

Executive compensation review

This document includes three categories of comparables for executive compensation at GiveWell, and a proposal for raising the salary of Elie Hassenfeld, GiveWell's Executive Director:

- **Foundations:** Private data drawn from a compensation survey of 131 foundations (2016 data)
- **Research not-for-profits:** Public data from the 990s of eight not-for-profit organizations conducting research and charity evaluation (2015 data)
- **Academics:** Economics professors at the University of California, Berkeley (2014 data)
- **Compensation proposal:** We propose a salary raise for Elie from \$175,000 to \$200,000 per year. Elie currently receives no non-salary compensation from GiveWell.

Foundations

We have private data from a 2016 survey of 131 foundations by Lasnik-Broida Consultants, Inc. in collaboration with The Croner Company. Below is aggregate information about total compensation for CEOs among foundations with 16-50 employees.

CEO Compensation at Foundations with 16-50 employees (n = 52)			
	<i>25th percentile</i>	<i>50th percentile</i>	<i>75th percentile</i>
Base pay	\$378,000	\$427,500	\$529,900
Total compensation	\$449,000	\$504,900	\$649,600

And here is the aggregate information about total compensation for CEOs among foundations with more than \$1.5 billion in assets.

CEO Compensation at Foundations with more than \$1.5 billion in assets (n = 36, overlaps with above)			
	<i>25th percentile</i>	<i>50th percentile</i>	<i>75th percentile</i>
Base pay	\$561,000	\$671,500	\$763,100
Total compensation	\$675,600	\$781,100	\$981,500

Notes:

- These data are not adjusted for cost-of-living, although most of the foundations are based in large American cities.
- The 36 foundations surveyed with \$1.5 billion in assets or more had a median grants payout of \$124 million. GiveWell's estimate of 2016 money moved is slightly more than \$100 million (approximately \$92 million to top charities and \$10 million to GiveWell Incubation Grants.)¹
- Details of this data and definitions are available in Exhibit A.

Research not-for-profits

We pulled the available staff compensation information from eight research or charity-review-oriented not-for-profits: Innovations for Poverty Action, IDinsight, Evidence Action, Center for Global Development, Center for Effective Philanthropy, Urban Institute, Guidestar, and Charity Navigator.

Here are the summary statistics for the salaries of the president, CEO, or Executive Director at those organizations in their 2015 990s:

Compensation for Presidents and/or CEOs at 8 orgs from 2015 990s			
	<i>25th percentile</i>	<i>50th percentile</i>	<i>75th percentile</i>
Base pay	\$163,350	\$221,091	\$331,952
Total compensation	\$190,701	\$231,317	\$426,458

Notes:

- We have not adjusted for cost-of-living.
- The categorizations required some judgement calls. In particular, both Evidence Action and Charity Navigator experienced executive turnover in 2015. We prorated the salaries for both Evidence Action executive directors over one calendar year. Charity Navigator's second CEO in 2015 did not receive a salary in 2015 and we excluded him from the dataset.
- Details of this data are available in Exhibit B.

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 notforprofit environment), is public (so salary information is publicly available), and is located in the Bay Area.

¹ We chose this tier because it was the closest to GiveWell's money moved. The next tier down in the compensation survey we relied on had a median annual grants payout of \$32 million.

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

Below are summary statistics for the compensation of Berkeley economics professors in 2014.

Compensation for UC Berkeley economics professors in 2014 (n = 41)			
	<i>25th percentile</i>	<i>50th percentile</i>	<i>75th percentile</i>
Base pay	\$143,450	\$226,392	\$269,833
Total compensation	\$183,550	\$264,414	\$336,367

We found six professors who had received their BAs in 2004 or later (the year Elie graduated from college). The total compensation for each of these professors was \$57K (BA in 2009),² \$159K (BA in 2008), \$153K (BA in 2006), \$184K (BA In 2005), \$169K (BA in 2004), and \$227K (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. Elie works full-time at GiveWell.

Details of this data are available in Exhibit B.

Compensation proposal

We propose a compensation raise for Elie from \$175,000 to \$200,000 per year. Elie currently receives no non-salary compensation from GiveWell.

² We suspect that this professor may not have been employed by Berkeley for the entire 2014 calendar year. His CV just indicates that he started in 2014: <http://philippstrack.com/files/StrackCVMar2015.pdf>