

## **A conversation with Dr. Paul Niehaus, Carolina Toth, and Ian Bassin on August 12, 2016**

### **Participants**

- Dr. Paul Niehaus – Co-Founder and President, GiveDirectly
- Carolina Toth – Finance and Operations Manager, GiveDirectly
- Ian Bassin – Chief Operating Officer, Domestic, GiveDirectly
- Natalie Crispin – Senior Research Analyst, GiveWell
- Rebecca Raible – Research Analyst, GiveWell

**Note:** These notes were compiled by GiveWell and give an overview of the major points made by Dr. Paul Niehaus, Ms. Carolina Toth, and Mr. Ian Bassin.

### **Summary**

GiveWell spoke with Dr. Niehaus, Ms. Toth, and Mr. Bassin of GiveDirectly to receive updates on GiveDirectly's partnership projects and a \$25 million grant GiveDirectly received from Good Ventures in June 2015 for general support. Conversation topics included GiveDirectly's progress on its hiring goals, partnership projects in Rwanda, and plans for partnership projects in other countries.

### **Hiring a vice president of marketing**

GiveDirectly plans to use part of the grant from Good Ventures to hire a vice president of marketing. Progress on finding the right person has been slow, and GiveDirectly has not yet hired anyone for this position. (*Update: in September 2016, GiveDirectly hired Matt Johnson, former CMO of Tough Mudder and VP of marketing at Seamless, for this role.*) GiveDirectly recently began to work with a recruiting firm to assist with the hiring process.

This person will:

- Lead a digital marketing strategy, which will include producing mobile, web, email, and social media content.
- Be responsible for all levels of interactions with the public, from people who are first learning about GiveDirectly through managing the experience they have as donors.
- Manage a \$6-9 million fundraising budget.
- Hire and lead a marketing team.

### **Difficulty attracting qualified candidates**

The market for qualified candidates is competitive. The candidates that GiveDirectly hopes to attract for this position could otherwise be earning about \$500,000 per year at large, well-respected private sector companies, where they would be managing larger fundraising budgets (on the order of \$100 million). Managing a

smaller fundraising budget is not necessarily a deterrent for candidates, but while GiveDirectly aims to pay fairly and competitively, compensation has been an issue.

Part of the reason it has been difficult to attract qualified candidates for this position is because the job description is fairly demanding. If GiveDirectly does not find anyone for this position in the next 6 months, it will consider splitting this into two separate roles. GiveDirectly expects to hire someone in the next 6 months, but has not set a concrete deadline for hiring because this may lead it to hire someone who is not an ideal candidate.

There is currently no need to hire someone quickly, because GiveDirectly's retail revenue stream has been steady and is ahead of where it was last year. If this were to change, that would affect GiveDirectly's decisions about its hiring strategy.

### **Work that has been slowed down by the delay in hiring a marketing lead**

Ian Bassin, Max Chapnick, and Sharon Harvey have formed an interim retail team. Their work has been moving forward but is limited by capacity, and the projects listed below are expected to move more quickly after the vice president of marketing is hired.

#### *Pardot*

The interim retail team is working with Pardot, an interface with Salesforce that enables GiveDirectly to manage email marketing more robustly than it had been previously. Pardot can be used to create automated donor life cycles, upsell donors in the life cycle, and distribute targeted content to people based on their interests. GiveDirectly plans to create a short video to distribute via email to test how well this type of content would work.

#### *Media presence*

GiveDirectly has been investing in its media presence, which has been one of the main drivers of its retail. It recently received a gift from MediaMath to run digital marketing campaigns and test online advertising during the holiday season.

#### *Basic income guarantee project*

Signature initiatives, such as the basic income guarantee project, help to generate attention and interest in GiveDirectly. GiveDirectly has been working to increase the attention it gains from this initiative by increasing the amount of content it delivers from the field and testing ways to present that information.

#### *Donor retention*

GiveDirectly's work on testing strategies to retain and engage with existing donors is also moving more slowly in the absence of a marketing lead.

#### *Creating mobile and web apps*

GiveDirectly is working on creating mobile and web apps to enable donors to track their donations, when GiveDirectly enrolls recipients, and how those recipients fare after receiving transfers. There are internal versions of a mobile app that include many of the desired elements but are not polished enough to release yet.

The next version, which is currently in development and which GiveDirectly hopes to launch by the end of the year, will be a web interface. This would have several advantages over mobile apps:

- They are easier and cheaper to change and experiment with. This will allow GiveDirectly to create and test many versions before releasing it.
- There seems to be a significant barrier to downloading a mobile app. For example, Humans of New York has millions of followers online but only about 5,000 downloads of its mobile app.
- A web interface can more easily integrate with GiveDirectly's existing online presence.

