Research Report

Behavior and Motivation around Donations

1 INDEX

2   SETUP

2.1   GOAL

Before we start designing the application, we want to be able to give the customer substantiated modifications and alternatives to their existing concepts. To do this, we need to do additional research into the behavior around- and the motivations to donate towards a charity.

2.2   RESEARCH QUESTIONS

Main question

What factors influence someone's willingness to donate and the amount they donate towards a charity?

Sub questions

- What factors influence and how do they influence someone's willingness to donate towards a charity?
- What factors influence and how do they influence the amount someone donates towards a charity?

2.3   APPROACH

Literature study

Since this is a very complex subject and we only have a small timeframe we will be doing a literature study using already existing research papers on the subject, mainly from ideas42 (which can be found in [the references](#)).

3 RESULTS

3.1 SOCIAL NORMS

People are strongly influenced by social norms. What the others have done will become the unwritten rules as to what behavior is considered acceptable as a society. Prospective donors that get to observe what others have already contributed will be motivated to do the same, especially if they identify with the larger group.

Notifying donors that similar people are contributing to the cause can boost the frequency of donations and providing a benchmark for the amount donated can increase the amount of future donations.

Communicating the norms
Notifying potential donors that a lot of similar people donated towards the charity when asking for support will increase the frequency of donations.

Visible indicators
Visible indicators will motivate potential donors. Showing that a big amount has already been donated can increase the frequency of donations, while showing bigger amounts of single donations can increase the amounts of future donations.

Contribution level
Mentioning the amount other donors have already donated will influence the prospective donor to at least match the previous donors. By setting this bar you can increase the amount of future donations.

Similarities between donors
Revealing similarities between previous and prospective donors will intensify the impulse to abide the unwritten rules that have been set with the examples above.

Group pressure
Choices about donations made in a group tend to be more generous because of the social pressure of the group.

3.2 VALIDITY AND EFFECTIVENESS

Showing the validity of your charity is a big influencer in the decision-making process of potential donors since they are unlikely to research if your charity deserves their support on their own.

Major supporters
Showing of major supporters will hugely increase the validity. For example, people are more likely to donate towards your charity when they know the charity is supported by the Bill & Melinda Gates Foundation since that foundation has already been well-established.

Seed money

Another way of proving the validity of the charity is by showing off the money that has already been collected. Just like the example above, this will give the potential donor assurance that their contribution will be well-spent.

Lead gifts

Lead gifts will also increase the frequency of donations and the donation amount. Having an offer that someone will match every dollar donated motivates prospective donors. However, putting a time limit on this gift will work counterproductively.

Effectiveness

Even though it seems irrational, providing the potential donor with the effectiveness of the charity does not result in more frequent donations. People tend to choose even less-effective charities if they align more with their subjective preferred cause. In contrast, effectiveness is used more when prospective donors are deciding about the amount to contribute.

3.3 IMAGE AND IDENTITY

People will base their decisions in accordance with how they perceive themselves and how they want to be perceived by others. Encouraging potential donors to identify as a charitable donor or reminding them that their actions influence the way they are perceived by others, can increase the frequency of donations and the amount donated.

Reaffirmation

Reaffirming a donor that they are generous and charitable will increase their donations in future fundraisers. For example, telling donors "You are a generous person. I wish more of the people were as charitable as you," will have a positive impact on future donations.

Reminder of past donations

Reminding donors of their previous donations can motivate them to donate again or even increase their donation compared to last time. This can be as simple as displaying the date of their last donation.

Public recognition

Offering public recognition when donating will increase the frequency of donations and setting an amount threshold for the recognition will increase the amounts donated. For example, your name and message will be displayed on the website when donating above a certain amount.

Selective recognition

Selective recognition can also be a big motivator to increase the amount donated. This can be done by praising a select few highest donations or shaming a select few lowest donations, although praising is more effective and much better received.

