



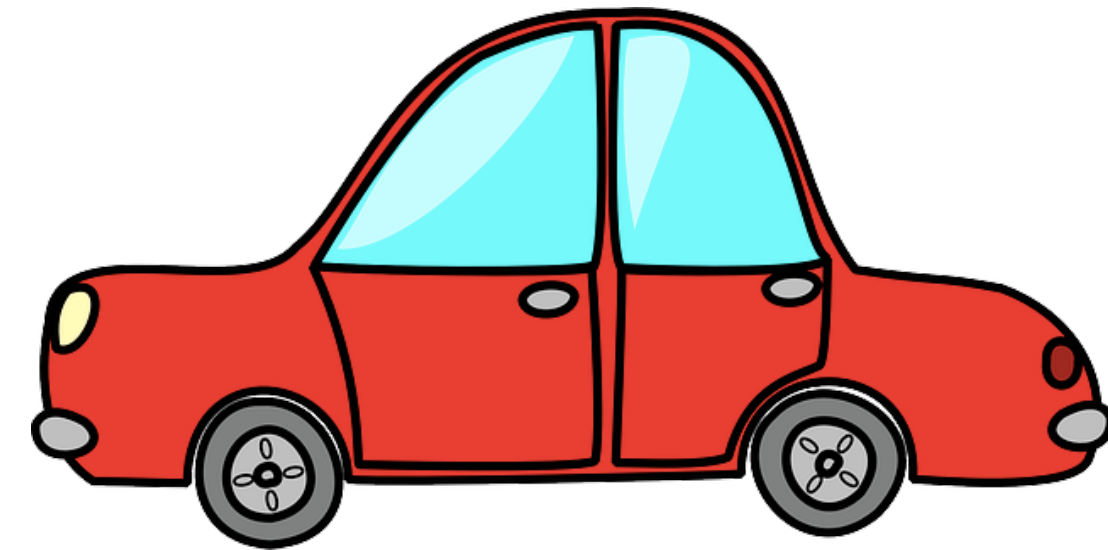
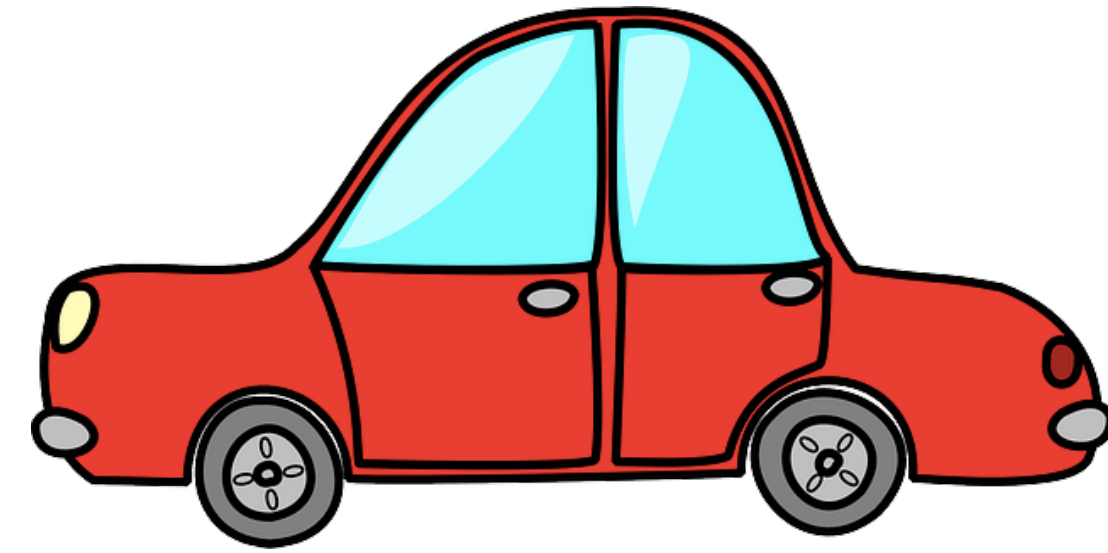
