GiveDirectly

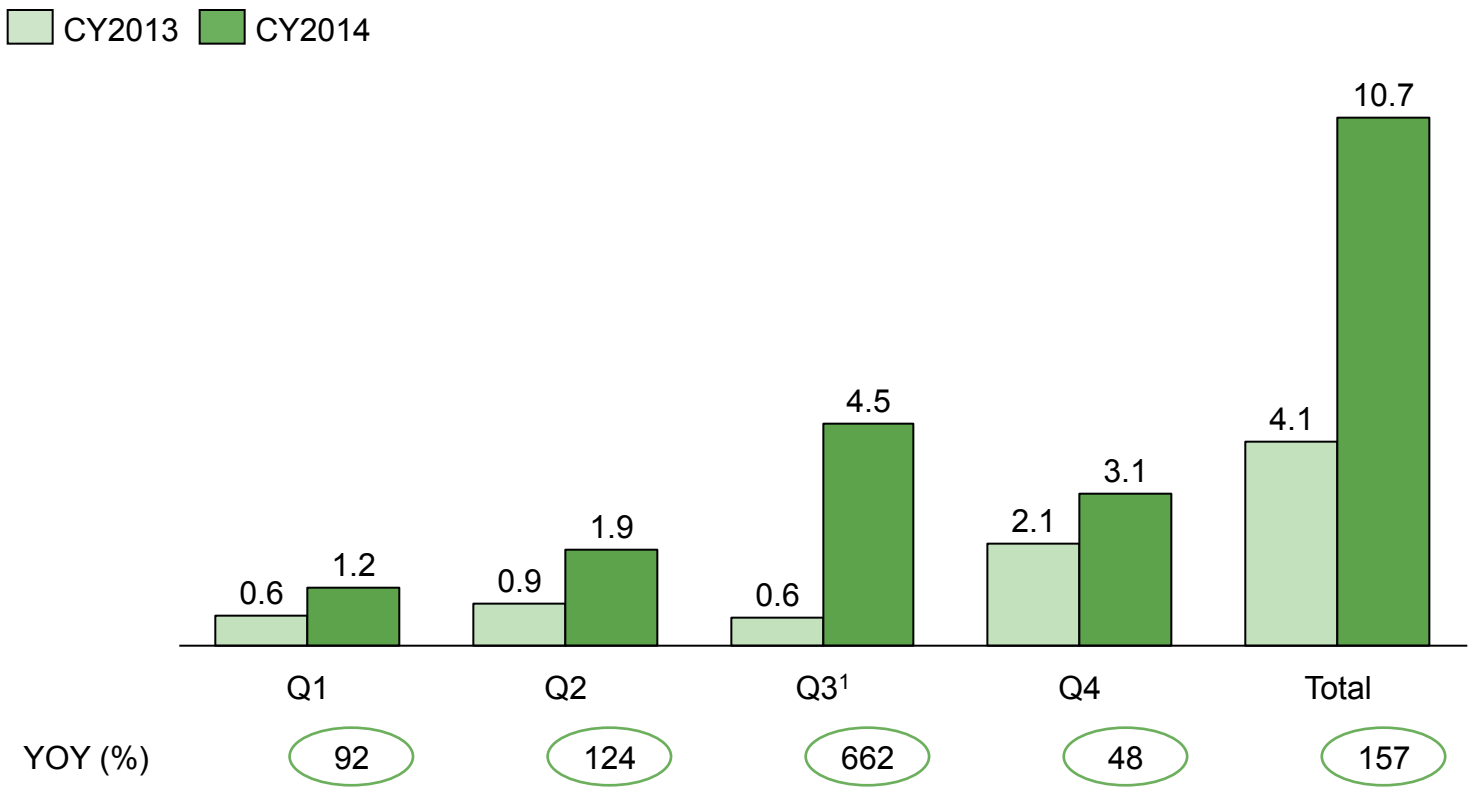
Board meeting: 28 January 2015

President's report: agenda

1. Financial report & 2015 budget
2. Fundraising performance and priorities
3. Operational performance and priorities
4. Specific decisions
   - Rockefeller collaboration

Cash transfers: we moved $10.7M in 2014 with efficiency at historical averages

Cash transfers sent/committed, CY2013-14 (USD M)

