

New experimental evidence on charitable gift restrictions and donor behaviour

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In this article, Sara Helms, Brian Scott and Jeremy Thornton report new results for an economic experiment on charitable gift restrictions and donor behaviour. The authors demonstrate that offering the option to limit a charitable gift increases the average gift size for donors who choose to restrict their gift and for those who do not. These results suggest that restricted gifts are an important tool for increasing donations and may be less costly to the nonprofit organization than originally believed.

Gift restrictions are a common tool used by donors to ensure charitable intent. Due to monitoring costs and the loss of flexibility, gift restrictions are increasingly expensive for recipient non-profit organizations. Using an economic experiment, Helms, Scott and Thornton studied the impact of offering donors the option to restrict their charitable gift. Their primary finding demonstrates that allowing the option to restrict a charitable gift increases the average gift size, whether or not the [donor](#) chooses to exercise that option.

This result implies that restricted gifts are an important way of increasing [donations](#) and additionally may be less costly to the non-profit organizations than originally believed. Further, high levels of religious attendance are associated with an increased use of gift restrictions and an increased [responsiveness](#) to those restrictions.

More information: Helms, S., Scott, B. and Thornton, J. New experimental evidence on charitable gift restrictions and donor

behaviour, *Applied Economics Letters*, Volume 20, Issue 17, 2013. [DOI: 10.1080/13504851.2013.829172](https://doi.org/10.1080/13504851.2013.829172)

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