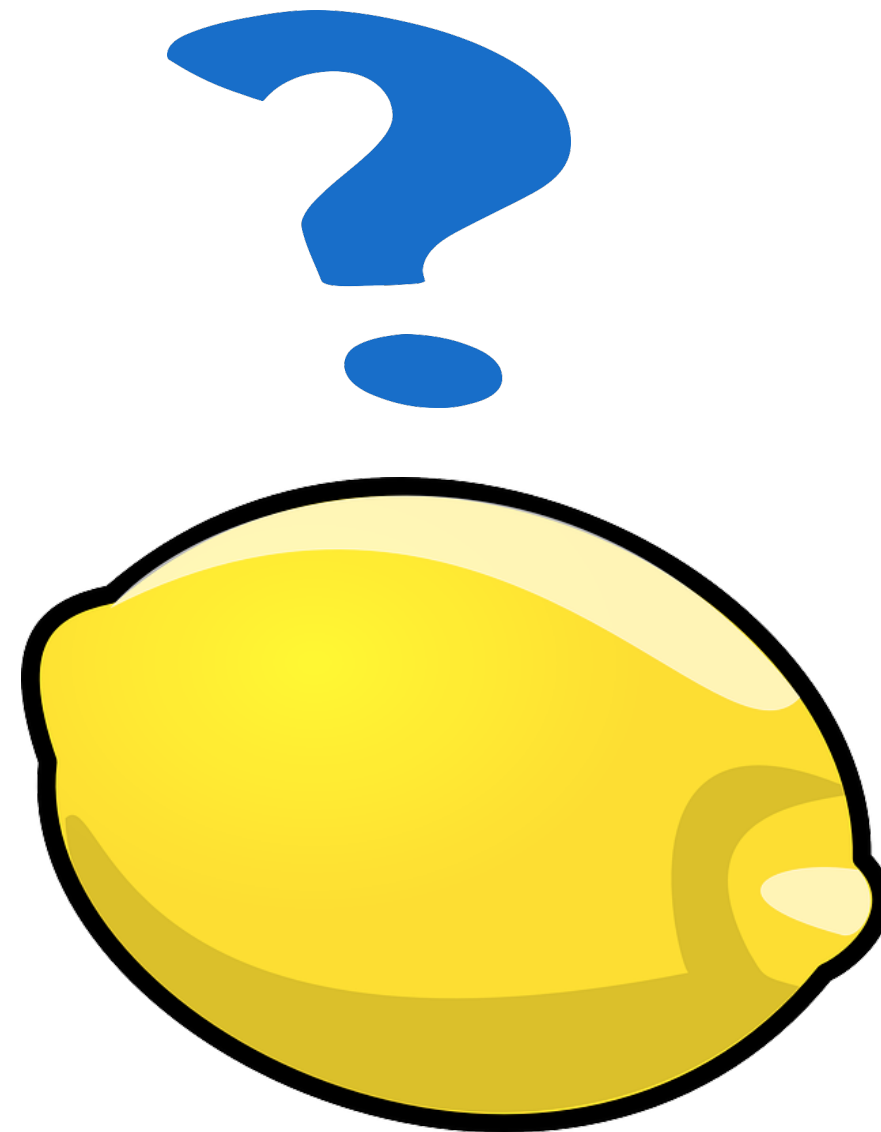
IMPACT LAB