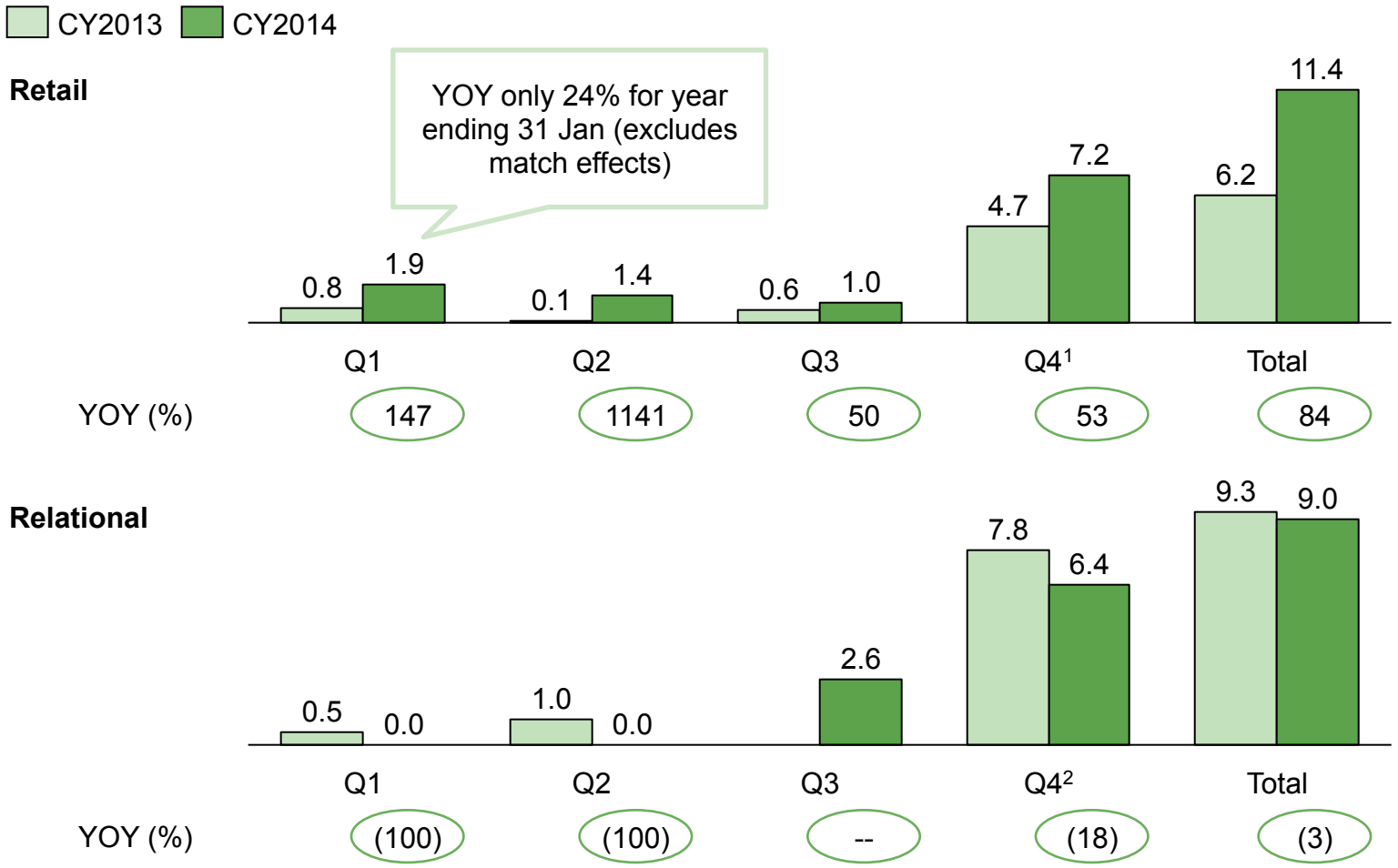


Kenya efficiency at 91% and Uganda at 86%

1 2014 spike driven by 1.8M enrollment in Uganda for the year

Fundraising: we raised $20.4M in 2014 (+30% yoy), with retail the majority for the first time

Revenue, CY2013-14 (USD M)



