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Do people donate more when they perceive a single beneficiary whom they know? A field experimental test of the identifiability effect

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ABSTRACT

According to the identifiability effect, people will donate more to a single beneficiary rather than to many beneficiaries, holding constant what the donations are actually used for. We test the identifiability effect for two novel subject pools (the suppliers and beneficiaries of volunteer labor). We also test a refinement of the identifiability effect where we vary whether or not the single beneficiary is personally known to the solicitees. While the behavior of volunteers is consistent with the identifiability effect, we find that the identifiability effect is reversed for beneficiaries of volunteer labor. Moreover, we find that making the single beneficiary personally known to the solicitees lowers donations by a statistically insignificant amount, suggesting that it does not enhance donations.

1. Introduction

Fundraising drives are ubiquitous in the not-for-profit world—individual contributions in the United States totaled roughly $218 billion in 2012 (Giving USA, 2013). They provide critical financial support to organizations that might not exist otherwise, and almost every non-profit depends on a degree of active solicitation from potential donors who might not have given otherwise. This seemingly altruistic behavior has drawn considerable attention from academics interested in understanding why people give (Radley and Kennedy, 1995; Bekkers and Wiepking, 2011; List and Price, 2012; Oppenheimer and Olivola, 2011). There is a rich literature on how the psychology of charitable giving is related as much to the context of the ask itself, as it is by the ultimate effect of the donation.

An important contextual factor is the number of beneficiaries perceived by a potential donor when solicited for charitable contributions: a beneficiary could be presented as a large number of people, such as "help feed orphans," or as a single person, e.g., "help feed Alex, who is an orphan." This phenomenon has been termed the "identifiability effect" (Schelling, 1968), and holds true even when the actual use of the donations is equivalent, as well as the information about the cause conveyed by the single/multiple targets (Small and Lowenstein, 2003). Many mechanisms have been proposed—vividness, empathy, social distance, and goal attainability have all been demonstrated to play a role in lab settings (Oppenheimer and Olivola, 2011).

The present study was designed to contrast these different accounts of the identifiability effect among populations with pre-existing relationships to the beneficiaries. Specifically, we wanted to measure the marginal effect of one's personal connection to the cause, above and beyond the identifiability effect, since personal connections have been shown to increase donations (Small and Simohnson, 2008). Our dataset allows a unique opportunity to contrast these hypotheses in the same study, and among two populations that have distinct personal relationships to the cause. This special issue contains a complementary study by Eckel, Herberich and Meer (2015), which examines the effect of giving solicitees the option of directed giving (donating to the specific college one attended at one's alma mater), compared to a default of undirected giving (donating to the general fund at one's alma mater).

We report the results from two field experiments that test these two different forms of the identifiability effect. A non-profit that trains volunteers to give free financial advice to its clients carried out a fundraising campaign where it solicited for financial donations from both sets of stakeholders: its clients (the recipients of the free financial advice advice) and its volunteers (the dispensers of the free financial advice). Each group would also serve as the other group's "target" when invoking the identifiability effect, i.e.,

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clients would be told that their donations are helping individual volunteers, and vice versa. Since the two groups directly interacted with each other as a result of the non-profit's activities, members of each group knew members of the other group personally.

Both clients and volunteers were randomly assigned to one of three treatments, varying only the target of the message. In the *control* treatments, the entire non-profit was the target. In the other two treatments (*known* and *unknown*), in line with the literature on the identifiability effect, individual names were used as examples—volunteers heard an actual client's name in the ask, while clients heard an actual volunteer's name. In the *unknown* treatments, the name was unknown to the person being asked. In contrast in the *known* treatments, the script used the name of a specific volunteer (client) that actually helped (was helped by) the person being asked.

This design allows us to compare different accounts of the identifiability effect. The control and unknown conditions replicate previous studies that use anonymous targets and donors, albeit with a nominally novel subject pool (the clients and volunteers in a non-profit organization, each of which has a distinct relationship to the non-profit). This constitutes a test of what we refer to as the *orthodox* identifiability effect. The unknown and known conditions can test the marginal effect of whether a face-to-face relationship helped an identified target, compared to an anonymous target. We refer to this as a test of the *extended* identifiability effect.

Regarding the orthodox identifiability effect, we find that the volunteer data are consistent with the literature, but the client data support the reverse, i.e., solicitees donate less and with a lower probability when there is a single beneficiary. We also find that our data directionally (though not statistically) reject the extended identifiability effect: solicitees donate smaller amounts and with lower probability when a single beneficiary is someone with whom they have personally interacted.

