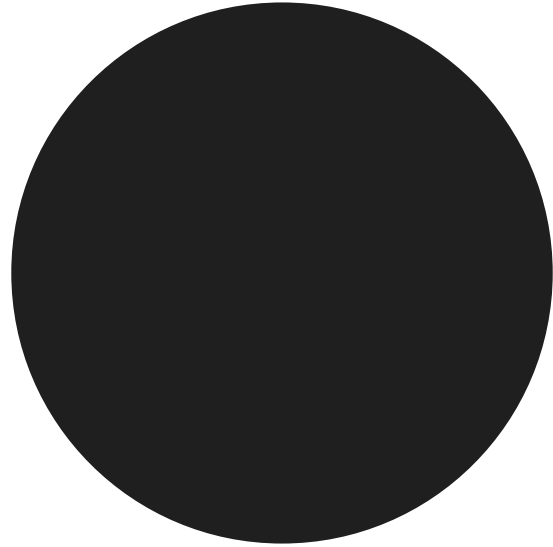


USING BEHAVIORAL DESIGN TO UNLOCK GENEROSITY

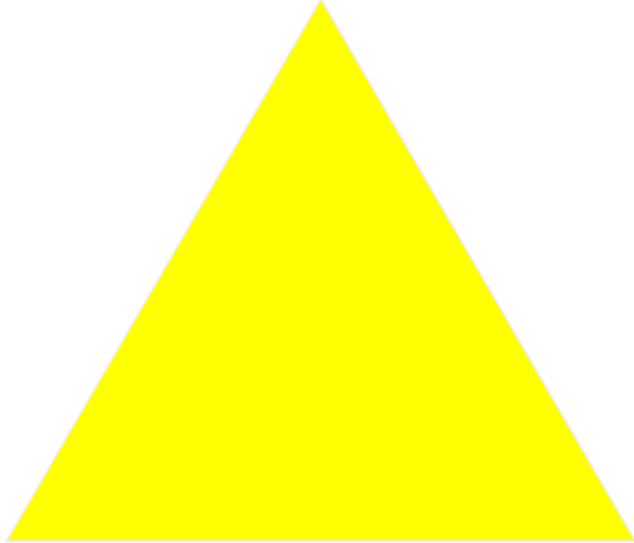
Piyush Tantia and Sarah Welch

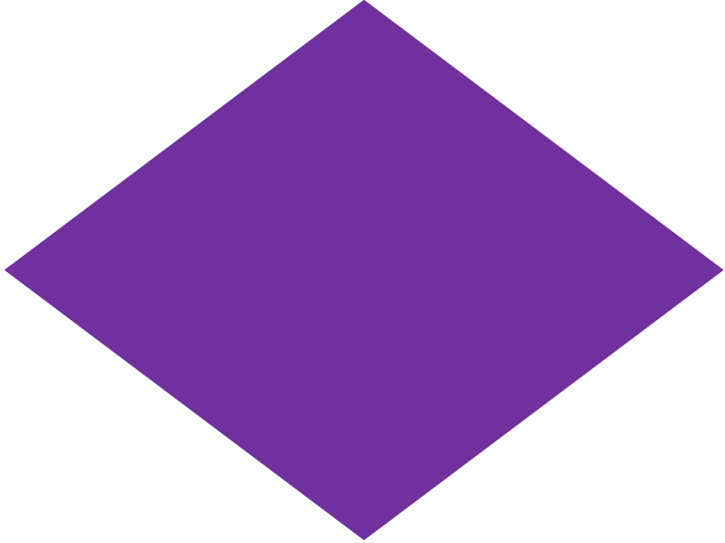
June 28, 2021

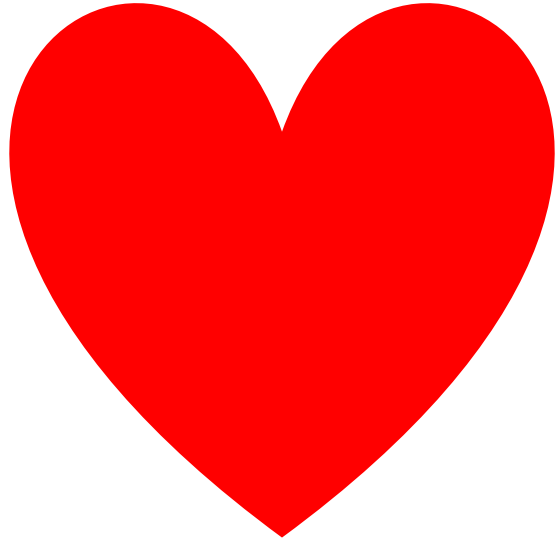
FIRST, LET'S PLAY A GAME











BLUE

24
HOUR

FITNESS



What is ideas⁴² ?

we use insights from the **behavioral sciences**
to **design solutions** to some of the world's most
persistent social problems