3.4 EMPATHY AND EMOTIONS

Emotions play a bigger role in the decision-making process than objective analysis. This can be used to encourage prosocial behavior by evoking strong positive emotions in the donor. It is important to note

here that positive emotions lead to more frequent and bigger donations. Research indicates a strong relation between empathy and charitability.

Similarity
Potential donors tend to like, and thus support, causes that represent people who are like themselves.

Photographs
Adding to the previous point, photographs are very relatable and evoke strong emotions. Using photographs rather than silhouettes increase the relatability, and thus frequency of donations and amount donated towards a cause.

Identifiability
Sharing information about an identifiable victim also makes them more relatable and evokes strong emotions, so also increasing the support received.

Volunteering
An effective way to put the money donated in perspective is to ask prospective donors first to consider volunteering before asking for a donation. When asked how much time they would be willing to give towards a good cause, their donation amount increases.

Deliberate thought
Something you should avoid is promoting deliberate thought since it suppresses decisions based on emotions. For example, including information of the victim with the photo and description when asking for a donation will decrease the support compared to only providing the photo and description.

3.5 AVOIDANCE
Saying no is hard for people, so direct and personal solicitations increase support for the cause (although, they might not reflect true support). Additionally, potential donors will avoid requests to donate if possible, so they will not have to say no.

Emotional stories
Avoiding emotional stories when requesting support helps potential donors justify not giving, thus lowering the frequency of donations and the amounts donated.

Avoiding the request
If potential donors are given the opportunity to avoid the request for support, they will not have to say no. Giving them this opportunity lowers the support received by the charity. To this point, direct and verbal requests for support are most effective.

3.6 TIME BIAS
People have a biased towards the present, so they value their money today more than their money tomorrow. Spending money today is a lot harder than spending it at some point in the future. So, asking donors to commit today and donate the funds later can increase the support received.

Give more tomorrow
Asking donors to increase their existing recurring donations starting two months from now can result in an increased amount donated, compared to asking them to increase their donation today.

Future income
Similarly, asking potential donors to donate their future income later increases the frequency of donations and donated amounts.

3.7 INCONVENIENCES AND PROCRASTINATION
A big factor in the decision process of potential donors is the inconveniences they encounter and the procrastination that is enabled. Even the smallest inconveniences can lead them to procrastinate, and then forget to follow through or decide not to give after all.

Easy donating
To this point, easy donating increases the frequency of donations. For example, providing filled-out bank transfer forms will increase the support received.

Reminders
Friendly reminders after the initial request to donate can increase the frequency of donations.

Minor inconveniences
Inconveniences in the process of donating can strongly suppress the frequency of donations received. For example, having the opportunity to write a personal message with a donation increases social pressure, time to complete the task, and decisions to be made.

Deadlines
Setting longer deadlines promotes procrastination since it makes it seem like the request for support is not urgent and can be completed later, thus lowering the frequency of donations received.

3.8 SMALL INCENTIVES
When thoughtfully designed, small incentives can attract attention to your cause and inspire action. This can be a slippery slope since the external reward can turn the donation into a transaction, which should be avoided.

Lottery
Potential lottery prices in return for supporting the cause can increase the frequency of donations.

Upfront gifts
Non-monetary upfront gifts can encourage the potential donor to support the cause since it activates the desire to reciprocate the charity's generosity.

Conditional gifts
Conditional thank-you gifts should be avoided since it can distract from and demotivate charitable giving with potential supporters, lowering the frequency of donations.

3.9   FRAMING THE REQUEST

When looking for support for the charity, often, how you ask will matter more than what you ask. Small differences in the wording of the requests can significantly impact the response.

How much

Framing a donation as 'how much to give' rather than 'whether to give' increases the likelihood of engagement. Giving donation amount options compared to a binary choice strongly increases the willingness of potential donors to support the cause.

Abundance

Prospective donors that see themselves as having an abundance of resources will increasingly donate towards an abstract appeal (address hunger), while donors who see themselves as having a non-abundance will donate more towards a concrete appeal (serve a meal).

One in a series

Framing a donation request as one in a series decreases donation amounts, though, not the response. Avoid potential future donations in the request to support the cause.

