[Link to Parallel Notes here](https://docs.google.com/document/d/1YHaF4phpqthCEwwNdgd_QBZp5np0pHwHEJm3U2G1cxA/edit#heading=h.zf0eu3jghz5z)

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

Reinstein, Fitz, Kagan

# Abstract (WIP):

[Below: for a nontechnical audience]

Hunger, homelessness, mental and physical illness, environmental degradation: the needs are boundless, but the resources to solve these problems are limited. Even with the best of intentions and impressive generosity (Americans give roughly 2% of their income to charity!), donors often contribute to inefficient charities – ones that spend more but accomplish less than others that may be competing for the same funds. Each dollar given to the most effective charities (like those rated by [Givewell.org](http://givewell.org)) benefits greater numbers of people in more significant ways than the least effective ones. However, donors do not always consider “Effective Altruism” (EA) when deciding how much to give and to which organizations.

Academics (in Economics, Psychology, Biology, and Philosophy) have applied a range of theories to explain what drives “inefficient altruism.” Evidence comes from a variety of studies, involving surveys, observational work, laboratory experiments, and, where feasible, natural field experiments.[[1]](#footnote-0) These have not been run as part of a systematic project addressing this issue; goals, contexts, and approaches have varied as opportunities presented. Given the disparate findings, we do not have a definitive picture of which factors impact effective giving.

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

**Utilitarianism**

→ Normative (why not?)

→ Descriptive (prominent model wrong? Why does the prominent/reasonable model differ so much from model of own-consumption)

**(Motivation) 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.”

* *References making this same point:* McCaskill, Gertler*,* Science of Giving...

*[Quotes* [*HERE*](https://docs.google.com/document/d/1YHaF4phpqthCEwwNdgd_QBZp5np0pHwHEJm3U2G1cxA/edit#heading=h.zf0eu3jghz5z)*]*

**Research Question/Problem: Why don’t people give in an evidence-based way?**

People make evidence-based decisions when they invest/buy, but not when they give (why?).

What are the psychological motivations for not giving effectively?.

People say they want to give effectively (Money for Good)

- Intention/Action

- People say they want to do good and be effective, but they don’t actually - Why?

*There are biases that hurt effective charities,* and make it harder to think about things that are most effective

Miller, evolutionary concerns:

-- Make us not *want* to be utilitarians?

-- Make our system-1 instincts distract us from this?

-- Make our system-2 bad at optimization and judgement (esp in this domain).

Broadly

* “Information is weak”; limited feedback (cf, own-consumption direct experience)
* People are not utilitarian? System 1 is not utilitarian even if system 2 is (and it distracts)? System II cognitive judgements are particularly bad at this (biases/ barriers)
* Other structural and social barriers

## Previous literature reviews and surveys, lack of previous work

Comparison of outlines [HERE](https://docs.google.com/document/d/1YHaF4phpqthCEwwNdgd_QBZp5np0pHwHEJm3U2G1cxA/edit#)

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. "

Effectiveness-specific:

* Gertler, “[Charitable Fundraising and Smart Giving](https://aarongertler.net/wp-content/uploads/2018/01/Aaron-Gertler-Senior-Thesis-full-bibliography-1.pdf)"
* Baron and Szymanowski 2011 - Heuristics and Biases in Charity: Largely conceptual, minimal survey of specific empirical/experimental papers

See also:

* [*Charity Science: Trials and synthesis of research for Effective Altruism Outreach*](http://www.charityscience.com/outreach-research.html) (http://www.charityscience.com/outreach-research.html)
* Geoffrey Miller's "10 cognitive and emotional challenges in EA"
* Baron & Szymanska