1 Includes estimated December 2014 raise
2 Includes Pershing 1M

12-mo trailing cost per dollar raised: $0.03

Net cash position: we have $13.9M to allocate for 2015

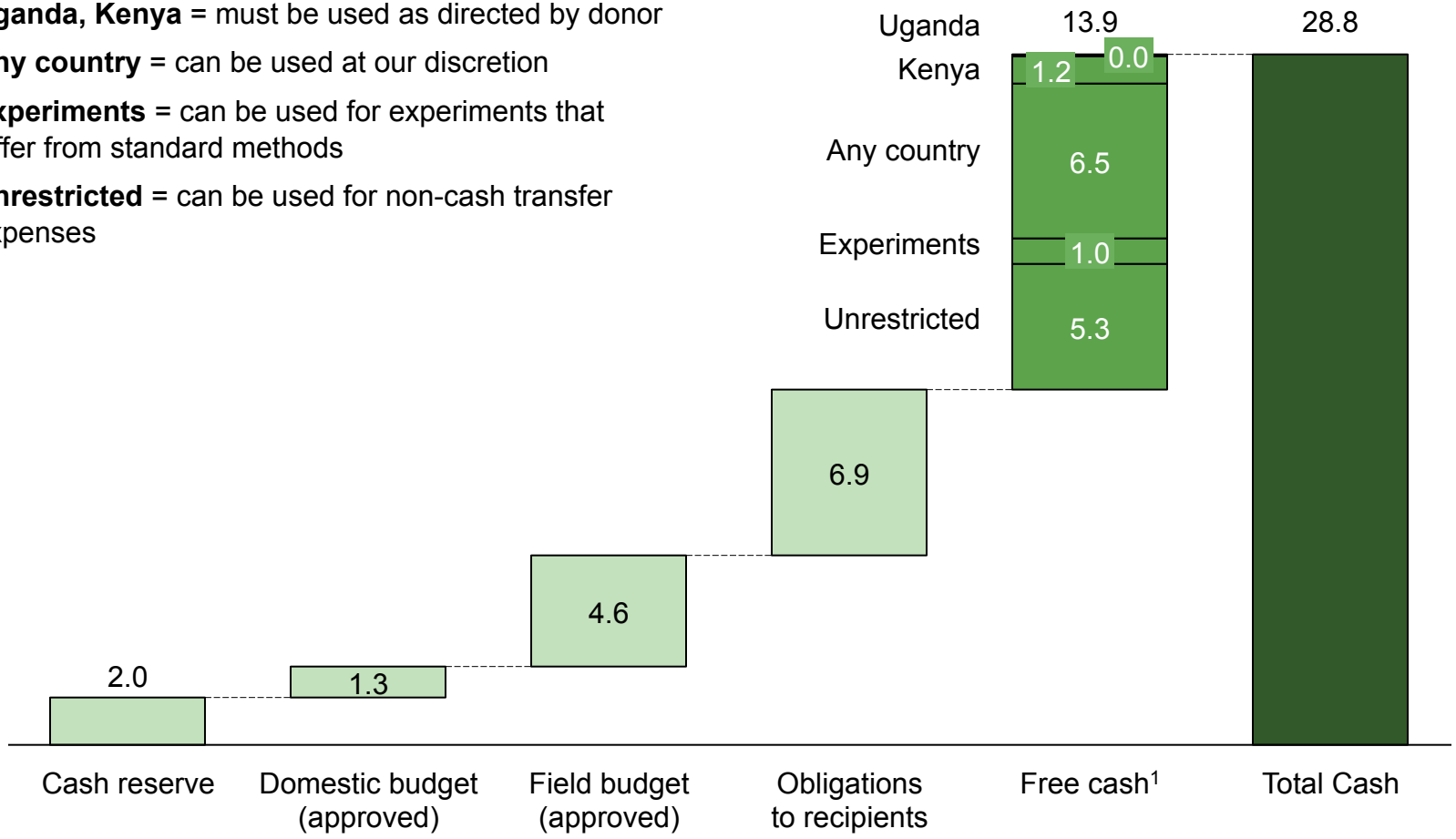
Cash as of 12/31/2014 (USD M)[1]

Uganda, Kenya = must be used as directed by donor

Any country = can be used at our discretion

Experiments = can be used for experiments that differ from standard methods

Unrestricted = can be used for non-cash transfer expenses



1 December figures preliminary (period not yet closed and includes funds committed but not yet received (e.g., PayPal Giving Fund))

Proposed budget for the 2015 budgeting period

	2014 budget period spend 3/1/14-2/28/15	2015 budget allocation 3/1/15-2/28/16 Previously designated	New	Total
Kenya	9.3M	2.1M[1]	10.5M	12.6M
Uganda	2.1M	0.2M	1.6M	1.9M
Fundraising	0.7M	0 M	1.3M	1.3M
Increment to salary reserve		2.0M	0.4M	2.4M
		Total	13.8M	18.2M
		Free cash as of the end of Jan	**15.8M**	
		Unallocated cash	**2 M**	