TODAY'S AGENDA

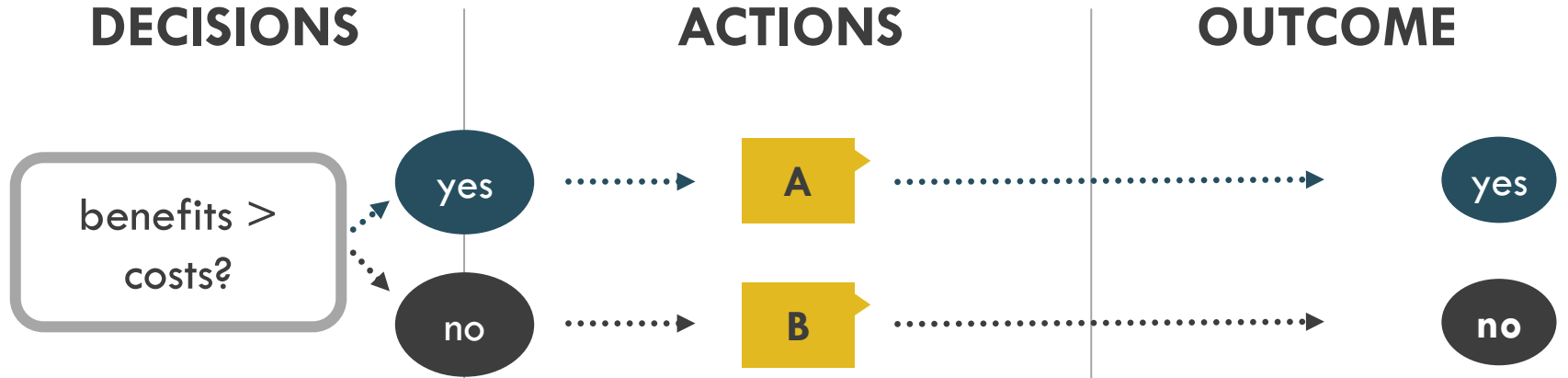
Presentation

- Introduction to ideas42 and behavioral science
- Applying behavioral science to charitable giving
- Four behavioral barriers to unlocking generosity

Interactive Breakouts

- How might you apply these insights at your foundation? Consider how you might improve / leverage the existing tools you brought to the workshop.

THE STANDARD MODEL



we decide "yes" if $\text{benefits} > \text{costs}$
action naturally follows from decision

YOU MIGHT THINK THE BEHAVIORAL MODEL IS

DECISIONS

Yes

No

I don't
know

ACTIONS

How difficult is it?

Am I in the mood?

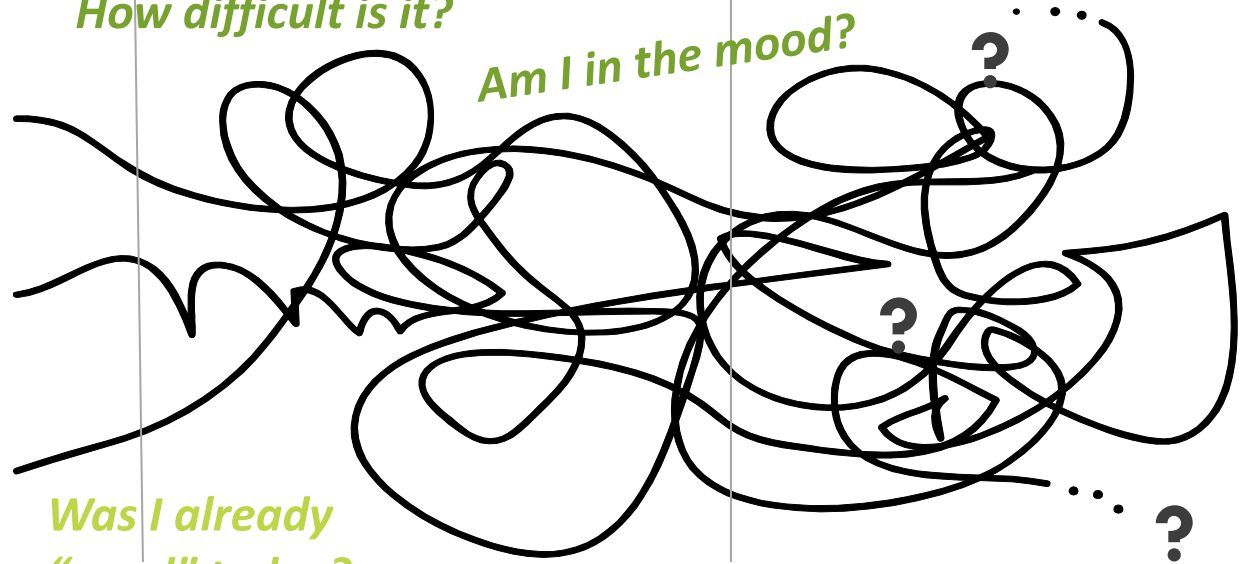
*Was I already
"good" today?*

Will it take long?

OUTCOME

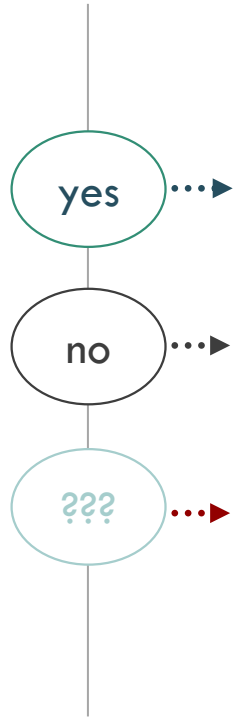
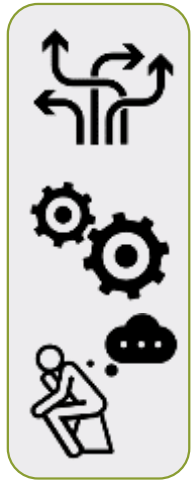
What's everyone else doing?

Can I just do it tomorrow?



HOW CAN CONTEXT SHAPE BEHAVIOR?