Charitable giving, more general

* [Bekkers and Wiepking, (2011). "A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms That Drive Charitable Giving” esp “Part 2: why do people give”; Nonprofit and Voluntary Sector Quarterly](http://www.wiepking.com/papers/BekkersWiepking_2011_NVSQ.pdf)
  + “awareness of need,” “solicitation,” “costs and benefits,” “altruism,” “reputation,” “psychological benefits,” “values,” and “efficacy.”
* Andreoni and Payne (2013). Chapter 1 “Charitable Giving” in Auerbach, Alan J., et al., eds. Handbook of Public Economics. Vol. 5. Newnes
* Andreoni (2006), “Philanthropy” in Handbook of Giving, Reciprocity and Altruism
* “Gift giving: an interdisciplinary review” [Sargent and Woodliffe](http://onlinelibrary.wiley.com/doi/10.1002/nvsm.308/abstract) (2007), Nonprofit and Voluntary Sector Marketing
* **List** (2011). Econ Perspectives or List (2008, ExpEcon), “Introduction to field experiments in economics with applications to the economics of charity”
* Zagefka and James, 2015, “The Psychology of Charitable Donations to Disaster Victims and Beyond”, Social Issues and Policy Review
* Also: Duncan (2004); Atkinson (2008)

...Less academic:

* [Ideas42- Behavior and Charitable Giving](http://www.ideas42.org/wp-content/uploads/2016/06/Behavior-and-Charitable-Giving_ideas42.pdf)
* [Science of Philanthropy Initiative 'Practical Takeaways](http://spihub.org/resources/practice)
* [Behavioural Insights Team (2013), “Applying Behavioural Insights to Charitable Giving.”](http://www.behaviouralinsights.co.uk/publications/applying-behavioural-insights-to-charitable-giving/)

Other relevant examples of literature reviews/surveys/meta:

## 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?

* Baron: “we propose utilitarianism, or the totality of good that comes about from a choice, as our gold standard for assessing the effectiveness of choices make in the contet of charitable contributions”

## 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

Conceptual:

1. Limitations to processing information and understanding utilitarian maximization etc.
2. Some biases/factors just move decisions away from effectiveness because they maximize on a different metric
3. Some biases tend to hurt more effective charities in particular
   1. These may be conceptualized as result of them being underfunded because of the second point. Nonetheless, we will focus on those biases that have a particular impact given the curent mis-allocation. We pose the thought-experiment/heuristic “(addressing) which biases will have the greatest impact on effective giving?” (“If we could snap our fingers and remove this barrier from the world, would this disproportionately increase giving to Effective Charities?)

Moral emotions not aligned to effectiveness (and 'crowding out'/moral licensing may exist) (Miller)

## 2b: Do people care about impact? "Efficiency" versus impact.

Charity 'quality ratings' , Overhead aversion

(Yoruk, 2016), (Gneezy ea, '14) yoruk\_2016, Gneezy 2014 brown\_etal\_2016, Chhaochharia\_Ghosh\_08?, Kinsbergen\_tolsma\_13 - Andreoni ‘warm glow’

## ( or here -- 2a: Charities in competition? Ask people to give to EA charity 'instead'?)

## 2b. Barriers: Biases in perceiving impact (or in perceiving the importance of impact)[[2]](#footnote-1)

Cognitive biases: Overweighting and underweighting probabilities (relates to *availability bias*)[[3]](#footnote-2), misunderstanding marginality (e.g., marginal vs average, also relates to drop-in-the-bucket, which could also be system-I), scope-insensitivity,[[4]](#footnote-3) Opportunity-cost Neglect., confirmation bias, status quo bias, identifiable victims effect (system 1), etc.

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)

We next survey the empirical work related to whether (and when and how) presenting information on a charity's impact (amount of good done per dollar spent) will have a positive effect on amounts raised, and donation propensity. The evidence (from the Economics/Behavioral Economics literature) is largely mixed and indeterminate. There has been only a single strong field trial (Karlan) in a particular context, which itself reported mixed (null overall, positive for some subgroups, negative for others), and some underpowered results. Laboratory experiments (with real donations) by Small et al find that giving to an identifiable victim is *reduced* when statistics are also presented and “priming analytic thinking reduced donations to an identifiable victim relative to a feeling-based thinking prime.” Further evidence from lab experiments is mixed and limited, with some studies (Fong and O) *apparently* finding that exogenous information about recipient increases donations (although they do not report this), and another underpowered study (Metzger and G). There is some evidence from observational studies that 'charity ratings' boost giving, at least for smaller charities (Yoruk), but these ratings do not measure impact. Further review should explore the psychology (see., e.g., Verkaik), marketing, and nonprofit management literatures. There is some speculation, but again, mixed evidence, that individuals already in a “system 2” (deliberative) frame are more likely to be positively affected by impact information. There is also a distinction to be further explored between “output information” (how the donation is used) and “impact information”; the former is seen to increase generosity in several studies.

