## **Pilot Data**

How can giving pledges help fundraising for effective charities?

- Impact pledge vs. Money pledge

Joined work with Paul Smeets

Janek Kretschmer 07.12.2020





# Idea: Using Impact Pledges for Fudraising

- Temporal segregation of pledge and giving decision can overcome the loss of generosity caused by "numbers"
- Pledging an impact instead of money frames donors' decision as impact rather than as income loss
- Finally, an impact pledge primes individuals to react more sympathetic and sensitive to cost-effectiveness

## Motivation: Why help practitioners directing money?

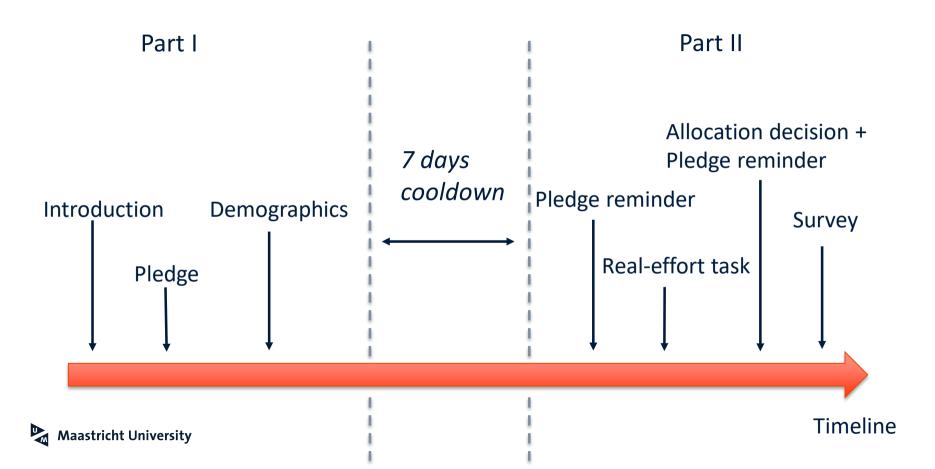
- Scientific evidence suggesting that organizations' "cost per outcome" differs by a factor of 1000 or more (Jamison et al., 2006)
- Charity evaluators make information easily accessible
- Donors care for effectiveness and feel satisfied when they make a clear impact with their donation (Aknin et al., 2013)
- Learning about donors' behavior leading to academic insights

## Recruitment, Participants and Treatment Groups

- Recruit participants using Prolific.co. Filter for:
   Giving history (+100GBP p.a.), US/UK citizenship, age (30-50),
   native speaker, male
- 3 Groups (randomly assigned):
  - Control (no pledge)
  - Impact pledge (days of school participation)
  - Money pledge (amount to donate)

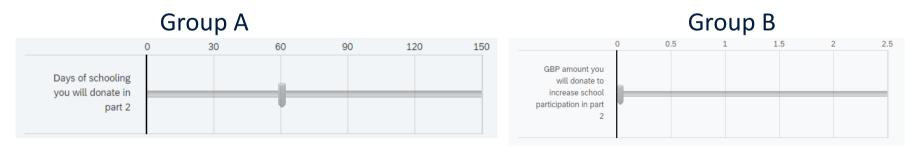


# **Design Flow**



## **Pledging Screen**

- After learning about the opportunity to donate any share of your bonus
  payment to increase school participation in part 2, could you please indicate
  how many days of schooling / how much you intend to donate? Please
  note, we will consider your answer as a giving pledge.
- Use the sliders below to make your giving pledge. Your pledge cannot exceed the maximal amount of schooling your future bonus payment of 2.5 GBP can buy.