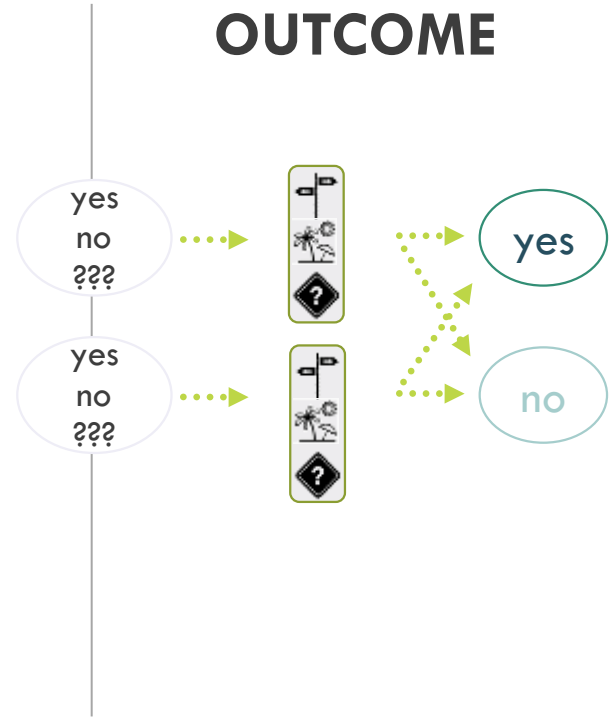
DECISIONS



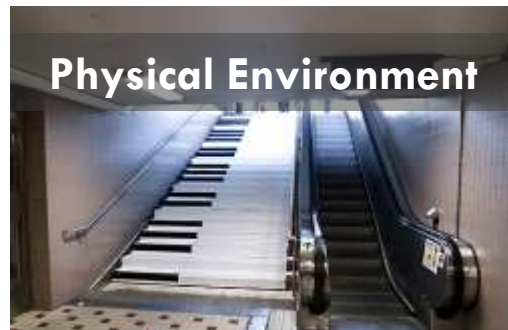
ACTIONS



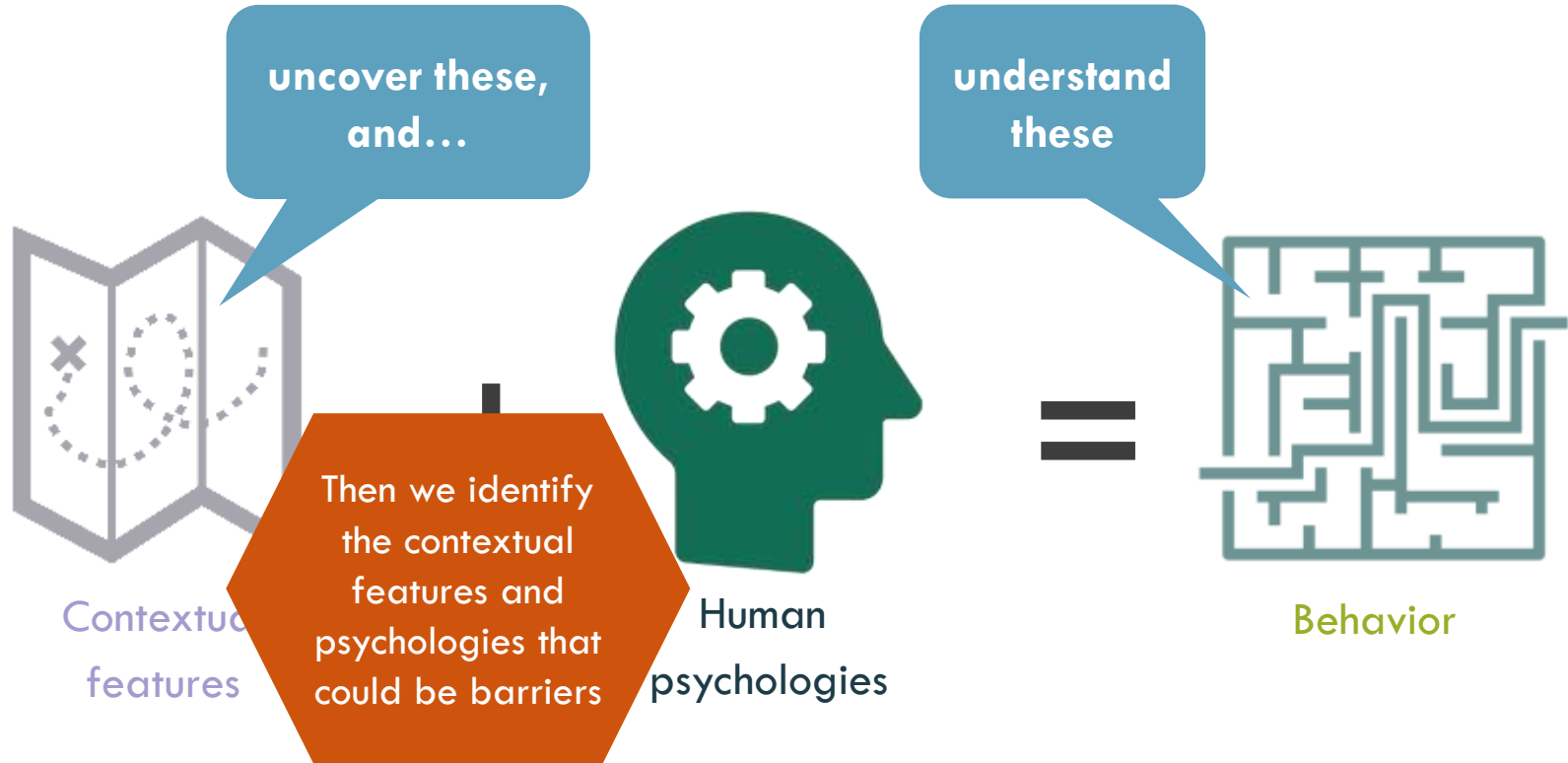
OUTCOME



WHAT DO WE MEAN BY CONTEXT?



THROUGH RESEARCH WE TRY TO...



BEHAVIORAL DESIGN IS HELPING TO IMPROVE OUTCOMES ACROSS MANY DOMAINS



Page 2

Also ask... and will continue to serve...

FAFSA[®]

FREE APPLICATION for FEDERAL STUDENT AID

OMB # 1845-0001

Have any questions that do not apply to you (the student) blank.

Priority card) If your name has a suffix, such as Jr. or III, include a space between your last name and suffix.

2. First name

3. Middle Initial



EXAMPLE: NYC BEHAVIORAL DESIGN CENTER (BDC)

Helping NYC nonprofits use behavioral science to improve service delivery, with a particular focus on alleviating poverty and enhancing civic engagement.

