

Public Recognition and Individual Online Donation

Guanlin Gao¹ and Xinyan Shi²

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¹Chaminade University of Honolulu, Hawaii

²The University of North Carolina at Pembroke

Previous research found opposite impacts of public recognition on individual charitable giving.

- Public recognition encourages giving: e.g. Andreoni and Petrie (2004), Bekkers & Schuyt (2008), Bekkers & Wiepking (2010), Luo & Gao (2020), Karlan and McConnell (2012), Smith & McSweeney (2007).
- Public recognition reduces giving: e.g. Berman et al. (2015), Chao (2017), Denis, Pecheux & Warlop (2020), Jones and Linardi (2014); Newman and Shen (2012), Savary and Goldsmith (2020), Simpson, White & Laran (2017).

The findings suggest that the conflicting results depend on the mechanism through which the effect of recognition operates, self-signaling vs social-signaling.

Literature Review

Theory

Andreoni (1989), Becker (1974), Bénabou and Tirole (2006), Bodner and Prelec (2003), Glazer and Konrad (1996), and Harbaugh (1998), Holländer (1990),.

Self-signaling

Dubé, Luo and Fang (2017), Gneezy, Gneezy, Nelson and Brown (2010); Savary, Goldsmith and Dhar (2015)

Social-signaling

Alpizar, Carlsson and Johansson-Stenman (2008), Andreoni and Petrie (2003); Ariely, Bracha and Meier (2009), Grant and Gino (2010).

Reputation

Berman et al. (2015), Flynn et al. (2006), Grant and Mayer (2009), Lacetera and Macis (2010)

Research Questions

- Understand how different public recognition schemes influence the individuals' decision of charitable giving.
- Understand the priming effects of the self-reported perceived donation amount by others (Perceived Donation), and the interaction between public recognition and Perceived Donation.

Behavioral Hypothesis 1

The donation participation rate is higher if, at post-donation stage, people are informed of public recognition option and are offered to change the donation. (Study 1)

Behavioral Hypothesis 2

Individual's donation amount is positively correlated with the answer to the Perceived Donation. This is due to self- and/or social-signaling motivation. (Study 1)

Behavioral Hypothesis 3

The Perceived Donation may have priming effect on donation participation if it is asked at pre-donation stage. This is due to self- and/or social-signaling motivation. (Study 2)

Behavioral Hypothesis 4

The Perceived Donation could undermine the value of public recognition, thus decrease the number of people who want to be recognized. This is due to social signaling motivation. (Study 3)

Experiment Design – Study 1

Study 1 builds on the study by Luo and Gao (2000). In Study 1, the question of Perceived Donation is asked *at* the donation stage.

Treatments	PR	When PR is offered
No PR	N	N/A
Opt-in	Y	Post-donation
Modified Opt-in	Y	Post-donation
Involuntary	Y	Pre-donation
Empathy	N	N/A

Experiment Design – Study 1

- We recruited 600 participants on Amazon Mechanical Turk (MTurk).
- Two stages: an endowment earning stage (20 minutes survey) and a donation stage.
- Charity: Médecins Sans Frontières (MSF, also known as Doctors Without Borders)
- Payment: \$1 participation fee and \$2 bonus. Donation amount is between 0- \$2.

Experiment Design – Study 1

Survey questions:

- Demographics – age, gender, ethnicity, education, income, employment, sibling, language, birth country
- Personality – Big Five Personality (Extraversion, Agreeableness, Conscientiousness, Neuroticism, Openness); Independent vs Interdependent (White & Laran, 2017).
- Perception – ‘What do you think that an average MTurk worker will donate in this task’
- Other questions – Previous donation, COVID questions, political view, meditation, karma, social media usage

Summary Statistics

	No PR	Opt-in	Modified	Involuntary	Empathy
# of participants	103	101	102	103	110
# of donors	57	49	60	47	59
# recognized		39	59	47	
Participation %	.56 (.50)	.45 (.50)	.59 (.50)	.46 (.50)	.54 (.50)
Ave. donation	.55 (.65)	.56 (.79)	.60 (.72)	.50 (.71)	.59 (.69)
Ave. perceived	.69	.76	.60	.66	.72

Note: Standard deviations in parenthesis.

Probit Regression Results on Donation Participation

Independent var	Coefficient	Std. dev.
Modified Opt-in PR	0.575***	0.222
Previously donated	0.522**	0.233
Infected by COVID-19	0.442*	0.230
Extraversion	0.317**	0.142
Neuroticism	0.382**	0.156
Independence	-0.416**	0.176
Meditation	0.605***	0.175

Note: Opt-in as baseline treatment

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Tobit Regression Results on Donation Amount

Independent var	Coefficient	Std. dev.
Perceived donation	0.241*	0.126
Previously donated	0.656**	0.271
College degree	0.429*	0.249
Extraversion	0.380**	0.164
Neuroticism	0.508***	0.176
Independence	-0.368*	0.198
Interdependence	0.400**	0.188
Meditation	0.637***	0.205

Note: Opt-in as baseline treatment

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Results (and implications)

- 1 The modified opt-in treatment increases the donation participation compared with the opt-in treatment. Public recognition option encourages donation among the people who would not donate otherwise.
- 2 Individual's donation amount is positively correlated with the answer to the perceived donation question.
- 3 Donation decision is associated with personality traits such as extraversion, neuroticism and independence, and whether he/she practices some form of meditation.

Thank you!

Guanlin Gao, Xinyan Shi

Email: guanlin.gao@chaminade.edu; yan.shi@uncp.edu