

*This is an edited version of a document that was shared with the Board. It has been redacted, in alignment with the guidelines on our [Approach to Transparency page](#). We do not indicate each redacted item. However, we may indicate specific places where redactions were made if they improve the readability of the document (for example, clarifying that a link has been made confidential, or explaining the jump from one topic to another) or may make minor clarifying edits.*

## Responses to Board comments – August 21, 2023 meeting

### Fundraising

#### Open Philanthropy

1. **GiveWell wrote:** Open Philanthropy recently let us know that we should expect its support for GiveWell and our recommendations to continue to decrease from the \$350 million it gave in 2022. Based on conversations with Open Philanthropy earlier in 2023, we were prepared for this possibility; for reference, [this blog post](#) implicitly reflected a median outcome of \$250 million in 2023, \$100 million in 2024, and \$50 million in 2025, with very high uncertainty and a ~25% chance of Open Philanthropy's giving falling as low as \$5 million in 2024 and 2025. [Editor's note: More detail in [this blog post](#), which has since been published.]

**Norma asked:** Can you say more about the implications of this? (e.g. the kind of grants you won't be able to fund; whether you anticipate challenges funding GiveWell's operations?) I recognize it may be too early to say, but do you expect this to lead to any strategic changes in the kind of grants GiveWell makes?

#### **GiveWell responds:**

This should mostly affect the cost-effectiveness threshold we use for grants. For example, when we anticipated raising \$1 billion in 2025, we expected to have a cost-effectiveness bar of 6x cash. We're currently using a bar of 10x cash, which takes into account our updated expectations from Open Philanthropy. That said, we don't intend to communicate that setting this bar is straightforward—balancing the quality of the opportunities we're evaluating with the amount of funding we expect to raise is a challenging, somewhat subjective judgment call, and the bar may shift in the future.

We decided (with Open Philanthropy's approval) to spread their giving from the last two years over several years, so in the short-term, we have additional available funds we can spend down, which will help smooth our spending.

Beyond the above, there are two main ways this could affect us going forward:

- Large grants will now each make up a larger portion of our overall portfolio. We are relatively more hesitant to make very large grants (e.g., those that are ~\$100 million) than we previously were.
- Open Philanthropy provided fully flexible funding—i.e., it could go to Top Charities or other promising grants. We anticipate having sufficient funding from our All Grants Fund and unrestricted donations to continue to support all non-Top-Charity opportunities that we want to, but we aren't certain this will be the case.

We don't anticipate challenges funding GW's operations; we've historically had more than enough funding for our operations even aside from the 20% of our annual operating costs contributed by OP.

## Goals and strategy

2. **GiveWell wrote:** Our goal is to raise \$500 million by 2025 excluding Open Philanthropy.

**Daniela said:** I love the ambition and think it's a great number to aim for!

**Norma and James agreed.**

3. **GiveWell wrote:** We have lightly explored options for raising money from extremely large numbers of smaller donors, but don't believe this is a promising approach. We're happy to discuss this more if Board members have questions about it.

**Norma said:** I'd like to hear more about this.

### **GiveWell responds:**

Our focus on top-level donors comes from a few factors, including our track record with large donors, our lack of historical success with mass market acquisition, and our perception that it's very rare for organizations to raise huge amounts from very small donors. (For a sense of scale, it would take 10,000 donors giving an average of \$100

each to yield as much money as one donor giving \$1 million.)

*Track record with large donors:*

Our funds raised have always been heavily driven by a small number of large donors (as discussed throughout these docs as well as shown in the donor pyramids below [donor pyramids below have been redacted]).

*Our history with mass market acquisition strategies*

We saw little success from strategies like direct mail campaigns or Facebook advertising. We have seen success with podcast advertising at the level of ~\$1-2m/year in spending but haven't found ways to scale up that type of advertising and maintain good ROI.

*Examples from other organizations*

We know of very few organizations that raise very large sums (e.g., \$100m+) from small donors. [example redacted] We're not aware of precedents for organizations we could emulate raising hundreds of millions of dollars from small donors.

All in all, our best guess is that we'll have more success with more targeted strategies for specific audience segments rather than very broad approaches to a general audience.

4. **GiveWell wrote:** While donors giving less than \$100,000 make up a relatively small proportion of our overall funds raised, in 2022, they gave approximately \$60 million—this is roughly one-quarter of what we raised excluding Open Philanthropy, and a large sum of money in absolute terms. The work we invest in engaging with this group yields a good return (in terms of money and time we spend), and these donors form a very robust, widely distributed base of support for our work.