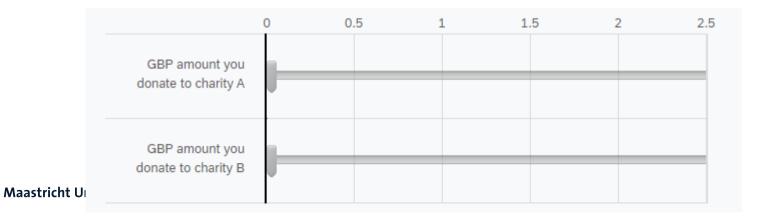




### **Donation Screen**

Charity A will provide balanced school meals, enabling students to remain in school longer. **Per 50 pence donated, this charity provides** <u>**0.3**</u> **days of school participation**.

Charity B will provide neglected tropical disease (NTD) treatments, enabling students to remain in school longer. Per 50 pence donated, this charity provides 30 days of school participation.

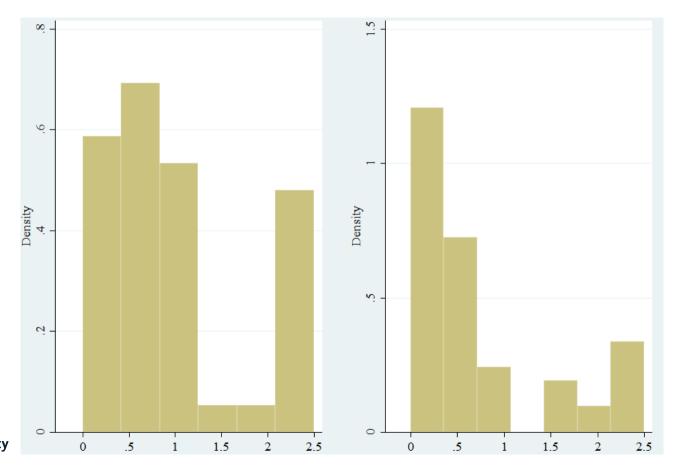


## **Main Hypotheses**

• H1: Donors in the impact group give a **higher ratio** of their total donations to the cost-effective charity.

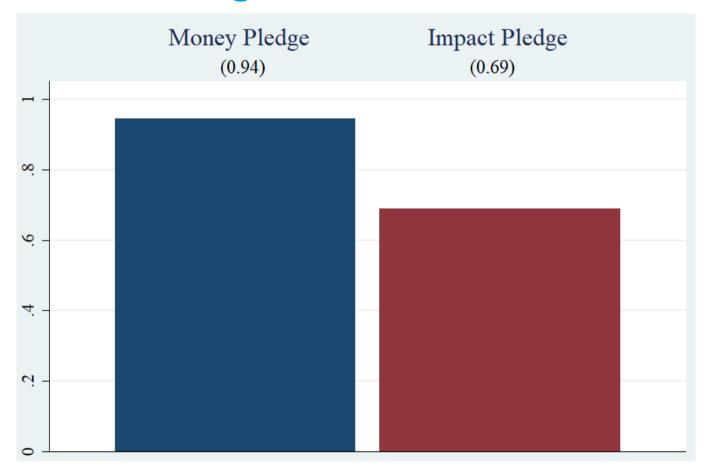
 H2: Donors who pledge give a higher total amount than donors in the control group.

