

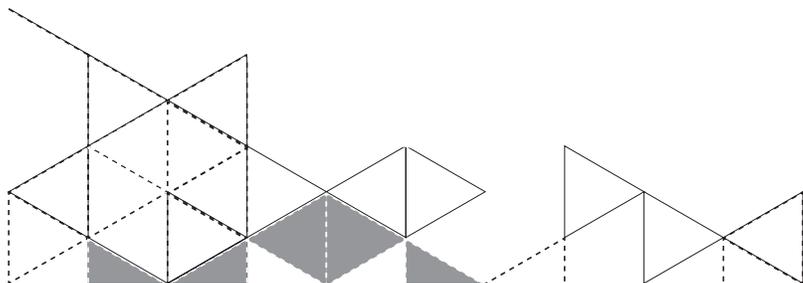
**SCIENCE OF  
PHILANTHROPY  
INITIATIVE**

EVIDENCE-BASED RESEARCH ON CHARITABLE GIVING

# **Science of Philanthropy Initiative – SPI**

## **Research Report**

October 2012 – July 2015



**THE UNIVERSITY OF  
CHICAGO**

## PREVIOUS RESEARCH

### SPI RESEARCH REPORT 2012-2015

*The Science of Philanthropy Initiative: Improving the Efficiency of the Philanthropic Sector through Behavioral Economics (PI: John List)*

#### **1. Big Question 1: Why do people give?**

- 1.1 Nature of Pure Altruism/Warm Glow
- 1.2 How Preferences Translate to Behaviors
- 1.3 External Incentives

#### **2. Big Question 2: How do people give across the lifecycle and across cultures?**

- 2.1 How Do People Give Across the Lifecycle?
- 2.2 How Do People Give Across Cultural and Societal Divides

#### **3. Big Question 3: How to increase philanthropy?**

- 3.1 How Do Donors Select a Charity?
- 3.2 Incentives to Give
- 3.3 Role of Government on Giving
- 3.4 Fundraising Techniques
- 3.5 Transaction Cost of Giving

The overarching goal of the Science of Philanthropy Initiative (SPI) in 2012-2015 was to use behavioral economics and the experimental methodology to explore the answers to 3 Big Questions focused in philanthropy. Big Question 1, *Why do people give?* was answered through laboratory and field experiments. For Big Question 2, *How do people give across the lifecycle and across cultures?* we partnered with colleagues across several continents to conduct field experiments with children and learn about the origins of pro-social preferences. Big Question 3, *How to increase philanthropy?* was answered through forming partnerships with non-profits in order to conduct experiments on charitable giving in the field, with real donors. Challenges that were addressed included the basic understanding of why, when and how individuals decide to engage in philanthropic activities. Key themes included disentangling motivations for giving, the role of nature and nurture in the development of social preferences, the relationship of preferences with culture, how preferences translate into behaviors, and why some charity organizations flourish while others fail. The below summarizes the progress that we have made in answering these questions, including SPI work and the work of SPI sub-award winners.

#### **1. Big Question 1: Why do people give?**

Our first Big Question (Why do people give?) is elemental, and its investigation formed the basis for related second and third Big Questions. Our approach combined behavioral economics and psychology in a set of experimental studies that is advancing knowledge about why people decide to give, and the connections between that decision and real behavior. We explored the motivation for giving, disentangling competing theories (i.e., altruism, fairness, warm-glow giving) and discovering influencing factors.

### *1.1 Nature of Pure Altruism/Warm Glow*

The past 25 years have seen the emergence of two major theories that are considered key motivators in the decision to give: pure altruism and warm glow. While purely altruistic individuals receive utility from increasing the welfare of others, individuals motivated by ‘warm glow’ receive utility from the act of giving itself (Andreoni, 1989; 1990). We conducted experiments to understand how altruism and ‘warm glow’ develops among children, finding that children at a young age are motivated by pure altruism (List and Samek, 2013). This result suggests that the weight accorded to warm glow develops over time. In the Alaskan postcard mailing campaign Pick.Click.Give, we find slogans that highlight benefits to self (“Warm your heart”) increase the donation rate by 31 percent while slogans that highlight benefits to others (“Make Alaska better for everyone”) have no discernable impact on giving (John A. List, James Murphy, Michael K. Price, work in progress). SPI sub-awardees hypothesized that motivations for giving are heterogeneous, and investigated the extent to which donor motivations were altruistic or self-interested (Jones et. al., 2013). Jones et al. (2013) found that donors are predominately paternalistic, but that the extent of paternalism depends on the donor’s motivations (warm glow givers are less paternalistic).

SPI sub-awardees Bekkers and Ottoni-Wilhelm hypothesized that the moral motivations and personal characteristics contribute to the interplay between warm glow and pure altruism, and are now conducting field experiments to investigate how empathy and the moral principle of care affect the crowding-out of contributions to charity by third parties.

