# **Multi-Step Solicitations for Charitable Donations**

Alexander James, James J. Murphy, Maroš Servátka, Robert Slonim

April 2024

DRAFT WITH PRELIMINARY RESULTS, DO NOT CITE WITHOUT PERMISSION

## Abstract

Solicitations for charitable donations are often framed as a multi-step ask; people are first asked if they are willing to make a donation and are then provided details about the potential recipients and corresponding time commitment. We hypothesize that uncertainty about both recipient details and transaction costs, in addition to commitment aversion, makes multi-step charitable solicitations less effective than one-step asks. We test our conjectures using an online experiment. Our results confirm that a multi-step ask elicits a lower donation rate than a one-step ask. Reducing uncertainty about transaction costs and controlling for commitment aversion are ineffective in increasing the multi-step ask donation rate. However, eliminating uncertainty about the potential recipients restores the donation rate to the one-step ask level. Policy implications are discussed.

**Keywords:** Charitable Giving; Online Experiment; Information Asymmetry; Commitment Aversion; Experimental Economics

**JEL codes:** D64; D81; D82; D91; C91; H41

#### 1. Introduction

Many nonprofits provide services for multiple programs. Universities, for example, solicit donations for a plethora of needs, such as individual colleges, sports programs, and student activities. Community foundations are nonprofits that typically support multiple independent charities in a geographic region, and potential donors to a community foundation can select the local charities to which they want to give money. In Alaska, a state-wide charitable giving program, known as Pick.Click.Give., allows residents who are registering for their annual Permanent Fund Dividend to donate a portion of their dividend to an extensive list of Alaskan charities. Similarly, North West Arkansas Gives hosts a "Day of Giving" to support over 500 local nonprofits in Northwest Arkansas.

Unlike charities that support a single cause, such as the American Heart Association, these multi-program nonprofits must ask not only for a donation amount, but also the causes or programs towards which the donations should be directed. Some organizations, such as the Tulsa Community Foundation,<sup>3</sup> use what we will henceforth call a "one-step ask" in which all the information required to make a donation (i.e., donation amount, program receiving the donation, donor contact information, and payment) is presented at once. On the other hand, with a "multi-step ask," the organization first asks potential donors whether they would like to donate. Those who answer "yes" are then presented with details about the programs eligible for donations. Potential donors select both the programs they want to support and the gift amount. The multi-step process of donating to the University of Michigan, for example, entails at least nine steps before the gift is completed.<sup>4</sup> Multi-step asks are also common in volunteering (e.g., blood donation organizations may ask people to initially join their registry). The goal of this paper is to shed light on whether the single-step or multi-step process causes more donations, and if so why.

On the one hand, a multistep ask gives donors more autonomy by allowing them to explore the available options in detail and direct their gifts toward their preferred programs. Autonomy has been shown to increase intrinsic motivation and improve performance (Langer, 1975; Charness et al., 2012, Sjöström, et al. 2020), and could also increase other-regarding behavior. For example, Féherová et al. (2022) observe that the choice of how many recipients to help increases donation frequency while Slonim & Garbarino (2008) show that choosing with whom to interact increases the amount subjects give to other subjects. The perception of having more control over donations can impact donations by increasing donors' utility from altruism and satisfaction without changing preferences or costs (Lacetera et al., 2012; Heger et al., 2020). According to moral consistency (e.g., Heger & Slonim, 2021), not opting out could result in a higher probability of donating in order to stay consistent with the original action. However, if not opting out is framed as an act of omission (rather than an act of commission), the positive effect can be muted (Cox et al., 2017). Answering "yes" in the first step could also be interpreted by donors as a pledge. Capra et al. (2022) argue that pledges, in theory, can boost donations because they make it easier for approached people to positively respond to a solicitation without incurring a cost right at the start. However, they find that while the

<sup>&</sup>lt;sup>1</sup> https://www.pickclickgive.org/

<sup>&</sup>lt;sup>2</sup> https://www.nwagives.org/giving-events/nwa24/home

<sup>&</sup>lt;sup>3</sup> https://tulsacf.org, accessed 21 February 2024

<sup>&</sup>lt;sup>4</sup> The University of Michigan homepage (<a href="https://umich.edu/">https://umich.edu/</a>) includes a "Giving" link that directs a potential donor to a page that lists "Ways to Give," including "Give Today." The subsequent page gives three options, including "Give Online," which then directs the user to "Areas of Highest Need," and the ability to search for other programs. The donor can then select "Give Now" which goes to a new webpage that asks for the donation amount. The donor must then "Proceed to Checkout" which is a 4-step process that entails gift configuration, contact information, review of gift and, finally, making the payment.

