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Why we give to charity

John List, an IPA Research Affiliate, has been cited in a Boston Globe article exploring the psychological dynamics involved in people donating.

Excerpt:

Another prominent theory to emerge from the research is that people give because of social pressure. [...] Those aren't the reasons we like to think of ourselves as donating, but experimental research on charity tends to support the notion that donating and thinking occupy separate realms. Jonathan Baron, a psychologist at the University of Pennsylvania, asked a group of participants which charity they'd rather give to: one that achieved its goals so efficiently that it could spend 20 percent of its money on advertising, or one that required more money to do the same amount of good, and thus spent less on promotion. Though the first charity was technically more efficient, people tended to favor the latter: What mattered to them was seeing more of their own money at work, Baron concluded, rather than the amount of good it did.

This conclusion is bolstered by the findings of John List, an economist at the University of Chicago, who tested the effectiveness of so-called matching programs, in which a major supporter agrees to match the contributions of individual donors. List expected to find that matching programs enticed people to give, by creating the (correct) impression that their money would go further. But List's results were curious: While charities that offered a matching program did inspire more people to give than charities that didn't, he was surprised to find that a higher matching ratio didn't lead to larger donations. People whose donations would be quadrupled "â€"â€"a huge increase in the power of their giftâ€"â€"didn't donate any more money than people whose donations would simply be doubled. "â€œPeople get utility or satisfaction out of giving to a good cause. And they do not care how much public good is provided,"â€" List said.

[Read the full piece](#), which contains many thought-provoking insights.

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