

Fighting the pain of giving: How adding time delays to donation pledges increases charitable giving

Emily Powell^a, Minah Jung^a, Eyal Pe’er^b, and
Joachim Vosgerau^c

^aNew York University Stern School of Business, ^bThe Graduate School of
Business Administration, Bar-Ilan University, ^cUniversity of Bocconi

Introduction

- Giving makes people feel happy¹, but it also comes at a cost
- Donations provide utility, known as “warm glow,” that creates feelings of joy² and enhances one’s self-image³
- Giving also comes with a “pain” analogous to pain of paying for goods⁴

Introducing a time delay between the decision to donate and the payment of the donation can increase donation amounts, potentially because it allows people to experience warm glow without incurring the full extent of the pain of paying when deciding to donate.

Methodology

Study 1A-1B and 3-4: Solicit choice (except 1A) and amount to donate in a hypothetical donation to favorite charity

Study 2: Participants commit to donate to Save the Children with payment deducted from a bonus received today or in 3 weeks

All mturk studies, donation amounts winsorized (except Study 2) with income as covariate

Imagine that The American Red Cross sends you a request to donate online.

They are asking you to commit to donating now, and the money would actually be deducted from your bank account **in three months**.

Would you donate to The American Red Cross after receiving this request?

☐ Yes

☐ No


How much would you be willing to donate to The American Red Cross?

Recall that you will be making a binding pledge to donate today, but the donation is charged to your account **in three months**.

Please indicate the amount you would donate to this charity below.

\$

Figure 1. Donation request Study 1A-1B.

 **Save the Children**

Would you like to donate a portion of your payment?

Save the Children is a non-profit organization providing much needed support and resources to millions of children in the U.S. and around the world living in poverty. Save the Children helps create bright futures for children in need through programs aimed closing the achievement gap in education, enabling children to make healthy life choices, and by providing resources and support in times of need.

Would you be willing to donate a portion of your **40-cent Stage 2 payment in three weeks** to Save the Children?

This is an honest request, we will honor your wishes and donate the amount you indicate below along with the amount from all other participants in this study.

You will have one opportunity to donate to Save the Children across both stages of this study.

Would you like to donate a portion of your **40-cent Stage 2 payment in three weeks?**

Note that, while you are committing to donate today, we will only deduct this amount from your bonus payment you'll receive in 3 weeks. You will still receive the full 40-cent Stage 1 bonus today.

Please list a value below between 0 and 40, if you do not wish to donate, please write "0".

