

# Why Do People Give?

January 10, 2014

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## Glossary of Terms and Concepts

**Conspicuous Compassion:** people generally prefer their donations to be known by others, to enhance their reputations.

**Evaluability:** the degree to which donors can evaluate your organization and compare it to competing groups. Evaluating efficiency of charitable organizations is difficult because the bottom line is typically something hard to measure (i.e. number of lives saved).

**Game Theory:** the study of how people interact and make decisions, often using computer games to create hypothetical situations based on everyday experiences.

**Goal Proximity:** as the organization nears its fundraising goal, the rate of giving increases because donors feel that their contribution has more of an impact near the end of the campaign.

**Identifiability:** the ability of potential donors to identify with the cause of the organization. See also Sympathy.

**Identifiable Victim (or Beneficiary) Effect:** increased giving as a result of identifying and presenting a single victim/beneficiary's story and images rather than providing group statistics, photos, or stories.

**Immediacy Bias:** people tend to perceive their immediate emotions as more intense than their previous emotions. As a result, the timing between emotionally engaging material and the request for funding is very important in soliciting prospective donors. See also Sympathy.

**Martyrdom Effect:** the preference to partake in painful, effortful, and sometimes dangerous efforts to raise money for charity instead of giving with ease. (Think 5K run for charity.)

**Priming:** a subconscious psychological memory effect where initial information affects the response to later information. This applies to giving because potential donors who have been primed with positive information, such as newsletters and reports, may give more than those who have not.

**Prosocial Behavior:** actions taken for the good of others instead of oneself; also known as altruism

**Psychic Numbing:** the phenomenon that occurs when the amount of suffering increases and becomes so large, it diminishes the emotional response to the suffering. Potential donors may feel helpless to diminish so much suffering. Emotional responses are a key motivating factor in the decision to give, so a reduction in emotion typically results in decreased giving.

**Sympathy:** an emotional response that motivates prosocial behavior, it also has a biasing effect on one's decision to give to a certain organization or individual as opposed to another. *Sympathy bias* is strong

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and positive on donations when donors perceive victims as similar to themselves and also proximate (physically close).

**Take Aversion:** the decreased likelihood of taking back a donation from a charity based on the negative emotions associated with such an act. While there are negative feelings, especially of guilt, that come with not giving in general, these emotions are multiplied when an individual takes back what he already has given. An informal or formal pledge is a powerful promise, as take aversion is a strong disincentive to failing to deliver on the pledge.

**Tangibility:** the ability to be detected by the senses. In charitable giving, tangibility is important when it comes to the solicitation of gifts. If a person perceives the need and impact of their gift as tangible, giving will increase, in both number of givers and amount per gift. Tangibility is a major factor in the Identifiable Victim effect.

**Time-Ask Effect:** increased giving (both monetary and time) as a result of first asking for a time donation (e.g. volunteering) and then asking for a monetary donation.

**Warm Glow:** the positive feelings associated with giving; also called the "joy of giving."

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