

Charities can benefit by giving contributors more control over their donations, study shows

March 16 2022, by Shannon Roddel



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Donations of both time and money are key to the success of nonprofit organizations such as charities and political groups. And although nonprofits typically favor receiving financial gifts, past research has found that donors' preferences are often just the opposite: They like to give their time more than they like to give their money—even when donating time does less good for the cause.

New research from the University of Notre Dame delves into the underlying psychology of this phenomenon, identifying a previously unexplored difference between time and money, which helps to explain the preference.

Donors feel more personal control over how their time (versus money) is used, according to "Why Are Donors More Generous with Time than Money? The Role of Perceived Control Over Donations on Charitable Giving," forthcoming in the *Journal of Consumer Research* from John Costello, assistant professor of marketing at Notre Dame's Mendoza College of Business, along with Selin Malkoc from Ohio State University.

The study found that asymmetrical perceptions of control over [donations](#) drive donors' propensity to give more time than money. The authors also found that if charities can increase people's sense of control over their donation, this asymmetry can be eliminated.

"We identify several ways to increase donors' perceptions of control in our paper, but one straightforward approach is by giving people a choice about how their donation will be used," said Costello, who researches consumer behavior with a focus on psychological response to marketing communications and [prosocial behaviors](#). "Decades' worth of research in psychology and [consumer behavior](#) finds that choice is one of the most dependable ways to increase people's perceptions of control. We find that this strategy is more impactful for money donations than time

donations and thus eliminates the time/money asymmetry."

The research involved seven studies of more than 2,700 participants. Some were conducted online while others took place in a behavioral lab.

"Because potential donors feel more [personal control](#) over their donations of time, we find that leads them to be more likely to agree to donate and to donate in greater amounts," Costello said. "We find support for this prediction across a number of studies through measurement and manipulation of perceived control, while also ruling out a variety of alternative explanations."

That donors prefer to give time rather than money surprised the researchers, given a consensus among both academics and practitioners that donating time is less efficient for both the donor and the recipient.

"I think many people assume that donation decisions are almost exclusively driven by purely altruistic motives," Costello said, "for example, how much their contribution helps the cause. While these clearly play a key motivational role, our work shows that donation decisions are also impacted by the [donor](#)'s own psychological needs, specifically the desire to feel control over their actions."

While past work has revealed a general preference to donate time, this study is the first to identify several situations where this is not the case. Notably, the preference to donate time can be eliminated when donors have a choice about how their donation will be used.

"On the other hand," Costello said, "we also find that donors will become much less interested in giving their time and no longer prefer it to money when they expect that the charity will have complete control how their time will be used."

The researchers designed and tested several strategies that can be used by nonprofit organizations to generate donations more effectively.

"Charities may need to consider different strategies when soliciting time versus money," Costello advised. "Past work has shown that giving donors a choice of how their donation is used can increase donations. However, one of our studies shows that while this is true for monetary donations, it is much less impactful for donations of time."

According to Costello, adopting changes to marketing language can also be used to increase perceived control and donations for money, which typically lag behind those of time. "We find that asking donors to 'spend' their money rather than 'give' their [money](#) in donation appeals leads to greater perceptions of control over that donation," Costello explained. "While 'give' is more commonly used by real charities, we find that 'spend' is more effective in generating monetary donations.

"With regard to volunteering, charities must certainly impose some restrictions," he added. "However, our findings suggest that those organizations wanting to increase volunteering should take whatever steps they can to minimize the donors feeling like their donated [time](#) is controlled by outside forces."

More information: John P Costello et al, Why Are Donors More Generous with Time than Money? The Role of Perceived Control over Donations on Charitable Giving, *Journal of Consumer Research* (2022). [DOI: 10.1093/jcr/ucac011](https://doi.org/10.1093/jcr/ucac011)

Provided by University of Notre Dame

Citation: Charities can benefit by giving contributors more control over their donations, study shows (2022, March 16) retrieved 25 April 2024 from <https://phys.org/news/2022-03-charities->

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