# **Results: Distribution of Pledges**





## **Results: Means of Pledges**



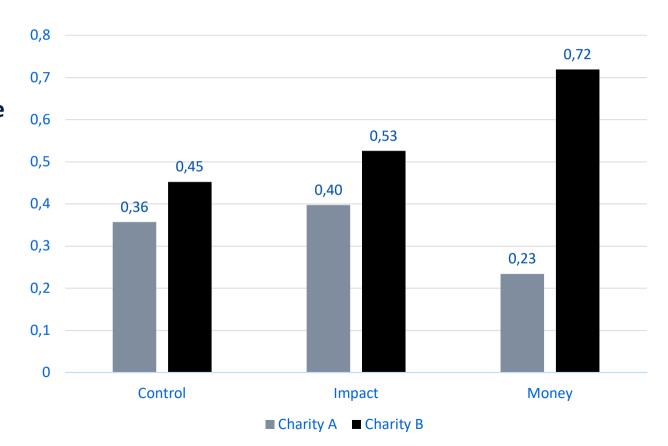


## **Results: Donations to Charity A/B**

#### **Effectiveness Rate**

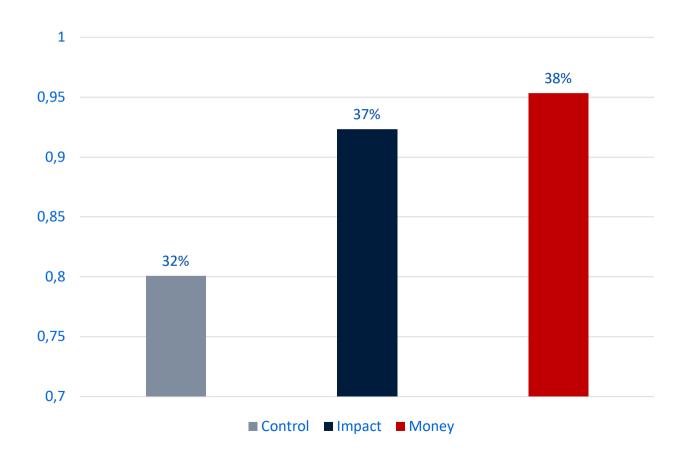
Control: 56% Impact: 57%

Money: **75%** 



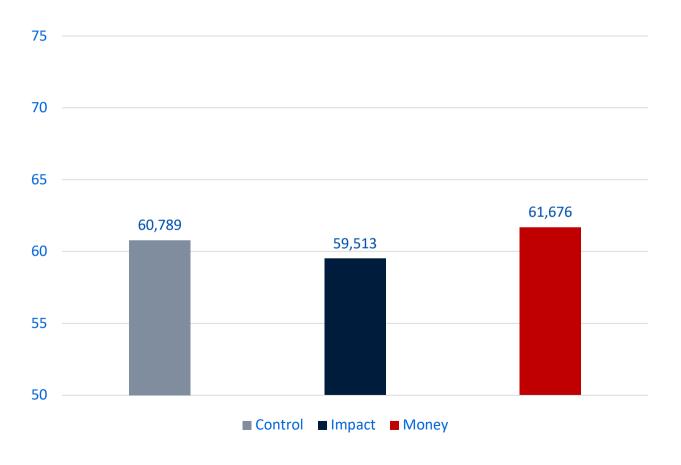


# **Results: Generosity**



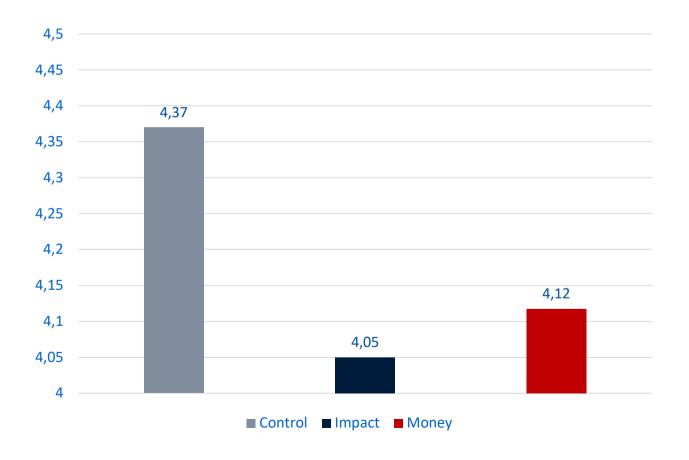


## **Results: Giving Based on Evidence (Agreement 1-100)**





## **Results: Ineffective Giving = Immoral (Agreement 1-7)**





# Thanks for your attention and comments!

## **Back-Up: Participants Demographics**

household_i ncome	Freq.	Percent	Cum.
1	8	6.02	6.02
2	32	24.06	30.08
3	26	19.55	49.62
4	37	27.82	77.44
5	20	15.04	92.48
6	6	4.51	96.99
7	4	3.01	100.00
Total	133	100.00	

highest_degree	Freq.	Percent	Cum.
Associate degree in college (2-year)	10	7.30	7.30
Bachelor's degree in college (4-year)	59	43.07	50.36
Doctoral degree	4	2.92	53.28
High school graduate (high school dip	6	4.38	57.66
Master's degree	32	23.36	81.02
Professional degree (JD, MD)	6	4.38	85.40
Some college but no degree	20	14.60	100.00
Total	137	100.00	

