An experiment on donations, personal stories, and bad luck

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Abstract

We conducted a fundraising experiment to study the effects (1) of compassion towards the beneficiary, and (2) of giving participants an opportunity to attribute small donations to luck. We find that enhancing the participants' compassion by exposing them to a plea to help the beneficiary, increases donations, tilting the distribution of donations to the right. Giving participants an opportunity to attribute small donations to luck reduces donations and tilts the distribution of donations to the left. Our evidence suggests that the latter effect dominates.

Keywords: Charity, Donations, Experiment, Fundraising, Information, Plausible Justification **JEL classification:** C91, D64, D91, L31

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1. Introduction

People donate non-trivial shares of their income to charity (Andreoni et al., 2017; CAF, 2016). They are particularly likely to donate when they feel empathy, or compassion, towards the beneficiary or when they identify with the beneficiary (Andersson et al., 2017; Arbel et al., 2016; Arbel et al. 2019a,b; Fielding & Knowles, 2014). They are also likely to donate when they believe that the donation reflects on their self-image (Kessler, 2017), and when they are asked to donate by a solicitor (Andreoni et al., 2017; Andreoni & Rao, 2011).

People, however, also take advantage of opportunities to avoid donations. They use a back door to avoid a solicitor in a mall (Andreoni et al, 2017), and they avoid recycling machines that offer the opportunity to donate (Knutsson et al., 2013). They usually do not respond to letters asking them to donate (Donkers et al., 2017; Huck et al., 2015; Huck & Rasul, 2011). They make innocuous looking mistakes when the mistakes reduce the size of a donation, but make no such mistakes when the mistakes can harm their payoffs (Exley & Kessler, 2019). They reduce their donations when they can proclaim that the charity organization does not perform well (Exley, 2020), or when they convince themselves that the beneficiaries are not altruistic (Di Tella et al., 2015). They also take advantage of lotteries and uncertainty to reduce the size of their donations (Andreoni & Bernheim, 2009; Dana et al., 2007; Exley, 2015), even when they set the probabilities themselves (Snir, 2014). Potential donors also employ social dissonance to overcome any sense of guilt (Barkan et al., 2015).

Below, we add to the literature by using a lab experiment to study and compare (1) the effect of manipulating the donors' compassion towards the beneficiary, and (2) the effect of manipulating the ease with which the donors could "avoid the ask," i.e., make a small donation without appearing unkind (Andreoni et al, 2017).

In previous studies of donations, the focus was on varying either the level of compassion toward the beneficiary, or the easiness with which the participants could "avoid the ask" without appearing unkind. Thus, although it is known that when participants feel compassion towards the beneficiary, they tend to increase their donations (Bechler et al., 2015; Charness & Gneezy, 2008; Engel, 2011; Goeree et al., 2010), it is not clear whether compassion can overcome the tendency of the participants to make small donations when they can do so without appearing unkind (Dana et al., 2007; Dufwenberg & Dufwenberg, 2018; Snir, 2014).

In our experiment, we employ a 2×2 design. The first factor is the level of compassion, which we manipulated by letting the participants in half of the treatments read the personal story of a beneficiary and a plea to help him. The second factor is the ease with which participants could avoid the ask. We manipulated it by asking the participants in half of the treatments to determine the size of their donations by tossing dice, thus giving them an opportunity to attribute a decision to donate a small sum to an external factor, luck.

Our experimental design therefore allows us to compare the effect of manipulating the donors' compassion towards the beneficiary with the effect of giving the donors an opportunity to attribute small donations to an external factor. Comparing these two effects is important because one mechanism that charities often employ to encourage donations is giving the donors information about the beneficiaries, and sending pleas for help (Homer, 2021). Our results suggest abouts the effectiveness of such procedures in an environment in which the donors can attribute their decisions to an external factor, "luck."

In addition, because our data comes from a laboratory experiment, we can also control for socio-demographic factors that are hard to collect in other settings. Thus, we can control for age, gender, marital status, religiosity, etc.

