

Business model April 2014

You can read more about how our strategy has changed over time, and why we settled on this model in our [strategic review](#).

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Mission statement

Our aim is to have the biggest possible social impact.

The problem: Over a third of students prioritise making a difference with their careers,¹ but advice on how to do so is poor.² Because of this, every year over half a million graduates fail to make as much difference with their careers as they could.³

Our solution: Become the best source of advice in the world for these talented, young graduates, so they can make far more difference with their careers. Through this, create a global, evidence-based, systematic conversation about how to best use your career to solve the world's most pressing problems.

Our vision: As many people as possible take high-impact careers.

Values

Evidence-based - Always ask why we believe what we believe.

Agile - Update our plans based on the evidence.

Quality - We want to be as professional as your doctor.

Transparent - We want others to be able to learn from our mistakes.

Altruistic - Everything we do is ultimately in pursuit of making the world a better place.

¹In a [Net Impact survey](#), 31% reported that making a difference was 'essential' in their choice of career. 45% also reported that they would take a 15% pay cut to make more of a difference. In a [Guardian survey](#), over 70% reported that ethical considerations were "crucial" in choosing an employer. In a [Bentley University survey](#), 84% reported that "knowing I am helping to make a positive difference in the world is more important to me than professional recognition".

²People wanting to make a difference are often encouraged to work in the social sector, despite good arguments that corporate, academic and political careers can have more impact. No-one is systematically working to identify the best opportunities. In a 2009 [British Youth Council survey](#), 80% of 12-26 year olds reported that formal careers advice was "a little bit" or "not at all" helpful.

³1.8m students received bachelor's degrees in the US in 2013/2014 (Source: [Institute of Education Statistics](#)). One third of these students amounts to over half a million.

Our current model

Our work

Research and online content

We carry out in-depth research into the best strategies and opportunities for making a difference with your career, with academics at the University of Oxford. It is published on our [research pages](#). The next version of these pages will include:

- **Six criteria** for comparing career options: influence, cause effectiveness, career capital, keeping your options open, fit and discovery value.
- A [ranked list of careers](#) with supporting research and **career profiles**.
- A [ranked list of causes](#).
- More advice on finding a **career that fits** you. For instance, how to find a [personally satisfying job](#).
- A **step-by-step planning process**, based on our [standard career plan](#).

Coaching

Our research is driven by one-on-one coaching. We let real choices that graduates face guide which issues we explore. The coaching process works as follows:

- The individual fills out a [career plan](#), containing their expected career path, cause and next steps.
- We meet to clarify their plan and greatest uncertainties.
- We write a brief report giving our current best answer to their career questions, linking to the most relevant additional resources. For full case studies, we extend this to ten hours of original research.
- We meet again to discuss the findings and create an action plan.
- We aim to introduce them to other coaching alumni.
- We finish by asking for feedback and collecting information on how their plans have changed. We may follow up further by e-mail.

For short sessions, the entire process takes us about five hours. For full case studies, it takes fifteen. You can see a sample case study [here](#), along with the attached [research report](#) and our [full list](#) of write-ups.

Community

By making introductions through coaching and having an online members directory, we're building a community of people who want to make the most difference through their careers.

The market: What's the audience?

In the US alone, 1.8m students graduate every year.⁴ At least 30% of these are highly concerned with making a difference. Our target market is the 10% most high-achieving and analytically-minded among this group in their twenties, some 500,000 people in total, with 50,000 new graduates added each year.

We'll initially focus on satisfying the most engaged subset of this market: active members of the effective altruism community. By doing this, we can build a body of knowledge, credibility, a strong team and a strong base of donors before expanding into our full target market. It will also mean we'll contribute to building the effective altruism community, both through helping the existing community and helping it to grow in size. The latter is important because we think building great programs for effective altruists will be the best way to attract new effective altruists into the community.