1 Google's 2M + residual from campaigns prior to 201403

Budget narrative & implications

Kenya allocation: finish existing research partnerships and move residual funds

Uganda allocation: sufficient scale to test payment process modifications, and keep scale at or above previous year's

Fundraising allocation: target $30M raise on $1.7M cost basis ($0.06 cost per dollar raised)

Salary reserve allocation: required by 18-month reserve policy

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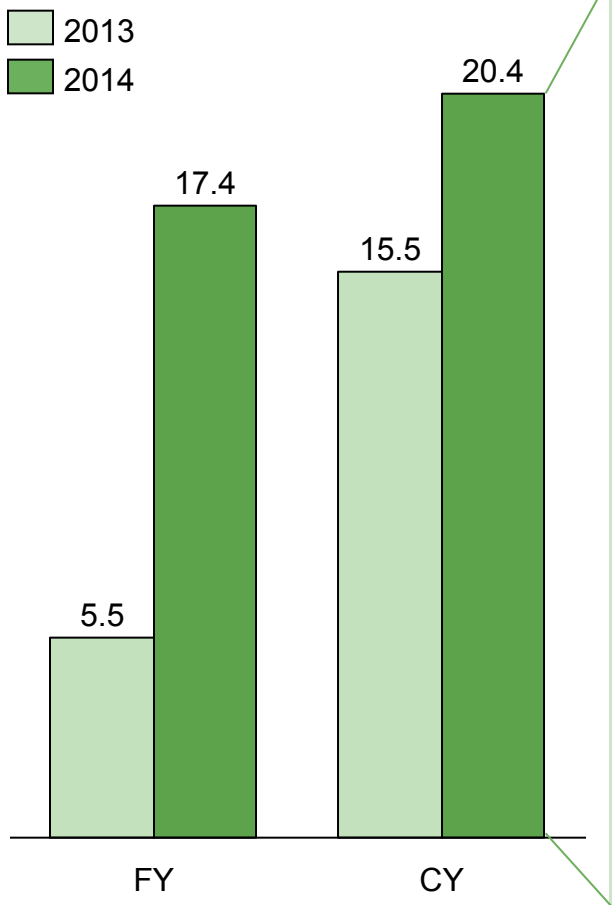
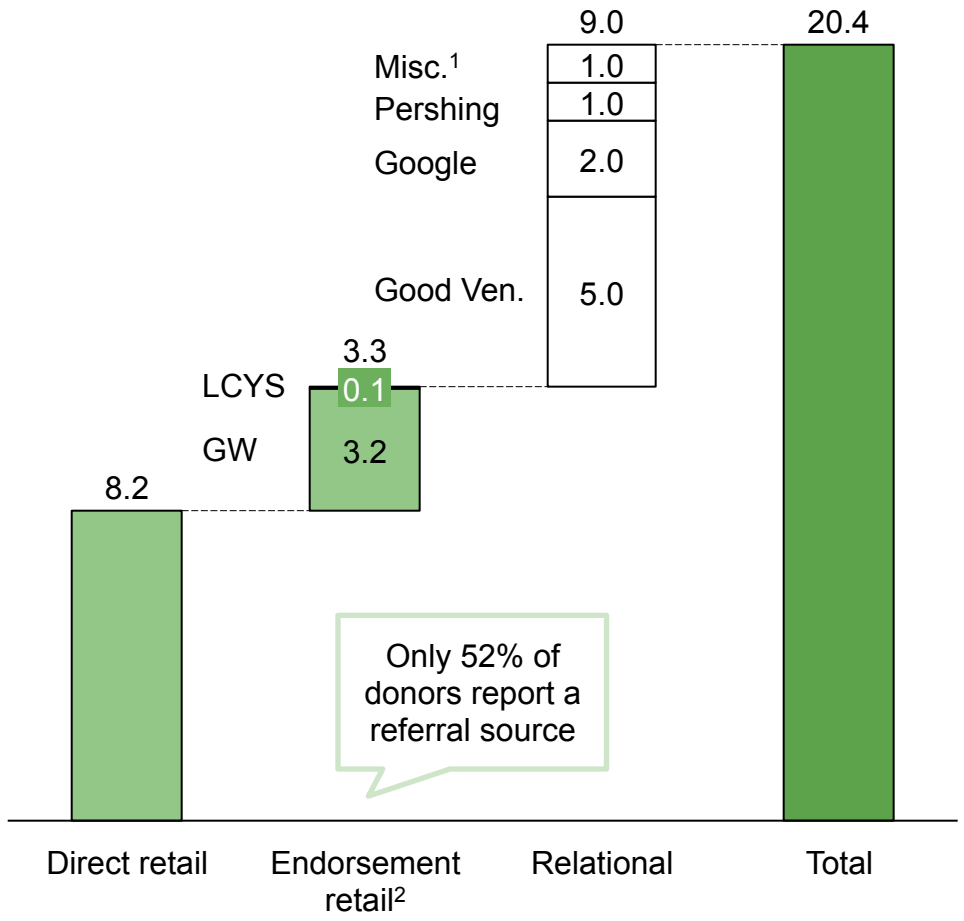
Fundraising performance: We grew retail revenue significantly, most of it direct, and attracted several new relational funders