### *1.2 How Preferences Translate to Behaviors*

Warm glow can have an effect on decision-making in other areas of economic interest, including worker productivity and tax evasion. In related work in progress, SPI sub-awardees Ayelet Gneezy, Alex Imas and Elizabeth Keenan are using laboratory and field experiments to explore the effectiveness of tying charitable contributions to work effort. SPI sub-award winner Lea Cassar shows that agents exert more effort to benefit the charity (Cassar, 2014). SPI sub-award winner Douglas Norton conducted a laboratory experiment to investigate the role of warm-glow on tax evasion (Norton, 2014). SPI sub-award winner Markus Sass is working on the stability of social preferences as they translate to behaviors.

The influence of social, cognitive, and emotional preferences on behavior is also a topic of study. SPI sub-award winner Gary Charness is testing mechanisms to encourage contributions in the laboratory, theorizing that social preferences underlie the willingness to contribute. SPI sub-award winner Jim Andreoni is investigating the impact of donor emotions, including emotion regulation, on the decision to give to charity. SPI sub-award winners Stephan Dickert, Paul Slovic and Nathaniel Ashby are using laboratory experiments to address gaps in the literature such as: influence of cognitive abilities and styles, and the number of options to choose from when deciding whether to give. In addition to building on our understanding of the interaction between preference and behavior, the results of these studies will provide insights for fundraisers and providers of public goods.

Some charities may wish to publicize all contributors in an effort to increase contributions, yet this information may be costly to view. In our work, we find that contribution information should

be publicized, even if it is not viewed, because the knowledge that the information is available may be enough to increase giving (Samek and Sheremeta, 2015).

### *1.3 External Incentives*

External incentives have a clear role in influencing the choice to donate. Such incentives can be socially related, encompassing reputational concerns, as we show in recent SPI work (Samek and Sheremeta, 2014). SPI sub-award winner Lester Lusher is investigating the effect of compensating donors in private or in public. SPI sub-award winners Katrina Kuss and Sabrina Strang are using a magnetic resonance imaging scanner to measure donor's reactions when they see the donations of peers.

Incentives also include monetary components; SPI sub-award winners Ragan Petrie, Marco Castillo and Clarence Wardell found that matching donations are effective in encouraging prospective fundraisers to share information about their donation with peers (Petrie et. al., 2014). The structure of these incentives merits consideration. SPI sub-award winner Andreas Friedl is investigating embedding charitable giving within a larger financial transaction, theorizing that embedded giving may shift donor motivations.

## **2. Big Question 2: How do people give across the lifecycle and across cultures?**

Our research leads us to another, equally important Big Question of how giving is related to character development: How do altruism and generosity develop across the lifecycle? How do they develop across cultural divides, including wealth? While conventional wisdom suggested that an individual's preferences are consistent, recent developments in behavioral economics have indicated that preferences may change over time. The object of our research is to determine the factors that contribute to preference formation. In conducting this research across the lifecycle and across cultural demographics, we hope to develop a better understanding of the formation of giving preferences. Insights will inform the questions of why individuals act charitably and how to maximize donations when working with diverse groups, as well as heterogeneity in non-charitable economic preferences.

### *2.1 How Do People Give Across the Lifecycle?*

An individual's level of empathetic and moral development influences the extent of their charitable giving, and the seeds of such development appear in early childhood. In Cowell et al. (2015) we explored the relationship between theory of mind (ToM) and generosity. In Decety (2015) we found empirical evidence that the development of empathetic reactions is determined by social context. In Decety and Cowell (2015) we conducted an experiment to shed light on the neural processes of children aged 3-5 as they viewed helping and harming behaviors, shedding light on theories of moral development and early prosocial behavior.

We also investigate the transmission of behaviors from parents to children. In a recent working paper, Dan Houser, Marco Piovesan, John List, Anya Samek and Joachim Winter (2015) found that parents model honest behavior to daughters, but not sons. In ongoing work, John List and Anya Samek, together with Avner Ben-Ner and Louis Putterman, are similarly exploring the transmission of generosity from parents to children.

## *2.2 How Do People Give Across Cultural and Societal Divides?*

Charitable donations across cultural and social boundaries inform our next general area of study. In the largest cross-cultural study on moral development to date, Jean Decety is leading a team of researchers from Canada, China, Turkey, South Africa and the US to determine the role of age, gender, SES, culture and social cognitive mechanisms on explaining the variance in world-wide generosity. The study adopts a comprehensive approach and has thus far recruited over 900 children world-wide.

Additional areas of focus also include donors' relative propensity to give in America and France as a function of cultural differences (SPI sub-award winners Marie-Claire Villeval, Ragan Petrie and Marco Castillo, work in progress). We also examine the extent to which the head of household controls family contributions to charity (SPI sub-award winner Einolf, work in progress), the effect of participation in public-service clubs on charitable giving (SPI sub-award winners Heng Qu and Richard Steinberg, work in progress), the effect of culture on cooperative and trusting behaviors in China (SPI sub-award winner Yunfen Lu), and one's feeling of wellness stemming from exposure to scenarios with varying degrees of prosociality (SPI sub-award winners Juliana Schroeder, Nicholas Epley and Greg Norman, work in progress).