immediate acceptance goes up when asked to help, many people renege on their pledges, offsetting the initial effect. Heger et al. (2020) moved from the standard single-step process (a call to ask someone to donate blood immediately) to a multi-step process in which people were asked to first join a registry, and then later asked (in special conditions) if they would donate. In this paper, the multi-step approach was dramatically more successful. Like the Capra et al. (2022), there was a huge take up. About 80 percent joined the registry, but unlike Capra et al., they were also much more likely to also donate later on. This multi-step approach is similar to drip pricing in the marketing literature (Huck and Wallace 2015, Rasch et al. 2020). Drip pricing is the practice of presenting an initial attractive (i.e., low) price, getting people hooked on what they are buying, and then adding other costs later (e.g., shipping and handling, service fees, ...). This can be a successful practice, and is based on behavioural theories such as shifting reference points, status quo bias, sunk cost fallacy.

On the other hand, the two-step ask might be less effective if donors view answering "yes" in the first step as committing them to donating once they learn about the eligible programs and transaction costs. In the absence of any additional information, commitment-averse donors might be more likely to answer "no." Relatedly, if people prefer not to contribute, they might opt out of the process (Lazear et al., 2012; Féherová et al., 2022) or avoid the ask (DellaVigna et al. 2012; Andreoni et al., 2017; Trachtman et al., 2015; Adena and Huck 2020), rather than taking advantage of the opportunity to learn more about the eligible programs. With a two-step ask, individuals may be uncertain about the programs that will be available in subsequent steps. Donors who expect (correctly or incorrectly) that they may not like any of the available causes might choose not to donate in the first step, instead of exploring their options. Finally, the two-step ask can introduce uncertainty about the number of steps and amount of time required to complete the donation. Such transaction costs have been shown to decrease donations (Knowles and Servátka, 2015). Expected costs, or uncertainty about such costs, could therefore reasonably lower the effectiveness of a two-step ask. Not being able to donate in the spur of the moment and being forced to postpone donating until the second step could also lower donations (Damgaart and Gravert, 2017; Knowles et al., 2022).

The purpose of this paper is to experimentally test the relative effectiveness of the one-step and multi-step asks. Our results indicate that a multi-step ask yields a lower donation rate than a one-step ask. Various treatments explore potential explanations for this result. We find that eliminating uncertainty about the potential recipients restores the multi-ask donation rate to the one-step ask level. However, reducing uncertainty about transaction costs and controlling for commitment aversion are ineffective in increasing the multi-step ask donation rate.

## 2. Experimental Design and Procedures

The experiment was programmed in Qualtrics and conducted on Prolific (Palan & Schitter, 2018) in June 2023. It consisted of six treatments implemented using a between-subjects design with subjects randomly assigned to one (and only one) treatment. In all treatments, subjects were invited to participate in a 3-minute survey designed to collect information about the characteristics of Prolific users, for which they were offered \$0.60. The survey began with two verification questions, used to confirm that subjects were at least 18 years of age and a U.S. resident. All participants were then informed that they had been selected to receive a \$1.00 bonus payment, which increased their total earnings for completing the survey to \$1.60. The bonus was necessary because workers on Prolific must be paid at least the advertised amount (\$0.60) regardless of their donation decision. While windfall endowments have been shown to increase generosity (e.g., Cherry et al., 2002; Cox et al.,

2017), this procedure is held constant across all treatments and we are not aware of any theoretical reason why these windfalls would interact with our treatment variations.

The survey consisted of seven demographic questions, including a question about the zip code in which a person resides. As an attention check, the zip code was cross-referenced with their previously-reported state of residence.<sup>5</sup> After completing the survey, subjects were randomly assigned to one of the six treatments in which they were given the opportunity to donate some of their earnings from completing the survey.

