise all organisations for which we recorded donations, we analysed only those for which we recorded more than $500,000 USD during the evaluation period to get an effectiveness adjustment for these donations. We then applied adjustments to this figure to estimate an effectiveness adjustment for the other recorded donations to account for selection bias (e.g., we expect organisations that we classify as top or standout are more likely to meet our inclusion threshold). You can read more about how we applied these adjustments in our Effectiveness adjustments appendix from the evaluation.

[8] This includes pledgers from earlier years because these donations will have been accounted for under the 'Value of new pledges caused' output in previous years and so they need to be excluded here to avoid double-counting.

- Your estimate of the average amount of donations you have recorded from these pledgers during the evaluation period

For GWWC pledge partner organisations, GWWC can provide information on the number of pledges signed through your organisation, which could serve as a basis for the first factor above. Additionally, our GWWC's 2020–2022 estimation of the value of a new pledge was based on an estimate that the average 🔸10% Pledger gave $4,132 USD in 2022, which (inflation-adjusted) could form a basis for your estimate for the second factor above (noting that we expect to have a new estimate of this in Q2 2025). Note, however, that for both of the above factors, it may be the case that your recorded donations do not include all donations from all individuals who were caused to pledge by your organisation (e.g., maybe they donate directly to a charity or via the GWWC platform). As such, we expect you may wish to discount one or both of the above figures to account for this.

By multiplying together your final estimates for each of the two factors above you get an estimate of the total amount of recorded donations in the evaluation period that came from individuals who have pledged with your organisation. By dividing this number by your total recorded donations you will arrive at this value as a proportion of total recorded donations — this is your discount.

Value of new pledges caused

Relevant for: Organisations with pledge impact — other organisations can ignore this output, by keeping 'Number of new pledges caused' set at 0.

This output estimates (in the common monetary unit) the lifetime counterfactual value of all pledges acquired by your organisation during the period. For a given pledge type, this is calculated by multiplying the number of new pledges by the estimated lifetime value of a new pledge.

Similar to the multiple donation sources provided for each input to the 'High-impact donations caused' output, the template includes space for multiple different kinds of pledges and each of the inputs described below exists for each pledge type.

Input: Number of new pledges caused

Input

Relevant for: Organisations with pledge impact — other organisations should set this at 0.

What is this input?

- This input estimates the number of new pledges of the given type your organisation contributed to during the evaluation period

Input guidance

- For 🔸 10% Pledges and 🔹 Trial Pledges, GWWC can provide total pledges generated via pledge partnerships.
- If your organisation offers a unique pledge, this value will correspond to the number of pledges of that type that were acquired in the evaluation period.

Input: Value caused per new pledge

Assumption/Estimate

Relevant for: Organisations with pledge impact.

What is the input?

- Lifetime counterfactual value of a new pledge of that type in your chosen monetary unit

Input guidance

- If your organisation caused 🔸 10% Pledges or 🔹 Trial Pledges then you can use our estimates of the counterfactual lifetime value of these pledges, converted to your common monetary unit (currency conversion and adjusted for inflation). As of our 2020–2022 evaluation these estimates were:

Pledge type	2020–2022 Lifetime value of new GWWC pledge estimate (2022 USD)	
	Best guess (expected)	Conservative
🔸 10% Pledges	$21,755	$8,990
🔹 Trial Pledges	$500	$250

- Note that we expect to update our "Value caused per new pledge" estimates based on our next impact evaluation and corresponding surveys, which we plan to conduct in Q1 and Q2 2025.
- If you have reasons to believe that pledges you generate differ in value from our estimates (e.g., differing average wages in the geography or target audience you work with), you may wish to apply an adjustment to these values.
- If your organisation offers its own pledge you will need to create your own estimates for the lifetime value of your pledge. To do this, you might refer to how we modelled the value of our pledges in our 2020–2022 GWWC evaluation and how CEARCH modelled the value of GWWC pledges in their evaluation of GWWC's giving multiplier.

Labour opportunity cost

This output is intended to capture the forgone impact that staff at your organisation could have had if they were employed elsewhere. For both GWWC's 2020–2022 impact evaluation and Effektiv Spenden's 2019–2022 Giving Multiplier

report, this factor was estimated by assuming the multiplier by which staff would likely out-earn their salary and the proportion that staff would donate in this scenario. By multiplying these by the costs of staffing for the period, they arrived at the labour opportunity cost. In both cases, these organisations assumed for their best guess (expected) impact estimate that staff could counterfactually out-earn their current salary by 2x and would donate 50% of this to effective charities.

Further reading

You can read more about this factor and the assumptions this approach implies in the relevant appendix of GWWC's 2020–2022 impact evaluation and the "Labor Factor" sections of Founders Pledge's cause area summary for giving multipliers

Input: Inflation-adjusted staff salaries

Input

What is this input?

