

Study finds implementing new ways of charitable giving could see donations triple

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(Phys.org) —Charities could benefit from an additional £40 million per year if a new intervention designed to automatically enroll donors to a scheme that increases their donations by three per cent a year is implemented. This is just one of the findings from a new report, published today by the Cabinet Office, which aimed to explore new and innovative ways of increasing charitable giving.

The study, led by Michael Sanders, a member of the Cabinet Office's Behavioural Insights Team (BIT) and a researcher at the University's Centre for Market and Public Organisation, was carried out in partnership with the Charities Aid Foundation (CAF).

The research shows that donations could be increased by significant

proportions if a range of simple interventions designed to encourage people to donate money to a charitable cause were implemented. The findings could also help reverse a fall in the number of [charitable donations](#) because of the [economic downturn](#).

As part of the study, the team carried out five behavioural randomised controlled trials with a range of UK organisations and charities including Deutsche Bank, the HMRC and Home Retail Group to test a range of new interventions in charitable giving.

Trial one tested the impact of encouraging people to sign up to annual increases in their giving rather than just one-off increases, so that [inflation](#) does not erode the value of the contribution over time. For example, a £10 donation begun in 2005 would be worth £7.50 today. The findings showed that encouraging people to adopt this method of giving could potentially increase a [donor](#)'s contribution by more than three times as much over a lifetime.

Trial two tested the impact of automatically enrolling employees at Home Retail Group on a scheme that increased donations by three per cent a year (with the option to opt out). Take-up of the scheme had been fairly low with around ten per cent of new donors taking it up however, following this small change, the proportion of new donors signing up for automatic increases rose to 49 per cent. The researchers estimated that if the scheme was implemented across all payroll giving and direct debit schemes, it could raise an additional £40 million for charities per year.

Trial three tested whether peer effects might help encourage an individual to join an organisation's Payroll Giving scheme. Employees at the HMRC were sent 'winter-greetings e-cards with messages from fellow employees who currently give to charity explaining why they do so and inviting their colleagues to join them. Some received only messages from their colleagues while a second group received identical

messages alongside a picture of the person. The study found the pictures to be especially effective, doubling the rates of enrolment increasing the number of people signing up from 2.9 per cent to 6.4 per cent.

Trial four looked at social influences, in particular whether behavioural insights could help increase the number of employees at Deutsche Bank willing to give a day of their salary to charity. The findings showed that personalised appeals from the CEO resonated much more with people than generic emails and helped to triple charitable donation rates, helping to raise £500,000 in one day.

Trial five aimed to find out whether charitable giving could be supported through people's wills. Current research shows that only seven per cent of wills contain a charitable bequest with around 35 per cent of people surveyed indicating they would like to leave money for charitable causes but are unsure of how to do so. The research showed that prompting people to give to charity was an effective way of doubling the number of legacy donors. Using social norm messages was found to treble uptake rates, and also led to larger donations.

The report is titled "Applying behavioural insights to charitable giving."

More information: [www.gov.uk/government/publicat ... to-charitable-giving](http://www.gov.uk/government/publications/ways-to-charitable-giving)

Provided by University of Bristol

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