We find that although the donors in our experiment enjoyed complete anonymity, they donated, on average, 55.8% of their endowment. This is almost twice the average share of donations in dictator games: 28.4% (Engel 2011). We also find that giving the donors to read a plea to help the beneficiary tilts the distribution of donations to the right. Enabling participants to use a lottery to determine the size of their donation, thus giving them an opportunity to attribute a small doantion to "luck," tilts the distribution of donations to the left. When participants read a plea to help the beneficiary and are also asked to use a lottery to determine the size of their donation is still tilted to the left relative to the baseline treatment. Thus, although reading a plea to help the beneficiary has a positive effect on the size of donations, the effect of attributing a small donation to luck is the dominating factor.

The rest of the paper is organized as follows. In Section 2, we describe the experimental design. In Section 3, we present a theoretical framework. In Section 4, we discuss the results. We conclude in Section 5.

2. Experimental design

We recruited participants by sending online invitations to students, asking them to participate in an experiment on donations that would take up to 30 minutes. The invitations were sent to students at Bar-Ilan University, College of Management at Rishon-Lezyon, Jerusalem College of Technology, Netanya Academic College, and the Open University of Israel.

We conducted 18 sessions in the second week of January 2021. Each participant took part in one session only.

Due to the Covid-19 pandemic, participation was via Zoom. That is, participants took part in the experiment from their homes. The participants were not asked to open their cameras or microphones. Over 95% of the participants did not open either. Therefore, each participant could feel confident that both the experimenters and the other participants could not observe her/his actions. In addition, since we recruited participants from several institutions, most participants were unacquainted with each other, minimizing reputation concerns (Cohn et al., 2014; Abeler et al., 2014). To further mitigate reputation concerns, we gave each participant an ID number at the beginning of each session that appeared on her/his zoom screens. All communication with the participants was conducted using the ID numbers.

At the beginning of a session, we sent the participants a link to the instructions. Then, an experimenter read the instructions aloud.

Each participant received an endowment of 50 NIS,¹ and was asked to donate 0, 10, 20, 30, 40, or 50 NIS to *Lehosheet-Yad*,² a charity that finances expensive treatments to children with cancer and supports their families. At the end of the experiment, each participant was paid the difference between 50 NIS and the sum s/he donated. Participants were also paid a 10 NIS show-up fee.

After reading the instructions, we conducted a short quiz to ensure that the participants understand the instructions. We then reviewed the answers to the quiz and asked the participants to make their donations.

We employed a 2×2 factorial design. Our first factor was the information that the participants had about the beneficiaries. In half of the sessions, participants received general

¹ Approximately \$15.72. The exchange rate at the time was 3.18 NIS for \$1.

² "Lehosheet Yad" ("Reaching out," in English): https://l-yad.org/en/ accessed August 5, 2022.

information about the charity. Participants in the other sessions received information about a child that the charity supports. The second factor was whether participants could attribute small donations to luck: in half of the sessions, participants made their donations directly. In the other sessions, participants were offered the possibility to toss a die in private and determine their donations by reporting the outcome.

We, therefore, had four treatments. In the baseline *not personal–no lottery* treatment, we showed the participants the homepage of the *Lehosheet-Yad* charity. The home page contains information about the charity's goal: Assisting children with cancer and their families. After the participants had a look at the homepage, we asked them to make their donations.

In the *personal–no lottery* treatment, instead of showing the participants the homepage of *Lehosheet-Yad* charity, we showed them a picture of a child that the charity supports and a plea to help him.³ The plea for help explains the child's medical condition and the situation of his parents, expresses his hope for a better future, and ends in a request for help. The participants were told that any money they donate would be transferred to the child's account at the charity. The participants were then asked to make their donations.

In the *not personal–lottery* treatment, as in the baseline *not personal–no lottery* treatment, we showed the participants the homepage of the *Lehosheet-Yad* foundation. We then asked them to take any die, toss it and report the outcome.⁴ Following Fischbacher and Follmi-Heusi (2013), we informed the participants that we would transfer a donation to the charity according to the reported outcomes, as follows: 10 NIS if they reported 1, 20 NIS if they reported 2, 30 NIS if they reported 3, 40 NIS if they reported 4, 50 NIS if they reported 5, and 0 NIS if they reported 6.

We made it clear to the participants that we are only interested in the outcome that they report, and that we have no way of knowing whether they tossed a die or whether they made their decision by using a different mechanism. We explicitly mentioned that their donations and payoffs are set according to the outcomes that they report, and that we would take their reports at face value.