In the One-Step treatment, subjects were asked if they would like to donate \$0.50 to one of four listed charities (United Way, Salvation Army, Feeding America, and the American Society for the Prevention of Cruelty to Animals), along with the option to not donate. In the Two-Step Baseline, subjects were first asked whether they would like to donate \$0.50 to a charity. If they answered "yes," then they were shown the four charities and the option to not donate. Using this same two-step framework, we also solicited donations under the Known treatment which removed the uncertainty about the available charities by identifying them all in the first step. The Quick treatment removed uncertainty about transaction costs by informing subjects that selecting a preferred charity is a "simple one-click decision that will only take a few seconds." The No Commitment treatment addressed commitment aversion by informing subjects that they would still have the option to not donate in the second step. Finally, the All treatment combined information from the Known, Quick, and No Commitment treatments to test the effectiveness of an aggregated message. The differences in the wording among treatments is shown in Table 1:

Table 1 - Experiment Treatments <sup>a</sup>

Treatment	Wording
One-Step	Would you like to donate \$0.50 from your total earnings to one of the charities listed below? If so, you will be paid \$1.10, and a \$0.50 donation will be made on your behalf to the charity of your choosing.
Two-Step Baseline	Would you like to donate $0.50$ from your total earnings to a charity? If so, you will be paid $1.10$ , and a $0.50$ donation will be made on your behalf to the charity of your choosing.
Known	Would you like to donate \$0.50 from your total earnings to United Way, Salvation Army, Feed America, or the American Society for the Prevention of Cruelty to Animals (ASPCA)? If so, you will be paid \$1.10, and a \$0.50 donation will be made on your behalf to the charity of your choosing.
Quick	Would you like to donate \$0.50 from your total earnings to a charity? If so, you will be paid \$1.10, and a \$0.50 donation will be made on your behalf to the charity of your choosing. It's a simple one-click decision that will only take a few seconds.
No Commitment	Would you like to be given the opportunity to donate \$0.50 from your total earnings to a charity? If you do give, you will receive \$1.10, and a \$0.50 donation will be made on your behalf to the charity of your choosing. You will still have the option to not donate.

3

<sup>&</sup>lt;sup>5</sup> 41 (1.2%) respondents reported a zip code that did not belong to their state of residence and so were discarded and are not included in the analyses. Including these responses does not affect our qualitative conclusions.

	Would you like to be given the opportunity to donate \$0.50 from your total earnings
All	to the United Way, Salvation Army, Feed America, or the American Society for the
	Prevention of Cruelty to Animals (ASPCA)? If so, you will be paid \$1.10, and a \$0.50
	donation will be made on your behalf to the charity of your choosing. Donating will
	only take a few seconds. You will still have the option to not donate.

<sup>&</sup>lt;sup>a</sup> In the One-Step treatment, the ability to choose one of the four charities, along with the option to not donate was provided on the same screen as the request to donate. In the five two-step treatments, this ability to select a charity or opt out was presented on the next screen. Italics added to highlight treatment differences.

Based on the above discussion, our conjectures translate into the following testable hypotheses regarding the frequency of donations:

H1: One-Step > Two-Step Baseline

H2: Two-Step Baseline < Known

H3: Two-Step Baseline < Quick

H4: Two-Step Baseline < No Commitment

H5: Two-Step Baseline < All

H6: All = One-Step.

## 3. Results

After dropping the 41 subjects who misreported their zip code, our sample consists of 3,348 subjects of whom 45% were female, 57% had a college degree, 64% identified as white, 45% had a household income of at least \$70,000, and 41% identified as conservative. The average subject was 38 years old. The sample is reasonably representative of the U.S. population.<sup>6</sup> Table 2 presents the results of regressing subject characteristics (indicated at the top of each column) on five indicators for treatment. Subjects in the One-Step treatment serve as the comparison unit. Our sample is well balanced, with the exception that, in the Known treatment, a smaller proportion of people had college degrees, and a larger proportion identified as white.

-

<sup>&</sup>lt;sup>6</sup> According to the Census Bureau in 2022 37.7% of the U.S. population aged 25 and older had at least a college degree (available here: https://tinyurl.com/5n9aym4k). \$70,000 is roughly the median household income in the United States, the average American is 38 years old (but this figure includes children), roughly 70% of the U.S. population identifies as White, and according to a recent Gallop Poll (available here: http://tinyurl.com/3rnnppcy), roughly 36% of Americans identify as conservative.