GiveDirectly has contract staff working on developing these tools temporarily. Once a vice president of marketing is hired, that person will hire a full-time team to continue the project. This project would be a top priority of a vice president of marketing.

## **Hiring for other positions**

GiveDirectly has had more rapid success in hiring a team to meet its partnership goals. Ian Bassin and Jo Macrae were hired as part of this team. Ms. Macrae is formerly head of humanitarian policy at the United Kingdom's Department for International Development (DFID), and will add capacity that will enable GiveDirectly to talk to large donors it has not worked with before about setting up research partnerships, particularly in Europe. GiveDirectly is ahead of its targets for this team, since two people have been hired to work on partnerships, while only one was expected to be hired by now.

Engineering and digital marketing positions have been the most difficult to fill. Most other hiring goals for 2016 have been met, including hiring for positions in Africa.

## **Operating cost per dollar raised**

GiveDirectly is currently running on 3¢ per dollar raised, and believes that 5-10¢ per dollar raised is a reasonable target as the organization grows. This figure is expected to increase temporarily after GiveDirectly hires additional staff, and then decrease over the long term due to the lifetime returns on its efforts to bring in new donors and encourage existing donors to become recurring donors.

## **Partnership projects**

Note: GiveDirectly was already planning the Rwanda project before Good Ventures' \$25 million grant in June 2015. Good Ventures' grant has assisted with the progress of subsequent partnership project discussions.

## **Rwanda**

GiveDirectly will be partnering with a funder to conduct two benchmarking experiments in Rwanda that will test cash transfers against two other interventions.

### *Capacity-building in Rwanda*

GiveDirectly has quickly increased its capacity in Rwanda and has been happy with the progress it has made on this front. Registration has gone well, and hiring a team was faster and easier than it has been in the past. The work of NGOs is tightly regulated by the president's office in Rwanda, which has required close coordination and attention by GiveDirectly.

## **Other countries**

GiveDirectly does not see expansion to other countries as a priority. There remain large populations of the extreme poor in the countries in which GiveDirectly already operates. GiveDirectly therefore believes it is more cost efficient to serve more of the poor there than to incur the added expenses of setting up additional country operations.

However, there are three situations in which GiveDirectly does consider geographical expansion:

1. When policy research it deems important can only be conducted in a location in which GiveDirectly does not currently operate.
2. When one of the institutional funders who drive the direction of global development spending is interested in working with GiveDirectly in a way that could lead to broader adoption of the model by them but they require the work to be in another country.
3. When a large funder offers sufficient funding for the poor that working in that funder's country of choice would benefit the poor in a way that outweighs the costs of expansion.

GiveDirectly has an agreement with a partner that would fall into these categories and could result in GiveDirectly running projects in up to 4 new countries.

### *Expected timeline for new projects*

One of GiveDirectly's strategic goals for 2016 is to finalize these negotiations, which it believes would lead to two new countries it will work in. It aims to have tentative agreements in place by the end of the year.

GiveDirectly aims to balance its priorities between moving forward quickly with new projects and rolling them out sequentially, which is easier from a management standpoint. Starting and scaling up projects in 4 new countries at once would be a significant challenge.

### *Matching funds*

GiveDirectly is offering up to \$15 million in matching funds on a first-come, first-served basis to fund these types of projects. GiveDirectly hopes that offering the matching funding will incentivize large funders to move quickly on partnership projects. If all of GiveDirectly's partnership projects discussions came through, GiveDirectly would need to contribute \$23-30 million. While GiveDirectly cannot fund all of the projects it is currently discussing, it would consider talking to partners about opportunities to fund any projects approved by these potential funders that are beyond GiveDirectly's funding limit.

One of the large funders is unlikely to begin providing funding until early 2017. This funder and GiveDirectly would each contribute roughly \$7 million to a project, for a rough total of \$14 million. It is possible, though unlikely, that GiveDirectly could get funding from this funder by the end of 2016. (*Update: As of October 2016, GiveDirectly did not expect this project to happen.*) GiveDirectly has had exploratory talks with another large funder.

### *Government partnerships*

GiveDirectly previously considered pursuing partnerships with developing country governments, but is not currently considering this.

Emerging market governments typically want to control the implementation of their own social programs, and some non-governmental organizations (NGOs) build programs and gradually hand them over to the government. While there is some value in this, it does not seem like a good way for GiveDirectly to add value, since much of the value that GiveDirectly adds is through strong implementation of its programs (which it would not be able to control if it transferred its programs to governments). GiveDirectly hopes, however, that the benchmarks it sets in terms of operational efficiency and excellence will set the bar for what other cash transfer programs, including government-led ones, should be able to achieve.

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