³ We took the information about the child from the Lehoseet Yad internet site. <u>https://l-yad.org/en/projects/fighting-for-little-itais-life/</u>, accessed August 5, 2022.

⁴ We referred participants that did not have a die to an internet site offering a virtual die: <u>www.youtube.com/watch?v=9L-VhUmir-A</u>, accessed August 5, 2022.

In the *personal-lottery* treatment, we gave the participants information about a child supported by the charity, as in the *personal–no lottery* treatment. We then asked them to toss a die and report the outcome, as in the *not personal–lottery* treatment.

On average, participants' take-home payoff, including the show-up fee, was 32.08 NIS. Total donations were 12,650 NIS, which we transferred to the *Lehosheet-Yad* charity.⁵

3. Statistical analysis

The *not personal–no lottery* treatment is our baseline treatment. We use it to measure the propensity of participants to donate to charity. In the *personal–no lottery* treatment, participants receive a plea to help a beneficiary before deciding about the size of their donation. Consistent with papers studying the effect of feeling compassion and empathy on the size of donations (Fielding & Knowles, 2014; Arbel et al. 2016; Arbel et al. 2019a; Arbel et al., 2019b; Andersson et al., 2017), we expect that participants in this treatment would increase their donation relative to the baseline *not personal–no lottery* treatment. Therefore, relative to the *not personal–no lottery* treatment, the distribution of the donations in the *personal–no lottery* treatment should be tilted to the right.

In the *not personal–lottery* treatment, participants receive only general information about the charity and were asked to determine their donation by reporting the outcome of a privately tossed die. The participants knew that they enjoy full anonymity, since they took part in the experiment from their homes, and they could turn their cameras off at any moment. Indeed, 95% of the participants kept the cameras off throughout the experiment. Also, we have made it clear to the participants that we are only interested in the reported outcome, which we took at face value.

It is likely, therefore, that at least some participants used the die toss as a wiggle room (Dana et al., 2007) allowing them to make a self-interested choice while attributing the outcome to "luck" (Grossman & van der Weele, 2017). We, therefore, expect that relative to the baseline *not personal–no lottery* treatment, the distribution of the donations would be tilted to the left.

In the *personal–lottery* treatment, participants received the beneficiary's plea for help and were asked to determine the size of their donation by tossing a die. Thus, participants could have used the die as a wiggle room, but they were also given information designed to enhance

⁵ We made two separate transfers. We transferred 5,780 NIS to the charity's account, and 6,870 NIS to the child's account at the charity.

their compassion towards the beneficiary. Thus, in this treatment the size of donations might increase or decrease relative to the baseline treatment, depending on the relative size of these opposing effects.

3.1. Summary statistics

Table 1 presents the descriptive statistics of the 453 participants. The average age of the participants is about 27, 56% are women, 24% are married, and 47% volunteered in the 12 months prior to the experiment. 59% of the participants are employed, 74% of the participants donated to charity in the year prior to the experiment and 51% have or had a close acquaintance with a person who has, or had, a severe illness, 32% define themselves as religious or ultra-Orthodox, 35% study economics, and 51% define their economic situation as good or very good.

In Table 2, we report the average donations by treatment group. The lowest average donation is in the *not personal–lottery* treatment, 20.08 NIS. The highest average donation is in the *personal–no lottery* treatment, 36.91 NIS. The average donations in the *personal–lottery* and the *not personal–no lottery* treatments are 25.55 NIS and 29.74 NIS, respectively. Thus, the difference between the treatments with the lowest and highest average donations is 16.83 NIS, 83.8% of the average donation in the treatment with the lowest average donation.

The differences column in Table 2 reports the differences between the average donations in the *lottery* and the *no lottery* treatments. We find that the possibility to determine the donation by tossing a die reduced the average donation by 9.66 NIS in the *not-personal* treatments and by 11.36 NIS in the *personal* treatments. Wilcoxon rank-sum tests find that both differences are statistically significant (z > 3.92, p < 0.01, in both cases). The differences row reports the differences between the average donations in the *not personal* and in the *personal* treatments. We find that exposing participants to a plea to help the beneficiary increases the average donation by 7.17 NIS in the *no lottery* treatments and by 5.47 NIS in the *lottery* treatments. According to Wilcoxon rank-sum tests, these differences are also statistically significant (z > 2.14, p < 0.05, in both cases).