## **3. How Can Philanthropic Contributions Be Increased?**

While the theoretical and academic motivations for our research are of great importance and interest, perhaps the greatest value of our research lies in its practical applications, which will lead to enduring impact. Our third Big Question was aimed at philanthropic organizations as well as individuals: how to increase giving? How can we incentivize more effective philanthropy? We designed a comprehensive set of studies that measured the impact of a broad set of factors on giving. Recognizing Sir John's belief that philanthropy was not simply an end in itself, by advancing knowledge about the tools that increase giving, we increase the possibility for humankind both individually and collectively to achieve the greater goal of spiritual growth, which Sir John recognized was closely related to good thoughts, good words, and good acts.

### *3.1 How Do Donors Select a Charity?*

One of the biggest contributions of SPI sub-award winners to date is the paper by Uri Gneezy, Elizabeth Keenan, and Ayelet Gneezy, published in *Science* in 2014. This paper finds that donors rely heavily on information about overhead costs when making the decision to give – and that decreasing the amount of the gift that will go toward overhead greatly increases giving.

The decision to donate may be affected by the donation's form and by one's expectation of the donation's destination; this "paternalistic" tendency is the focus of this research. SPI sub-award winners Laura Grant and Kelsey Jack are investigating the preferences of donor solicitations as cash, in kind, or a choice between the two.

### *3.2 Incentives to Give*

SPI sub-award winners Michael Schreck and Laura Gee are exploring innovative strategies that may help fundraising organizations maximizing their collected funds, including donation matching for monetary gifts. Similarly, SPI sub-award winners Robert Slonim, Ellen Garbarino and Carmen Wang are investigating the roles of priming and targeted messages on motivating

blood donations. SPI sub-award winner David Klinowski is investigating the time that information about other's donations is announced (either before or after the decision to donate).

### *3.3 Role of Government on Giving*

Government policies, including taxation and rules for resource provision, can bear a tangible influence on charitable donations in several ways. First, imposing higher levels of charity-deductible taxes lowers one's overall income but also lowers the relative price of donation, constituting both an income and a substitution effect (SPI sub-award winners Roman Sheremeta and Neslihan Uler, work in progress). Second, tax policies can be implemented to correct inefficiencies in the market; a study focuses on the ambiguous social effect of an individual's decision to donate and determines whether that effect should be encouraged or discouraged through methods such as government subsidy or increased tax on donations (SPI sub-award winner Benjamin Marx, work in progress). Similarly, another study looks at effect of voluntary or mandatory provisions of giving to common pool resources (SPI sub-award winner Fatemeh Momeni, 2013).

### *3.4 Fundraising Techniques*

We have written a survey article summarizing related work on field experiments and fundraising strategies (Jasper and Samek, 2014). The summary, forthcoming in the *Oxford Review of Economic Policy*, will serve to provide academics and practitioners with an accessible guide of the work in this area to date. We have also explored how suggested donation amounts affect giving behavior. We have found that changing the vector of suggested amounts has a significant effect on probability to give, but does not have a significant effect on giving amount (DavReiley and Samek, work in progress).

We also explored a new and exciting fundraising technique called 'once and done' (Kamdar et al., 2015). We found that telling potential donors that we will never ask again if they opt out significantly increased donations. Indeed, few donors chose to opt out. We are also investigating the effect of 'thank you' calls on future giving (Samek and Longfield, work in progress).

Other studies explore the role of different fundraising techniques, including volunteer leaders that make appeals on behalf of their charities (SPI sub-award winners Wei Zhan and Catherine Eckel, work in progress). and giving clubs that make informed philanthropic giving decisions on behalf of their members (Butera and Houser, 2014). Findings from these studies will shed light on the underlying mechanisms behind these strategies with the aim of increasing charitable contributions. SPI sub-award winners Edward Millner, Laura Razzolini and Oleg Korenok are in the process of designing fundraising solicitations that test the effects of 'give' and 'take' frames on donations.

Outside of the fundraising domain, but in the domain of blood donation, SPI sub-award winners Nicola Lacetera, Daniela Grieco and Mario Macis are investigating information and commitment as a way to encourage cord blood donations.

### 3.5 Transaction Cost of Giving

The transactional nature of charitable acts may influence people to be more or less receptive to charity, depending on the severity of the transactional cost. In our recent paper, we found that attempts to personalize a potential gift actually decreased donations, potentially due to transaction costs (Chuan and Samek, 2014). Evidence suggests that proposing an amount for donation may result in higher frequencies of positive responses in accord with the suggested donation amount (Edwards and List, 2014). However, marginally higher suggested amounts lead to lower likelihoods of giving, as found in our recent work in progress presented at the SPI conference (David Reiley and Anya Samek, work in progress).