**Tim asked:** Can you add a few sentences about what the work is here?

**GiveWell responds:**

These programs aim to (1) steward and educate donors and (2) identify donors with high capacity to give more. On (1), we focus mainly on reporting back to donors about their impact and about GW's work and progress, as that's what builds trust and affinity over time (with more personalized emails for larger donors within that group). Specifically, a lot of donors do upfront due diligence and "set & forget" their giving. Ongoing education is important so donors are reminded of the rigor of our research as we evolve. We also do events (online and in-person), some of which are open to all donors

and others of which are for mid-level donors, where we share about, e.g., how donations to the All Grants Fund from the past quarter were used. We rarely make requests for additional donations from this group, instead focusing on sharing information. On (2), we do validation calls with donors giving over a certain amount to move those with high capacity to portfolios where we build deeper 1-on-1 relationships.

To give a bit of additional color, many of our larger donors work in tech; it's not uncommon for a handful of them to get very large windfalls each year (e.g., as companies have IPOs), and having a person who emails them every month as part of our mid-level program makes it more likely that they reach out to discuss windfall giving.

5. **Givewell wrote:** This year, we intended to prioritize acquisition, but we failed to give it enough attention in the first half of the year.

**Tim said:** I would note that donor acquisition is a very tough niche. The people with a track record here are highly sought after and typically very very well compensated, and rarely long-term, just as they are in high level sales in all industries.

While I appreciate and agree with the overall logic here, I think this is an area that requires on-going executive attention as the obvious strategies for building out acquisition can have significant negative effects on GiveWell culture.

**GiveWell responds:**

We're definitely attuned to the fact that a lot of standard marketing tactics conflict with GiveWell's culture/values/brand; that was an issue we faced when we were considering some mass marketing campaigns. But we also think there are promising acquisition strategies that fit with GiveWell culture, along the lines of pursuing earned media and corporate talks (as discussed in [Attachment A](#)).

We've just added additional staff capacity to focus on donor acquisition, and look forward to seeing what their work yields.

6. **Daniela asked:** Have you all considered hiring a head of comms? Might be excessive for your size / goals, but it could be useful to think about!

**Tim said:** Those who know me know I have strong feelings about this (happy to talk directly at any point), but I think the strategy here is the most likely to actually meet

GiveWell's goals.

**James said:** I'd also be interested in hearing your feelings here.

**GiveWell responds:**

We've considered it and would be open to it if the right person came along. We haven't ever run an open search for this role, and we think it'd be very hard to find the right person.

Tim/James/Daniela, we'd be supportive of you three finding a time to chat about this if you like, and if others are also interested (please comment here) we could discuss in the meeting itself.

## Data

### 7. GiveWell shared total funds raised over time, excluding Open Philanthropy.

**Daniela asked:** Just noting this is super impressive growth! Any idea why the number went down slightly in 2022 and if you expect that to be the case in 2023 based on how things are tracking?

**Cari said:** I think because of the Vitalik Buterin donation in 2021: "They fell from 2021 to 2022, but 2021 included a windfall donation of \$53 million from Vitalik Buterin; in the absence of that donation, they would have risen from 2021 to 2022."

And a footnote on the prior page suggests 2023 also tracking slightly down: "It also appears to have slowed so far in 2023 but it's notoriously hard to forecast annual giving based on data from the first half of the year."

**GiveWell responds:**

Cari is right re: 2022 compared to 2021: Giving in 2020, 2021, and 2022 was \$146, \$261, and ~\$230 million, respectively (excluding Open Philanthropy). Vitalik Buterin [gave](#) a one-off donation of \$53 million upon receiving some meme cryptocurrency as a gift, which we don't expect to repeat given the nature of the gift. Setting Vitalik's donation aside, our funds raised in 2020-2022 would have been \$146, \$208, and ~\$230 million, respectively (so an upward trend, though still slower growth in 2022 than in 2021).

We're currently on pace with last year in terms of donations of <\$1 million. Donations of \$1 million+ are so lumpy that it's hard to say anything based on actual giving so far this

year; we've received less so far this year than at this point last year, but we broadly think our prospects for \$1 million+ donations are comparable to last year's.

8. **GiveWell wrote:** These data (particularly the 2022 ex-OP number) come from our in-progress 2022 metrics report and may not be precisely accurate; we're still going through the 2022 data. We believe the chart gives an accurate overall picture.

**Tim said:** Given GiveWell's overall focus on quantitative evaluation, I find it odd that we don't have a 2022 metrics report in August of 2023, in relation to GiveWell's commitment to data and transparency. I'd like to see us establish a goal of having a public metrics report by end of June each year.

I'll also note that looking back at the last board meeting notes, this was supposed to be finalized by this meeting, and Holden had some thoughts in that document on ways to improve data and transparency related to this.

