

Motivation

Effective altruists argue that we should donate most when our donations are most efficient. But what if donors respond to impact information less like effective altruists, and more like NYC cab drivers? They might target a specific level of impact, and donate however much is required to meet that target, thus donating *most* when their donations are *least* efficient. **We test whether framing impact information as “units of impact per dollar” or “dollars per unit of impact” leads to more efficient donation decisions.**

MTurk Study (N = 600)

Procedure:

1. Participants were briefly introduced to a foodbank charity
2. Participants made two donation decisions, each with a \$0.30 budget
3. We subsidized each decision by a different amount
4. Participants made each decision after seeing how many meals their donations would buy with the given subsidy.

Conditions:

2 (framing: dollars per meal vs. meals per dollar; *between subjects*) by 2 (cost-effectiveness: expensive vs. cheap; *within subjects*)

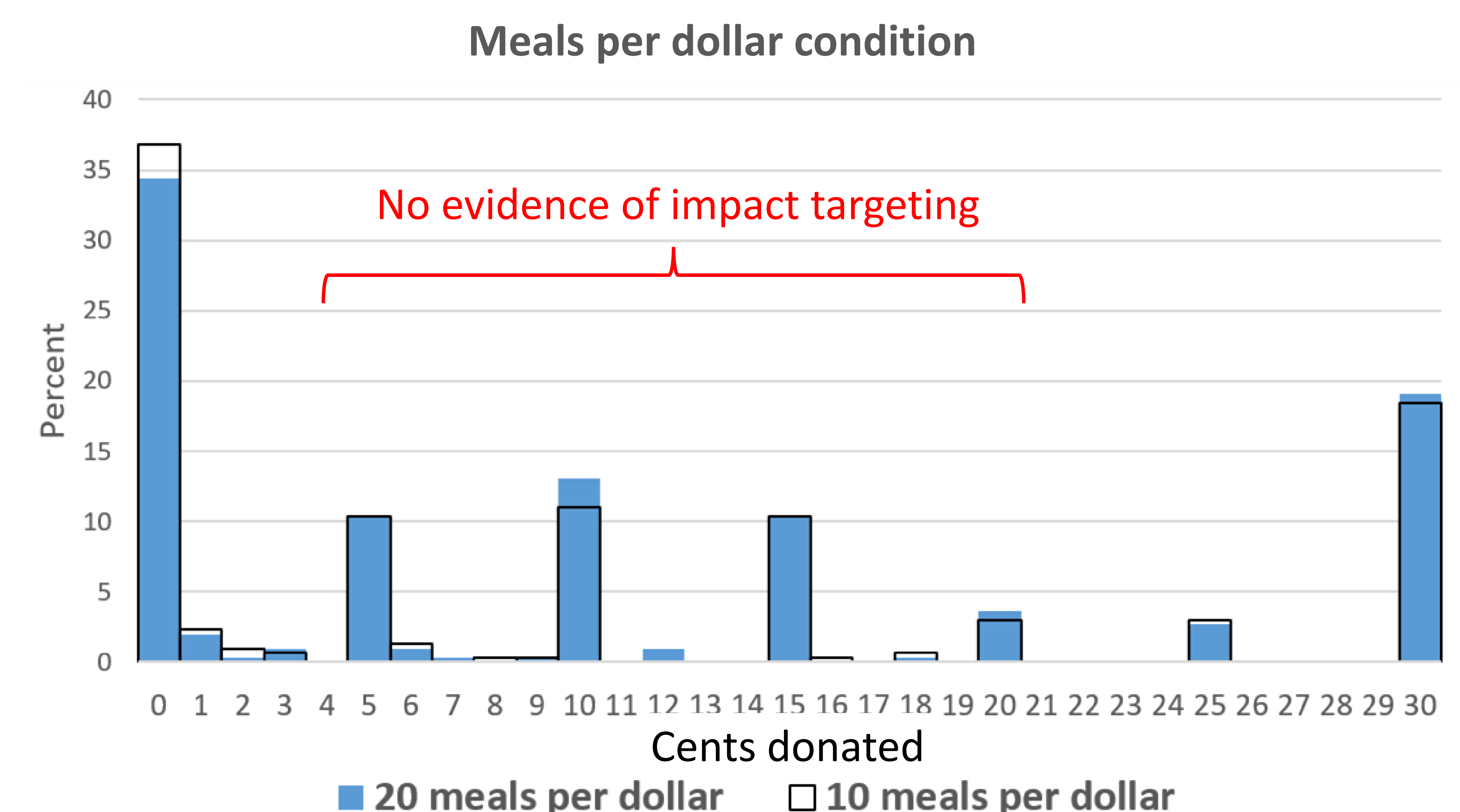
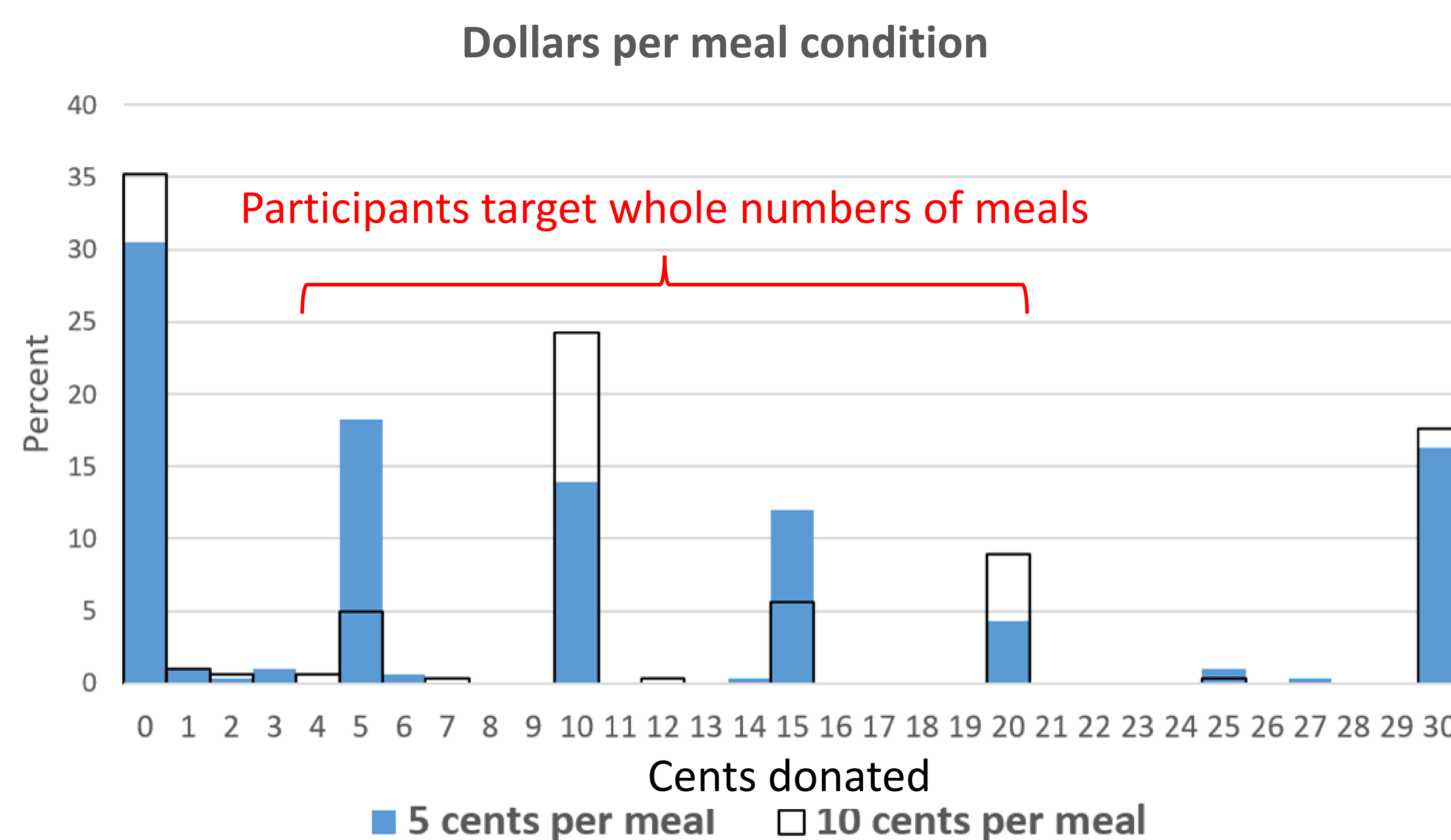
Cost-Effectiveness (within subjects)