However, we think the majority of the research will still be relevant to also people outside the effective altruism community, and careers advice is generally poor (as explained in our [policy paper](#)), so this initial focus will not prevent us appealing to our full target market later.

For similar reasons, in the long term we'll even have the option to expand our focus beyond our target market.

What's the core value this product offers users?

The key value we offer is **helping our users have more social impact with their careers**. We do this by:

1. Broadening the options they consider for having a social impact, including new, uncommon options.
2. Help them prioritise within their existing options.
3. Offer them a step-by-step process for choosing, offering greater certainty in a highly complex situation.

Note that **our users are not our beneficiaries**. We ultimately care about the social impact our users create in the world, although we also think our users will benefit significantly from our programs, mainly because we'll enable them to be more confident they're making a difference, increasing their sense of purpose.

⁴1.8m students received bachelor's degrees in the US in 2013/2014 (Source: [Institute of Education Statistics](#)).

Marketing: How will we gain an audience for our programs?

While we continue to focus on increasing the quality of our programs, we'll use the following low-cost forms of marketing, which have driven most of our growth so far:

1. **Word of mouth.**
2. **The growth of the effective altruism community:** In this community, 80,000 Hours is the default place to go for careers advice. We expect growth to continue or accelerate due to the [promotional campaign accompanying Will's book](#).
3. **Content marketing:** We can turn our research into blog articles, which will be passed around through social media and gain search traffic. We can boost this by using free Google AdWords.
4. **There are volunteers running student groups** in Oxford, Cambridge, Imperial and Princeton.

If we want to ramp up outreach, we think the following methods will work:

1. Package our content to receive press coverage, as we did with the idea of earning to give. It's now easy to place stories in the media through Will's Qz.com column.
2. Scale up the student groups, especially by giving more lectures. We've shown this can work in Oxford and Cambridge.
3. Develop partnerships with other organisations, perhaps by offering free research or coaching to them.

The impact

How will we track our impact?

We track the impact of our programs using two indicators: (i) 'significant plan changes' to measure whether our users change behaviour based on our advice (ii) 'research quality' to measure whether our advice guides people towards more high impact career paths. Additionally, we collect information on what the significant plan changes consist of in order to evaluate our cost-effectiveness.

Significant plan changes

We define a significant plan change as follows:

An individual has made a significant plan change if they have changed their credence in pursuing a certain career path, cause or next step by 20% or more; they attribute this change to 80,000 Hours; and there's a plausible story about how engaging with 80,000 Hours caused this change.

As of the end of Dec 2013, we have caused **over 100 significant plan changes**, mainly from highly talented young graduates. 30 resulted from reading our online content alone. In the second half of 2013, **over 40% of people we coached made significant plan changes**.

Research quality

We're confident that our advice helps people choose more high-impact careers because:

- **We tell them about important, new information**, including:
 - New concepts e.g. [earning to give](#), [assessing the counterfactual](#) and [strategic cause selection](#).
 - Potentially high impact paths many people would not have considered, such as working in foundations, learning to program or contributing to global priorities research.
 - Detailed, novel research on specific careers e.g. [politics](#), [medicine](#), and [tech entrepreneurship](#).
 - How to rationally plan your career e.g. [our career model](#), [how to avoid biases](#).
- **We have credibility indicators**, such as [media coverage](#) and we're affiliated with two research groups at the University of Oxford.
- **Our research is vetted** by a [team of advisors](#), including many academics. Our research is also published on our blog for further vetting and feedback.

We plan to conduct an external research evaluation within the next year. This will involve an external researcher publicly grading our research on the novelty of the information, the clarity of presentation, and the transparency and reliability of our methods.

Why expect this to be a high-impact project?

We're addressing a highly important and neglected problem - millions of young people want to make a difference with their careers, but don't have high quality information about which options are best.

Our particular model has the **potential to be a multiplier on the best career opportunities**. We'll find the most high-impact career paths in the world, and encourage thousands of people to take them, leveraging resources into the world's most pressing talent gaps.