Table 2: Balance Tests College White Wealthy Female Conservative Age Two-Step Baseline -0.03020.02020.0119-0.0914-0.0349-0.000324(0.0295)(0.0294)(0.0299)(0.812)(0.0299)(0.0293)Known -0.0923\*\*\* 0.0972\*\*\* -0.0353-0.262-0.04440.0297(0.0296)(0.0287)(0.0297)(0.801)(0.0299)(0.0295)Quick 0.0581\*\* -0.04530.01580.229-0.04500.0292(0.0295)(0.0290)(0.0299)(0.807)(0.0298)(0.0294)No Commit -0.02270.0638\*\*-0.0152-0.314-0.01350.0137(0.0295)(0.0291)(0.0299)(0.798)(0.0300)(0.0294)All -0.03590.0466-0.0148-0.248-0.03830.0323(0.0295)(0.0292)(0.0298)(0.776)(0.0299)(0.0295)0.610\*\*\* 0.457\*\*\* 38.31\*\*\* 0.482\*\*\* Constant 0.590\*\*\* 0.394\*\*\*(0.0209)(0.0208)(0.0207)(0.0212)(0.574)(0.0212) $R^2$ 0.003230.004220.001250.0002030.001140.000786N3348 3348 3348 3348 3348 3348

Note: College is unity for subjects who had earned at least a four-year college degree. Wealthy is unity for people with a household income of at least \$70,000. Conservative is unity for people who said they were a 4,5,6 or 7 on a seven-point Likert scale measuring left-right political ideology. Known, Quick, No Commit, and All correspond to two-step known, two-step quick, two-step no commit, and two-step all treatments, respectively. Subjects in the one-step treatment serve as the comparison unit.

Summary statistics of subject behavior are provided in Table 3. Across all treatments, the average donation rate was 33%. Subjects collectively earned \$4,804 and the charities received \$552.7 The first row presents the percentage of respondents who responded "yes" when asked if they wanted to donate \$0.50 to a charity. In the One-Step, a "yes" response was also a commitment to donate to a specific charity, hence the 39.7% initial "yes" response on the first row is identical to the donation rate in the second row. With the five two-step treatments, the initial "yes" responses in row 1 are sub-divided between those who did make a donation (row 2), and those who changed their mind and did not donate (row 3).

Table 3 Summary Statistics

		2-Step				
	1 Step	Baseline	Known	Quick	No Commit	All
Initial "Yes"	0.397	0.314	0.387	0.280	0.329	0.338
Donation Rate	0.397	0.302	0.377	0.266	0.301	0.329
Change of Mind		0.013	0.011	0.014	0.029	0.009
Obs:	554	557	560	563	555	559

**Note:** Change of Mind refers to the percent of subjects in two-step treatments that expressed interest in giving in the first stage, but then declined to give in the second stage. Initial "Yes" is the percent of subjects who expressed interest in giving in the first stage of two-step treatments.

The mean donation rate varies substantially across treatments, from nearly 40% of respondents in the One Step, to only 27% in the Quick treatment. In the Two-Step Baseline, the donation rate was 30%, providing an initial indication for our primary hypothesis (H1) that the two-step ask was less effective than the one-step ask (p=0.00 using the nonparametric Fisher's exact test of proportions).

<sup>&</sup>lt;sup>7</sup> The 67% of subjects who did not donate were paid a total of  $$1.60 \times 0.67 \times 3,348 = $3,589$ . The 33% of subjects who donated were paid a total of  $$1.10 \times 0.33 \times 3,348 = $1,215$ . Charities received  $$0.5 \times 0.33 \times 3,348 = $552$ .

In the two-step treatments, respondents rarely changed their minds. It is worth noting, however, that, consistent with our prior conjecture, the rate at which this occurred was significantly higher in the No Commitment treatment (2.9%) compared to the Two-Step Baseline (1.3%, p=0.08 using Fisher's exact test).<sup>8</sup> Recall in the No Commitment treatment, respondents were told they would have the option not to donate in the second stage. In addition, to reinforce that there was no commitment, in the first step they clicked "Yes, take me to the donation stage of the survey," as opposed to clicking "Yes, I want to donate, take me to the donation stage of the survey" (emphasis added), as in the Quick and Known two-step treatments.