Educational workshops | Technical assistance | Cooperative design projects



RECENT AND
CURRENT
PARTNERSHIPS
INCLUDE:



BEHAVIORAL SCIENCE & CHARITABLE GIVING



CAN BEHAVIORAL APPROACHES HELP MORE RESOURCES FLOW TO EFFECTIVE ORGANIZATIONS?



WE'VE RESEARCHED, DESIGNED, & TESTED CONCEPTS ACROSS ALMOST A DOZEN PLATFORMS



- **15 solutions** for more intentional and thoughtful giving for everyday givers in the workplace, public platforms and donor advised funds



- **Conducted 15+ experiments** to evaluate the solutions in the field and lab



- Published, presented, and/or contributed to **more than 25 pieces** on charitable giving

A KEY INSIGHT



Seminary students
Sermon on the parable of
Good Samaritan

Outcome:

- No hurry: **63% helped**
- Hurry: **10% helped**

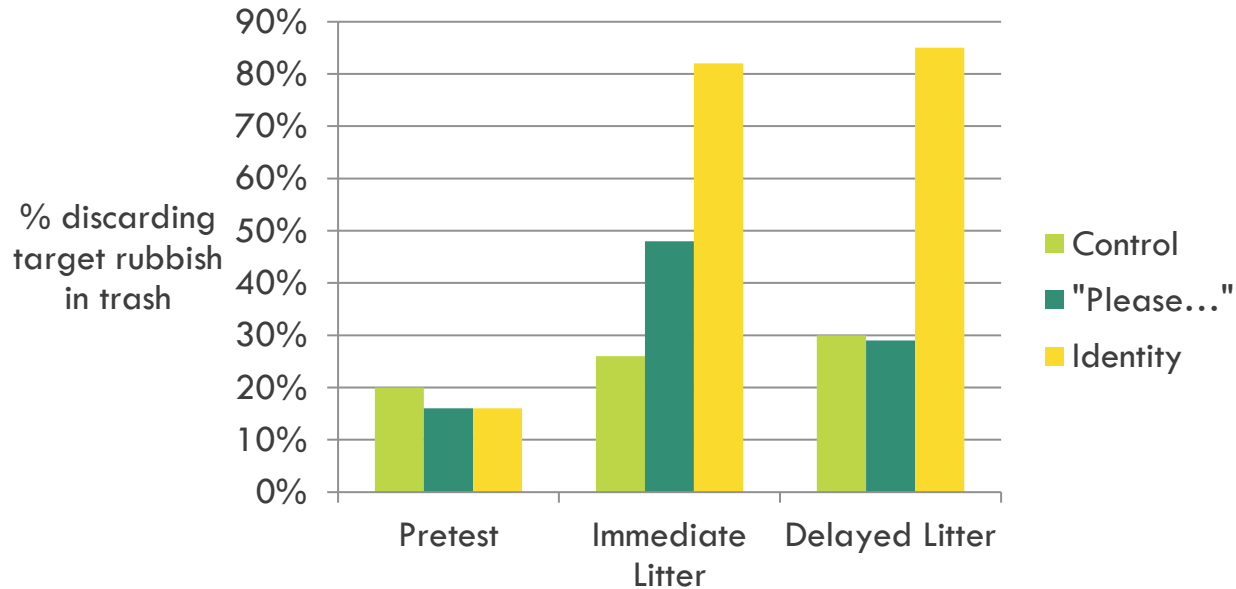
IDENTITY & FEEDBACK

*We act in accordance with our identities
and respond strongly to feedback*



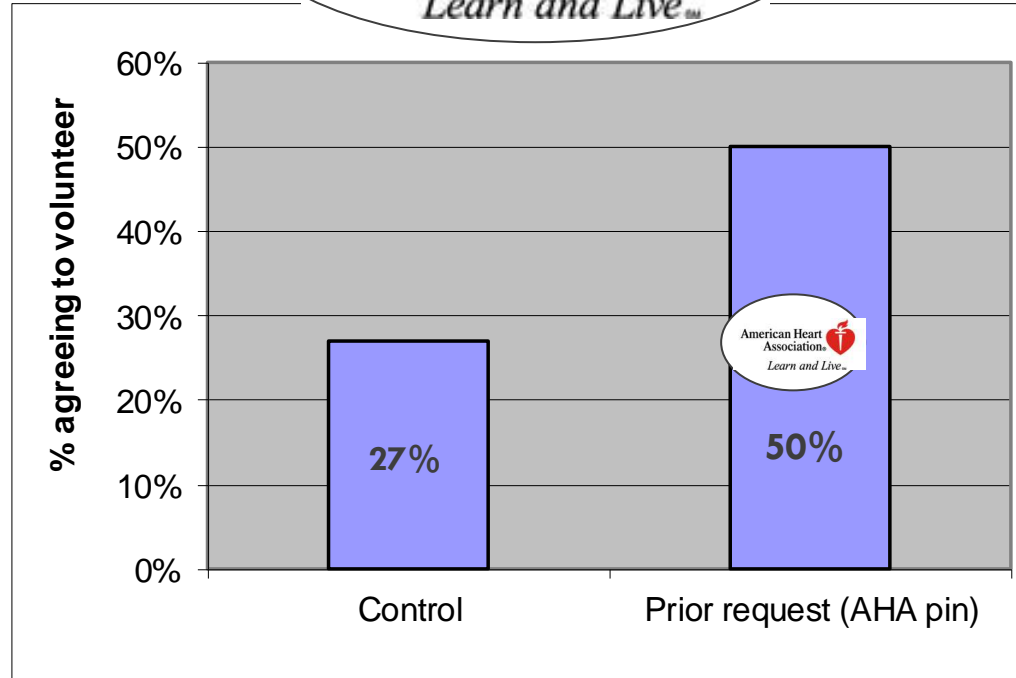
IDENTITY LABELING

We are Mrs. Andersen's Litter-Conscious Class.