We use GiveWell as an analogy. Rather than donating all their money to the best charity they know, GiveWell's founders invested in building GiveWell, which now directs tens of millions of dollars each year to even more high-impact charities.

Our cost-effectiveness

To date, we've been more focused on developing our programs than maximizing our immediate impact; nevertheless, we think the value of significant plan changes we've caused more than justifies total financial costs of £147,000.

Among the 100 plan changes, the [top five donors](#) pursuing earning to give expect to donate **an extra £600,000 to high-impact charities** due to us within the next three years. Others are seeking leadership positions in high-impact charities, politics and academia. Two non-profits - [Animal Charity Evaluators](#) and the [Global Priorities Project](#) – wouldn't exist without us. For more detail, see this list of [15 case studies of career change](#) and our most [recent impact evaluation](#).

Moreover, we think the value of the significant plan changes we've caused to date is a [relatively small portion of the total value we've created](#).

How does this model help us achieve our vision?

There are three pathways for achieving our ultimate aim of generating a global conversation and ultimately enabling as many people as possible to take high-impact careers.

1. Having this package of content and examples of people who are using it is **proof of concept you can lead your career in this way**, which could influence other groups.
2. It supports the effective altruism community with research, career coaching and proof of concept, and the effective altruism community promotes rational discussion of how to use your life to make the biggest positive impact.
3. It provides us with a **platform, body of knowledge and credibility with which we can broaden our reach**, changing careers directly.

The Funding: Who pays for our programs, and why is it sustainable?

We're seeking philanthropic funding from the following sources:

1. Donors from the effective altruism community.

- a. There's a rapidly growing community of funders who are **prepared to donate in exchange for evidence of impact and** contributions to the community such as high quality research. We think gathering the evidence listed above will be sufficient for continued support that can match our increasing scale, since the pool of donors seems to be growing faster than our room for funding. These donors are highly aligned with our values, creating good feedback.
- b. We currently receive about $\frac{2}{3}$ of our funding from this source.

2. Our coaching alumni

- a. About half of our donors in the effective altruism community are coaching alumni.
- b. We also think our alumni will turn into a pool of highly interested donors that will grow with our scale.

3. Other wealthy philanthropists and foundations

- a. The rest of our funding comes from this source. We'll only pursue this source opportunistically, but have had success in the past (e.g. Fred Mulder, Allan Grey), and have identified some potentially good fits among major foundations.

We intend to experiment with gaining funding by charging those who can afford it for one-on-one coaching. Longer term, we'll consider launching other products, such as a paid-for careers guide.

The plan

What will we focus on over the next year?

We see the next year as the final year of our ‘discovery phase’. In this period, the key aim is to determine what model we should create. So far, we’ve focused on clarifying our strategy, working out which programs to provide, proving that these programs can change careers, and building CEA as an organization.

Now, we think it’s most important to focus on building better prototype programs, and resolve the remaining key uncertainties in our model. To that end, over the next year, we’ll focus on:

- 1. Deepening our knowledge of social impact careers through research.**
- 2. Developing a better online content prototype.**

We’ll do this by rewriting our research pages. Then we’ll deepen our knowledge by doing successive rounds of coaching, then writing answers to the most pressing questions that arose and writing career profiles on the careers most people are interested in. At the end of the year, we’ll update the research pages and submit them to external evaluation. You can find more detail in our [team plan](#). We explain why this is our focus in our [strategic review](#).

2015 and beyond

From spring 2015, we’ll aim to deliver the model we’ve discovered to its full potential. While continuing with our research, we’ll initially move focus towards making the online content easier to use. Most likely, this will consist in writing a careers guide, supported by online tools such as a careers test. We want this in place before the release of our founder and President Will MacAskill’s book - *Effective Altruism* - in August 2015. This will be published by Penguin and Guardian-Faber, and will be accompanied by a publicity campaign with an estimated budget of over £300,000.