Total revenue (USD M)



Revenue components, CY2014 (USD M)

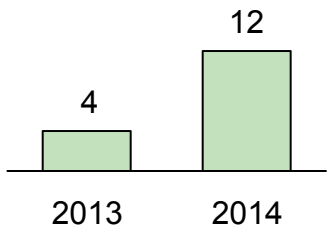


1 Rockefeller 68K, [anonymous] 100K, [anonymous] 566K, Board 250K
2 Includes donors giving through givewell.org and donors to givedirectly.org who indicate GW as referral source

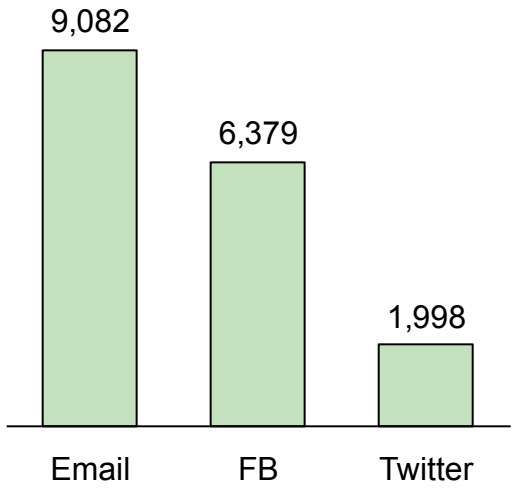
Fundraising performance: we improved on recurring signup but have huge room to improve on retention and reach

Retention (% as of holiday 2014)

Recurring (% sign up)3



Audience (#)



- Retention of older donors (pre-holiday 2013) is on par with industry for overall retention (43%)
- New donor retention will likely beat benchmark once GW holiday donors are added
- 1:1 outreach to 5K+ donors does not seem to be improving retention yet (33% vs. 31% overall)

- Driven by improved form design
- Expected monthly revenue is only ~$38K but recurs indefinitely

- Most email sign-ups come through donation form; since opt-out rate has been steady (~45%), list likely growing over time with donor turnover