These initial findings are borne out by estimating equation (1) below using Ordinary Least Squares (OLS). 9 Specifically, we estimate:

$$y_i = \alpha + \beta Two \ Step_i + \gamma_1 \ Known_i + \gamma_2 \ Quick_i + \gamma_3 \ No \ Commit + \gamma_4 \ All_i + \delta' X_i + \epsilon_i,$$
 (1)

where  $y_i$  is a dummy variable that equals 1 if individual i made a donation and 0 otherwise, Two Step is unity for subjects assigned to any one of the five two-step treatments (Baseline, Known, Quick, No Commitment, All).  $X_i$  is a matrix of individual characteristics. Modeled this way,  $\beta$  captures the effect of being in the Two-Step Baseline relative to the One-Step, and  $\gamma_i$  captures the effect of being in one of the augmented two-step treatments (Known, Quick, No Commitment, All) relative to the Two-Step Baseline. To test whether subjects in an augmented two-step treatment were as likely to give as those in the One-Step (i.e., to test whether the augmentation offsets the effect of a two-step ask) we test whether  $\beta + \gamma = 0$  using STATA's post-estimation command lincom which utilizes the delta method to estimate standard errors and corresponding confidence intervals. All regressions feature robust standard errors.

The results from estimating equation (1) are provided in Table 4 and provide the basis of our primary result, namely, that a two-step ask is ineffective relative to a one-step ask (as hypothesized by H1). Model 1 reports unconditional estimates. Subjects in the Two-Step Baseline treatment gave 9.55 percentage points (24%) less than those in the One-Step treatment (p=0.001).

<sup>&</sup>lt;sup>8</sup> There are no significant differences between the Two-Step Baseline and the other two-step ask treatments (p=0.58, 0.79, 0.56 for pairwise comparisons with Known, Quick, All, respectively).

<sup>&</sup>lt;sup>9</sup> Outcome variables are binary, taking on the value of 1 if a respondent donated and zero otherwise. As such, we also estimate equation (1) using a Probit estimator and identify very similar marginal effects. These results are available upon request.

Table 4 Baseline Treatment Effects				
	Coef.	Coef.		
	(Std. Err.)	(Std. Err.)		
Two Step	-0.0955***	-0.0942***		
	(0.0285)	(0.0281)		
Known	0.0752***	0.0793***		
	(0.0283)	(0.0280)		
Quick	-0.0352	-0.0347		
	(0.0270)	(0.0267)		
No Commit	-0.000715	0.00210		
	(0.0275)	(0.0274)		
All	0.0275	0.0314		
	(0.0278)	(0.0275)		
College		-0.0315*		
		(0.0172)		
White		-0.0203		
		(0.0172)		
Wealthy		0.0339**		
		(0.0170)		
Age		0.00525***		
		(0.000658)		
Female		0.0514***		
		(0.0164)		
Conservative		-0.0499***		
		(0.0165)		
Constant	0.397***	0.206***		
	(0.0208)	(0.0338)		
Two Step-Known	-0.0203	-0.0149		
	(0.0292)	(0.0288)		
Two Step-Quick	-0.131***	-0.129***		
	(0.0279)	(0.0275)		
Two Step-No Commit	-0.0962***	-0.0921***		
-	(0.0285)	(0.0282)		
Two Step-All	-0.0680**	-0.0628**		
-	(0.0288)	(0.0283)		
$R^2$	0.00935	0.0361		
N	3348	3348		

Note:\*\*\*, \*\*, \*, correspond to 1%, 5%, and 10% significance levels, respectively. Two Step is an indicator for any of the two step treatments: baseline, Known, Quick, No Commit, and All. College is unity for subjects who had earned at least a four-year college degree. Wealthy is unity for people with a household income of at least \$70,000. Conservative is unity for people who said they were a 4,5,6 or 7 on a seven-point Likert scale measuring left-right political ideology. Subjects in the One-Step treatment serve as the comparison group.

The other two-step treatments explore potential explanations for this difference. The reduction in donation rates between the one- and two-step asks may be due to the two-step-ask respondents not knowing who the recipients will be when initially solicited for a donation. The respondents may thus find it preferable to opt out or avoid the direct ask in the second stage, rather than continuing. The Known treatment removes any such uncertainty about the list of recipients by providing the list in the first stage, but still requires that respondents continue to a second stage to select the charity and make a donation. Providing the list of charities in the Known treatment increases the rate of giving relative to the Two-Step Baseline by 7.5 percentage points, such that it is indistinguishable from the rate of giving in the One-Step (at the bottom of Table 3, Two-Step Baseline - Known = -0.0203, p = 0.487). This suggests that providing the list of recipients early in the donation process improves donation rates, but whether the donor actually selects the recipient in the first or second stage is unknown.