Miller, Brickman, and Bolen, 1975

FOOT-IN-THE-DOOR



Chartrand, Pinckert, Burger, 1999

DESIGN CONCEPT: FEEDBACK THAT PRIMES DONORS' GIVING IDENTITY

Priming clients' identities as philanthropists



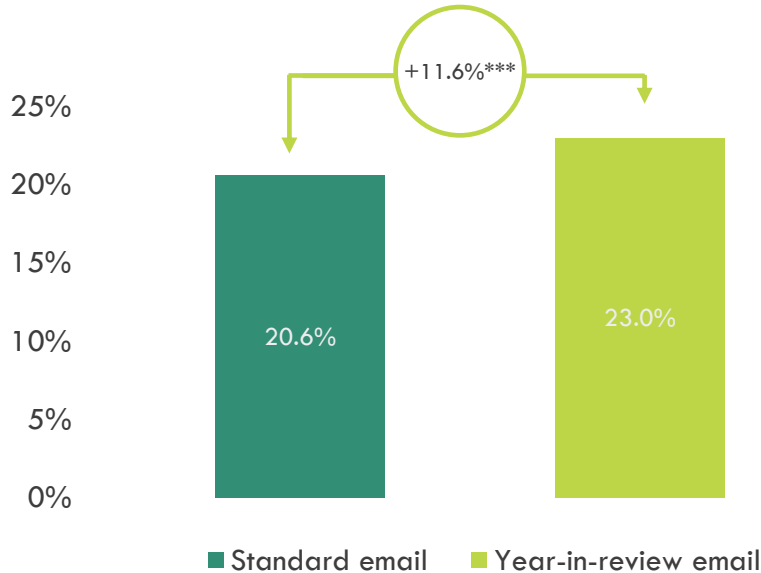
Showing a definite time

Making total social activity more salient

Providing a call to action that can be taken immediately

CLIENTS WHO RECEIVED THE YEAR-IN-REVIEW WERE MORE LIKELY TO CONTRIBUTE

Average contribution rates of all DAF account holders

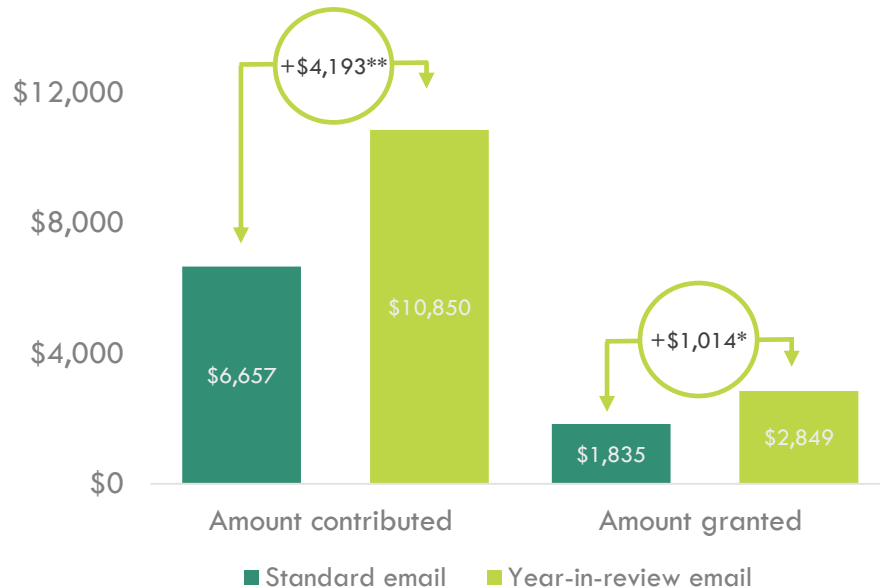


*** p<0.01 n=10,808

The year-in-review produced a **11.6 percent increase in average contribution rates**

THERE WAS A MEANINGFUL INCREASE AMONG SMALLER ACCOUNT-HOLDERS

Year-end activity for the **smallest 10% of accounts**



The year-in-review produced an approximate **increase of ~\$4,200 in contributions and \$1,015 in grants** for small accounts

** p<0.05; * p<0.10

PERSONAL GIVING REVIEW DESIGN



Three-quarters of survey participants **had a positive reaction** to a holistic view of their giving.



They generally like the idea of being able to track and break down their giving and found the feedback useful.

Emerging results around social benchmarking



Some users found peer benchmarks or “self” benchmarks to be motivating, but care should be taken to ensure they're not seen as manipulative

POLL #1

On a scale of 1-4 with 4 being most strongly, how strongly does this statement resonate with you?

Identity plays a significant role in giving, but big-picture feedback is often lacking.



EMOTION

*We get “warm glow” from giving, and rely
personal, relational connections*



DRIVERS OF EMOTION

1987: “Baby Jessica”



Received over \$700,000
in donations!

Why was there such an outpouring of support?