Amount I would like to donate \$ cents

Total \$ cents

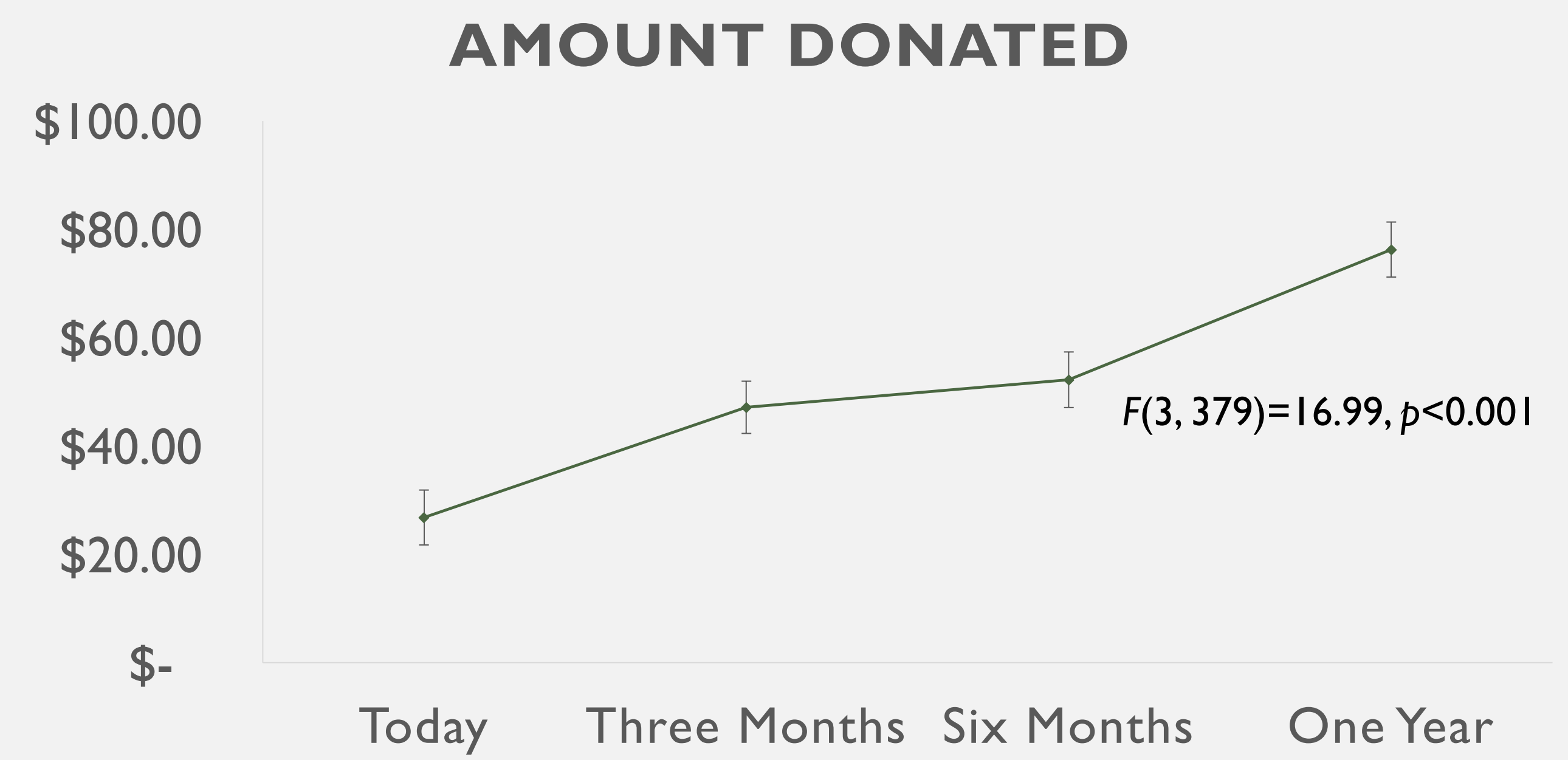
Figure 2. Donation request Study 2.

Studies 1A – 1B: Hypothetical

Study 1A
N = 504
Design: 3 cell between subjects



Study 1B
N = 601
Pre-registered on aspredicted.com
Design: 4 cell between-subjects
Choice to Donate: 63% today, 70% 3 months, 61% 6 months, 62% one year
($\chi^2(3, N = 601) = 3.102, p = 0.376$)



Additional Results

Study 3:

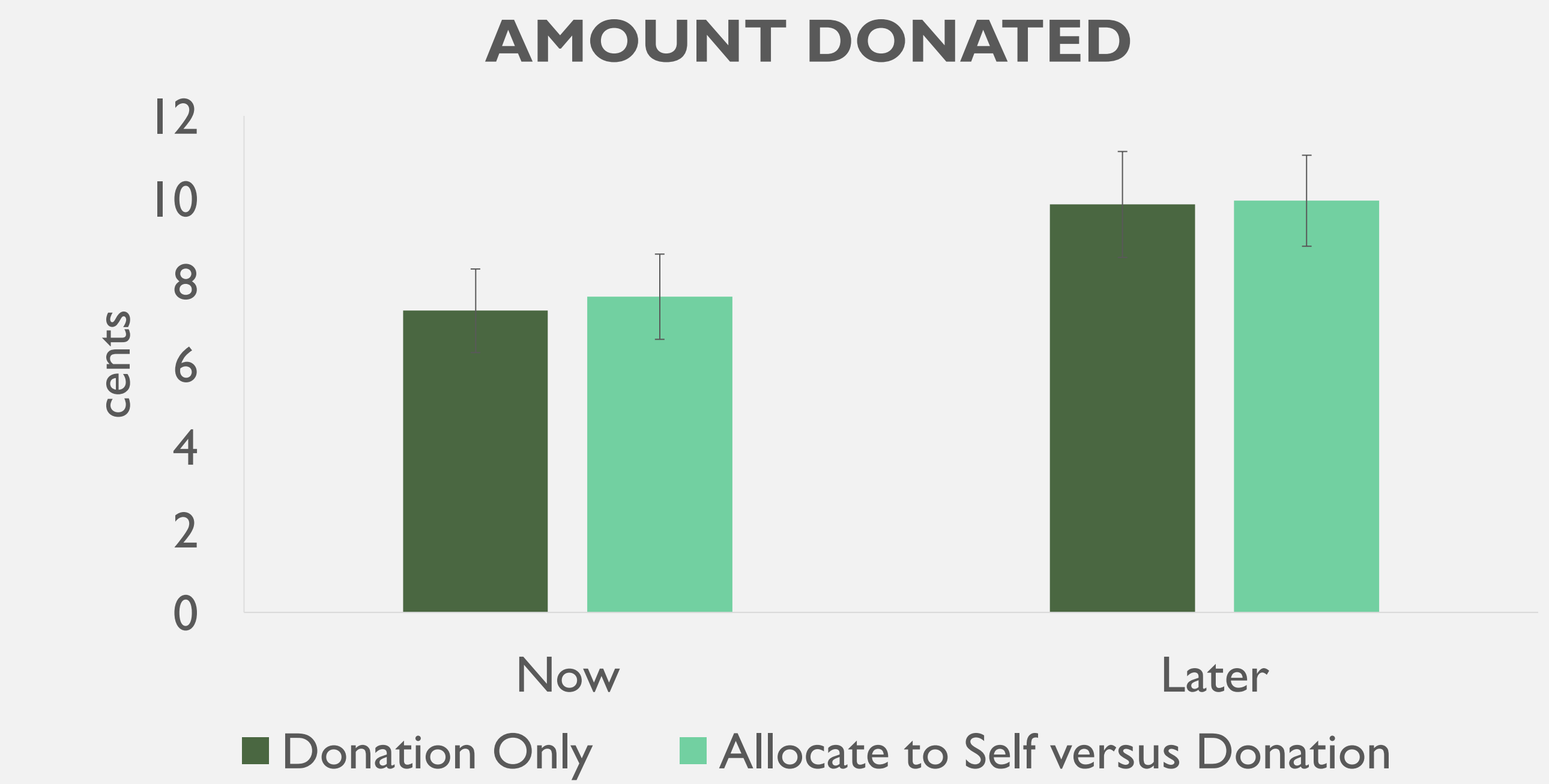
- Compares donations of time and money made today or in 6 months
- Replicate Study 1A-1B for money, people donate more in 6 months
- People are also willing to donate more time in 6 months compared to today

Study 4:

- Within-subjects, indicate donation amount at each time period in increments of 2 months beginning either today or in 12 months
- People are still willing to donate more in the future compared to today when asked about both time periods
- This effect is stronger if they are first asked about the future

Study 2: Incentive Compatible

N = 601
Pre-registered on aspredicted.com
Design: 2(time of donation: today, 3 weeks) × 2(question format: donation only, allocate between self and charity)
Real donation decision with donation deducted from 45 cent bonus paid to participants either today or in 3 weeks
Asked either only to indicate the donation amount (Donation only) or to indicate how much they wanted to keep versus donate (Allocation)



$F_{\text{timing}}(1, 596) = 5.38, p = 0.021$
No other effects were significant (p 's > 0.91)

Conclusions

Concluding, across five studies with over 2500 participants, we show that:

- Time delays between commitment and payment of a donation can substantially increase the amount donated, even up to a 287% increase (Studies 1A-1B, Study 2)
- The effect holds for time, as well as monetary, donations (Study 3) and is robust to within subjects (Study 4)

These results suggest that a simple change to payment schemes can have substantial impact on charitable donations. Apart from increasing donations, delayed payments may make it easier for charities to engage in long-term planning and financing of projects.

Future studies will investigate the specific mechanism underlying the effect of time delay on donation amounts.

References

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Further Information

This research is supported by the NYU Center for Global Economy and Business PhD Research Grant.

Questions or comments? Please email Emily Powell epowell@stern.nyu.edu