

Don't make a difference. Make the most difference.

>>> *William Crouch, BPhil and Nir Eyal, DPhil explain how much good one can do by donating a proportion of one's income.*

A popular idea is that ethical living is about “making a difference.” But why aim only for a difference? Why not try to make the most difference that you can? Let's use global poverty as an example and ask: if you wanted, how much of a difference could you make to the lives of the global poor? Then we will discuss whether you should.

How much good can you do?

Let's focus just on how much good your money could do. As a starving student, you may live on something like \$12,000/year. That might not feel like much. Surprisingly, however, and even taking into account the difference in terms of how much further money goes in poorer countries, that puts you in the richest 10% of the world's population.¹ And how much will you earn over your lifetime? The mid-career median salary of a Harvard graduate is \$121,000.² Let's suppose, conservatively, that you'll earn only the national median for graduates of Bachelor's degrees—\$53,000.³ That conservative figure still easily puts you in the richest 1% globally. Over a 40-year career, it generates a lifetime's earnings of \$2,120,000. According to the most authoritative research,⁴ \$3.41 spent treating school children for neglected tropical diseases (NTDs) in the developing world produces the equivalent health benefit of one additional year of fully healthy life. By donating just 10% of the above lifetime income to the most cost-effective causes, like NTD treatment, you would produce over 62,000 healthy life years.⁵ As an additional benefit, you would produce over 60,000 aggregate years of schooling.⁶ Remarkably, you would still be in the richest 1% of the world's population.

It's worth pausing to think about the magnitude of this. Spending 10% of your future income in order to give yourself an extra decade of life would be a really good deal. Yet we have the opportunity to do this for other people 6,200 times over. That's like a 99.98% off sale, or 250,000% extra free. The only catch is that the beneficiary isn't you.

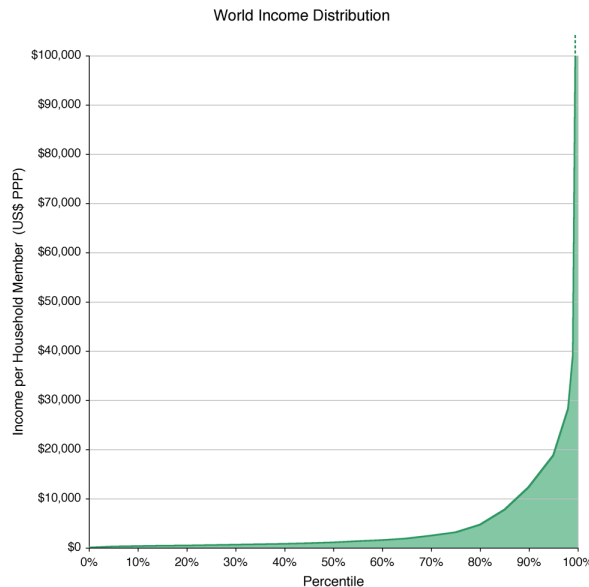
This creates an incredible opportunity. Ordinarily, we think that a firefighter who saves one person's life is a hero; someone like Oskar Schindler, who saved hundreds, is an astonishing figure. Giving money and convincing others to give may not be as exciting as firefighting or war-time rescue but, in terms of amount by which we can benefit others, such heroic feats are within our reach.

How can this be true?

The above result might seem counterintuitive. How can it be the case that we have this incredible opportunity? There are two answers. One is given by the graph above.⁷

The scale of global inequality is mind boggling. Globally, the highest-income 10% receives 57% of income,⁸ and the wealthiest 10% possesses 85% of wealth.⁹ Because of this, the transfer of resources from the spike at the right hand side of the curve—on which, as a reader of this article, you will be sitting—to the very poorest has an immense capacity to “make a difference.”

It may seem odd that one's money can be so powerful.



The graph uses data about the world income distribution by Branko Milanovic, based on the year 2002, adjusted for inflation up to 2009 and using the latest PPP ratings. The graph is published online at www.givingwhatwecan.org/resources/how-rich-you-are.php.

But imagine, for example, if Bill Gates, 10 years ago, had had his ethical epiphany—that he wanted to do as much to benefit the poor as he could—and then started helping in a soup kitchen, instead of donating.