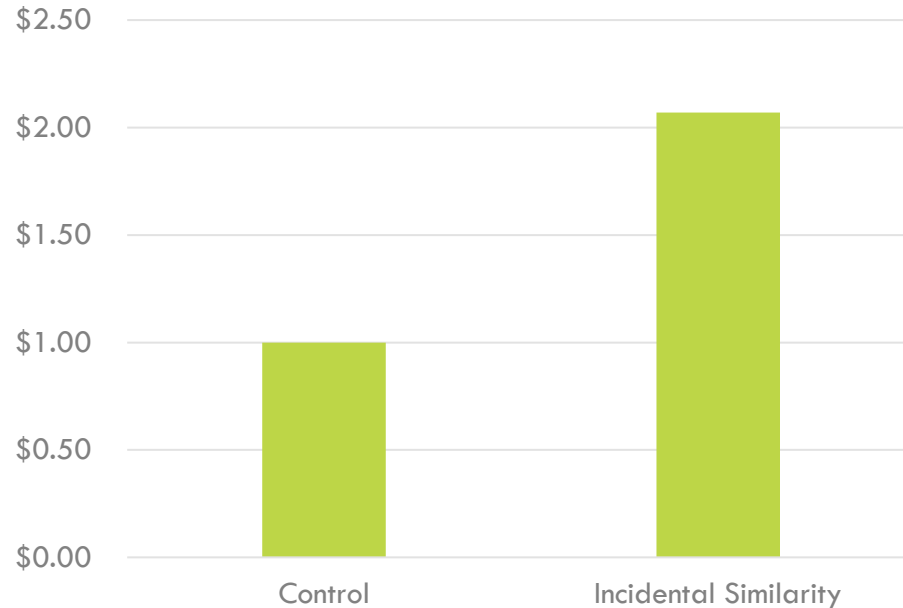


Jessica was an **identifiable person** in need



Saving her would **solve the problem** at hand

SIMILARITY, EVEN INCIDENTAL, PROMOTES LIKING – AND COMPLIANCE



- Experimenter poses as fundraiser and pretends to have the same name as subject
- Other research shows that similarity leads to liking

Burger, J. M., Messian, N., Patel, S., Del Prado, A., & Anderson, C. (2004). What a coincidence! The effects of incidental similarity on compliance. *Personality and Social Psychology Bulletin*, 30(1), 35-43.

STATISTICS MAY DAMPEN EMOTION



Any money that you donate will go to Rokia, a 7-year-old girl from Mali, Africa. Rokia is desperately poor, and faces a threat of severe hunger or even starvation. Her life will be changed for the better as a result of your financial gift. With your support, and the support of other caring sponsors, Save the Children will work with Rokia's family and other members of the community to help feed her, provide her with education, as well as basic medical care and hygiene education.

Food shortages in Malawi are affecting more than three million children.

In Zambia, severe rainfall deficits have resulted in a 42 percent drop in maize production from 2000. As a result, an estimated three million Zambians face hunger.

Four million Angolans—one third of the population—have been forced to flee their homes.

More than 11 million people in Ethiopia need immediate food assistance.

Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes*, 102(2), 143-153. Image from Save the Children #everylastgirl campaign (http://www.savethechildren.org/site/c.8rKLIXMGIpI4E/b.6196511/k.846C/Girls_Education.htm).

DELIBERATIVE THINKING CAN REDUCE CARING

Individual



Day: meet the young daughter of a girl in Malawi, a 7-year-old girl from Malawi, Africa. She is desperately poor, and faces a range of severe hardships at every step. She has no access to clean water, and the sugar in the water is contaminated. She has no access to clean water, and the sugar in the water is contaminated. She has no access to clean water, and the sugar in the water is contaminated. She has no access to clean water, and the sugar in the water is contaminated.

\$2.38



Statistics

Food shortages in Malawi are affecting more than three million children.

In Zambia, severe drought deficits have resulted in a 42 percent drop in maize production from 2000. As a result, an estimated three million Zambians face hunger.

Four million Angolans—over third of the population—have been forced to flee their homes.

More than 11 million people in Ethiopia need immediate food assistance.

\$1.14



Individual + Statistics



Day: meet the young daughter of a girl in Malawi, a 7-year-old girl from Malawi, Africa. She is desperately poor, and faces a range of severe hardships at every step. She has no access to clean water, and the sugar in the water is contaminated. She has no access to clean water, and the sugar in the water is contaminated. She has no access to clean water, and the sugar in the water is contaminated. She has no access to clean water, and the sugar in the water is contaminated.

\$1.43



Small, D. A., Loewenstein, G., & O'Donoghue, T. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organization of Behavior and Human Decision Processes*, 102(2), 143-153. Image from Save the Children #everylastgirl campaign (http://www.savethechildren.org/site/c.8rKLIXMGlp14E/b.6196511/k.846C/Girls_Education.htm).

BUT MOTIVATIONS CAN VARY BETWEEN DONORS



...But does she really have a right to hope for something different? **According to studies on our programs in Peru that used rigorous scientific methodologies**, women who have received both loans and business education **saw their profits grow**, even when compared to women who just received loans for their businesses. But the real difference comes when times are slow. The study showed that women in Freedom from Hunger's Credit with Education program **kept their profits strong** – ensuring that their families would not suffer, but thrive.



Large prior donors

increased giving

(*“Altruistic Giving”*)



Small prior donors

decreased giving

(*“Warm Glow Giving”*)

Karlan, D., & Wood, D. H. (2014). *The effect of effectiveness: Donor response to aid effectiveness in a direct mail fundraising experiment* (No. w20047). National Bureau of Economic Research. Image from Freedom from Hunger (<https://www.freedomfromhunger.org/sebastiana-peru>)

POLL #2

On a scale of 1-4 with 4 being most strongly, how strongly does this statement resonate with you?

“Warm glow” and a strong personal, relational way of finding charities has some risks, especially when it comes to equity