Scope bias

Unit-asking can overcome scope bias with prospective donors. For example, first asking how much they would donate to support a single unit followed by asking how much they would donate to help the entire X amount.

3.10   AGENCY

People often like to exert agency on situations. Restricting or expanding the donor's choice set can impact generosity, even without limiting flexibility in allocating the funds received.

Directing the donation

Giving individuals agency to direct their donations increases generosity, even when the option is not taken. Very few donors choose the option to direct their gifts, increasing donations without limiting the charities' flexibility in allocating funds. Just giving them multiple options to direct their support increases the amount donated.

Imposing a minimum

Imposing a minimum amount for donations reduces the average amount of donations received by excluding potential donors that would have given an amount below the minimum and should be avoided.

3.11   INFORMATION

Research suggests that prospective donors do little research before giving to a charity. Individuals who consider a smaller contribution are less likely to seek information, which is most of the population. After contributing, continued support by the donor is self-perpetuating since they will believe their action was effective, even without evidence to support this fact. However, over time this will cease as the evidence constrains the extent to which they can think this positively.

Providing initial information

Potential donors only need little information to decide to donate towards a good cause, though these are smaller contributions. The smaller portion of donors that donate larger amounts will need more information before deciding to support the charity.

Continued support

Since the support by donors is self-perpetuating the most important part of the donation process is obtaining the first donation. After that, the donor will not need any evidence their donation had the desired effect. Once this belief begins to jade, providing information about the positive influence they have had will be crucial to retain the donor.

4   CONCLUSION

There are a lot of factors that influence a donor's willingness to donate and the amount they want to donate like social pressure, evoking emotions, proving the charities validity, time bias, framing of the request for support and more.

These factors can both positively and negatively influence the donation frequency and donation amount and should be carefully implemented.

5 RECOMMENDATION

Influencing a donor's donation is a lucrative business, so a lot of research has already been done on this subject.

There are a lot of different angles to approach this subject and due to time constrains this report could only contain a limited amount of external papers, so there is a lot left to research.

While this report is thorough, it is recommended to continue this research into different approaches and sources.

6 REFERENCES

Andreoni, J., Koessler, A.-K., & Serra-Garcia, M. (2018). *Who gives? - The Roles of Empathy andImpulsiveness.* Retrieved from ucsd: https://rady.ucsd.edu/docs/Who%20Gives.pdf

Berman, J. Z., Barasch, A., Levine, E. E., & Small, D. A. (2018, April 16). *Impediments to Effective Altruism: The Role of Subjective Preferences in Charitable Giving.* Retrieved from Psychological Science: https://journals.sagepub.com/doi/abs/10.1177/0956797617747648?journalCode=pssa

Huber, M., van Boven, L., & McGraw, P. A. (2010, February 19). *Donate Different: External and Internal Influences on Emotion-Based Donation Decisions.* Retrieved from SSRN: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1532587

ideas42. (2019). *Behavior and Charitable Giving (2019 Update).* Retrieved from ideas42: https://www.ideas42.org/wp-content/uploads/2019/07/I42-1139_CharitableGivingLitUpdate_3-1.pdf

Niehaus, P. (2017, September 13). *A Theory of Good Intentions.* Retrieved from lse: https://www.lse.ac.uk/Marshall-Institute/Assets/Documents/ESS-2017-papers/Niehaus-TheoryofGoodIntentions.pdf

Yildirim, H., & Krasteva, S. (2012, August 24). *(Un)Informed Charitable Giving.* Retrieved from duke: http://public.econ.duke.edu/~yildirh/InformedGivingPaper.pdf

7 REFLECTION

This research ended up being extremely useful for the final concept. At the start of the project everyone in the team had their own ideas about what factors influence the donations, but it was very hard to pinpoint.

There was a lot of literature information available to be used, but especially the article from ideas42 was very thorough and informative. Most of the research was inferred from that source.

On that point, due to the short time frame we were working with we could only properly cover a few papers on the subject. So while those reports were thorough, there is a lot left to be researched.