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# Shallow Review of Workplace Giving

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Workplace giving accounts account for ~5% of total giving [1] in the USA and ~6% of total giving in Canada [2]. That is more than \$20 billion annually. In this method, employees make contributions to charitable organizations at their place of work. There seem to be two broad types of workplace giving: 1) just signing up to give donations directly from your paycheck and 2) donations based around an event (often organized by co-workers) which is just a form of Peer To Peer (P2P) fundraising. There are many guides on running events in this second style, [3] but little evidence on if these events are cost effective when compared to charity-run events or P2P fundraising. This shallow review will focus on the first type of workplace giving because it involves significantly larger cash flow. What we already know about P2P fundraising is for the most part applicable to the workplace setting, and there is relatively little evidence about this second type of workplace giving.

Currently, about two thirds of workplaces have a workplace giving program [4]. In the largest workplace giving program, the Combined Federal Campaign (CFC) for government employees in the United States, over 20,000 charities participate [5]. This figure alone suggests that it is quite common for charities to receive donations from workplace giving. A possible optimisation of workplace giving would be placing top charities into large workplace giving programs. Annually, the CFC gives ~\$280 million, and 24% of federal employees participate in this program [6]. It is difficult to pin down how much money a

given charity may receive, but given that the CFC raises \$280 million per year, and around 20,000 charities participate, then on average a charity will receive ~\$14,000. Basic calculations suggest that the median charity receives \$17,500 [7]. Based largely on this data [8], I would think that we can expect \$1000-\$100,000 with a median of \$14,000 per charity entered into the CFC. Although a number of sources indicate that it is hard to estimate how much a new charity will receive [9]. Furthermore, a normal cycle can take 2 years for all of the funds to be distributed to all of the charities [10], which would mean that for the first year that we participate, we can only expect to see \$500-\$50,000 with a mean of \$7000.

In order to be a part of the CFC, charities have to do an annual application form that shows that they have tax exemption, provide some service, submit an annual tax return, are annually audited, and are responsibly governed [11]. 75% of charities that enter the CFC do so through a federation of charities [12]. This is likely because charity federations provide admissions support as well as fiscal services and, due to the way the CFC is structured, can offer increased visibility as well [13]. It is an acknowledged problem with these federations that their fee procedures are opaque and hard to judge [14]. Federations usually charge a flat membership fee in addition to some percentage of donations received through the CFC. Interestingly, changes to the CFC will mean that in 2016, charity federations will only be able to charge a flat fee [15].

This shallow research suggests that Global Impact seems to be the most promising federation to join. This is primarily because, for similar fees, they would enter our charities into both the CFC and into the workplace giving schemes of ~100 corporations [16]. These corporations include American Express, Amazon, Intel JP Morgan, McDonalds, Microsoft and Shell [17]. Some of Global Impact's most well-known charity members are CARE, Doctors without Borders and World Vision [18]. I found it difficult to estimate the expected value of being listed in the workplace giving programs of these corporations, and requests to Global Impact for estimates were not answered [19]. What follows is a Fermi estimate for this expected value. Considering that US corporations will give ~\$5 billion in donations to charities [20], and that there are 130,000 corporations with more than 20 people [21], of which ~67% have workplace giving, we can determine that an 'average' corporation donates ~\$57,000 to charities annually. My very subjective estimate is that there are something like 50-1000 charities on each of these corporation's giving lists. This last step using the number of charities on a corporation's giving list involves a significant amount of guesswork, and I think that this figure could be substantially updated in light of new information. This would mean that the average charity on a corporation's giving list would receive \$57-\$1150 with a median estimate of \$100. Given that Global Impact membership would involve us with ~100 corporations, then the expected value of being placed on the workplace giving program of all of these corporations is \$5000-\$140,000, with a median estimate of \$11000.