# The Fundamental Flaw

Grantmakers for Effective Organizations

# The Market for Lemons







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The fundamental flaw of the sector is that we don't know what works.

Prediction is a way forward.

## The Rain Dance



## The Umbrella



# Causation vs Prediction

## Causation

- Regression Analysis
- Randomized Control Trials
- Built on Social Science

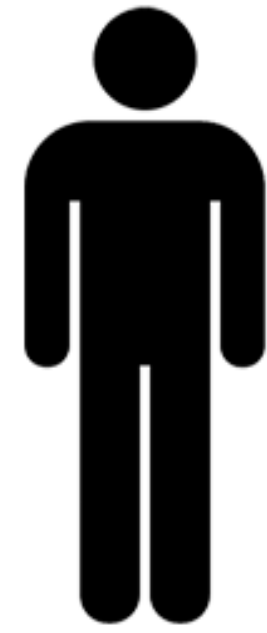
## Prediction

- Random Forests
- Machine Learning
- Built on Computer Science



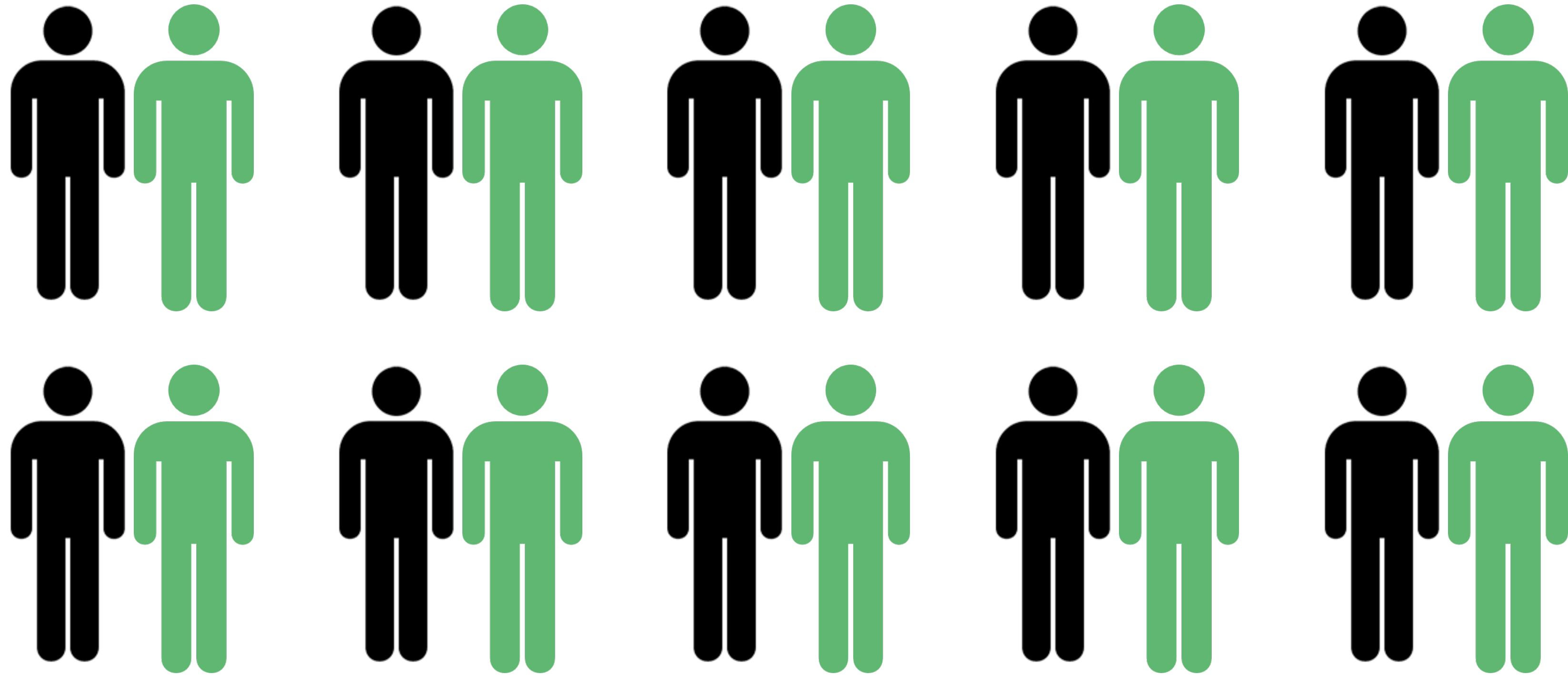


Treatment



Counterfactual





Treatment

Counterfactual

Prediction is helpful for more than evaluation.

# Questions Answered by Prediction

- If 500 people apply for a program and only 250 can be admitted, who should you let in?
- What interventions should I give someone to maximize their outcomes?
- Where should I offer services to help the most people?
- Who needs the most help in my program?