## ABSTRACTS

### 1. Why do people give?

#### 1.1 Nature of Pure Altruism/Warm Glow (1.3.1)

***Deconstructing Giving: Donor Types and How They Give.* Kristy Jones, Lata Gangadharan, and Philip J. Grossman. WP119- SPI.** We examine the extent to which individual donors are warm-glow or altruistic givers and whether this distinction motivates giving decisions, particularly paternalism. Results from the experiment suggest that motivations for giving are heterogeneous, ranging from pure altruism to impure altruism to pure warm glow. Additionally, findings indicate that donors are predominantly paternalistic. However, the extent of paternalism depends on the donor's motivations for giving, with pure warm-glow givers significantly less likely to be paternalistic.

***Exploring the Origins of Charitable Acts: Evidence from an Artefactual Field Experiment with Young Children.* John A List and Anya Samek. WP015- SPI and published in *Economic Letters* (2013).** An active area of economics research concerns the motives of charitable giving, including pure altruism and warm glow. A field experiment focusing on young children ages 3-5 found evidence of pure altruism but not of warm glow. This result suggests that pure altruism is a fundamental component of our preferences, while warm glow found in adults likely develops over time.

***Altruism, Egoism, and Philanthropic Behavior: A National Experiment.* Renee Bekkers and Mark Ottoni-Wilhelm.** Altruism, warm glow, empathy, and morality are often attributed as motivation for charitable donations. A field experiment will study two of these topics, using a random population sample to investigate how empathy and the moral principle of care affect the crowding-out of contributions to charity by third parties. Results hope to determine which moral conditions and personal characteristics influence the crowding out effect.

## 1.2 How do preferences translate to behaviors?

***On the Benefits and Limits of Prosocial Incentives.* Ayelet Gneezy, Alex Imas, and Elizabeth Keenan. Work in progress.** Signaling and warm glow giving are often considered effective theories in charitable giving. A combination of field and lab experiments, based on these two theories, will explore the effectiveness of tying charitable contributions to effort when incentivizing individuals to work. Results hope to deepen our understanding of the factors underlying prosocial behavior, and will further inform organizations on how to effectively motivate their employees.

***An Experimental Investigation of Warm Glow and Hidden Income.* Douglas A. Norton. WP122- SPI.** Recent theoretical papers show that when tax evasion is possible, more warm glow leads to higher levels of crowding out. A laboratory experiment will test this theory by introducing a tax evasion option into the standard public goods game while also measuring the warm glow of subjects. Results find that when tax evasion is not possible, subjects give above equilibrium contributions with incomplete crowd-out. However when hidden income is possible, increased levels of crowd-out are found.

***Testing Three Philanthropic Mechanisms in the Laboratory.* Gary Charness. Work in progress.** Behavioral economics has focused on how to encourage philanthropic activity, a task that is often believed to involve triggering social preferences. An experiment will test mechanisms that could potentially reveal people's underlying willingness to contribute.

***The Saturation and Regeneration of Philanthropic Behavior – A Repeated Framed Field Experiment on Charitable Giving.* Markus Sass. Work in progress.** While experimental evidence shows that subjects are willing to forgo own earnings for the benefit of others, very little is known about the dynamics of philanthropic behavior, particularly the stability of prosocial behavior. A series of field experiments will examine the underlying motivation for people to deviate from strictly payoff maximizing selfish behavior. They will also test competing hypotheses on the roots of prosocial behavior, including the norm compliance/moral self-licensing hypothesis. This research will contribute to the growing literature on the stability of prosocial behavior and its results will be relevant to both charity organization and policy makers in their quests for fundraising and the provision of public goods.

***How Do Basic Cognitive Factors Influence Donation Behavior and the Underlying Motivations of Donating?* Stephan Dickert, Paul Slovic, and Nathaniel J.S. Ashby. Work in progress.** Basic cognitive factors may influence donation behavior and the underlying motivations for donating. A series of laboratory experiments will try to address gaps in the literature such as: influence of cognitive abilities and styles, effect of the type and quantity of information provided, influence of the number of options to choose from, and effect of

recipient type, as well as the interaction between each of these aspects. Results aim to provide insight as to how these cognitive factors influence donation behavior and motivation.

***Emotion Regulation and Fund Raising: Lab and Field Experiments about a Donor's Choice to say 'No'.*** James Andreoni. **Work in progress.** The impact of donor emotions in charitable giving is not yet well understood. Part 1 of the experiment will attempt to show that the psychological models of “emotion regulation” can be formalized in economic models, helping us understand why it is sometimes hard and at other times easy to say “no” to a request to donate. Part 2 will sew together a number of notions, from Shelling’s idea of starting small to optimal auction design, in order to build a near efficient fundraising tool.