Another potential impediment to giving is the uncertainty about how many steps the donation process entails, or how much time it will take to complete the process. The Quick treatment attempts to address these transaction costs by telling respondents "It's a simple one-click decision that will only take a few seconds." The donation rate was 13.1 percentage points lower than in the One-Step (p=0.000), and there was a small negative, but not statistically significant effect relative to the Two-Step Baseline (p=0.192, rejecting H3). This indicates that uncertainty about the transaction costs was not a major factor in explaining why donation rates are lower with a two-step ask.

We also consider whether respondents might hesitate to respond "yes" to the donation request due to concerns that they might not be able to opt out once they have initiated the donation process. In the first step, the No Commitment treatment informs respondents that "You will still have the option to not donate." The donation rate was again lower than that in the One-Step (9.6 percentage points, p=0.001), and there was no statistically significant effect relative to the Two-Step Baseline (p=0.979, rejecting H4). However, the No Commitment treatment did have an effect on whether individuals changed their mind. Table 3 shows that 2.9% of all respondents in the No Commitment said "yes" they would donate but then opted out in the second stage. Conditional on saying "yes" in the first stage, 8.7% of respondents in the No Commitment treatment changed their mind, compared to 4.0% in the Two-Step Baseline (p=0.0845 using Fisher's exact test). The model reported in Table 5 estimates treatment effects on whether the individual changed their mind and shows a similar result.

Table 5 Cha	inge of Mind		
	Coef		
	(Std. Err.)		
Known	-0.00185		
	(0.00642)		
Quick	0.00164		
	(0.00687)		
No Commit	0.0163*		
	(0.00854)		
All	-0.00362		
	(0.00618)		
Constant	0.0126***		
	(0.00472)		
$R^2$	0.00340		
N	2794		

Note:\*\*\*, \*\*, \*\*, \*\*, correspond to 10%, 5%, and 1% confidence levels, respectively. Data is restricted to any two-step treatment. The 2-Step Baseline treatment is the reference category. The outcome variable is binary, and equal to unity for subjects who indicated a preference to donate in the first stage, but did not give in the second stage.

Finally, the All treatment combines the Known, Quick, and No Commitment treatments. The models in Table 4 show no effects relative to the Two-Step Baseline (p=0.253, rejecting H5). This result is somewhat surprising because the All treatment includes the information provided in the Known treatment, which increased the donation rate. However, in the All treatment, this is offset by the negative (but not statistically significant) effects in the Quick and No Commitment treatment. It is worth noting that the combined individual effects of the Known, Quick, and No Commitment treatments is qualitatively similar to the effect of exposure to the All treatment (3.9 vs. 2.75, p=0.832). As counterintuitive as this may seem at first, it appears that the effectiveness of the Known

treatment is diluted by the additional information provided in the All treatment. If one interprets the augmented two-step informational treatments as nudges, the relative ineffectiveness of the All treatment is consistent with literature documenting potential adverse effects of nudges (Sunstein, 2017; Hauser, Gino, and Norton, 2018; Bolton, Dimant, and Schmidt, 2020) that can sometimes "backfire".<sup>10</sup>

The conditional results provided in model 2 of Table 4 reinforce our unconditional results and provide additional evidence of successful randomization of treatment assignment. For example, conditional on the observed heterogeneity of the subject pool, exposure to the Two-Step Baseline reduced giving (compared to that in the One-Step) by 9.4% points. The rate of giving in the Known treatment was also statistically indistinguishable from that in the One-Step Baseline (p=0.604).

Turning to the covariates, we find that the rate of giving is 5% points lower for males or conservatives. Older people were more likely to give than younger people. For example, relative to a 20-year old, a 50-year old is ( $30 \times 0.005 = 0.15$ ) 15% points more likely to give. Unsurprisingly, we find that people with household income greater than \$70,000 are (3.4% points) more likely to give than other people.