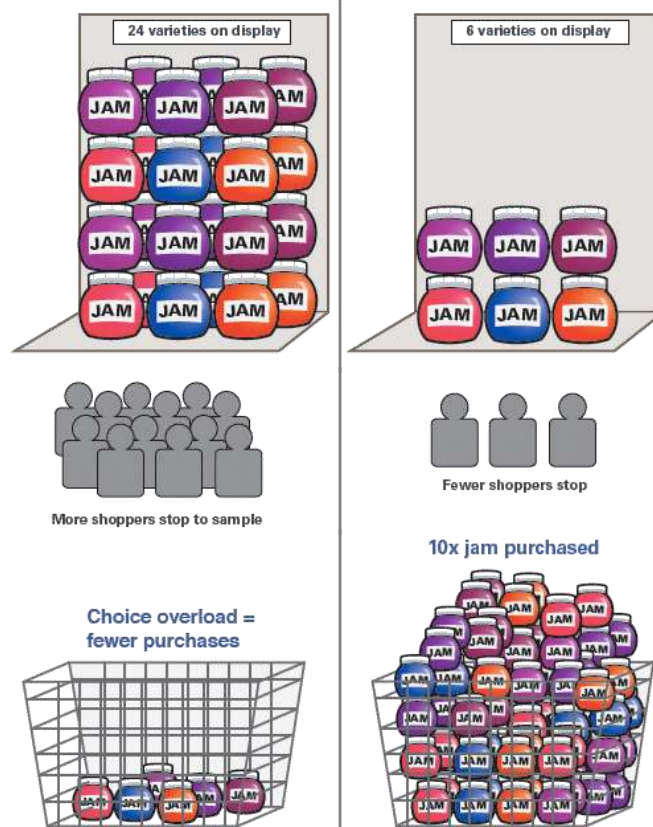


CHOOSING

*We have a hard time making good decisions
when there are many choices*



WE LOVE CHOICE... RIGHT?

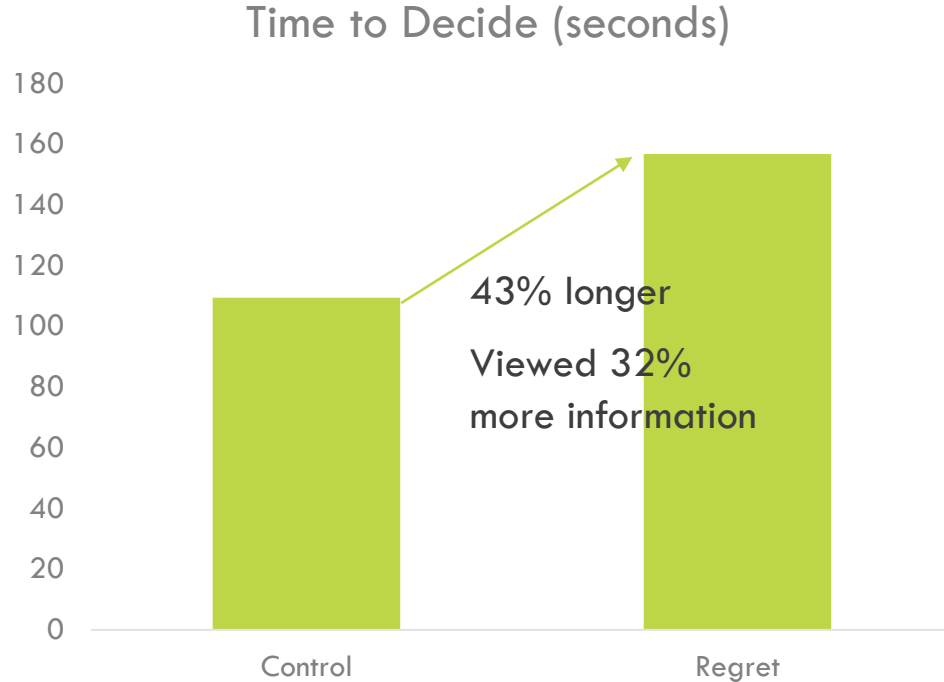


Iyengar, S. S., & Lepper, M. R. (2000). When choice is demotivating: Can one desire too much of a good thing?. *Journal of personality and social psychology*, 79(6), 995.

THE GIVING “SYSTEM” CAN BE PARALYZING

- Overwhelming choices of causes and charities
- Donors fear that they don't know enough to make good choices, yet many don't have the time to do so
 - ...and there are ALSO too many choices of educational programs
- There is no deadline or requirement to figure these things out

FEAR OF REGRET MAKES IT HARDER TO DECIDE



- Business students asked to make an investment decisions
- Two funds with various pieces of information provided
- **Regret condition:** Subjects knew they would see the outcome of both choices

Reb, J. (2008). Regret aversion and decision process quality: Effects of regret salience on decision process carefulness. *Organizational Behavior and Human Decision Processes*, 105(2), 169-182.

DESIGN CONCEPT: CURATED “GIVELISTS” CAN HELP MAKE CHOICE EASIER

Expert curator

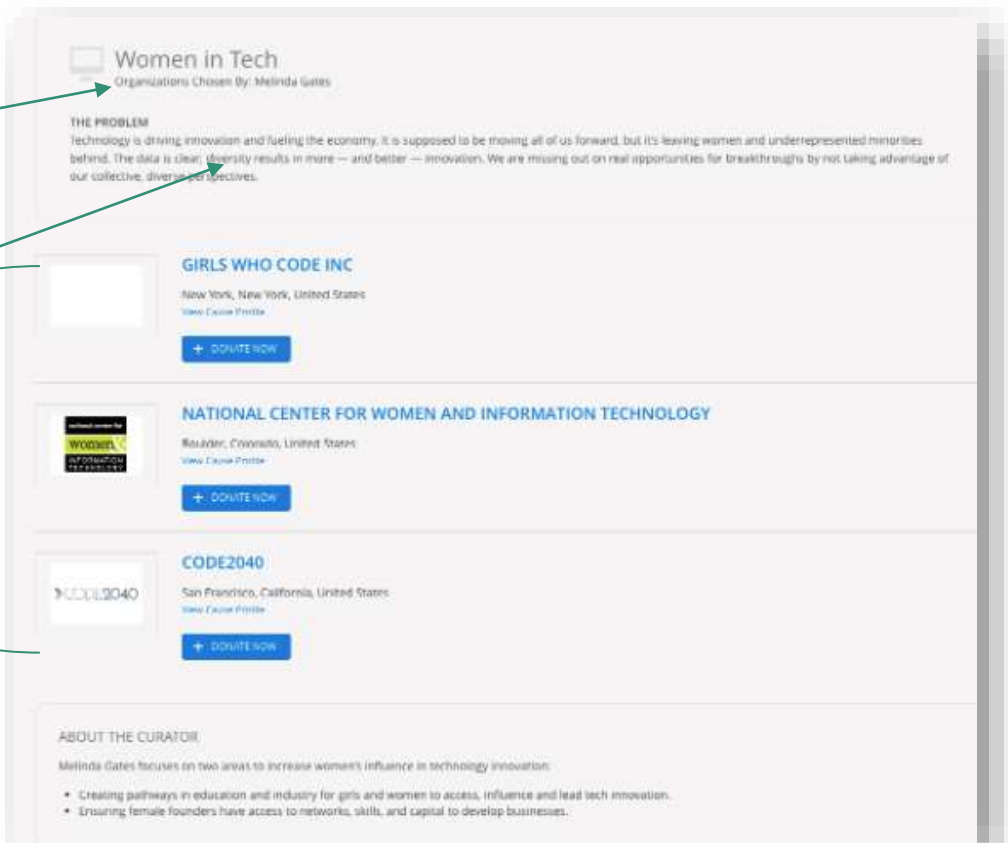
Nice to have, but not actually necessary! (And may carry baggage)

