

# Executive compensation review

*Note: the comparison data in this document is unchanged from the one we presented in our June 2015 board meeting. We believe the information we collected last year continues to justify the executive compensation we are proposing.*

## Summary

This document includes four categories of comparables for executive compensation at GiveWell, and a proposal for raising GiveWell executive salaries:

- **Foundations:** Private data drawn from a compensation survey of 117 foundations (2013 data)
- **Research not-for-profits:** public data from the 990s of a handful of not-for-profit organizations conducting research and charity evaluation (2013 data)
- **Academics:** economics professors at the University of California at Berkeley who are similar in age to Holden and Elie (2011 data)
- **Social entrepreneurs:** key staff at young nonprofits that were founded by "social entrepreneurs" (2010-2011 data)
- **Compensation proposal:** we propose a salary raise for Holden and Elie from \$150,000 to \$175,000 (a change from approximately \$155,000 to \$180,000 in total compensation).

## Foundations

We have private data from a survey of 117 foundations in early 2014 by Lasnik-Broida. Below is aggregate information about total compensation from the top non-finance positions among the smallest foundations (by assets and then by staff) covered by the survey.

<b>Total compensation in Foundations with ~10-16 staff</b>				
<i>Title</i>	<i># orgs</i>	<i>25th Percentile</i>	<i>50th Percentile</i>	<i>75th Percentile</i>
CEO	38	\$304,500	\$330,000	\$443,400
COO	9	\$199,400	\$244,200	\$280,100
Top Program (unique)	10	\$201,400	\$242,400	\$274,000
<b>Total compensation in Foundations with ~\$100M - \$500M in assets (overlaps with above)</b>				
CEO	45	\$303,600	\$344,000	\$431,000
COO	9	\$199,400	\$227,700	\$280,100
Top Program (unique)	17	\$187,000	\$229,000	\$260,400

Notes:

- These data are not adjusted for cost-of-living, although most of the foundations are based in large American cities, and 10 of the 45 foundations are in San Francisco.
- If foundations are assumed to spend 5% of their assets each year, the foundations above move ~\$5M - \$25M each year, compared with GiveWell and Open Philanthropy Project's combined [~\\$117M in money moved in 2015](#).
- Details of this data and definitions are available in [2014 Total Compensation Survey of Foundations \[excerpts\].pdf](#).

### **Research not-for-profits**

We pulled the available staff compensation information from five research or charity-review-oriented not-for-profits: GlobalGiving Foundation, Center for Effective Philanthropy, Urban Institute, GuideStar, and Charity Navigator.

Here are summary statistics from three of the highest compensated individuals listed in those organizations in their 2013 990s:

<b>Total compensation in selected top positions at 5 orgs from 990s</b>			
<i>Title\Total comp</i>	<i>25th pctl (4th of 5)</i>	<i>50th pctl (3rd of 5)</i>	<i>75th pctl (2nd of 5)</i>
President/CEO	\$205,223	\$277,811	\$432,875
COO (excl. CFOs and CTOs)	\$157,712	\$164,551	\$166,993
Top Program/Research position	\$136,761	\$159,186	\$180,535

Notes:

- We have not adjusted for cost-of-living; these five organizations are all headquartered in cities in the Northeast and Mid-Atlantic regions.
- The categorizations required some judgement calls. In particular, we excluded positions with “finance” or “technology” in their name in case technical skills are a major part of their value. For example, we excluded the GlobalGiving Foundation’s “COO & CFO”, and included their “Chief Business Officer” in the COO category instead.
- Details of this data are available [here](#).

### **Academics**

We think that professors at UC Berkeley make for good comparisons because Berkeley is a well regarded school (and therefore ought to give some indication of what sort of pay attracts top tier intellectuals in a not-for-profit environment), is public (so salary information is publicly available), and is located in the Bay Area.

We believe that economics professors make the most appropriate comparison for Holden and Elie within this data set.

In 2013, we found three professors who had received their BAs during or after 2003 (the year Holden graduated from college). The total 2011 compensation for these professors was \$119K (BA in 2008), 121K (BA in 2005), and \$174K (BA in 2004). Note that professors typically have ~3 months per year, and ~1 day per week during the remaining months, for pursuing side engagements, including paid ones. Holden and Elie work full-time at GiveWell.

Details of this data are available [here](#).

### **Social Entrepreneurs**

In late 2013, we reviewed the compensation of key staff (i.e., Chief Executives and other staff listed on form 990s) at other mid-stage “social entrepreneur”-led organizations including Center for Effective Philanthropy, Benetech, Kiva, Root Capital, Water for People and VisionSpring.

The comparability of these organizations is a substantial judgment call. The median budget size for the organizations we looked at was \$10.1 million (25 th percentile: \$7.3 million, 75 th percentile: \$13 million). This is substantially larger than GiveWell's operating budget, though consistent with a budget that includes our money moved.

The median total compensation for this group is \$144,000 (25 th /75 th percentile of \$118,000/167,000). Adjusted for the cost-of-living in San Francisco, it is \$170,000 (\$123,000/\$199,000).

Details of this data are available [here](#).

### **Compensation proposal**

We propose a salary raise for Holden and Elie from \$150,000 to \$175,000/year. In addition to salary, GiveWell covers health benefits for employees and their families, which is approximately \$5,000/year per employee.