### 4. Conclusion

Philanthropic organizations often solicit donations using some form of a two-step ask in which potential donors are first solicited to give, and only upon agreeing to do so are given details of the donation, e.g., the time required to donate and specific characteristics of the recipient. Such uncertainties have the potential to reduce rates of giving relative to a one-step ask in which all relevant information is known before deciding whether to give.

We designed a simple online experiment to explore the relative efficiency of a two-step ask for charitable donations. After completing a short survey and earning a bonus payment of \$1.00, respondents were randomly assigned to one of five solicitations that varied how donations were solicited (e.g., one-step vs two-step design) and the information provided in the first stage of the two-step ask.

Soliciting donations using a one-step ask is significantly more effective than a two-step ask, and informing people of the specific potential recipients effectively eliminates the difference. Informing people that the donation process will be "quick" does not increase giving and may actually be counterproductive. Further, whereas there is evidence a "No Commitment" treatment effectively reduced feelings of commitment, it did not induce more giving. Philanthropic organizations can leverage our findings to possibly raise donations by clarifying donation targets in tandem with initial solicitation.

A methodological afterthought concerning our findings is warranted. Scientific progress crucially depends on the empirical verification of theory, and the most fundamental method for doing so is an experiment. If a hypothesis is supported by experimental data, the underlying theory teaches us something about how the world around us functions. However, this knowledge is not entirely new to us; it is something that we had already suspected, which is why we formulated the

<sup>10</sup> For example, Downs et al. (2013) find that offering calorie recommendations to incentivize healthier eating can actually increase caloric intake.

theory in the first place. The sometimes-overlooked value of experiments is that if a hypothesis is rejected, we learn something we did not suspect and thus did not know before. These surprising findings also advance our knowledge about the phenomena under study and frequently jumpstart thinking about why the theory did not work, potentially leading to further scientific advances and discoveries.

Before conducting the current experiment, we anticipated that commitment aversion and uncertainty about transaction costs together with uncertainty about donation targets would play a role in charitable giving. Our experiment consists of treatments purposefully designed to identify their respective effects on the donation rate in the two-step ask. Had we only included No Commitment, Quick, and Known treatments in our experiment (in addition to the One-Step and Two-Step Baseline treatments), our answers to whether the hypothesized effects exist would have been "no," "no," and "yes," respectively. We would have concluded that the difference between the one-step ask and the two-step ask is solely driven by the uncertainty about the target and that providing additional information about transaction costs and the lack of commitment does not impede the donation process. Including our All treatment, designed to identify whether the No Commitment, Quick, and Known treatments together explain the entire difference between the one-step ask and two-step ask, teaches us something that we did not anticipate and would not have learned in the absence of the All treatment. Namely, that providing information about transaction costs and that there is no commitment, is counterproductive and offsets the effectiveness of disclosing the target.

Ex-post rationalization of the observed effects suggests that approaching potential donors with statements such as "don't worry, it won't take long" or "agreeing to donate does not commit you to anything" may generate suspicion and possibly reminds potential donors of a context that is not conducive to contributing. Whether that is indeed the case requires further theorizing and subsequently developing a new experiment to test the predictions of the formulated theory.

### References

ADENA, M., & Huck, S. 2020. Online fundraising, self-image, and the long-term impact of ask avoidance. Management Science, 66(2), 722-743.

BOLTEN, G., Dimant, E., & Schmidt, U. (2020). When a nudge backfires: Combining (im) plausible deniability with social and economic incentives to promote behavioral change.

CAPRA, M. et al, 2022

CHARNESS, G., Cobo-Reyes, R., Jiménez, N., Lacomba, J.A. and Lagos, F., 2012. The hidden advantage of delegation: Pareto improvements in a gift exchange game. *American Economic Review*, 102(5), 2358-79.

CHERRY, T. L., Frykblom, P., & Shogren, J. F. (2002). Hardnose the Dictator. *American Economic Review*, 92(4), 1218–1221.

COX, J., Servátka, M., and Vadovič, R. 2017. Status Quo Effects in Fairness Games: Reciprocal Responses to Acts of Commission vs. Acts of Omission. *Experimental Economics*, 20, 1-18.

DAMGAARD, M.T. and Gravert, C. 2017. Now or never! The effect of deadlines on charitable giving: evidence from two natural field experiments. *Journal of Behavioral and Experimental Economics*, 66, 78-87.