Explanatory text

Probably doesn't matter as much as you think

Limited number of charities

Good way to introduce less-familiar orgs; 3-8 probably right balance of curation and choice



“GiveList” concept tested this extensively

POLL #1

On a scale of 1-4 with 4 being most strongly, how strongly does this statement resonate with you?

The current giving “system” can easily cause paralysis.



ANCHORING

When we're estimating something unknown, arbitrary numbers can have a big influence



SETTING A GIVING BUDGET IS VERY BEHAVIORALLY CHALLENGING

- Deciding how much wealth is “extra” is quite hard
- Peer benchmarks, or any guidelines, are not ubiquitously available
- Great wealth could create higher and higher “anchors”

A SMALL EXPERIMENT

*Take the last three digits of your phone number.
Now add a one to the front so that you now have
a 4 digit number. Think of this as a year.*

*Do you think the Taj Mahal was completed
before or after this year?*

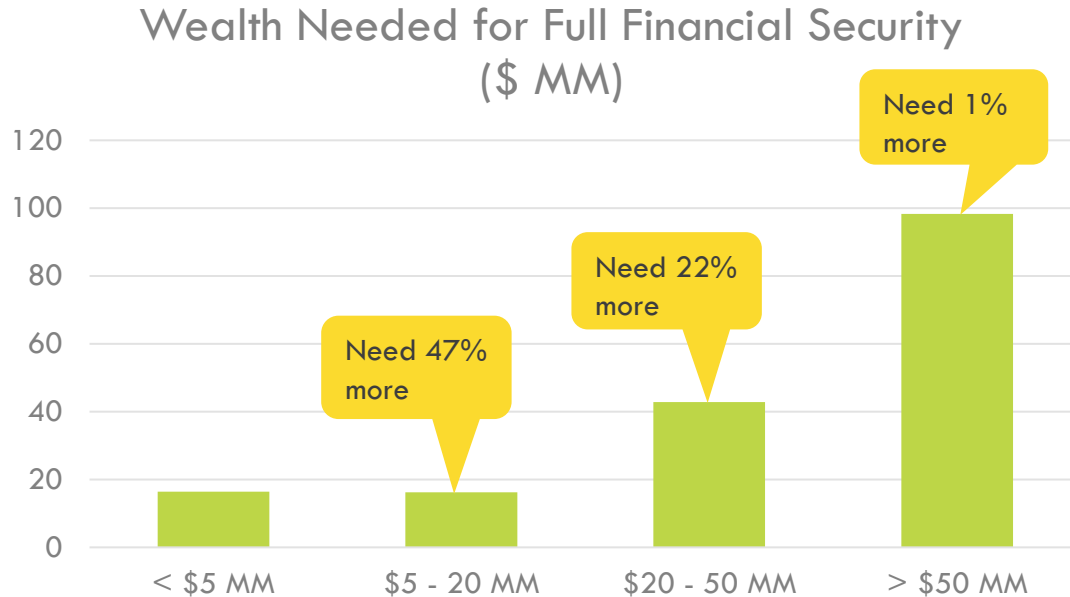
*What is your best estimate for when the Taj
Mahal was actually completed?*

Subjects are given a random number
of 10% or 65%

Then they are asked to estimate
what percent of countries in the UN
are African

- If they got **10%**, they guess **25%**
- If they go **65%**, they guess **45%**

WEALTH NEEDED FOR FULL FINANCIAL SECURITY APPEARS TO FEEL OUT OF REACH



- Survey of 112 wealthy households
- 88% more than \$5 MM in net worth
- 28% with more than \$50 MM in net worth

Schervish, P. G., & Havens, J. J. (2001). The mind of the millionaire: Findings from a national survey on wealth with responsibility. *New Directions for Philanthropic Fundraising*, 2001(32), 75-108.

POLL #4

On a scale of 1-4 with 4 being most strongly, how strongly does this statement resonate with you?

Setting a giving budget is behaviorally challenging, and seems to happen in an arbitrary way.



FOUR BEHAVIORAL BARRIERS TO UNLOCKING GENEROSITY

- Identity plays a significant role in giving, but big-picture feedback is often lacking.
- “Warm glow” and a strong personal, relational way of identifying charities has some risks, especially when it comes to equity.
- The current giving “system” can easily cause paralysis.
- Setting a giving budget is behaviorally challenging, and seems to happen in an arbitrary way.

POLL #5



Of the four barriers we shared today, which two seem most important to solve?

- Identity plays a significant role in giving, but big-picture feedback is often lacking.
- “Warm glow” and a strong personal, relational way of identifying charities has some risks, especially when it comes to equity.
- The current giving “system” can easily cause paralysis.
- Setting a giving budget is behaviorally challenging, and seems to happen in an arbitrary way.

INTERACTIVE BREAKOUTS

PLEASE REACH OUT IF YOU HAVE QUESTIONS

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Sarah Welch

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