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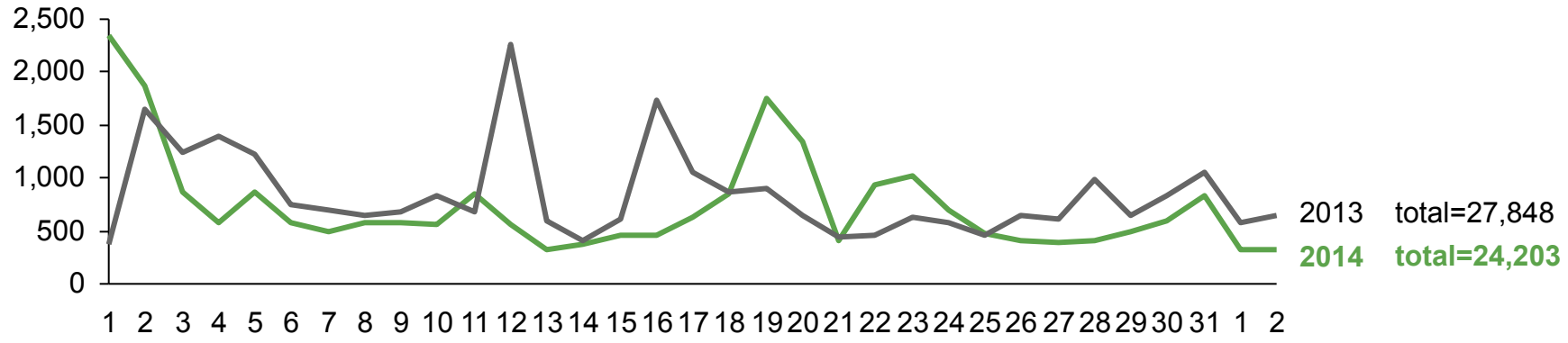
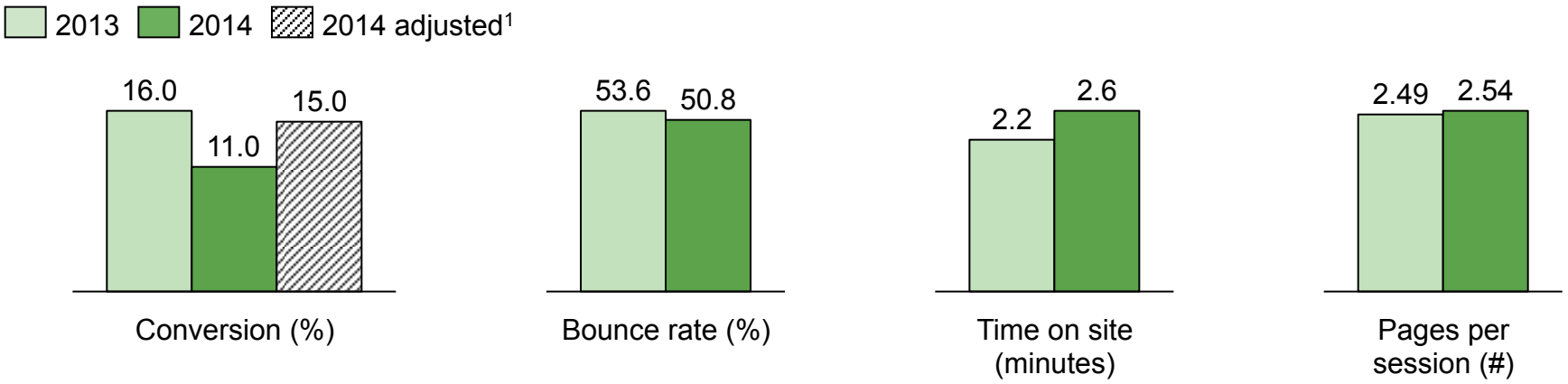
1 Donors acquired holiday 2013
2 Urban Institute, Why Donor Retention Matters (2013)
3 Rate during holiday period 2013 and 2014 (to compare new and old site)

Fundraising performance: New website improved engagement but not conversion, likely due in part to traffic mix

Unique visits, December 2013 and 2014



Engagement, December 2013 and 2014



1 Adjusted for same traffic mix as holiday 2013

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Detail on conversion rates by traffic source in appendix

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2014 performance on operational KPIs

Concept	Metric	Target	Actual	
Scale	HHds enrolled	Ke: 8,600 Ug: 2,000	Ke: 8,782 Ug: 1,849	
Throughput	HHds enrolled / FD-month	Ke: 1,000 Ug: N/A	Ke: 948 Ug: N/A	
Speed*	Avg. days from census visit to token payment	Ke: 63 Ug: 105	Ke: 66 Ug: 165	
Productivity*	Registration surveys / FO-day	Ke: 12 Ug: 12	Ke: 11 Ug: 11	
Quality*	Avg. recipient comprehension score	Ke: 100% Ug: 100%	Ke: 94% Ug: 93%	
Follow-up*	% of recipients reached at least once by phone	Ke: 100% Ug: 100%	Ke: 97.9% Ug: 97.4%	
Integrity	% of recipients who paid bribe	Ke: <1% Ug: <1%	Ke: 0.2% Ug: 31.9 %	
User experience	Average round-trip time to collect transfer	Ke: <60 minutes Ug: N/A (pay-days)	Ke: 48 minutes Ug: N/A (pay-days)	

Cumulatively, we have enrolled 15,254 households (~76,000 individuals) and sent / committed $15.5M

*KPI live on website

2014 performance against other operational objectives

Objective		Performance
Deploy rolling operational model and test max speed		Deployed and tested at speeds up to ~1,700 hhds/ mo (vs 600 hhds/ mo in 2013)
Regularize monthly operational reporting		Done (and then paused pending automation in Segovia)
Grow network of influential friends		Two strong new directors (Sam & Joe), friendly relations with local county gov't, among others.
Routinize performance-evaluation for field staff		Designed and tested; full deployment pending automation in Segovia.
Tighten fraud management		Tighter controls on procurement, account access, Uganda field protocol. $55K (0.4%) total lost to fraud.
Improve transfer and targeting design		Implemented recipient-customized transfer schedules. Tested alternatives to thatch-roof targeting, but not yet viable.
Deploy Segovia		Deployed for enrollment, but behind on dashboard, reporting, call center functionality.