**GiveWell responds:**

We said that we would have our metrics report finalized in time for this meeting, but that was a mistake. At the time, we didn't think through the timeline for completing the report.

That said, we don't see the delay between the end of our metrics year and publication as a meaningful transparency issue, partly because August isn't far from the earliest we think it could reasonably be complete. Briefly, part of the delay has been due to competing operations priorities and a delay in deciding how we wanted to handle data from delisted top charities, but we're also constrained by the timelines of the organizations that give us data on direct-to-charity donations (which often becomes available in June/July).

9. **GiveWell wrote:** We aren't planning to continue to collect data on GiveWell-influenced funds to GiveDirectly going forward.

**Tim asked:** Why not collect the data? A burden on Give Directly? Could there be a low-lift lower bound report?

**GiveWell responds:** Now that we aren't recommending funding to GiveDirectly, we don't think it makes sense to collect data on whether donors are continuing to give to GiveDirectly based on our previous recommendation. Our metrics report aims to

capture donations to programs we recommend, but doesn't aim to capture "sticky" giving.

10. **GiveWell shared** data on donations by donor size, including the total giving from donors giving at least \$1 million in a given year.

**Daniela asked:** Would be curious to see this even further broken down if easy to do. E.g. is the top donor giving like \$50MM or is it spread relatively equally across the 23? (Also what drove the big increase from 2020 -> 2021? Was this more donors or donors giving more or both?)

**Cari said:** Probably explained by \$53m windfall from Vitalik Buterin in 2021. +1 to breaking down the \$1m+ further if easy.

**GiveWell responds:**

Sure! Here's a donor pyramid with a more specific breakdown at the top end from 2022. 2021 was similar with the addition of the \$53 million from Vitalik Buterin, and with fewer donors giving over \$2.5 million and more donors giving \$100k+ overall. As you can see, it's fairly top-heavy—the bulk of giving comes from the top end, where there are fewer people, even within the set of \$1 million+ donors.

And yes, the majority of the increase from \$53 million from \$1 million+ donors in 2020 to \$115 million among that group in 2021 is explained by receiving \$53 million from Vitalik Buterin in 2021.

[Donor pyramids redacted given the small number of donors in certain buckets.]

## Other topics

11. **Tim asked:** Because I was looking back at the Feb 2023 notes, I was reminded of the FTX Foundation grant. Any update there?

**GiveWell responds:** As [noted](#) in February 2023, our intention has been to return these funds once an appropriate avenue becomes available. [Details redacted.]

12. **GiveWell shared** a [note](#) on how we use Board meetings.

**Daniela said:** I like this format FWIW!

**Norma said, and James agreed:** One disadvantage of this approach is that if the board ever needs to work together to address a problem, it would probably be easier to resolve if board members know each other and have talked about GiveWell's work with each other before. It's probably worth board members talking to Tim as chair at least once a year, and perhaps occasional in person meetings or other side conversations. What do others think?

**Tim said, and James agreed:**

I'm in general agreement with both Daniela (I think our current format works well and better than the status quo ante) and Norma (there are some risks that go along with this approach, especially with Board turnover).

As a secondary consideration, I wonder about how we provide transparency and credibly signal good governance in this mode.

**GiveWell responds:** These considerations make sense. Are non-Bay Area Board members interested in visiting the Bay to meet each other in person? Feel free to comment here with preferences.

13. **GiveWell shared** a [note](#) on how we use Board meetings.

**Tim said:**

Another comment: as you've seen in other places I started looking back at the documents for the February meeting. Despite the engagement I regularly have with GiveWell staff across the board, there were a bunch of things in there that I had forgotten about.

Which leads me to two thoughts:

- 1) I'm now planning on specifically looking back at the prior meeting's main attachment before each board meeting, something I had not been doing in the past.
- 2) I think we should consider a non-public meeting minutes to capture the substantive discussion that happens in the meeting. This may become less important over time if GiveWell puts more into responding to questions and comments in the document, but with February 2023 as a guide there were things that we discussed that were not added into the document and are not captured in the minutes.

**GiveWell responds:** Tim, I (Isabel) am happy to try taking more substantive notes in the



meeting agenda document this time around, and others should also feel free to comment/write notes in that document as they see fit—then, that could be a non-public record with more detail on our conversations.

**14. GiveWell shared a [note](#) on how we use Board meetings.**

**James said:** Would it make sense for GiveWell to actively facilitate 1-on-1 conversations between Board members and GiveWell staff? This would likely help me talk to a broader set of people more often.

**GiveWell responds:** We'd be happy to facilitate this for Board members. [Details redacted around how Board members have done this in the past and what might be most useful in the future.]