We’ll continue to monitor the extent to which we should focus on outreach. We suspect that, [like GiveWell](#), it may yield higher returns to focus on improving the quality of our programs for some time, while relying on word of mouth and promotion from other groups. Still, we can easily see ourselves increasing outreach and accelerating the extent to which our target market is aware of our programs.

In the longer term, having gained this audience and a strong body of research, we’ll aim to develop further programs to deepen involvement. We intend to train a career coach for every major English-speaking university, who will foster a community of people aiming to make the most difference.

Schematic summary of our progress

Discovery phase - work out what model to pursue

1. Decide which programs to provide → We decided on online research supported by coaching.
2. Test that our initial prototype changes careers → We just finished this.
3. Improve our prototype programs → We are here.

Execution phase - deliver the model

4. Increase the quality of our programs.
 - a. Make the programs easier to use (e.g. develop the online content into a careers guide).
 - b. Deepen our knowledge of high-impact careers through research.
5. Engage in outreach with our entire target market (content marketing, networking and events).

After this, we could develop further programs, such as training a career coach to go to every major university.

Where could this model go after three years?

Longer term, having gained this audience and a strong body of research, we'll aim to develop further programs to deepen levels of involvement, such as training a career coach for every major English-speaking university. We want to become the best source of advice in the world for the most talented young graduates, and ultimately, enable as many people as possible to take high-impact careers.

Our current model, focusing on deepening our knowledge and publishing it online, keeps our options open if our current plans do not work out.

- Through the research process, we'll **build expertise in socially motivated career choice**, which can open many doors.
- Maintaining the coaching service keeps open the option of **tilting towards a coaching oriented approach** if that proves more promising than research and online content.
- **We'll have the option to spin-off various for-profit products** from the research, e.g. a careers guide, a community, conferences, automated coaching, advertising, careers brokerage.

What's our evidence this model will work?

You can see a description of how we arrived at this strategy in our latest [strategic review](#).

The strategic review also lists the most important strategic questions we've faced, and our current answer to each.

In the rest of this section, we present a summary of the evidence we have behind each part of the business strategy.

Evidence the problem we solve is pressing

- **Its apparent importance and neglectedness:** Lots of people want to have a social impact with their careers; some careers offer far more potential for impact than others; but no-one has systematically researched how to maximise the social impact of career choices.
- **Specific weaknesses we've uncovered, including:**
 - No discussion of [earning to give](#) as an option, no [strategic cause selection](#), the [problems with 'do what you're passionate about'](#)
 - 'Work in the social sector' is what's most commonly suggested despite apparently good arguments for research/corporate/government careers.
 - Most work in the field is generally not well researched, and there's little use of scientific findings e.g. in psychology, economics, decision science.
 - In addition, we think there are significant problems with non-socially focused careers advice (as we argue in this [policy paper](#)).
- **Lack of satisfaction with existing careers advice:** In our conversations, we've repeatedly found people in our target audience are not satisfied with existing careers advice. In [our 2012 survey](#) of 128 Oxford students, only 15% said the University Careers Service was "very useful". Instead, most seek advice from informal sources, such as friends and family. This is echoed on a national level. A British Youth Council survey found that over 80% of 500 12-26 year olds found formal careers advice "a little bit" or "not at all" helpful.⁵ Based on our conversations with users, the same problems seem to apply in the US.

Evidence we can make progress with further research

- **The team:** Our team is bright and motivated to research. Moreover we have access to talented and intellectually impressive advisors.

⁵ "Young people's views on finding out about jobs and careers." British Youth Council and NCB survey 2009. [LINK](#).