## Possibly connect to ‘protected values’ … compounds other biases:. Barriers: Avoiding information, motivated reasoning in processing it andreoni2017avoiding, Exley2016, Exley2015, dellavigna2012 Kellner\_EA\_2017,

## 2b. Barriers: “Waste aversion”; Perfectionism/deontological aversion to 'waste' (or excuse-driven, motivated reasoning), Perceived lack of transparency, and perceived/actual corruption overseas (‘protected value’); “risky charities”

"Overhead aversion, Information about recipients' deservingness -, "Avoid uncertainties/excuses not to give/mental transactions costs - "

* Effective charities tend to operate in ldc’s, which tend to have higher corruption indices.
* Aversion to overhead will lead people to be biased against evidence-based charities that evaluate their own programs

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

## 2b. Barriers: Social/geographic distance attenuates empathy (and other motivators)[[5]](#footnote-4), aka, parochialism

(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 need for “virtue-signaling” (and 'crowding out'/moral licensing may exist)

* 1. - most of this belongs above we won’t completely separate factors determining ‘ask your neighbors’ from factors determining giving
  2. - However there is the ‘local public goods’ and self-interest issue

(Meer, '11)

Look into: Ratner ea, ‘11 “the norm of self interest”, in the Science of Giving -- ‘people feel it is only culturally acceptable to donate to causes in which they have a personal stake’

**2b. Barriers: Cognitive dissonance with previous decisions and identity, family/cognitive decisions**

# 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), (Breman, '11), (Kellner ea, '17), (Fraser ea, '89), (Cialdini and S, '76), (Andrews ea, '08), (Gneezy ea, '17), (Landry ea, '05), (Meer, '11), (Harbaugh, '98), (Soetevent, '05), (Reinstein & R, '12), (Karlan & M '14), (Harbaugh, '98), (Karlan & M '14), (Harbaugh, '98), (Soetevent, '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; summary of 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)

**Works Cited**

***SCIENCE OF GIVING: Experimental Approaches to the Study of Charity***. PSYCHOLOGY Press, 2015.

1. “Lab experiments” typically involve university students (or non-representative online pools, e.g., Mturk) who *know* they are taking part in a study. Here, participants usually make hypothetical or low-value choices in artificial environments. In “field experiments” researchers have worked with firms and charities, varying certain aspects of real-world charitable appeals (e.g., whether a mailing includes a photograph of an “identified victim”) and comparing responses. Finally, in “observational” work researchers carefully make causal inferences from data without interfering in the real world. [↑](#footnote-ref-0)
2. Relates to Geoffrey Miller’s “EA challenges 7: instinctive moral judgment don’t update very well”... mentions confirmation bias (Plous ‘93), status-quo bias (Kahneman ea ‘91), difficulty with moral uncertainty (MacAskill ‘14), ‘bad at Bayesian updateing, counterfactual reasoning, and steelmanning arguments’ [↑](#footnote-ref-1)
3. G Miller “EA challenges 4: Availability bias in utilitarian judgments”; he contrasts US rifle homicides to global malaria deaths, mentions news coverage [↑](#footnote-ref-2)
4. G Miller’s “EA challenges 3: Scope-insensitivity in utilitarian judgments”; notes Scope (‘number of beings affected, current and future’), Suffering, and Duration… Challenge 10 “Scope-insensitivity about long-term stakes” [In CBA I don’t consider the benefit correctly] [↑](#footnote-ref-3)
5. Geoffrey Miller: “EA challenges 1: Selfish genes vs. the expanding circle… Kin selection → family… Reciprocal altruism → friends… Sexual selection → mates … Group selection → tribe...Humans show parochialism: favor domestic charities over global charities than may be 100x more cost-effective”. This could be extended to the “distance” to “non-humans”; see Miller “EA challenges 9: Theory of Mind fails for non-humans” [↑](#footnote-ref-4)