These results suggest a significant willingness to donate: on average, participants in the baseline *not personal–no lottery* donated 61.5% of their endowment. The results also suggest that both exposing the participants to a plea to help the beneficiary and asking them to toss a die had significant effects on the size of donations: Relative to the baseline treatment, exposing the participants to a plea to help the beneficiary increased donations by 7.17 NIS. Asking them

to toss a die, thus giving them opportunity to attribute small donations to luck, reduced donations by 9.66 NIS. In the *personal-lottery* treatment, in which participants received the beneficiary's plea for help and were asked to toss a die, the average donation is lower by 4.19 NIS (p < 0.06) compared to the baseline treatment (*not personal-no lottery*). Thus, it seems that the effect of tossing a die was stronger than the effect of receiving a plea to help the beneficiary.

3.2. The distributions of the donations

Figure 1 depicts the distributions of donations in each of the four treatments. Focusing on the distribution of the donations in the baseline *not personal–no lottery* treatment, we note three features: first, the shares of participants that donated 0, 10, 20, and 30 NIS are similar: 13.16%– 15.79%. A Pearson chi-square test cannot reject the hypothesis that for these values, the distribution of the donations is uniform ($\chi^2 = 0.30$, p < 0.96). Second, the share of participants that donated 40 NIS, 1.75%, is significantly lower than the shares of participants that donated any of the other sums. The χ^2 -test values for comparing the proportion of the participants that donated 40 NIS with the proportions of the participants that donated each of the other sums are all greater than 11.82 (p < 0.01). Third, the share of participants that donated 50 NIS, 40.35%, is more than 2.5 times larger than the share of participants that donated any other sum. These differences are also statistically significant ($\chi^2 > 16.97$, p < 0.01, in all cases).

These results imply that in the baseline treatment, participants had a strong propensity to donate. Only 13.16% of the participants donated zero, and, as summarized in Table 3, 57.02% of the participants donated more than 50% of their endowment (30, 40, or 50 NIS). This is significantly more than the share of the participants that donated less than 50% (i.e., took more than 50% to themselves by donating 0, 10 or 20 NIS. $\chi^2 = 3.95$, p < 0.05). Furthermore, only two participants donated 40 NIS, compared to the 46 that donated 50 NIS, suggesting that participants that decided to donate a large sum preferred donating all their endowment over donating 4/5.

The propensity to donate is even stronger in the *personal-no lottery* treatment. When participants received a plea to help the beneficiary, only 1 out of 110 participants donated 0. This is significantly less than the share of participants that donated 0 in the baseline *not personal-no lottery* treatment, 15 out of 114 ($\chi^2 = 12.67$, p < 0.01). The participants in the *personal-no lottery* treatment were also more likely to donate 50 NIS than participants in the

not personal-no lottery treatment. 57 out of 110 donated 50 NIS in the personal-no lottery treatment, 11.47 percentage points (*ppt*) more than in the not personal-no lottery treatment ($\chi^2 = 2.96$, p < 0.09).

The higher propensity to donate in the *personal-no lottery* treatment can also be seen in the share of participants that donated more than 50% of their endowment. According to Table 3, 70.91% of the participants in the *personal–no lottery* treatment donated more than they took to themselves. This is 13.89 ppt more than the corresponding figure in the *not personal–no lottery* treatment ($\chi^2 = 4.68$, p < 0.05). Thus, the evidence suggests that giving participants to read a plea to help the beneficiary increases donations.

Next, we study the distribution of donations in the *not personal–lottery treatment*, in which the participants were only given general information about the charity and were asked to determine their donation by reporting the outcome of a die toss. Consistent with Fischbacher and Follmi-Heusi (2013), we find that a Pearson chi-square test rejects the null hypothesis of a uniform distribution ($\chi^2 = 11.84$, p < 0.04). In other words, a significant share of the participants did not determine the size of their donation according to the outcome of a die toss.