- This input should estimate the amount of income staff and contractors earned during the evaluation period that they could have spent on donations.[9]

Input guidance

- In GWWC's 2020–2022 impact evaluation, we used our total operating cost rather than disentangling specific expenses for staff and contractors. This is because staffing made up the majority of our operations expenses for the period and so this was a rough, but readily available, approximation of the true value.
- By contrast, in Effektiv Spenden's 2019–2022 Giving Multiplier report, they took a more precise approach and considered only:
    - Expenses that contributed to potential staff donations
    - Third-party services directly related to effective giving

Input: Salary multiplier in counterfactual

Assumption/Estimate

What is this input?

- This input estimates how many times higher your staff's income would be on average if they were working in the private sector rather than at your organisation.

[9] Basically, this is total staff take-home salary (i.e., excluding employer pension contributions, healthcare plans, etc.). We want to know the total amount that the EG org spends on staff that the staff could then theoretically donate in a year. For simplicity, you could just consider staff costs as a rough estimate of this value. The purpose of this value is to get a baseline from which we can estimate the amount staff could donate if they were being paid market rates for their skills.

Input guidance

- In GWWC's 2020–2022 evaluation and Effektiv Spenden's 2019–2022 evaluation this input was 2x in the best guess (expected) case (GWWC used 4x in the conservative case while ES used 2x in the conservative case).
- This could be estimated more systematically (e.g., by surveying staff and asking them to approximate what they estimated they could have earned outside of your org during the evaluation period or what they earned prior to working at your org)
- However, there is also value in different organisations using a consistent approach for this highly speculative input to improve comparability between impact evaluations. As such, **we tentatively recommend a standard of using 2x for the expected impact estimate and 4x for the conservative impact estimate.**

Input: Proportion of salary staff would donate in counterfactual

Assumption/Estimate

What is this input?

- This input estimates the impact-adjusted proportion of earnings staff would donate if they were working in the private sector.

Input guidance

- For this input, both GWWC's 2020–2022 and ES's 2019–2022 evaluations used the same rough estimate: 50% in both the best guess (expected) and conservative case.
- As above, this value could be estimated more rigorously (e.g., by surveying staff and applying adjustments), but **we tentatively recommend a standard of using 50% for both the expected and conservative estimates for increased comparability across the ecosystem.**

Input: Inflation-adjusted total financial expenditure over period

This relatively straightforward input serves as the denominator for your results. To calculate this input, simply add together the inflation adjusted total expenditures of your organisation for each year in the evaluation period.

Resources

This toolkit was informed by a number of existing resources including:

- GWWC's 2020–2022 impact evaluation
- Founders Pledge's Giving Multipliers report
- Giving Multiplier for Effektiv Spenden 2019-2022

- CEARCH's 2024 evaluation of GWWC's giving multiplier
- AIM's ARP Giving Multiplier framework

Appendix

Counterfactuality adjustments

Example survey questions

Note: *We hope to improve our advice on counterfactuality surveys after our own impact evaluation, during which we will be designing new questions for our own adjustments. To see information about all surveys GWWC conducted for our 2020–2022 impact evaluation (including further example questions) see our survey documentation here.*

Possible check-out questions include:

- **Attribution question:** *Which best describes what you would likely have done with these funds if you hadn't encountered [ORGANISATION]?*
    - *Would have donated them as I did anyway*
    - *Would have donated differently*
    - *Would not have donated*
    - *Not sure*
  - *IF "Would have donated differently", ask:*
    Please select the scenario that best matches how you think you would have donated:
    - *Roughly the same amount but to different charities (please specify type: ▫ highly effective ▫ other)*
    - *Different amount but to same charities (approximate % you would have donated: ___)*
    - *Different amount and to different charities (specify both of the above)*
    - *Not sure*
- **Referral question:** *Thank you for making a high-impact donation! Who else is to thank for you doing this today?" [multiple choice of categories (multiple selections possible), with optional specification of source in free text after selection of category]*

Formal surveys of donors may include questions like:

- **Attribution question:** *Thinking about your total highly effective charitable giving in [YEAR], which best describes how [ORGANISATION] affected your decisions?*
    - *My total giving to **highly effective charities** would have been approximately _____% of what I actually gave (0% = would not have given to highly effective charities at all, 100% = would have given the same amount, >100% = would have given more)*
- **Attribution question:** *"How has encountering [YOUR ORGANISATION] affected how much you donate to highly effective charities or funds?"*

    - *I give more to highly effective charities and funds because of [YOUR ORGANISATION]*
    - *I give less to highly effective charities and funds because of [YOUR ORGANISATION]*
    - *I give about the same*
- **Followup**: *If you had not encountered [ORGANISATION], how much more/less do you expect you would have donated to highly effective charities or funds?*