***Job Mission as a Substitute for Monetary Incentives: Experimental Evidence.*** Lea Cassar. **Working Paper.** WP121- SPI. Monetary and non-monetary incentives may be used as substitutes in motivating effort. A laboratory experiment studied whether choice in characteristics of the compensation packages influences agents' effort. Principals offer agents lower piece rates but also donations to a charity of their choice, using the latter as a substitute to motivate effort. Results show that the agents exert more effort than the level that maximizes their own pecuniary payoff in order to benefit the charity, especially a preferred one. These findings have implications for the design of incentives in mission-oriented organizations and contribute to our understanding of job satisfaction and wage differentials across organizations and sectors.

### *1.3 External Incentives*

***Recognizing Contributors: An Experiment on Public Goods.*** Anya Samek and Roman Sheremeta. **Working paper.** WP124- SPI. Charitable giving behavior can be tied closely with concerns for one’s social image. An experiment that recognized donors on public good contributions showed that recognizing all or the lowest contributors significantly increased contribution levels, while recognizing only the highest contributors had no effect. These results find that shame is a more powerful motivator for giving than anticipation of prestige.

***Dynamic Interactions Between Extrinsic Rewards and Image Motivations in Charitable Giving.*** Lester R. Lusher. **Work in progress.** It has been shown that social image is a contributing factor in people’s motivation to give. A laboratory experiment will study the effect of compensating a donor with a reward in public versus private environments. Results will help understand both the impact of rewards on giving as well as the reward’s relationship with social image.

***Social Information Changes the Subjective Value of Charitable Donations.*** Katrina Kuss and Sabrina Strang. **Work in progress.** Information about other people’s actions do affect our own behavior. An experiment using a magnetic resonance imaging scanner will measure changes in

the donor's subjective value after observing someone else giving to a charity. In doing so, we get considerably closer to understanding the motivation of integrating social information in our donation decisions. The insights will provide a deeper understanding of the donation motives people have and might thereby help to develop more suitable models of charitable giving which will, in turn, improve fundraising strategies.

***Fundraising Through Online Social Networks: A Field Experiment on Peer-to-Peer Solicitation.*** Ragan Petrie, Marco Castillo, and Clarence Wardell and published in the **Journal of Public Economics (2014). WP116- SPI.** We investigate the costs and effects of asking donors to fundraise by implementing a field experiment embedded in an online giving organization's web page. In our experiment, donors who have completed an online transaction were randomly asked to share having donated by posting on their Facebook (FB) wall or by sending a private message to a friend on FB, and the donors are assigned to one of three treatments in which the organization added either \$0, \$1, or \$5 in the donor's name in exchange for sharing the information. We have found that donors respond proportionately to incentives. The nuisance costs are important to donors. The task the donor was asked directly affects whether or not he or she will donate. We also found that there are benefits to incentivizing peer-to-peer donations.

***Freezing the Warm Glow of Giving.*** Andreas Friedl. **Work in progress.** Embedded giving, in which the act of philanthropy is built into a larger financial transaction, is analogous to the bundling of a material good with a donation to charity; this dual benefit of embedded giving may encourage increased levels of giving. On the other hand, embedded giving may shift donor motivation from intrinsic to extrinsic motivations, which could decrease charitable contributions. Results from the study will improve understanding of the distinction between intrinsic and extrinsic motivations for giving and could inform the development of more effective embedded giving schemes.

## **2. How Do People Give Across the Lifecycle and Across Cultural and Societal Divides?**

### *2.1 How People Give Across the Lifecycle*

***The Curious Relation between Theory of Mind and Sharing in Preschool Age Children.*** Jason M. Cowell, Anya Samek, John A. List and Jean Decety. **WP026- SPI.** While it has been well documented that generosity increases from early to middle childhood, the mechanisms driving this change are unclear. A study investigated the roles of early theory of mind and executive functioning in sharing behavior, and results show that theory of mind is actually associated with less sharing. The findings reveal that this relationship is not as straightforward as many common sense notions suggest.

***The Neural Pathways, Development and Functions of Empathy.* Jean Decety. Published in *Current Opinion in Behavioral Sciences* (2015). WP125- SPI.** Empathy reflects an innate ability to perceive and be sensitive to the emotional states of others, coupled with a motivation to care for their wellbeing. Empirical studies show that empathetic reactions emerge early in life and are heavily influenced by interpersonal and contextual factors, while the mechanisms supporting empathy are flexible to behavioral interventions that can promote caring beyond kin.

***The Neuroscience of Implicit Moral Evaluation and Its Relation to Generosity in Early Childhood.* Jason M. Cowell and Jean Decety. Published in *Current Biology* (2015). WP126- SPI.** Previous research has shown evidence for early social and moral evaluation in infants and children. However, while generosity increases from infancy to childhood, it is unclear what mechanisms underlie this change. A lab experiment studied the neural processes of children aged 3-5 while they viewed helping and harming behaviors. The results shed light on theories of moral development and links these neural computations to early prosocial behavior.

