

# Increasing effective charitable giving: The puzzle, what we know, what we need to know next

David Reinstein (drafted this version) with Nick Fitz and Ari Kagan

## 1. Presenting the puzzle and challenge: Our ineffective giving

Why should you care about this? Descriptives of giving (US, international) and how ‘ineffective’ it is. Potential global welfare gains to changing ‘where we give’.

Ideas42: “We did not find many field-based, experimental studies on the factors that encourage people to choose thoughtfully among charities or to plan ahead to give.”

Wiepking2012

### 1a. Who does give effectively? (or put at bottom?)

Who *does* give internationally/effectively (descriptives). Briefly defining the EA movement as an important force “we” (economists, psychologists) need to discuss. (Or put this at bottom?)

Fitz/Kagan: Understanding Effective Givers: In this study we attempt to understand who is predisposed towards effective giving. After providing a description of the effective giving movement, we measure support for effective giving and measure a wide range of personality traits and demographics that may predict support for effective giving.

### 1b. Why (under what models) is this a puzzle?

Why (under what models) is this a puzzle? Economics and psych models → puzzle? Models where people care about the impact of their gift or just ‘amount sacrificed’ (naive warm glow). Does impact map into the ‘good feeling’ from giving, can it do so?

### 1c: Are charities in competition? Is the ineffective giving reducing effective giving? Ask people to give to EA charity ‘instead’?

(Or put in section 2?)

Does one ask (or donation) crowd out another... when and how? This is critical to understanding the extent to which gains can be achieved by getting people to ‘switch’ from other charities. To the extent this is the case, factors driving giving to the non-EA charities, especially local obligations (e.g., neighbors pressure you to give to local orgs) themselves represent barriers to EA giving (see below).

(David Reinstein has a simultaneous research project on this ‘expenditure substitution’ question.)

(Reinstein, ’10), (Meer, ’17)

Donkers2017, Diepen2009, scharf2015disaster, reinstein2010does, meer\_2017 deryugina2015causes, Harwell, van2009does, reinstein2010substitution

## **2. Explaining the puzzle: Barriers to EA giving and potential responses, evidence**

### **2a. Economic and psych models conceptualizing this**

#### **2a: Do people care about impact? “Efficiency” versus impact.**

Charity ‘quality ratings’ -, Overhead aversion

(Yoruk, 2016), (Gneezy ea, '14) yoruk\_2016, Gneezy2014 brown\_etal\_2016, Chhaochharia\_Ghosh\_08?, Kinsbergen\_tolsma\_13

( or here – 2a: Charities in competition? Ask people to give to EA charity ‘instead’?)

### **2b. Barriers: Biases in perceiving impact**

Cognitive biases: Overweighting and underweighting probabilities, misunderstanding marginality, scope-insensitivity, Opportunity-cost Neglect. etc. Identifiable victims effect. Responses: De-biasing, etc.

small2007sympathy, Gneezy2014 ein2013giving, kogut2005identified, kogut\_2005b, Kinsbergen\_tolsma\_13

### **2b. Barriers: Presenting analytical/impact information switches off system 1;**

Charity effectiveness (info/deliberation) -, Donor’s mood (Impacting) - Affect prime -, Evaluation mode -

(Karlan & W, '07), (Kogut & R, '05) (Small ea, '07), (Drouvelis & G, '16), (Caviola ea, '14)

### **2b. Barriers: Avoiding information, motivated reasoning in processing it**

andreoni2017avoiding, Exley2016, Exley2015, dellavigna2012 Kellner\_EA\_2017

### **2b. Barriers: Perfectionism/deontological aversion to ‘waste’ (or excuse-driven, motivated reasoning), lack of tangibility (giving to a diffuse cause); Percieved lack of transparency, and perceived corruption overseas**

“Overhead aversion, Information about recipients’ deservingness -,”“Avoid uncertainties/excuses not to give/mental transactions costs -”“”

(Gneezy ea, '14), (Fong & O, '10), (Exley, '16b) (Andreoni ea, '17), (Dellavigna ea, '12)

### **2b. Barriers: Social/geographic distance**

(Info enhancing) social closeness of recipient -

?cuddy\_ea\_2007 (Sudhir ea, '16)

### **2b. Barriers: Strong local appeals (‘the ask’), social obligations to give locally (and ‘crowding out’/moral licencing)**

(Meer, '11)

### 3. Tools for motivating EA giving

#### 3a. Psych/behavioral tools; applicability to EA charities

Briefly highlight those ‘tools’ that give non-EA an advantage, but focus on the actionable—how EA lessen or flip that advantage. 2. Which tools present particular challenges or opportunities for EA

Recipient’s plight as ‘loss’ vs previous state -, Unconditional gift (Gift exchange) -, “Percentage donations tied to purchases, especially in online auctions -”, Give more tomorrow -, Give if you win -, “Size of ask; Low-ball, ‘Legitimation of paltry donation’ (LPD/LPC) -”, Solicitor characteristics -, Visibility (of giver), Visibility - Recognition ‘to influence others’, Visibility - Recognition tiers, Reveal previous donor/donation (also ‘info’) -

(Sudhir ea, ’16), (Falk, ’07), (Elfenbein ea, ’12), (Bremser, ’11), (Kellner ea, ’17), (Fraser ea, ’89), (Cialdini and S, ’76), (Andrews ea, ’08), (Gneezy ea, ’17), (Landry ea, ’05), (Meer, ’11), (Harbaugh, ’98), (Soeteven, ’05), (Reinstein & R, ’12), (Karlan & M ’14), (Harbaugh, ’98), (Karlan & M ’14), (Harbaugh, ’98), (Soeteven, ’05) (Karlan & M ’14), (Karlan & M ’14)

#### 3b: De-biasing and misperception-correction

(Kogut & R, ’05) (Caviola ea, ’14)

#### 3c. innovative proposals

Smeets?, Kellner\_EA\_2017

#### 3d. EA-movement approaches and pitfalls

What has EA tried and how has it worked; evaluate approaches in light of the evidence. Is the movement too ‘purist’ (e.g., focusing on only the most effective, proven charities instead of those with broader potential appeal but less evidence)?

Charity science

Wiepking2012?

### 4. Conclusion; a research agenda

Need for systematic platforms to study this, systematic experimentation and data sharing among effective/international charities. Platforms available, proposals for particular research projects and approaches.

- Who gives to the *truly* most effective international charities?
- Who is most likely to be convinced, and which arguments/presentations work in the SR and LR, and for whom (heterogeneity)?
  - Statistical learning-based analyses
- Practicable techniques in a range of higher-stakes real-world environments
- Replication (and verification), pooled evidence, meta-analysis
  - Context-sensitivity, large SE → large samples, statistical learning controls, sharing data
  - Responses to ‘obvious contrasts’ seem to not reflect between-subject responses”

Also see gatesproposal.md (Gates foundation)