1: <20k 4: 60k-100k

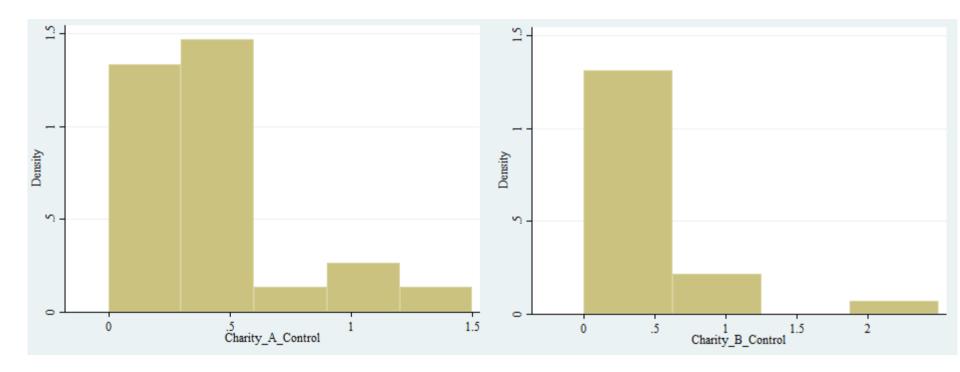
2: 40k-40k 5: 100k-150k

3: 40-60k 6: 150k-250k

7: >250k

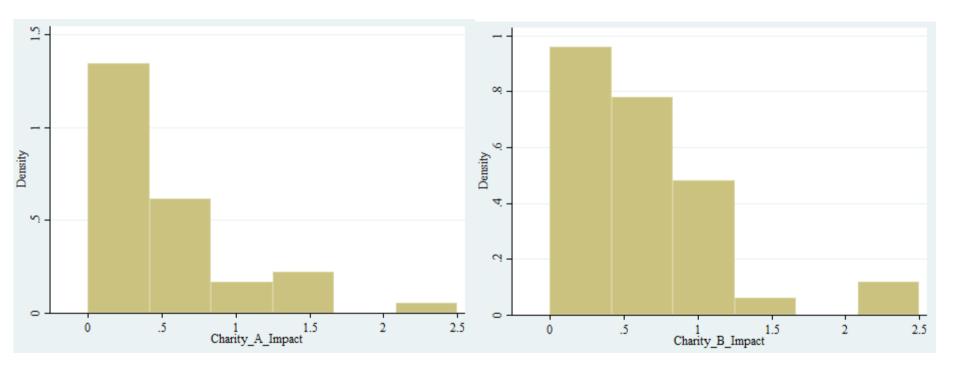


## **Back-Up: Distribution of Donations - Control**

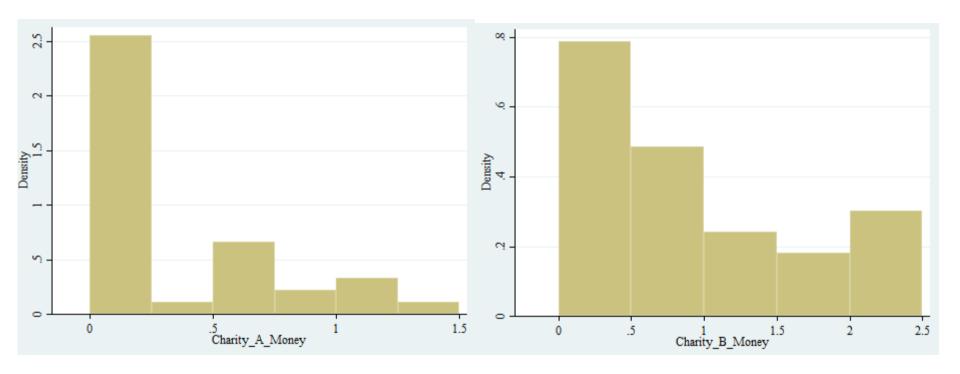




# **Back-Up: Distribution of Donations - Impact**

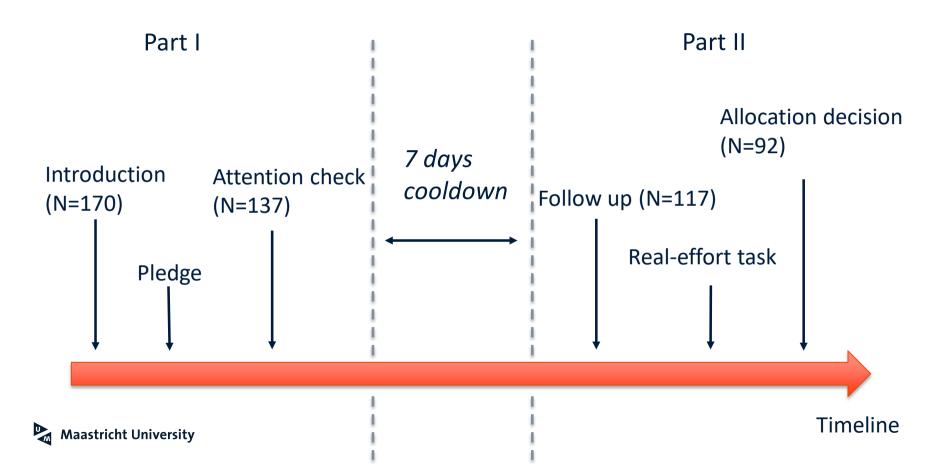


# **Back-Up: Distribution of Donations - Money**





# Flow of Drop Out



- "Abhijit v. Banerjee and Esther Duflo: Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty." 2011. *Population and Development Review*. https://doi.org/10.1111/j.1728-4457.2011.00462.x.
- Aknin, Lara B., Elizabeth W. Dunn, Ashley V. Whillans, Adam M. Grant, and Michael I. Norton. 2013. "Making a Difference Matters: Impact Unlocks the Emotional Benefits of Prosocial Spending." *Journal of Economic Behavior & Organization*. https://doi.org/10.1016/j.jebo.2013.01.008.
