USING BEHAVIORAL DESIGN TO UNLOCK GENEROSITY

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FIRST, LET’S PLAY A GAME
BLUE
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

DECISIONS

- **benefits > costs?**
  - yes
  - no

ACTIONS

- yes
- no

OUTCOME

- yes
- no

we decide “yes” if benefits > 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

yes

no

???

ACTIONS

actions

yes

no

???

OUTCOME

yes

no

???
WHAT DO WE MEAN BY CONTEXT?

- **Physical Environment**
- **Mood/Affect**
- **Time**
- **Social context**
- **Choice**
- **Set/Presentation**
- **Chronic Scarcity**
THROUGH RESEARCH WE TRY TO...

- uncover these, and...
- understand these

Then we identify the contextual features and psychologies that could be barriers

Contextual features

Human psychologies

Behavior
BEHAVIORAL DESIGN IS HELPING TO IMPROVE OUTCOMES ACROSS MANY DOMAINS
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:
CAN BEHAVIORAL APPROACHES HELP MORE RESOURCES FLOW TO EFFECTIVE ORGANIZATIONS?

HOW CAN WE HELP DONORS...

Be more strategic and deliberate with their giving

Discover quality organizations and give more equitably

Engage productively with organizations they support
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
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.

% discarding target rubbish in trash

- Control
- "Please…"
- Identity

Pretest  Immediate Litter  Delayed Litter

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

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
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”

Why was there such an outpouring of support?

Jessica was an identifiable person in need

Saving her would solve the problem at hand

Received over $700,000 in donations!
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

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.

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.

DELIBERATIVE THINKING CAN REDUCE CARING


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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”)

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?

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

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
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

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.
• 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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