

If you do good, you look good

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In today's economy, it's increasingly difficult to elicit donations for charitable causes — but new research from Dr. Anat Bracha of the Eitan Berglas School of Economics at Tel Aviv University can provide fundraising organizations with a potent tool.

A powerful spur to giving, Dr. Bracha's research demonstrates, is "image motivation," the positive recognition a giver gets from other members of the community. Her study, published in *American Economic Review*, can help organizations understand how to elicit maximum donor response in today's tough times.

"Charitable giving is a much greater sacrifice now than it was at this time last year. Budgets are tighter for everyone, so giving is likely to have greater image value," she says. That's why it can be important for organizations to emphasize the image benefits of charitable giving. But she cautions that if any other main motivators for giving collide with image motivation, they may have a "crowding-out" effect.

Reputation is Everything

Dr. Bracha's research focused on the effects of participating in charitable events in two settings — one public, one private. Her study also examined two kinds of motivators — image and financial — and was able to show a negative interaction between monetary incentives and image, the thesis she and her colleagues were testing.

In one experiment in the gym at MIT, the study created a "Biking for



Charity" scenario in which participants were invited to bike for ten minutes to earn money for a charitable cause based on the effort they exerted. Some were also paid for their participation.

"We had one group do it in public, and one in private," says Dr. Bracha. "The 'public sphere' was in the main room of the gym, and the 'private sphere' was on the third floor, in its own room. What we demonstrated was that giving was affected by how visible the participation was. The more public, the greater the image boost, and the greater the contribution."

When monetary incentives were introduced, however, they were more effective in private than in public. "Monetary and image motivations clashed," Dr. Bracha explains.

In the public sphere, people exerted the same level of effort on their stationary bikes with or without compensation, aware that positive social acclaim might be undermined if viewers were aware of their personal monetary gain. In the private room, where participants did not have to contend with social judgment, they biked more miles on average when they were paid to do so.

The Public Value of Personal Sacrifice

Of course, a more positive image in the eyes of the community requires greater visibility in that community. Dr. Bracha points to the Lance Armstrong Foundation Live Strong campaign as an example, in which donors are visibly recognizable by unique wristbands. Web sites that acknowledge donors by name serve to have the same effect. "This is a very public thing —everyone sees you when you participate," she says.

Source: Tel Aviv University (<u>news</u>: <u>web</u>)



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