- Batson, C. Daniel, C. Daniel Batson, Judy G. Batson, Cari A. Griffitt, and Sergio Barrientos. 1989. "Negative-State Relief and the Empathy--Altruism Hypothesis." *Journal of Personality and Social Psychology*. https://doi.org/10.1037//0022-3514.56.6.922.
- Camerer, Colin F., Anna Dreber, Eskil Forsell, Teck-Hua Ho, Jürgen Huber, Michael Kirchler, Johan Almenberg, et al. 2016. Evaluating Replicability of Laboratory Experiments in Economics. Vol. 0918.
- Collaboration, Open Science, and Open Science Collaboration. 2015. "Estimating the Reproducibility of Psychological Science." *Science*. https://doi.org/10.1126/science.aac4716.
- Cutler, Jo, and Daniel Campbell-Meiklejohn. 2019. "A Comparative fMRI Meta-Analysis of Altruistic and Strategic Decisions to Give." *NeuroImage* 184 (January): 227–41. https://doi.org/10.1016/j.neuroimage.2018.09.009.
- Dunn, Elizabeth W., Lara B. Aknin, and Michael I. Norton. 2008. "Spending Money on Others Promotes Happiness." *Science* 319 (5870): 1687–88. https://doi.org/10.1126/science.1150952.