Instead, the distribution of the donations in the *not personal–lottery* treatment is tilted to the left relative to the distribution in the baseline *not personal–no lottery* treatment. This is most evident in the share of participants that donated 0 NIS, 24.37%, which is 85% higher than in the *not personal–no lottery* treatment ($\chi^2 = 4.78$, p < 0.03). In addition, the share of participants that donated 10, 20, 30, or 40 NIS in the *not personal–lottery* treatment is higher than in the *not personal–no lottery* treatment ($\chi^2 = 6.43$, p < 0.02). The share of participants that donated 50 NIS in the *not personal–lottery* treatment, 12.61%, on the other hand, is only 31.25% of that in the *not personal–no lottery* treatment ($\chi^2 = 23.19$, p < 0.01).

Thus, offering the participants the possibility to determine their donation by reporting the outcome of a die toss resulted in a significant decline in the size of donations. Only 36.13% of the participants in the *not personal–lottery* treatment donated more than they took to themselves, compared to 57.02% in the *not personal–no lottery* treatment ($\chi^2 = 10.21$, p < 0.01) and to 70.91% in the *personal–no lottery* treatment ($\chi^2 = 27.74$, p < 0.01).

Finally, in the *personal–lottery* treatment, where we gave participants to read a plea to help the beneficiary and asked them to determine their donation by reporting the outcome of a die toss, the distribution of the donations has a U shape, with peaks at 0 NIS and 50 NIS. In both cases, the shares are in between the shares in the *personal– no lottery* and in the *not personal–lottery* treatments.

The share of participants that donated 0 NIS, 20.91%, is 22.98 times the share in the *personal–no lottery* treatment ($\chi^2 = 22.61$, p < 0.01) and 85.80% of the share in the *not personal–lottery* treatment ($\chi^2 = 0.39$, p > 0.53). The share of participants that donated 50 NIS, 23.64%, is 45.62% of the share in the *personal–no lottery* treatment ($\chi^2 = 18.59$, p < 0.01) and 87.47% higher than in the *not personal–lottery* treatment ($\chi^2 = 4.73$, p < 0.04). Thus, the share of participants that donated 0 NIS is more similar to the share in the *not personal–lottery* treatment than to the share in the *personal–no lottery* treatment. The share that donated 50 NIS is also more similar to the *not personal–lottery* treatment. The share in the *personal–lottery* treatments.

Further, the share of participants in the *personal–lottery* that donated more than 50% of their endowment, 47.27%, is in between the shares in the *personal–no lottery* treatment, 70.91%, and in the *not personal–lottery* treatment, 36.13%. The difference between the shares in the *personal–lottery* treatment and in the *personal–no lottery* treatment is statistically significant ($\chi^2 = 12.71$, p < 0.01). The difference between the shares in the *personal–lottery* treatment is only marginally significant ($\chi^2 = 2.92$, p < 0.10).

Thus, we find that when participants read a plea to help the beneficiary and are asked to determine their donation by tossing a die, their donation is affected by both these factors. However, it seems that the effect of tossing dice is stronger, as the distribution is more similar to the distribution in the *not personal–lottery* treatment than to the distribution in the *personal–no lottery* treatment.

3.3. Stochastic dominance

Figure 2 depicts the cumulative distributions of the donations in each of the four treatments. It illustrates that the distributions can be ordered in terms of stochastic dominance. The *personal–no lottery* treatment exhibits first order stochastic dominance (*FSD*) over the other three distributions. The *not personal–no lottery* treatment exhibits FSD over the *personal–lottery* treatments. The *personal–lottery* treatment exhibits FSD over the *personal–lottery* treatment exhibits FSD over the *personal–lottery* treatment.

Table 4 provides the same information as Figure 2. The table's columns describe the cumulative distribution of donations in each of the four treatments. The columns are ordered such that each distribution exhibits FSD over the distributions to its right. The bottom row gives the K-S statistics for testing the significance of the differences between the distributions. We find that all the FSDs are statistically significant.

The order of the FSDs suggests that asking participants to toss a die has a larger effect on the willingness of the participants to donate than giving them to read a plea to help the beneficiary. Indeed, the distributions of the donations in both the *personal–lottery* and the *not personal–lottery* treatments exhibit FSD over the distributions of the donations in both the *not personal–no lottery* and the *personal–no lottery* treatments. Therefore, even after reading a plea to help the beneficiary, participants that were asked to toss a die donated smaller sums than participants that were only given general information about the charity and made their donations directly.