DELLAVIGNA, S., List, J.A. and Malmendier, U., 2012. Testing for altruism and social pressure in charitable giving. The quarterly journal of economics, 127(1), pp.1-56.

DOWNS, J. S., Wisdom, J., Wansink, B., & Loewenstein, G. (2013). Supplementing menu labelling with calorie recommendations to test for facilitation effects. *American Journal of Public Health*, 103(9), 1604-1609.

ECKEL, C. C. and Grossman, P. J., 1996. Altruism in anonymous dictator games. *Games and Economic Behavior*, 16, 181-191.

EPPER, T., Fehr, E., Fehr-Duda, H., Kreiner, C. T., Lassen, D. D., Leth-Petersen, S., & Rasmussen, G. N. (2020). Time discounting and wealth inequality. *American Economic Review*, *110*(4), 1177-1205.

FÉHEROVÁ, M., Heger, S., Péliová, J., Servátka, M., and Slonim, R. 2022. Increasing Autonomy in Charitable Giving: The Effect of Choosing the Number of Recipients on Donations. *Economics Letters*, 217, Article 110701.

HAUSER, O. P., Gino, F., & Norton, M. I. (2018). Budging beliefs, nudging behaviour. *Mind & Society*, *17*, 15-26.

HEGER, S.A., Slonim, R., Garbarino, E., Wang, C. and Waller, D., 2020. Redesigning the Market for Volunteers: A Donor Registry. *Management Science*, 66, 3528-3541.

HUCK, S., and Wallace, B. 2015. "The impact of price frames on consumer decision making: Experimental evidence." Working paper. https://www.ucl.ac.uk/~uctpbwa/papers/price-framing.pdf

KNOWLES, S. and Servátka, M., 2015. Transaction costs, the opportunity cost of time and procrastination in charitable giving. *Journal of Public Economics*, 125, 54-63.

KNOWLES, S. Servátka, M. Sullivan, T. and Genc, M. 2022. Deadlines and Procrastination in Charitable Tasks: A Field Experiment. *Economic Inquiry*.

KOGUT, T., & Ritov, I., 2005. The singularity of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes*, 97, 106–116.

LACETERA, N., Macis, M. and Slonim, R., 2012. Will there be blood? Incentives and displacement effects in pro-social behavior. *American Economic Journal: Economic Policy*, 4, 186-223.

LANGER, E. 1975. The Illusion of Control. Journal of Personality and Social Psychology, 32, 311–28.

Lawrance, E. C. (1991). Poverty and the rate of time preference: evidence from panel data. *Journal of Political economy*, *99*(1), 54-77.

LAZEAR, E.P., Malmendier, U. and Weber, R.A., 2012. Sorting in experiments with application to social preferences. *American Economic Journal: Applied Economics*, 4, 136-63.

LILLEY, A. and Slonim, R., 2014. The price of warm glow. Journal of Public Economics, 114, 58-74.

PALAN, S. and Schitter, C. 2018. Prolific.ac—A subject pool for online experiments. *Journal of Behavioral and Experimental Finance*, 17(C), 22-27.

RASCH, A., Thöne, M. and Wenzel, W. 2020. "Drip pricing and its regulation: Experimental evidence." Journal of Economic Behavior & Organization 176: 353-370.

SERVÁTKA, M., 2009. Separating reputation, social influence, and identification effects in a dictator game. *European Economic Review*, 53, 197-209.

SJÖSTRÖM, T. Ülkü, L. and Vadovič, R. 2016. Free to Choose: Testing the Pure Motivation Effect of Autonomous Choice. Working paper.

SLONIM, R. and Garbarino, E., 2008. Increases in trust and altruism from partner selection: Experimental evidence. *Experimental Economics*, 11, 134-153.

SMALL, D.A. and Loewenstein, G. 2003. Helping "A" victim or helping "THE" victim: Altruism and identifiability. *Journal of Risk and Uncertainty*, 26, 5-16.

Sunstein, C. R. (2017). Nudges that fail. Behavioural public policy, 1(1), 4-25.

TRACHTMAN, H., Steinkruger, A., Wood, M. et al. 2015. Fair weather avoidance: unpacking the costs and benefits of "Avoiding the Ask". *Journal of the Economic Science Association*, 1, 8–14.