		Expensive	Cheap
Framing (between subjects)	Dollars per meal	1 meal for every 10 cents	1 meal for every 5 cents
	Meals per dollar	10 meals per dollar	20 meals per dollar

1 Design

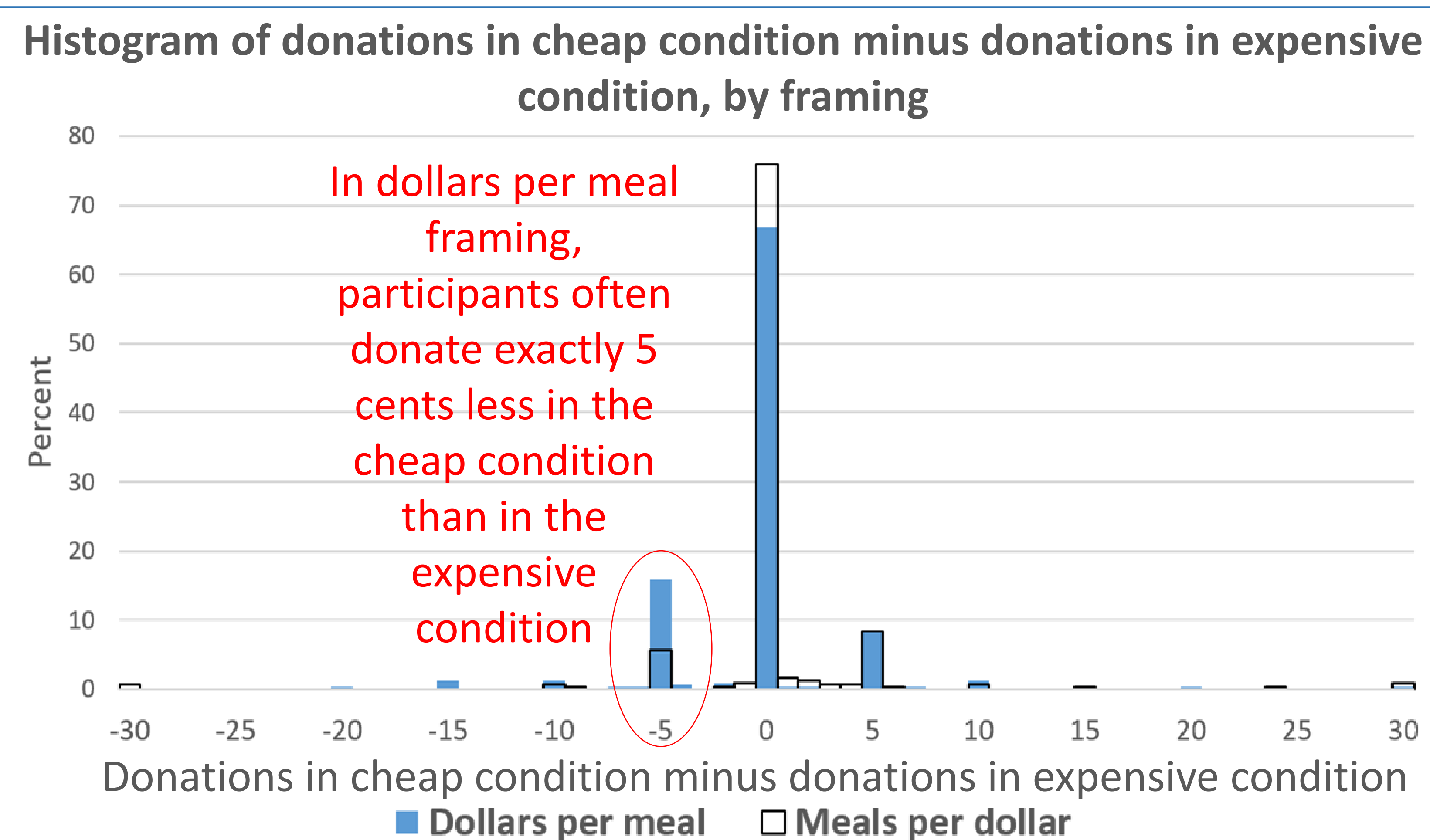
2 Responses

Histograms: Percentage of participants making each donation by condition

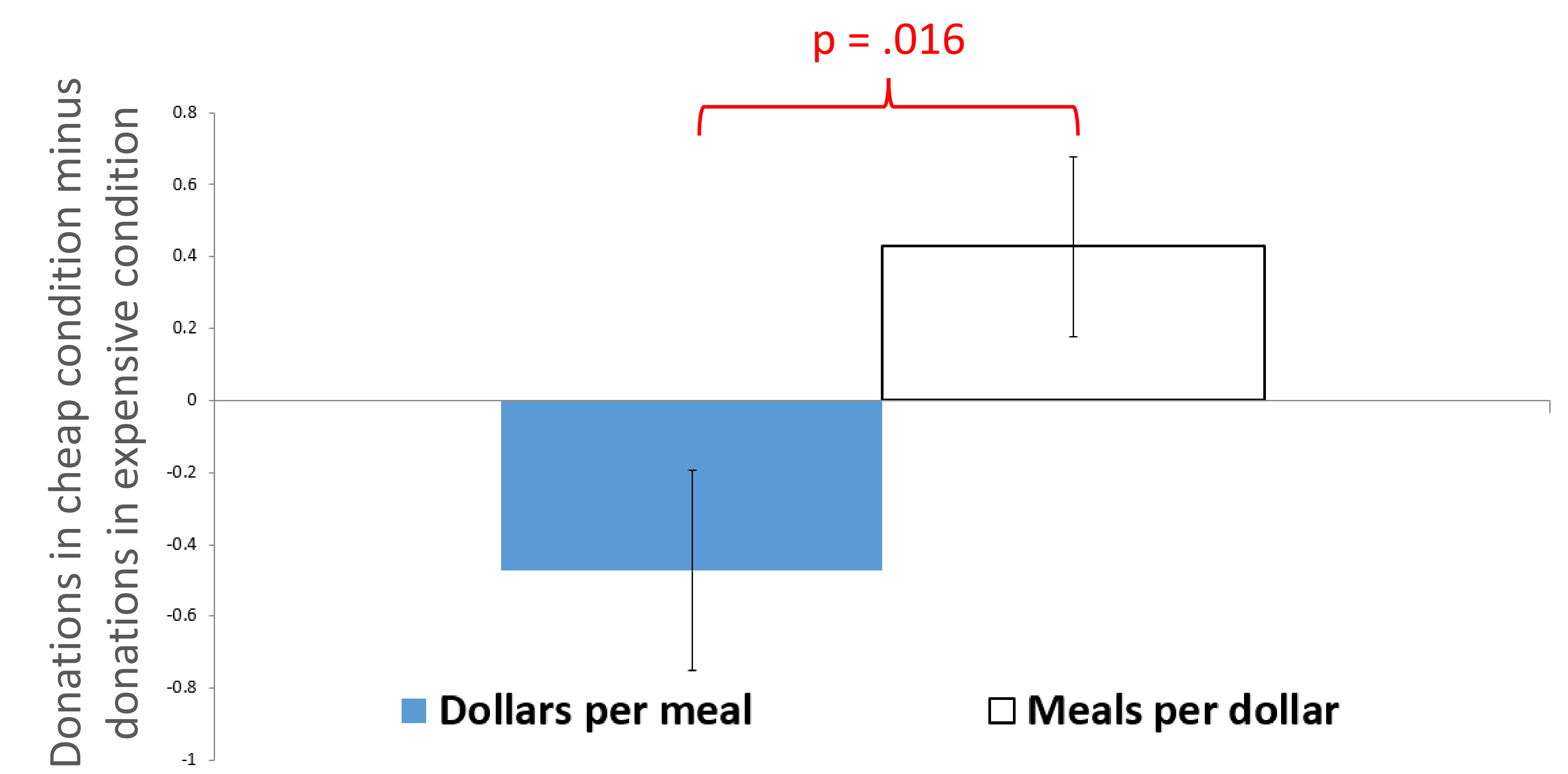


3 Findings

In the dollars per meal condition, people donate *more* when meals are *expensive* – but in the meals per dollar condition, the effect reverses.



Donations in cheap condition minus donations in expensive condition, by framing



Conclusion

- Giving donors information on the impact of their donations can lead to less efficient donation decisions
- However, this result depends on how the information is framed
- Charitable organizations should frame information about the impact of donations carefully

Selected References

Camerer, C., Babcock, L., Loewenstein, G., & Thaler, R. (1997). Labor supply of New York City cabdrivers: One day at a time. *The Quarterly Journal of Economics*, 112(2), 407-441.

Questions and feedback welcome! Please email **Joshua Lewis** at lejoshua@wharton.upenn.edu.