***On the Origins of Dishonesty: From Parents to Children.* Daniel Houser, John A. List, Marco Piovesano, Anya Samek and Joachim Winter. WP027- SPI.** The causes and mechanisms of dishonesty are an underexplored area of research. This study investigates acts of dishonesty in different economic environments, with parents and their young children as subjects. The study finds that the highest level of dishonesty occurs when the parent acts alone and the dishonest act benefits the child. Parents also act more honestly in front of their children, but more dishonestly in front of sons than daughters. These results potentially shed light on the origins of gender differences in cheating behavior among adults.

***Learned Generosity?.* Avner Ben-Ner, John List, Louis Putterman and Anya Samek. Work in progress.** An active area of research within social science concerns the underlying motivation for sharing scarce resources. We develop a theoretical framework that sheds light on the developmental origins of social preferences by providing mechanisms through which parents transmit preferences for generosity to their children. Then, we conduct a field experiment with over 150 3-6 year old children and their parents, simultaneously measuring 1) whether child and parent generosity is correlated, 2) whether children are influenced by their parents when making their own decisions and 3) whether parents model generosity to children. We observe no correlation of parent and child sharing at this young age. While we do not see evidence of influence on children overall or parental modeling, we identify important heterogeneous effects. First, children who did not initially split earnings equally are more likely to be influenced by their parents. Second, parental modeling is most likely when the child is an inherently generous type.

*2.2 How People Give Across Cultural and Societal Divides*

***The Development of Generosity and Moral Cognition Across Cultures.* Jean Decety and Jason Cowell. Forthcoming in Child Development.** Morality is an evolved aspect of social cognition, many aspects that contribute to mature moral reasoning are influenced by cultural inputs. This study adopted a comprehensive and integrative approach to moral cognition by combining measures of EF, affective sharing, empathic concern, ToM, and morality to predict prosocial behavior in a large sample of children (N = 946) from the age of 5 to 12 in Canada, China, Turkey, South Africa and USA. Results demonstrate that age, gender, SES, culture and social cognitive mechanisms explain over 20% of the variance worldwide in generosity. However, within each culture, generosity is differentially manifested by intrinsic and extrinsic factors. The results highlight how different factors operate in promoting moral behavior during development across cultures.

***Creating Good Habits.* Marie Claire Villeval, Marco Castillo, and Ragan Petrie. Work in progress.** France and the United States have very different norms with regard to charitable giving. An online experiment will look at these differences by varying repeated donation solicitations. The findings from the study will be used to understand cultural differences in charitable giving.

***Household Decision Making, Family Roles, and Charitable Giving.* Christopher Einolf. Work in progress.** Studies regarding how households make decisions regarding money and time show that the dominant partner in the relationship tends to control decisions based on charitable giving. A series of field experiments will examine how couples make decisions on charitable giving. Results aim to provide charities with information on how they can appeal to roles and emotions of families to encourage donations.

***Does Membership in a Public-Service-Club Make a Person More Generous?* Heng Qu and Richard Steinberg. Work in progress.** An individual's public-service-club membership is likely related to his/her charitable giving behavior. Part 1 will use a laboratory experiment to study the effectiveness of public service clubs in building private support for public goods. Part 2 will use a laboratory experiment to disentangle altruistic and social motivations for public service club membership. Results indicate that there exist two separate aspects to membership -- social and philanthropic, leading to different identities activating when one aspect or the other is triggered.

***Prosocial Behavior Differences within China Explained by the Rice Culture.* Soo Hong Chew, Richard Ebstein, Yunfeng Lu. Work in Progress.** People have different preferences, and culture plays a role in shaping it. With a novel experimental economics data set, we find that there are systematic differences in prosocial behavior across regions in China. We show that the rice culture measured by percent of rice farming influences people's cooperative and trusting behavior in experimental games, which supports Talhelm et al. (2014)'s rice culture theory. We

also use a large national representative survey data to examine several other measures of prosocial behavior, and the results validate the previous results.

***Does Giving Improve Health? A Field Experiment on the Physiological Consequences of Prosociality.* Juliana Schroeder, Nicholas Epley, and Greg Norman. Work in Progress.** Our first experiment examines the consequences of engaging in five different types of behaviors: giving to others, giving to oneself, talking to others, being in solitude, and doing whatever one wants. A laboratory experiment will use the technology of a chest band to monitor the effects of these behaviors on a person's physiological signals of wellness. Results show that participants who connected to others had a more positive experience and were happier than those who were in solitude, but those who acted prosocially did not bear physiological differences to those who were selfish.

### **3. How Can Philanthropic Contributions Be Increased?**

#### *3.1 How do donors select a charity?*

***Do Donors Prefer In-kind? A Field Experiment on Paternalistic Giving.* Laura Grant and Kelsey Jack. Work in progress.** Philanthropy rarely takes the form of direct cash transfers to beneficiaries, in part because such transfers would allow for more beneficiary autonomy than would be ideal to a donor. An online experiment will seek to better understand this "paternalism" by varying donor solicitations as cash, in kind, or a choice between the two. The findings from the study will be used to formulate and refine hypotheses about the various potential mechanisms underlying a preference for in-kind transfers.

