

## **Recognition Prods People to Give — Even When It's Not Prominent**

*By Alex Daniels*

### **The Theory**

Researchers have shown that people give more to charity if their gifts are publicized. Such behavior explains why so many donor names are affixed to hospital wings and academic buildings: People give not only because they are altruistic, but because they seek recognition.

Nonprofits can respond to this basic human need by featuring short biographies of their donors in annual reports and fundraising material. But what if a public-television station or an opera company has thousands of donors, making it difficult to shine a spotlight on each one?

Economists Anya Samek of the University of Southern California and Roman Sheremeta of Case Western Reserve University theorize that the recognition doesn't have to be prominent to be effective.

### **The Test**

The professors gave 120 Purdue University students tokens that represented money they could give to a charity. In one scenario, participants were not told how much others gave. In a second scenario, students were given information about other students' gifts. In a third scenario, students were told that information about others' gifts was available if they paid to see it. (The fee represented the time and effort it would take to see who gave if that information was available but not widely advertised by a nonprofit.)

### **Results**

Almost twice as many participants donated when the identities and gift amounts of their peers were made freely available than did members of the group that got no such information. That disparity held even among the students who had to pay to learn who else gave. Over the course of the experiment, they chose to access this data less than 10 percent of the time when given the opportunity, but they still donated at a much higher rate than those kept fully in the dark. "Almost no one viewed the information," Ms. Samek says. "But just knowing the information was there was enough to get people to donate."

### **Digging Deeper**

Charities often spend a lot of money on full-color fundraising pitches spotlighting donor information, Ms. Samek says. The study suggests they could save money by simply providing a link in an email to an online list of donors. "Either of those would be equally effective," the economist says.

Similarly, it may not matter whether donors to an opera are listed in huge letters near the front of a program or in a tiny typeface on page 75, she adds. As long as donors know that people can look up their gift, they are more likely to be generous.— alex daniels

### **Find It**

The study, "When Identifying Contributors Is Costly: An Experiment on Public Goods" by Anya Samek and Roman Sheremeta, was published in the January 2016 issue of the *Southern Economic Journal*.