One more thought.

Best practices are **not** predictions.

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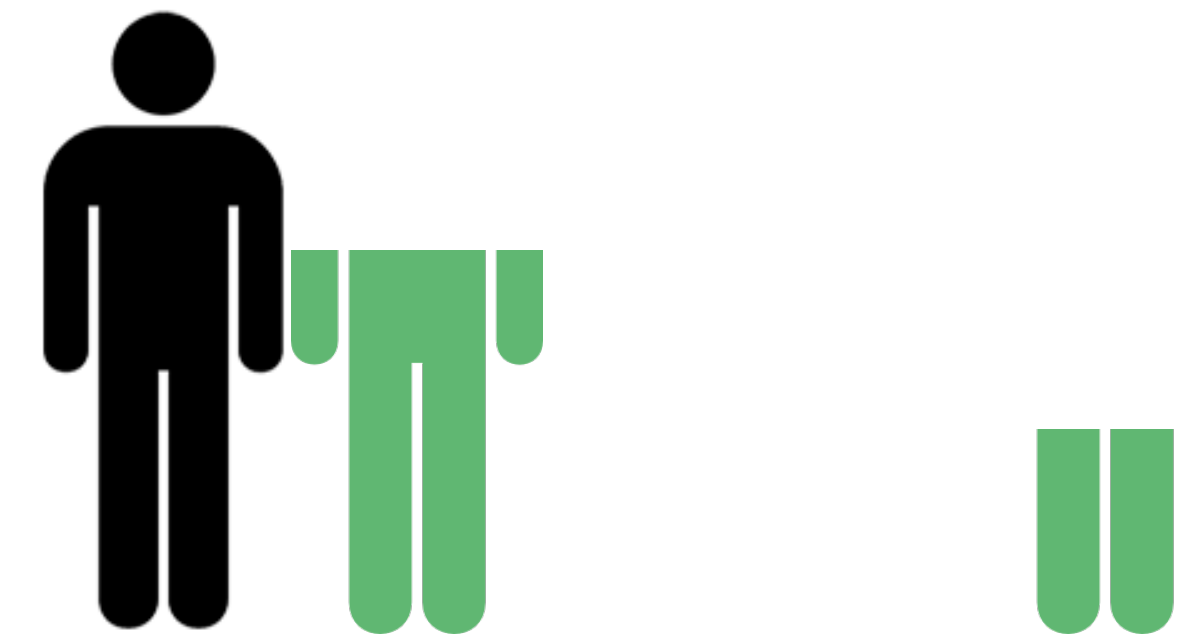
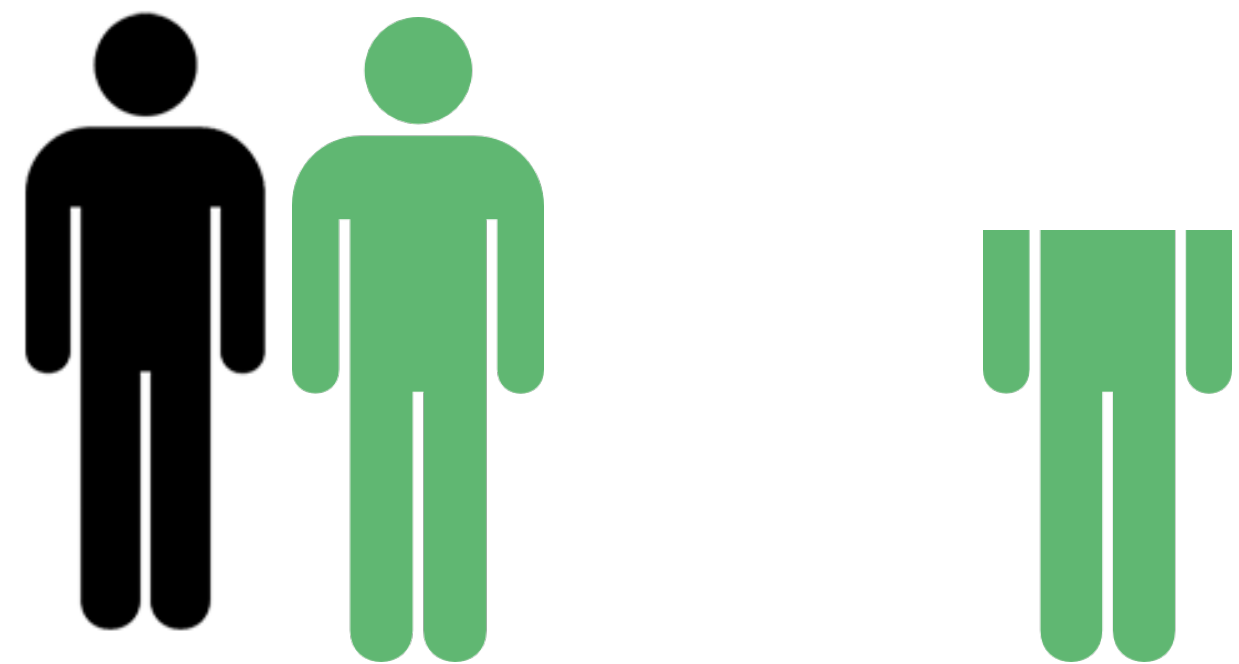
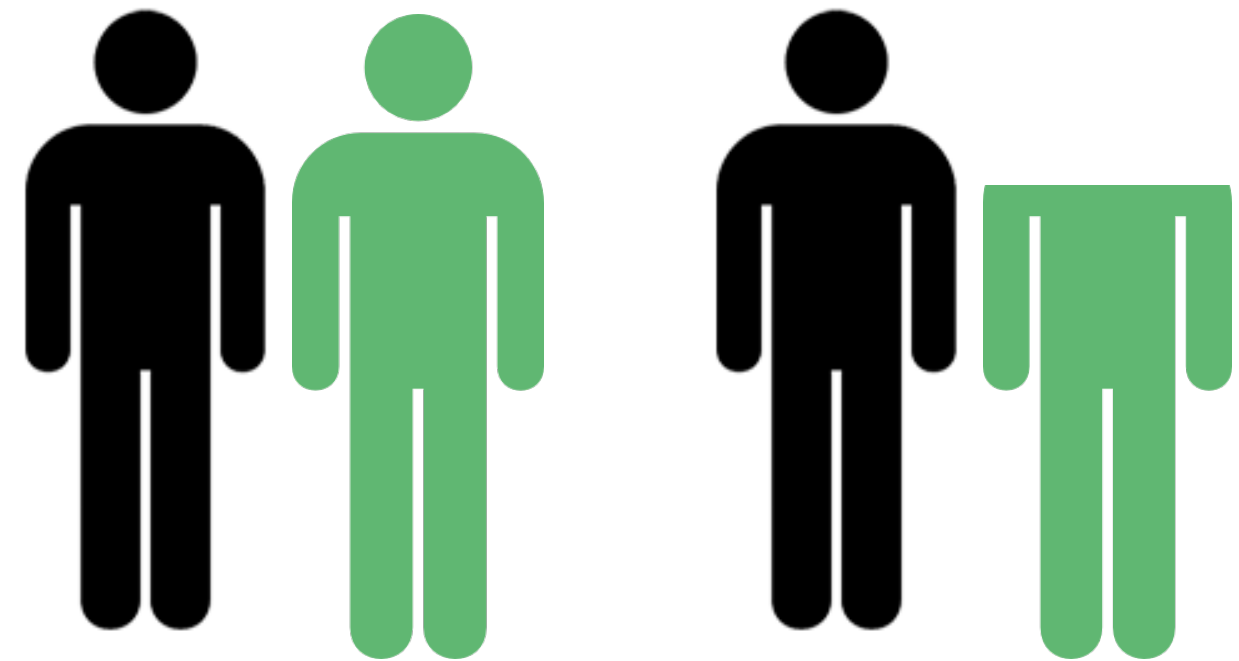


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We are a sector plagued by information problems. Data science tools and methods like prediction can help.



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**The Science of Doing Good.**