***Avoiding Overhead Aversion in Charity.* Uri Gneezy, Elizabeth Keenan, and Ayelet Gneezy. Published in Science (2014). WP128- SPI.** Some potential donors choose not to donate because they may believe their donations will go towards overhead costs of the charity. A lab experiment will study whether coverage of overhead costs will increase donations. Results show that informing potential donors that overhead costs are covered by an initial donation significantly increases the donation rate by 80% (or 94%) and total donations by 75% (or 89%) compared with the seed (or matching) approach.

#### *3.2 Incentives to Give*

***Reluctant Donors and Their Reactions to Social Information.* David Klinowski. WP130- SPI.** Announcing past donations to a public good may raise or lower subsequent donations. A laboratory experiment will vary the information received by donors about others' donations and the number of chances they have for making a donation. The results obtained from comparing

contributions across conditions will ultimately help fundraising organizations to devise announcing strategies that maximize the funds collected.

***Donation Matching and Donor Beliefs: Experiments in the Field and Laboratory.* Michael Schreck and Laura K. Gee. Work in progress.** Recent charitable giving field experiments find that donation matching yields varied levels of success. Among the proposed explanations for this inconsistency, the factor of donor beliefs about peers' generosity has received little attention. A series of field and laboratory experiments will investigate the importance of these beliefs. Results will provide an explanation for the inconsistent effectiveness of donation matching. Additionally, it was found that a more innovative structuring of donation matching money may lead to substantially higher donor participation than standard dollar-for-dollar matching.

***Social Influence and Registry design to Motivate Blood Donations.* Robert Slonim, Ellen Garbarino and Carmen Wang. Work in progress.** There are many potential altruistic motives for performing pro-social activities and making charitable donations. A field experiment will study the effects of priming different motives and targeting messages to donors' heterogeneous preferences. This could potentially increase participation in the blood donor registry, the overall blood supply, and efficiently coordinate millions of blood donors altruistic behavior.

### *3.3 Role of Government on Giving*

***The Impact of Taxes on Giving.* Roman Sheremeta and Neslihan Uler. Work in progress.** In the US most of the charitable donations are tax deductible and as a result higher taxation decreases after-tax net income, which has a negative effect. However, tax deductions also decreases the price of giving, which has a positive effect. Part 1 will use a framed field experiment to test the current theory of taxation on charitable giving. Part 2 will investigate the behavioral aspects of taxation and study how pre-tax heterogeneous wealth levels create reference points and affect charitable giving.

***Should Charitable Solicitations Be Subsidized or Taxed?* Benjamin Marx. Work in Progress.** An optimal subsidy of charitable fundraising hinges on the effect of one organization's fundraising dollar on the gifts to other fundraisers. A natural field experiment will estimate the direction and magnitude of such externalities between fundraisers. Results will provide evidence on whether the fundraising subsidy should be made more or less generous and will provide evidence on donor psychology and competition in the fundraising market.

***Voluntary and Mandatory Provision of Common Pool Resources with Heterogeneous Appropriators.* Fatemeh Momeni. WP131- SPI.** Common pool resource users often face provision problems and appropriation problems. A laboratory experiment will study the choices of CPR users under different provision schemes in a heterogeneous environment. Results provide

strong evidence for inequality aversion motivating subjects' decisions. Interestingly, inequality aversion motivates the subjects' choices differently in the regressive and the progressive treatments.

### *3.4 Fundraising Techniques*

***Increasing Charitable Giving in the Developed World. Cynthia R. Jasper and Anya Samek. WP120- SPI.*** Charitable giving has been increasing in economic importance among the developed world, and field experiments have shed light on the different motivations behind giving as well as the best fundraising strategies for non-profit organizations. This article will discuss past research in this field and how charities can take advantage of these findings. It will also present new evidence on giving behavior from a door-to-door field experiment that was conducted.

***When Identifying Contributors is Costly: An Experiment on Public Goods. Anya Samek and Roman M. Sheremeta. WP132- SPI.*** This paper suggests that displaying information about the identities of all contributors, even if this information is costly (i.e., in terms of time and effort needed to discover such information), may be a very effective way to increase contributions to public goods. Findings are relevant for non-profit organizations with a large donor base, suggesting that despite the visibility challenge (the gift of a particular donor may take time and effort for others to view) publicizing contributors is still effective. The results of this experiment also have practical implications for online communities that rely on user-provided content to be successful. While online communities may struggle with how to display contributors when there are thousands of them, our research would suggest that as long as this information is public, it is not necessary for it to be readily accessible.