I have estimated the time costs involved with membership as 10-100 hours annually, although in the initial year of membership I suspect that 40-400 hours will be required to establish it. This estimate is based mostly on a priori reasoning, as requests to numerous charity federations have thus far gone unanswered. During the membership establishment phase, I predict that time will be spent conversing with top charities to explain the details of signing up to a federation and why doing so is worthwhile. It would also involve a lot of communication with Global Impact to determine what is required of us and exactly how high the fees are. There would also be additional time where we act as a messenger between Global Impact and top charities, gathering information from one to convey to the other. In addition to these time costs, Global Impact has quoted an annual fee of \$2500 [26], although my subjective sense is that this is a lower bound, and that the actual cost could be as high as \$7500 and would have a likely mean of \$5000. Furthermore, given that in 2016, Global Impact will no longer be able to charge fees on donations, I predict that this fee will increase by \$1000 to cover revenue that would normally come from this area. Therefore, the predicted flat fee of joining global impact is \$3500-\$8500. This table gives estimates of fundraising ratios for becoming a member of Global Impact and participating in the CFC and corporate workplace giving schemes.

Expected Value		Amount of Resources		Fundraising Ratio	
Initial Year	2nd Year	Initial Year	2nd Year	Initial Year	2nd Year
Low: \$5550	Low: \$6000	Low: \$4300	Low: \$3700	Low: 0.3	Low: 0.6
Mean: \$18,000	Mea: \$25,000	Mean: \$10,400	Mean: \$7,100	Mean: 1.7	Mean: 3.5
High: \$140,000	High: \$240,000	High: \$16,500	High: \$10,500	High: 33	High: 64

I have assumed that zero dollars to top charities would be the counterfactual for these two years. I think that it will be hard to experiment in this area because of the initial fee of at least \$2500 and the fairly high time commitments involved. In addition, the results will only become fully available after 2 years, and we would have to commit to the experiment for an entire year. At the same time, however, the fundraising ratio is quite promising once we enter into the second year (2017).

My subjective sense is that joining Global Impact is a promising avenue, and that fundraising returns will likely increase over time. This is because both time costs will decrease and the expected value will increase as our charities become more well known. The best \$/time ratio will come years into the future, likely after hundreds of hours of staff time, once we are familiar with the application renewal process. Questions that I would like answered are:

1. If we were to pursue this area exactly, what are the fees for joining the Global Impact charity federation?

2. What exactly are the fees of competing charity federations?
3. How much time does it take to enrol in the CFC without the aid of a charity federation?
4. How much revenue would we receive if we were in the CFC, but weren't enrolled with a charity federation?
5. What is the expected value of being placed on ~100 corporations' workplace giving lists?

After the CFC, there are a large number of smaller corporate workplace giving programs. A promising way to get top charities listed on these workplace giving programs would be through internal requests by EA's. This is because it seems very likely that EAs working within companies would be able to influence their corporate giving programs. In fact, in previous research, Tom had success with this method and an E2G EA was able to add top charities to their corporation's charity list [22]. This experience suggests that it would be useful to have professional, glossy and persuasive materials to advertise our charities so that EAs are well equipped to complete this task.

What follows is a Fermi estimate involving a lot of uncertainty that calculates the fundraising ratio for this method. Using 214 Earn 2 Give EAs [23], a very subjective estimate of an average of two EA's per company. This implies that there are 110 possible corporations, of which only 67% have a workplace giving program, and of those who do have workplace giving program, some 25% (high uncertainty- but feels plausible) have top charities listed. It follows that there are something like 40-80 corporations left where this method may be successful. Given previous success in this area, I feel that the success rate is going to be absolute, meaning that every EA who tries to get top charities listed in their program will succeed. However, my rather subjective estimate is that only 10% of E2G EAs would be willing to try this. This means that this method would be successful for around 4-8 different corporations annually. Based on this, my impression is that this technique is not scalable enough, and that our time in other areas would help more people. Also we should weigh up counterfactuals to account for how long it would have taken top charities to be listed on these workplace giving programs if CS had not done this campaign. My very subjective estimate is that the efforts of CS on this front will result in the listing of top charities being hastened by 1-5 years. Using the same estimates that were outlined previously for corporate giving per charity, we can determine that the expected value of this activity will be around \$230-\$21000 moved to top charities per success with a mean of \$1500.

