

ABOUT SAMASOURCE

At Samasource, we believe that work is the most effective and comprehensive way to reduce poverty. Through sustained employment, people invest in healthier food, school fees, safer housing, and savings, lifting themselves and their families out of poverty.

Samasource is a non-profit social enterprise that provides work to people living in poverty through data-based outsourcing services, or “impact sourcing”. To-date, we have provided employment for 6,989 workers and impacted 28,585 people.

BENCHMARKING

Evaluating the cost-effectiveness and social impact of one intervention versus another can be expensive and difficult, which is why it’s uncommon to find direct comparisons. One solution is to benchmark interventions against a common baseline. This idea is endorsed by a growing number of development experts, who recommend that the development community begin benchmarking interventions against cash transfers.¹ The rationale is that a dollar should only be donated towards a development intervention if it can do more than giving that dollar directly to someone living in poverty.

METHODOLOGY

In order to benchmark impact sourcing against cash transfers, we compared our results to publicly available data from two unconditional cash transfer programs (one in Kenya and one in Uganda).² Unconditional cash transfers are a well-known development intervention in which money is given directly to people in poverty with no restrictions on how it is spent. We selected these studies for two reasons: (i) the data was generated through randomized controlled trials (RCTs), which are widely considered one of the most rigorous impact measurement designs, and (ii) Kenya and Uganda are two of Samasource’s largest geographies.

While Samasource has not completed an RCT, we apply a mixed-methods monitoring and evaluation (M&E) system that collects a robust set of data throughout a worker’s tenure with Samasource. Our system of impact measurement is multifaceted, and teaches us about every single beneficiary: who they are, how they define their experience working for Samasource, and what impact the experience has had on them and their families. Workers take a comprehensive online baseline and follow-up survey to measure immediate pre and post results. A full write-up of our methodology can be found in our white paper ([pdf](#)).

¹ Give Directly, “GiveWell recommends GiveDirectly (again), and benchmarks others against cash.” 23 November 2015 [[pdf](#)].

² Haushofer, Johannes, and Jeremy Shapiro. “Household Response to Income Changes: Evidence from an Unconditional Cash Transfer Program in Kenya.” 2013. [[pdf](#)] and Chris Blattman, Nathan Fiala and Sebastian Martinez. “The Economic and Social Returns to Cash Transfers: Evidence from a Ugandan Aid Program.” CEGA Working Paper, April 2013. [[pdf](#)]

FINDINGS

The comparison and counterfactual groups for the Kenya UCT study and Samasource earn \$4.67 per day and \$3.30 per day, respectively. When compared against the intervention groups, we see the following:

4-5 months

Unconditional cash transfers have an attributable increase in income of 33% within 5 months in rural Kenya. Samasource has an increase of 42% in 5 months against a data-derived counterfactual in urban Kenya (Figure 1).

4 years

Currently, there is limited data on the impact of UCTs in Kenya 3 to 4 years after the program intervention, although a long-term impact study is under way. As such, we compared our results, a 184% increase in income, to the Uganda UCT, which found an increase of 41% over 4-years.

Like the study on UCTs, Samasource also looks at consumption patterns to understand the impact of income on the movement out of poverty. Our findings indicate significant increases in savings and spend on food and education (Figure 2).

The cost per intervention differs between the two models. For the Kenya UCT model, the average transfer is \$717 USD, plus an additional 9% in operating costs. For Samasource, the donor cost was \$2,012 in 2014, but because Samasource has an earned revenue stream, we anticipate the donor cost per intervention to fall to \$0 USD by 2018.

LIMITATIONS

- The UCT studies use RCTs, which are experimental in design; Samasource uses a data-derived counterfactual.
- The UCT studies focus on rural Kenya and Uganda; Samasource's Kenya operations are in the urban capital city of Nairobi. Factors associated with urban and rural environments might affect findings.
- There may be inherent biases associated with self-reporting around increased spend across various dimensions (e.g. education, food).

Figure 1: Monthly Income Increase (East Africa)

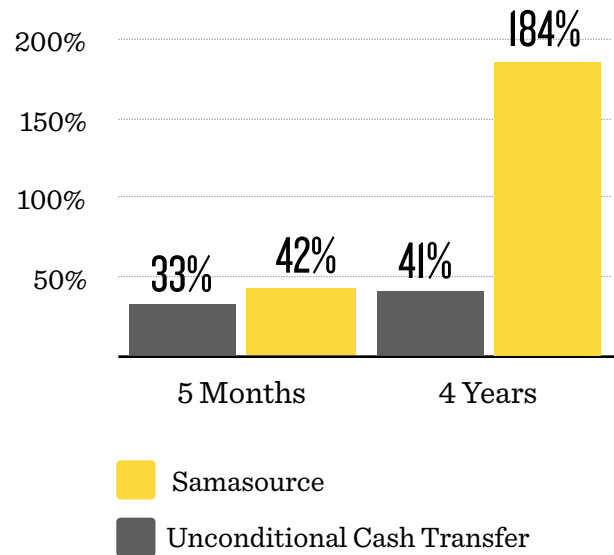


Figure 2: Monthly Increase (5-mo) in Household Spend in Savings, Food, and Education in Kenya

