

Banking: the ethical career choice

William MacAskill

The High Pay Commission has just published a report denigrating the salaries of executives in the city.¹ This isn't unusual: it's common to see the astronomical pay of bankers and other city workers reviled in the media.

But there's a flip side to bankers' earnings, which often gets neglected. Wealth, of course, can be spent on champagne and yachts. But it can also be used to help people. In fact, I believe that if graduates spent their money wisely, they could usually do more good by following a lucrative career in banking—and donating a big chunk of their salary—than by pursuing a conventional 'ethical' career such as charity work. I call this approach 'earning-to-give'.

There are three reasons why earning-to-give is a promising path for altruistic graduates. First, the sheer amount one could potentially donate. Bankers will typically earn well over £6 million in their lifetime. By donating 50% of those earnings (bearing in mind that donations are not subject to income tax), a banker could pay for several charity workers—thereby doing several times as much good as if he or she had instead worked in the charity sector.

This can be expressed in stark terms. According to the latest estimates from GiveWell, it only costs about two thousand pounds to save a life in the developing world by distributing long-

lasting insecticide-treated bednets.² By earning-to-give, donating 50% of one's income, a banker could in their career save over a thousand lives.

Secondly, different charities have varying degrees of effectiveness. According to the latest research from economists, some social programmes are hundreds of times more effective at improving lives with a given amount of resources than others. People who are earning-to-give can target their donations to only the most effective charities. In contrast, it's far more difficult to work only for the most effective charities, where there are only a few jobs available.

Finally, there are considerations of uncertainty. We should not be surprised if our current evidence about what the most important and effective causes are evolves over time. As external circumstances change and as some charities improve and others deteriorate, new opportunities to do good will arise. Someone who's earning-to-give can easily switch their donations in light of fresh information. In contrast, it's much more difficult to move jobs. It would invariably be easier to switch from funding anti-malarial nets to green technology than it would be to switch from working for charity that fights malaria to working for a company that develops green technology.

Our choice of career is one of the most important decisions we make in life. But, currently, there's little advice on how best to choose a career that will have a big social impact. For that reason, I founded 80,000 Hours (the name referring to the number of hours that you will typically work in your life). The organization advises people on how they can best make a difference through their careers. A number of the graduates we advise have gone on to work in research, politics, entrepreneurship, and yes, in the non-profit sector. But, based on these

arguments, hundreds of people around the world are now pursuing earning-to-give.³ Some have donated hundreds of thousands of pounds after only a couple of years of work, significantly improving the lives of thousands of people.

We have a finite time on earth. But, if we're willing to think carefully about how to best use the 80,000 hours of our working life, I believe we can each have an extraordinary impact.⁴

Notes

¹ 'Cheques With Balances: why tackling high pay is in the national interest,' High Pay Commission, November 2011, <http://highpaycentre.org/img/Cheques_with_Balances.pdf>

² 'Against Malaria Foundation: Cost per Life Saved,' GiveWell, November 2014, <<http://www.givewell.org/international/top-charities/AMF#Costperlifesaved>>

³ In a 2014 survey of the effective altruism community, 34.1% out of 813 respondents indicated that they were aiming to earn to give with their career, <<http://effectivealtruismhub.com/sites/effectivealtruismhub.com/files/survey/2014/results-and-analysis.pdf>> Examples of people in the 'effective altruism' community who've taken this path (though often not within finance) can be found at: <<https://www.givingwhatwecan.org/about-us/members>> Discussion of 80,000 Hours' impact in particular can be found at: <<https://80000hours.org/about/impact/>>

⁴ For further reading see <www.80000hours.org> and William MacAskill, 'Replaceability, Career Choice, and Making a Difference', *Ethical Theory and Moral Practice* 17.2 (2014): 269–83.