I think that it will take around 50-300 hours annually to make glossy, persuasive materials. This time would involve deciding what information to include perhaps by contacting charities for information, creating graphics, sourcing Givewell data and putting a lot of effort into presentation. This is then combined with another 2-20 hours involved in communication

time per success. This communication time will mostly be over email, and less frequently through skype where we would talk people through how to go about the process and attempt to answer all of the questions that they have.

All of this gives the following estimates:

Expected Value per Success	Resources Spent per Success	Fundraising Ratio
Low: \$230	Low: \$120	Low: 0.2
Mean: \$1500	Mean: \$520	Mean: 2.8
High: \$22,000	High: \$1100	High: 180

Again, I have assumed that the counterfactual donations over the allocated time period would be zero dollars donated to top charities.

My own feeling is that currently this technique is not scalable enough to justify putting a large amount of effort into. The reason for this is that there are not many corporations whose giving programs would be impacted. This means that our efforts, while at an enticing fundraising ratio, would result in only ~\$9000 being moved to top charities in the first year. It will also be difficult to track how many donations are made to top charities as result of our efforts. There is, of course, a lot of uncertainty involved in this estimate. For instance, the figure that 25% of corporations who have corporate giving include top charities in their list does seem plausible, but may be an order of magnitude too high. I think it would be useful to gauge how much demand there is for this sort of product within the EA community to check if predicted demand is somewhat accurate. Creating polls on the FB group or EA forum would be a possible way to go about this. I also think that it would be valuable to test the success rate of EAs who do attempt to have top charities included in their workplace giving program. One or two more data points in this area would come at low time costs, but would significantly inform calculated returns. Also, updating these estimates based upon the 2015 EA survey will also be helpful, as it is quite possible that ~210 E2G EAs is by far a lower bound for the number of people pursuing E2G. To be clear though, I think that the current information available indicates that this technique is not scalable enough to justify dedicating considerable time towards.

Another avenue to optimise workplace giving is to maximise the amount of donations to top charities that are matched. According to the 2014 EA survey, the median earn-to-giver donates around \$1850 [24]. This strikes me as very low, and hopefully will increase by a factor of 10 in the near future. Anyways, it will be interesting to see how this figure compares to data from the 2015 EA survey. Still, given that the current data suggests such low donations, there may be room for optimization of employer donation matching because the median donation matching amount by employers is approximately \$5,500 [25]. This

optimization could occur by channeling funds through E2G EA's so that matched donations are maximized. My prior is that hardly any (0.5%-5%) of E2G EAs will participate in a scheme where money is channelled through them to be matched by their employer. Note that these figures are quite raw and should be treated as such. Furthermore, for those who would participate, their donations would only be matched by an employer 67% of the time. This means that there are around 0-7 EAs who would be happy to do this type of donation matching. Moreover, I predict that the amount of communication that would go into setting up each transaction of this nature is going to be quite large, as we would have to answer all of the E2G questions about the process as well as organise the money to come from other EAs. In addition, we would have to establish an acceptable relationship with the E2G EA so that there is a high level of trust. It may be worth even a legal contract to ensure that money goes to the correct place. My rough estimate estimate is that it will take 10-100 hours to complete this task. Crunching the numbers gives:

Expected Value	Resources Spent per Success	Fundraising Ratio
Low: \$1000	Low: \$400	Low: 0.5
Mean: \$3500	Mean: \$1100	Mean: 3.2
High: \$6000	High: \$2000	High: 15

These calculations have assumed that there would be zero counterfactual donations. My feeling toward this method is quite similar to my feeling toward having EA's complete requests to include top charities in their workplace giving programs. This is because even though fundraising ratios are high, the total amount of funds raised is not. My estimates put funds moved to top charities in the first year of this program at ~\$10,000. At this level, I don't think it is worth dedicating much time to this option, and we would be able to help more people using other methods. However, it is still worth being alert for any opportunities involving employers who offer high donation matching amounts. Soros Fund management, for instance, matches up to \$300,000 in contributions [26]. If CS was to become aware of such an opportunity involving significant amounts of money, then it is certainly worth pursuing this option. That being said, I don't think that opportunities this large will arise because we have made it clear that we are searching for them, but will rather come about organically through contacts that we have already established or would have established anyway.

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