The Science of Generosity: Experiments in Workplace Giving

- **Dr. David Reinstein, University of Essex, Economics, July, 2010**

Workplace Giving – and particularly Give as You Earn schemes - are a potentially important source of regular income for charities. According to the Charities Aid Foundation's paper on Workplace Giving (July 2005), the scheme is "highly responsive to promotional efforts", however it has "by no means reached its full potential as yet." Payroll giving currently represents only about 1% of total charitable giving in the UK.

An article by the Times on Workplace Giving (June, 2009) also states that "Charities lose out on an estimated £900 million a year from poor take-up of payroll giving in UK workplaces".

Combining our current knowledge and the findings of other studies and experiments, we are looking to generate scientific evidence on several issues surrounding altruism and charitable giving, and achieve practical and applicable results. We are interested in working with companies, charitable institutions, professional fundraising organizations (PFO's), and payroll giving agents (PGA's) to implement innovative workplace giving schemes, and test their effectiveness.

There has been a great deal of scientific interdisciplinary research on the subject in the past 30 years, and many real-life studies and experiments have achieved results that cannot solely be attributed to common sense.

For Example:

- In a paper called "Give More Tomorrow" (Breman, 2007), it was found that individuals tend to be more generous if asked to pre-commit out of future income.
- There is strong evidence that previous reports and suggested donations matter; an individual may increase their gift (or propensity to give) *if* the report is in the right range (Shang and Croson, 2005; Frey and Meier, 2004; Alpizar et al., 2008)
- Private matching grants can also help under certain circumstances (Karlan and List, 2007), particularly if they confer a sense of shared commitment, however, generosity doesn't seem to be highly sensitive to the *level* of the match (Myer and Frey, Eckel and Grossman, 2003).

Other more specific findings offer subtle techniques to motivate giving. Offering a small gift to potential donors, motivating 'gift exchange', can be effective (Falk, 2004), and lotteries are particularly effective fundraisers. Also, female solicitors seem to be more effective than males (Lindskold et al., 1977, Landry et al., 2006), and people are more influenced by reports of female "leaders" donations (our own research).

Most of our research will involve implementing a small change in fundraising methods and environments for a randomly selected 'treatment group', and comparing the outcomes to that of a

'control group'. We will use scientifically valid, context-sensitive techniques to explore key issues and test several hypotheses surrounding social influences on charitable giving, moral and psychological motivations for giving, the competition between charitable causes, and the effectiveness of pre-commitments to donate.

Some of the questions we wish to answer are listed below, however we are by no means limited to these, and are eager to examine any other issues you may wish to discuss.

- Are people motivated to give more in social environments? If so, why? Do they see themselves as setting a good example, and influencing others to give? Are they concerned with their reputation for generosity? What sort of individuals actually have an influence on others' giving? Are some (religious, social etc.) groups less motivated by reputation than others?
- Are people more willing to give away certain types of income (e.g., "bonuses")?
- To what extent are charities in competition? When does a gift to one cause come at the expense of other causes?
- How does the opportunity to (publicly or privately) donate money to charity motivate workers and employees?

Our experiments will require some commitment and resources on your part (or on the part of your organisation), but we can also offer a great deal of assistance. We will help create and implement a systematic design, statistically analyse data and assist with or oversee the administration of the experiment.

As part of our data collection and analysis, we can tailor specific results relevant to specific goals, workplaces and charitable institutions and sectors. These need not always relate to our main questions, but may 'come along the way'.

Our academic findings, papers, presentations and reports will also bring further publicity and prestige to your organisation, as well as allowing you to gain useful academic connections.

If you are interested in discussing participation in an experiment or in learning more (including information about particular proposed designs, please contact David at drein@essex.ac.uk or 07510303648 .

For more information on David Reinstein's ongoing research, please see

www.DavidReinstein.wordpress.com and
http://www.essex.ac.uk/economics/people/staff/drein.asp