2015 operational priorities (see appendix for deprioritized)

Confirmed	• Move $15.1M in Kenya at 91% efficiency, with focus on testing maximum throughput • Move $2.3M in Uganda at 86% efficiency, with focus on more secure and efficient payments process • Complete Segovia deployment in Kenya and deploy in Uganda • Deliver a viable, field-tested plan for poverty targeting in any context • Receive a clean bill of health from auditor for FY2015
Pending funding	• [Redacted]
Under discussion	• Basic Income Guarantee demonstration project • Index insurance demonstration project (w/ Rockefeller)

Deprioritized projects and staff time allcation in appendix

Modifications to Uganda payments protocol to be explored

Modification	Potential benefit	Potential cost	Sizing implications
Eliminate “paydays”	• 1.0% efficiency gain • Lower vulnerability to mass fraud	• Higher travel costs for recipients	• Minimum scale of one village (200 recipients)
Use bank (vs telco) as payments vendor	• 1.3% efficiency gain • Lower vulnerability to fraud given stronger protocols, accountability	• FD time required to build/manage partnership • Van could be unreliable	• Likely need 1K+ recipients to make viable for bank
Use biometric authentication	• Lower risks of certain frauds • Build track record with technology increased expected by institutional funders	• 1.1% efficiency loss for 1.5M campaign [1] • Potentially slower checkout process for recipients	• Need 0.5K recipients for 99% chance of catching 1% problems

1 If software + hardware costs amortized, 0.7 % loss

Detail and deprioritized options in appendix

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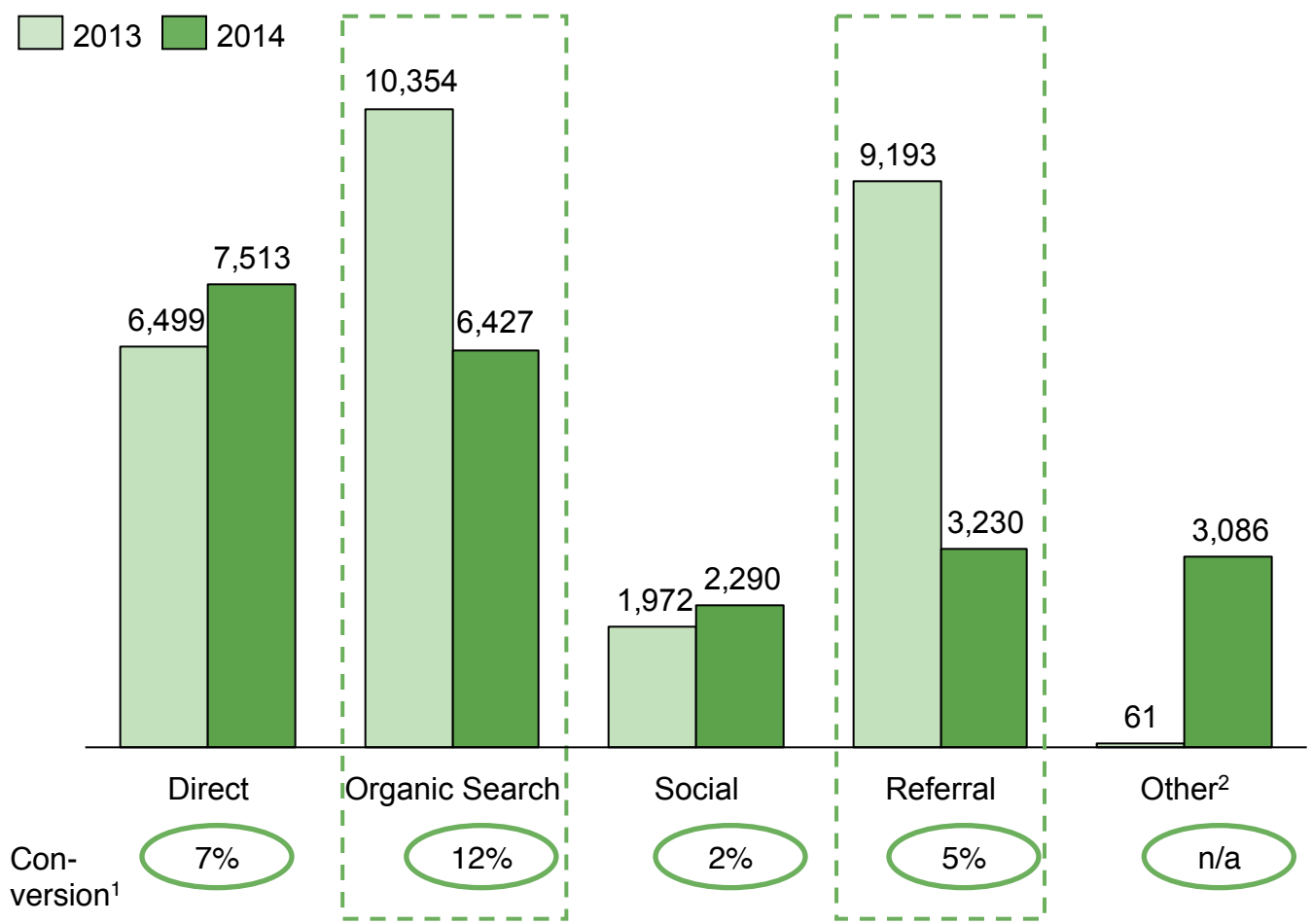
Appendix