- Erlandsson, Arvid, Daniel Västfjäll, Oskar Sundfelt, and Paul Slovic. "Argument-inconsistency in charity appeals: Statistical information about the scope of the problem decrease helping toward a single identified victim but not helping toward many non-identified victims in a refugee crisis context." Journal of Economic Psychology 56 (2016): 126-140.
- Fong, Christina M., and Felix Oberholzer-Gee. 2011. "Truth in Giving: Experimental Evidence on the Welfare Effects of Informed Giving to the Poor." *Journal of Public Economics*. https://doi.org/10.1016/j.jpubeco.2010.10.017.
- Gneezy, Uri, Elizabeth A. Keenan, and Ayelet Gneezy. 2014. "Behavioral Economics. Avoiding Overhead Aversion in Charity." *Science* 346 (6209): 632–35. https://doi.org/10.1126/science.1253932.
- Iwaarden, Jos van, Ton van der Wiele, Roger Williams, and Claire Moxham. 2009. "Charities: How Important Is Performance to Donors?" *International Journal of Quality & Reliability Management*. https://doi.org/10.1108/02656710910924143.
- Jamison, Dean T., Joel G. Breman, Anthony R. Measham, George Alleyne, Mariam Claeson, David B. Evans, Prabhat Jha, Anne Mills, and Philip Musgrove. 2006. *Disease Control Priorities in Developing Countries*. World Bank Publications. https://play.google.com/store/books/details?id=Ds93H98Z6D0C.
- Karlan, Dean, and Daniel H. Wood. 2017. "The Effect of Effectiveness: Donor Response to Aid Effectiveness in a Direct Mail Fundraising Experiment." *Journal of Behavioral and Experimental Economics* 66: 1–8.



- MacAskill, William. 2015. *Doing Good Better: Effective Altruism and a Radical New Way to Make a Difference*. Guardian Faber Publishing. https://play.google.com/store/books/details?id=TxFACgAAQBAJ.
- Meer, Jonathan. 2011. "Brother, Can You Spare a Dime? Peer Pressure in Charitable Solicitation." *Journal of Public Economics* 95 (7-8): 926–41.
- Miguel, E., C. Camerer, K. Casey, and J. Cohen. 2014. "Promoting Transparency in Social Science Research." *Science*. http://e-gap.org/wp/wp-content/uploads/2014/04/Transparency-UCB\_2014-04-09.pdf.
- Niehaus, Paul. 2014. "A Theory of Good Intentions." *Unpublished*, June. https://econweb.ucsd.edu/~pniehaus/papers/good intentions.pdf.
- Ord, Toby. 2013. "The Moral Imperative toward Cost-Effectiveness in Global Health."
- Parsons, Linda M. 2007. "The Impact of Financial Information and Voluntary Disclosures on Contributions to Not-for-Profit Organizations." *Behavioral Research in Accounting* 19 (1): 179–96. http://www.aaajournals.org/doi/abs/10.2308/bria.2007.19.1.179.
- Reinstein, D., and R. Bergh. 2019. "Empathic and Numerate Giving: The Joint Effects of Victim Images and Charity Evaluation." https://ore.exeter.ac.uk/repository/handle/10871/39550.

- Singer, Peter. 2015. *The Most Good You Can Do: How Effective Altruism Is Changing Ideas about Living Ethically*. Text Publishing.
- Singer, T. 2004. "Empathy for Pain Involves the Affective but Not Sensory Components of Pain." *Science*. https://doi.org/10.1126/science.1093535.
- Small, Deborah A., George Loewenstein, and Paul Slovic. 2007. "Sympathy and Callousness: The Impact of Deliberative Thought on Donations to Identifiable and Statistical Victims." *Organizational Behavior and Human Decision Processes* 102 (2): 143–53.
- Stanley, T. D., Evan C. Carter, and Hristos Doucouliagos. 2018. "What Meta-Analyses Reveal about the Replicability of Psychological Research." *Psychological Bulletin* 144 (12): 1325–46. https://doi.org/10.1037/bul0000169.
- Taniguchi, Hiromi. 2012. "The Determinants of Formal and Informal Volunteering: Evidence from the American Time Use Survey." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*. https://doi.org/10.1007/s11266-011-9236-y.