



○ What is GiveDirectly?

GiveDirectly offers a service allowing others – governments, foundations, individuals – to provide direct cash transfers to the extreme poor. We charge the full cost of delivering this service and nothing more. GiveDirectly was recently awarded the #2 overall rating for non-profit effectiveness by GiveWell and received the inaugural Google Global Impact Award.

○ Testing Our Model with Rigorous, Independent Evaluation

To rigorously measure the impact of our work in Kenya, GiveDirectly collaborated with leading evaluation group Innovations for Poverty Action (IPA) to conduct a Randomized Controlled Trial (RCT). RCTs work like clinical trials in medicine by comparing outcomes for randomly assigned treatment and control groups, and are considered the gold standard in development evaluation research. The study was led by Dr. Johannes Haushofer (Jameel Poverty Action Lab) and Dr. Jeremy Shapiro (McKinsey & Company; former director of GiveDirectly) and funded by the National Institutes for Health. Recipients in the study received an average of \$500 over the course of 9-12 months. Roughly 1,500 individuals were included across treatment and control. The study and full list of outcome variables were pre-announced through GiveWell to ensure that negative results could not be suppressed.

○ Summary of Results

The study found that GiveDirectly's transfers have large, positive, and sustainable impacts across a diverse set of outcomes:

- **Assets** increased by 58%, or \$278, with investment concentrated in livestock, housing, and household durables.
- **Business and agricultural income** increased by 28% of the average grant size, implying a 28% annual rate of return. This figure does not include cost savings accruing from common durable goods investments such as metal roofs.
- **Expenditure** increased in nearly every category, but not on tobacco, alcohol, or gambling.
- **Food security** improved substantially. For example, children were 42% less likely to go entire days without eating.
- **Mental health** improved substantially as measured by standard scales, and there is some evidence that larger transfers lowered levels of the stress hormone cortisol.
- **Domestic violence against women** fell in both treated households and their near neighbors.
- Transfers did not affect the incidence of crime and conflict or lead to changes in local prices.

The study also found that effects varied across households – for example, less poor recipients experienced the largest income gains – and appeared stable over time.

○ For Further Details

More information on GiveDirectly and a link to the working paper can be found at www.givedirectly.org.