- **Clear low-hanging fruit:** There are research approaches that seem tractable, but nevertheless produce valuable findings, e.g. (i) doing in-depth interviews with experts in different fields on career strategy (see [here](#), [here](#) and [here](#) for examples); (ii) applying what's known about strategic cause selection (from GiveWell Labs, CCC, JPAL, FHI, such as [this example](#)) to career decisions; (iii) doing case studies of historical high-impact career trajectories.
- **Track record of success:** We've already produced research that's changing careers, as shown by our impact evaluation.
- **Good feedback mechanisms:** We've created feedback mechanisms through the case study method, our impact evaluation process and our research evaluation process to ensure that what we produce is valuable.

Evidence we can gain a large enough audience

- **We're already getting 10,000 visits and 20-50 requests for coaching every month from the passive sources** (search, word of mouth, growth in the effective altruism community, content marketing, student groups). This has doubled in just the last year. We expect this will continue to grow as we make our programs higher quality and the effective altruism community continues to grow.
- In the future, there are several promotion methods that we could invest more in:
 - Scale up the student groups. We've shown this leads to reasonable returns with our hubs in Oxford and Cambridge.
 - Seek more press coverage of our work. We've been successful in gaining coverage [in the past](#). In the future, we think some of our content will be newsworthy, and we can promote it through Will's Qz.com column.
 - We may be able to build partnerships with other groups, perhaps by providing coaching or research in exchange for promotion.

Evidence we can raise money to cover our model

- From effective altruists
 - **We already supply 2/3 of our budget from this category**, including 5 large donors who are recurring, two of whom are funding 35% of our budget and can expand donations to match our scale.
 - **We think we understand what this group wants and can give it to them** (evidence of a multiplier on resources, high quality research, extreme transparency).
 - **The funding from this source is growing very rapidly**, as more people are launching earning to give careers, and the community is becoming more well known (e.g. Singer's TED talk, Will's book).

- GiveWell's success among this group is evidence that an effective donation-driven model exists.
- From coaching alumni
 - We think it seems plausible that some of our users will pay for coaching, since half are young professionals and often moderately wealthy, we have high user satisfaction, and because what we offer is unique and highly valuable to someone who cares deeply about their social impact.
 - About 30-50% of the effective altruist donors were previously coached by us, suggesting coaching alumni can also turn into donors.
- From other philanthropists
 - **We already supply 1/3 of our budget from this category.**

Evidence we will be cost-effective

We think we have a strong, well-run team and are addressing an important, neglected problem, so we expect to be cost-effective.

Our main empirical evidence is that we think we have justified our costs in the past through causing significant plan changes. We make the case for this in our [plan change analysis](#).

We think it will be possible to continue to cause significant plan changes at similar costs, because as we produce more content we'll continue to grow our audience and this will lead to more people changing their plans, either through reading our online content, receiving coaching, or being introduced to people in our community. Our effectiveness will be boosted further if we make progress on research, because that will enable us to make better recommendations to our audience.

In addition to causing plan changes, in the past we've had [several other significant forms of impact](#), which are likely to be even more important.

Learning priorities

Relating to what programs to provide

- How much progress can we make by doing additional research?
- To what extent will people act on our research if we produce more of it?
- How can we make the research program easier to delegate? How can we make the process more systematic?
- To what extent should we focus on research, compared to coaching or community?

Relating to where to focus

- Should we focus on the research or on promoting what we already know?

Relating to our business model

- Should we charge for a product?
- How can we effectively communicate our impact to our donors?
- Can we find enough staff that fit with the team?

Relating to our impact

- How much better is the advice our users receive from 80,000 Hours compared to what they would have received otherwise?
- How valuable are 'conventional careers' compared to the paths taken by the 107 people and effective altruist-style activities in general?
- To what extent does bias in our surveying methods mean we've overestimated how much these plan changes are due to 80,000 Hours?
- How deep and long-lasting is the influence of a plan change?
- What's the chance of one or two people in the group having extreme impact, such as founding a highly influential organisation, donating tens of millions of pounds to charity, or being elected to office?
- How confident can we be that our research and coaching will continue to change career plans as more people find out about them? In particular, how confident can we be that more research will be useful?