We'd reckon that he'd made a mistake: his biggest asset, vis-à-vis the poor, is his money, not his ability to serve soup. With respect to the global poor, most of us are in a similar position. The second answer is that our ability to help others depends dramatically on the way we choose to help them. For example, by funding cholera immunization in order to prevent diarrheal disease, one can give someone an additional year of healthy life for \$2,945.¹⁰ This is certainly worth doing. But there is an opportunity cost. By funding hygiene education—a cheap but highly effective program—one can give almost 1000 people the same health benefit,¹¹ again through prevention of diarrheal disease, for the same amount of money. By choosing the right cause, we can achieve a truly stunning bang for the buck: we can do hundreds of times as much good as we might otherwise have done. Because of this, deciding where to donate one's money is even more important than deciding how much to donate.

How should we respond to this?

The above idea has inspired a society, Giving What We Can, whose number includes ethicists Peter Singer and Thomas Pogge, economists Michael Kremer and Rachel Glennerster, and the present authors. All have pledged to give at least 10% of their income to some of the causes that most cost-effectively address poverty. Some members, including author Will Crouch, have gone further than this, and have pledged to give everything over a fixed baseline: that's over 50% of their expected lifetime income. Giving What We Can members recognize that donating a proportion of one's income is no real sacrifice: indeed, members often find that the knowledge that one is helping others to such a great degree gives one a great sense of fulfillment. Together, the members of this young organization have pledged over \$30 million, enough to save

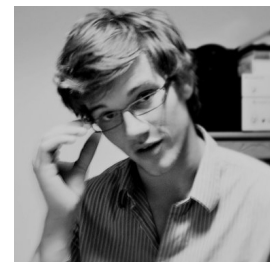
over 50,000 lives.

The idea began at Oxford University, but it has caught fire in the U.S. In 2010, a local chapter was launched at Rutgers University. The launch event, led by Peter Singer, packed out the lecture hall; and the new chapter was featured on MSNBC, Fox News and the Wall Street Journal. Further chapters have been set up at Princeton and UC San Diego, with plans for more across the US and worldwide, and a society promoting similar ideas being formed at Harvard.

If you would like to help out with this movement, you can contact Nir Eyal (nir_eyal@hms.harvard.edu) or Will Crouch (will@givingwhatwecan.org). Please also see our website at www.givingwhatwecan.org.¹²

References

- This is based on information about the world income distribution from Branko Milanovic from the year 2002, adjusted for inflation up to 2009 and using the new purchasing power parity (PPP) ratings. It builds upon data from his “True world income distribution, 1988 and 1993: First calculation based on household surveys alone”, *Economic Journal* issue 112, 2002, p 75. See also the interactive calculator at <http://www.givingwhatwecan.org/resources/how-rich-you-are.php>.
- Paul Toscano, “Colleges that bring the highest paycheck 2011,” *Yahoo Finance*, December 21, 2010, <http://finance.yahoo.com/college-education/article/111664/colleges-that-bring-the-highest-paycheck>
- Angelina Kewal Ramani, Lauren Gilbertson, Mary Ann Fox, and Stephen Provasnik, *Status and Trends in the Education of Racial and Ethnic Minorities* (National Center for Education Statistics, 2007), 130.
- Dean T. Jamison, Joel G. Breman, Anthony R. Measham et al., eds. *Disease control priorities in developing countries*, Second Edition (New York: Oxford University Press, 2006), 476.
- If you want a more accurate estimate of how much good you can do, see the calculator at <http://www.givingwhatwecan.org/resources/what-you-can-achieve.php>.
- Michael Kremer and Edward Miguel “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities,” *Econometrica* 72 (2004)
- See footnote 1 above.
- Branko Milanovic, “Global inequality recalculated: the effect of new 2005 PPP estimates on global inequality” (2009), <http://go.worldbank.org/MHYON5KKI0>.
- James B. Davies, Susanna Sandstrom et al., “The world distribution of household wealth,” (2006) <http://siteresources.worldbank.org/INTDECINEQ/Resources/WorldHouseholdWealth.pdf>.
- Jamison et al., *Disease Control Priorities Project*, Second Edition, 379.
- It costs \$3.35 to give one person one additional year of healthy life through hygiene education: Jamison et al., *Disease Control Priorities Project*, Second Edition, 790.
- Special thanks to Toby Ord, who founded Giving What We Can, and first emphasized the importance of many of the ideas in this article.



William Crouch is a DPhil candidate in the faculty of Philosophy at the University of Oxford, having previously studied at Cambridge. His research lies at the intersection of ethics and economics. He is the Managing Director of Giving What We Can.



Nir Eyal is Assistant Professor of Global Health and Social Medicine at the Harvard Medical School and the Harvard University Program in Ethics and Health. His research interests are in bioethics, ethics, and political philosophy. Many surround ethical issues in global health delivery.