Fundraising performance: Conversion fell in spite of improved site and donate form, likely because of change in traffic mix

Web sessions, 2013 and 2014 (12/3-1/2)



- **Organic search and referral traffic reflect "buzz"**; majority of organic search is branded and most referrals are from media pieces
- Overall conversion fell to ~11% from ~16% last holiday. **Conversion would have been ~15% with last year's more favorable traffic mix**
- **Drop could also reflect shift to alternative channels promoted on new form**, e.g., PayPal Giving Fund (no fees), Stocks, where we saw significant giving

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1 Initiated E-commerce tracking 12/3/2014. E-commerce tracking is not 100% accurate, hence ~3pt misalignment with overall conversion calculated with Salesforce transaction data.
2 Includes email promotion (tracked starting in 2014) and Google campaign

Deprioritized field activities for 2015

- **Expansion outside of East Africa** – overseeing >3 countries will overstretch current mgmt structure
- **Urban pilot** –limited interest expressed by inst. donors, govt, private donors in urban
- **Challenging geography pilot** – planning requirements and logistical challenges will overstretch current mgmt capacity
- **Office in non-Luo land** – seeking advice from new board members on where to initiate conversations, but not actively pursuing until 2016 due to mgmt time required
- **Information-based pilots** (health, education etc.) - Ideas42 info pilot already underway; limited evidence of bottom- up (i.e. recipients) or top-down (governments, donors) interest in health/education-focused nudges
- **Non-HH (i.e. individual) transfers** – will not deliver an obvious improvement in UX; field team focusing on generating non-housing based targeting criteria

Uganda payments models considered

	Cost implications	Operational learning/scalability	Risk mitigation	Communication value
Non-MNO **Transfer to bank a/c:** no-frills a/c opening via drives, with cash distributed via cash vans	• **+ 1.5 %** efficiency increase	• Some scope for learning about alternative delivery systems • Scalable as most common model for large CT programs, but still reliant on banking infrastructure	• Risk reduction due to greater accountability between agent + bank; more robust delivery infrastructure	• Low; already did non-mobile payments (potential benefit of greater FI scope)
MNO Payment Variation				
No paydays: token payday in village, followed by LS cash-outs at town agents (GD does light-touch coordination w/ agents)	**+ 0.7%** efficiency increase	• Limited learning (similar to Ke); • More scalable from mgmt perspective than current Ug model	• Risk reduction from removal of paydays • Risk of liquidity challenges for town-based agents	• Low; similar to Kenya
Larger paydays: pay agents more to support larger paydays	**+ 0.3%** efficiency increase	• Limited learning (combination of current Ke/Ug models) • More scalable from mgmt perspective	• Added risk from "higher-stakes" paydays (LS's)	• Low; not a significant change from Ug
GD as agent: GD staff serve as agents or hire agents on payroll; distribute cash over 2-3 LS paydays	**- 0.1%** efficiency decrease	• Scope for learning about delivery • Could be scalable in hum. asst. context but GD's comp advantage not going to be distribution	• Added risk of assuming all liability for cash mgmt + authentication	• Low/medium; convey in-house expertise on cash delivery, but still MNO-reliant
Biometrics **Biometrics:** add fingerprint capture @ enrollment + 2-factor authentication (GD staff or pay agents)	- **3-4%** efficiency decrease (equipment) - **0.4%** efficiency decrease (other)	• Scope for developing core competence in widely used tech • Highly scalable – expand potential market	• Reduce risk of fraudulent payments with 2-factor authentication	• High; interest from govt's + inst. donors in improving BM capability • Signal diverse ops capability to donors