Our results contribute to the existing literature on identifiability in several ways. First, the orthodox version of the identifiability effect fails a simple robustness test: extending the subject pool to the clients of a non-profit where the target is the non-profit's service provider. This suggests that the theory underlying the identifiability effect may need to be refined. Second, our results suggest that one logical extension of the orthodox identifiability effect—the proposition that personally knowing the single beneficiary of a solicitation increases solicitee donations—is unsupported by the data. Consequently, as far as enhancing charitable contributions is concerned, the extended identifiability effect is a comparatively fruitless avenue of further investigation.

2. Background: social distance and charity

There is widespread recognition in the literature about the importance of social distance to charitable contributions. For example, scholars have found that people are more willing to assist acquaintances than strangers (Nolan and Spanos, 1989; DePaulo and Kashy, 1998; Ma, 1992). Beyond this, Small and Simonsohn (2008) have shown that people in the lab and the field give more to health charities (cancer, heart disease, etc.) if they have a family member who has been afflicted; likewise, with sexual assault victims (Christy and Voight, 1994). A similar mechanism has been proposed for donations from "hot lists" of those who have already given—that is, the personal connection can build empathy for the cause (Landry et al., 2010). In another paper studying this very same firm, we show that long-term volunteers give more, and respond more positively to future solicitations than recent joiners (Yeomans and Al-Ubaydli, 2015).

Many of the same mechanisms that explain the effects of social distance are also used to explain the identifiability effect, (Small and Loewenstein, 2003). Identifiable targets evokes more empathy (Kogut and Ritov, 2005), and goals are easier to perceive, psychologically, with single beneficiaries (Slovic, 2007). This comparison is often drawn explicitly (Small, 2010)—it is as though the clarity of the mental image is a proxy for distance, as though the beneficiaries were watched from afar on a foggy day. Thus, we predicted that if the beneficiary in question was actually known to the person being solicited, that mental image might be even clearer, and have more of an effect. Formally, we propose an extended identifiability effect whereby a unique target known to the solicitee should result in the highest donations of all.

An additional determinant of social distance is the nature of the interaction between the solicitor and solicitee, controlling for the history of interactions between the two individuals. One factor in particular is the degree of anonymity that the solicitation technique affords the solicitee, which has been demonstrated to have an effect on observed charity (Burnham, 2003; Charness and Gneezy, 2008). Thus, for example, subjects playing the dictator game donate smaller amounts when they are guaranteed 100% anonymity compared to when the experimenter is aware of their donation (Hoffman et al., 1996).

In anticipation of our experimental design, two solicitation methods are telephone solicitations, which are synchronous, and voicemail solicitations, which are asynchronous. Given the greater degree of anonymity that we would associate with the asynchronous voicemail solicitations, we would expect larger donations when solicitations are made over the telephone rather than over voicemail. Beyond the social distance forces underlying this prediction, by inducing an immediate verbal response, phone calls may create more commitment to giving (Cialdini, 1993), whereas the effect of voicemails might be diluted by procrastination (O'Donoghue and Rabin, 1999). Accordingly, both orthodox and extended identifiability effects should be accentuated when conditioning on phone rather than voicemail solicitations.

3. Experimental design

3.1. Environment

The following draws heavily from Yeomans and Al-Ubaydli (2015). The US tax code is complex system and preparing taxes is an arduous annual task for many US citizens. In fact many less-educated citizens fail to file their taxes due to their inability to comprehend the tax code. The income tax system's progressivity means that many of the non-filers are people who are actually due money back from the Federal Government, and their failure to file means that they forgo these often sizeable sums of money.

The Center for Economic Progress (CEP) is a Chicago-based non-profit organization that provides free tax preparation assistance to low-income families and individuals trying to navigate the abstruse US Income Tax Code. Each year, it trains approximately 1500 volunteers to assist the Center's clients. For the volunteers to perform their duties, the CEP sets up centers throughout the greater Chicago area equipped with computers. Clients then bring their tax materials to their local center where a volunteer guides them through the filing process, which usually takes one-to-two hours. The volunteering season runs in tandem with the tax filing season: January until the middle of April.

In 2011, the CEP helped prepare 28,134 tax returns (< $25,000 annual income per single filer; < $50,000 per couple) at 29 locations across Illinois. However, due to state budget cuts, they shrank to 15 locations for the 2012 season, and decided to conduct an active fundraising drive for the first time among their clients and volunteers. The CEP were keen to maximize the yield on their drive, and to refine their fundraising techniques (Baber et al., 2001; Al-Ubaydli and Lee, 2011). We advised them on how to conduct a nat-