***Once and Done: Leveraging Behavioural Economics to increase Charitable Giving Contributions. Ameer Kamdar, Steven D. Levitt, John A. List, Brian Mullaney, Chad Syverson. WP025- SPI.*** When trying to fundraise it is important that donors trust a charity. One potentially effective way to build trust is to give donors an option to “Make one gift now and we’ll never ask for another donation again.” A series of mail solicitation field experiments study find that the “once and done” effect roughly doubles initial donations, with 38 percent of donors self-selecting into the “do not mail category”. Combining initial and subsequent donations, “once and done” yields nearly a 50 percent improvement over other solicitation methods.

***The Impact of Volunteer Leaders on Charitable Giving. Wei Zhan and Catherine Eckel. Work in progress.*** Instead of making a direct appeal to potential donors, charities often utilize volunteer leaders to make an appeal on their behalf, yet there is little research on the mechanisms underlying the effectiveness of such a fundraising technique. A series of lab experiments will study the role of leadership in fundraising with a particular emphasis on the interaction of the

effectiveness of leaders and donors' motives for giving. Preliminary data find that allowing leaders to volunteer increases total contribution over random leaders, and that leaders give more when their contributions can be observed by others.

***Delegation and Charitable Giving: Can Giving Clubs Increase the Number of Donors and the Size of the Market for Giving?*** Luigi Butera and Daniel Houser. **Work in progress.** “Giving clubs” is a process in which groups make informed philanthropic giving decisions on behalf of their members. A lab experiment will investigate this process to understand what affects people’s willingness to make an autonomous giving decision or to delegate this decision to an informed club. Results aim to increase charitable contributions, allowing people who would like to donate to charity but do not have the time or resources to do so by delegating it to clubs.

***Giving or Not Taking? Experiments in New Fundraising Methods.*** Edward Millner, Laura Razzolini, and Oleg Korenok. **Work in progress.** Framing of solicitations may have effects on giving rates and giving amounts of donors. A series of lab and field experiments will test effects of “Give” and “Take” frames on donors. If confirmed, this will suggest a novel and low cost procedure that could raise charities’ revenue.

***Giving Life and Saving Lives: A Natural Field Experiment on Motivating Cord Blood Donation.*** Nicola Lacetera, Daniela Grieco, and Mario Macis. **Work in progress.** Cord blood is a key source of hematopoietic stem cells for children and adults who face life-threatening diseases and need transplants from unrelated donors, yet only a small share of parents opt for donating the cord blood. A field experiment will assess the impact of providing information, the possibility of making “soft” commitments, and the availability of multiple opportunities to make the decision to donate. Results hope to contribute to the literature on the motivations for altruistic behavior, by providing evidence on a specific activity that has been seldom considered in the social sciences, and by devising new mechanisms to increase donations.

***Using Targeted Messages to Understand Why People Pick.Click.Give: Evidence from a Natural Field Experiment.*** John A. List, James J. Murphy, and Michael K. Price. **Work in progress.** Studies on why people give to charitable causes focuses on two main drivers of behavior – concerns for the benefits to self or concerns for the benefits to others. We design a natural field experiment in conjunction with the state of Alaska’s Permanent Fund Dividend Charitable Contributions Program to disentangle the relative importance of benefits to self and benefits to others. As part of the 2014 marketing campaign, we randomly allocated the approximate 290,000 households in the state into either a control group or one of two treatment groups that received a postcard that included a slogan to highlight either benefits to self (“Warm your heart”) or benefits to others (“Make Alaska better for everyone”). Individuals who received the “Warm Your Heart” message were approximately 31 percent more likely to give than counterparts in the control group and tend to support more charitable organizations. Messages that highlight the benefits to others, in contrast, have no discernable impact on either the

likelihood of giving or average gifts. Our findings suggest that giving is motivated by self-interests rather than concerns for charitable output per se.

### *3.5 Transaction Cost of Giving*

***“Feel the Warmth” Glow: A Field Experiment on Manipulating the Act of Giving. Amanda Chuan and Anya Samek. WP123- SPI and published in the Journal of Economic Behavior & Organization (2013).*** The ability to add a personal touch to charitable donations can affect giving behavior. A door-to-door field experiment in collaboration with the charity group “Feel the Warmth” offered some donors the option to write a personal message to the recipient. They predict that treatment should increase contributions through making the gift more meaningful, but may also decrease contributions by increasing the transaction and social costs of donating. We find evidence in favor of the negative effects of costs from treatment, and no evidence of increased giving.

***Toward an Understand of Why Suggestions Work in Charitable Fundraising: Theory and Evidence from a Natural Field Experiment. James T. Edwards and John A. List. Published in the Journal of Public Economics (2014) WP002- SPI.*** The power of asking is an important aspect of fundraising strategies. Economists have recently explored how communication affects empathy, altruism, the rate at which people give to charities. This study examines how the presence of suggested donation amounts affects giving rates. Observations indicate that in the presence of a suggested amount, more people donate and tend to give the suggested amount. These results help shed light on motivations behind giving and how effective messages can bring in more donations.

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