Do Appeals to Donor Benefits Raise More Money than Appeals to Recipient Benefits? Evidence from a Natural Field Experiment with Pick.Click.Give.

John A. List, James J. Murphy, Michael K. Price, Alexander G. James

Abstract:

Recent research suggests that warm glow is a key driver of individual donation decisions. We make use of a unique opportunity to partner with Alaska’s Pick.Click.Give. Charitable Contributions Program to explore whether appealing to one aspect of donor benefits, feeling good about self, impacts donations. We randomly allocated the nearly 300,000 households (540,000 individuals) who registered to receive their annual dividend online into one of three experimental groups. We observe more than 26,000 donors giving aggregate donations exceeding $3 million in our experiment. Consonant with the warm glow model, empirical results highlight the relative import of appeals to self: individuals who received such an appeal were approximately 4.5 percent more likely to give and gave 20 percent more than counterparts in the control group. Yet, average donations from the group that received a message appealing to recipient benefits were no different than the control group. Tracking these individuals through the next campaign year we also find long-run effects: contributions to the Pick.Click.Give. program in the subsequent year continued to be higher in the appeal to self group. Our results have import for theoreticians and empiricists interested in modeling charitable giving as well as practitioners and policymakers.