This being said, the effect of reading the beneficiary's plea for help is also significant, which is reflected by the FSD of the distribution in the *personal–no lottery* treatment over the distribution in the *not personal–no lottery* treatment, and the FSD of the distribution in the *personal–lottery* treatment over the distribution in the *not personal–lottery* treatment. Thus, while giving participants an opportunity to attribute their decision to luck reduces the size of their donations, letting them read the beneficiary's plea for help increases their donations. The increase in donations, however, does not fully offset the effect of giving the participants an opportunity to attribute their decisions to luck.

3.4. Regression analysis

To shed further light on the effects of letting participants read the beneficiary's plea for help and of letting them determine their donation by reporting the outcome of a die toss, we estimate a multinomial logistic regression. The multinomial logistic regression has the advantage of succinctly summarizing the effects of the independent variables on the probability that a participant would make any of the possible donations. We therefore estimate:

$$ln\left(\frac{Pr(Y_i=k)}{Pr(Y_i=50)}\right) = \beta_k \cdot X_i$$

for each $k \in \{0, 10, 20, 30, 40\}$, where we choose a donation of 50 NIS as the pivot outcome. β_k is a vector of coeffcients, and X_i is a vector of independent variabels. We cluster the standard errors at the session level.

Panel 1 of Table 5 presents the results of a regression in which the only independent variables are *tossing dice*, which equals 1 if the participant took part in a treatment in which s/he was asked to toss a die and 0 otherwise, and the *beneficiary's plea*, which equals 1 if the participant took part in a treatment in which s/he read a plea to help the beneficiary and 0 otherwise. We cluster the standard errors by sessions.

The regression coefficients in the table indicate the effect that the independent variables have on the probability of each of the outcomes. The $\beta_{tossing dice} = -\beta_{Beneficiary's plea}$ row displays the χ^2 statistic for testing the hypothesis that the coefficient of *tossing dice* is equal to the negative of the coefficient of the *beneficiary's plea*. In other words, this column tests whether the effect of the reading a plea to help the beneficiary cancels out the effect determining the size of the donation by reporting the outcome of a die toss.

We find that the coefficients of *tossing dice* are positive and statistically significant for donations of 0, 10, 20, and 40 NIS. The coefficient is positive and marginally significant for donations of 30 NIS. This implies that asking participants to report the outcome of a die toss increases the probability of small donations, whereas the probability of a donation of 50 NIS (the pivot outcome) decreases.

The coefficients of the *beneficiary's plea* are negative and statistically significant for donations of 0 and 10 NIS. They are negative and not statistically significant for donations of 20 and 30 NIS, and positive and not statistically significant for donations of 40 NIS. Therefore, in treatments in which participants read the beneficiary's plea for help, they are less likely to make small donations, and, therefore, are more likely to make a donation of 50 NIS.

We also find that the effects of reading a plea to help the beneficiary do not cancel out those of reporting the results of a die toss for 0 NIS ($\chi^2 = 2.98, p < 0.09$), 20 NIS ($\chi^2 = 3.66, p < 0.06$), and for 40 NIS ($\chi^2 = 75.28, p < 0.01$). These results indicate that even after reading a plea to help the beneficiary, participants in the *personal–lottery* still make more 0, 20 and 40 NIS donations than participants in the baseline treatment (*not personal–no lottery*). It follows that participants in the baseline treatment are more likely to make donations of 50 NIS. Consequently, the distribution of donations in the *not personal–no lottery* treatment exhibits FSD over the distribution of donations in the *personal–lottery* treatment, as discussed in Section 3.3.

In panel 2, we add the following controls to check whether the results are affected by the participant socio-demographic characteristics: *Age*, the age of the participant in years. *Woman*, a dummy that equals 1 if a participant is a woman and 0 otherwise. *Married*, a dummy that equals 1 if the participant is married and 0 otherwise. *Children*, a dummy that equals 1 if the participant has children and 0 otherwise. *Volunteered in the past 12 months*, a dummy that equals 1 if the participant volunteered in the 12 months prior to the experiment and 0 otherwise. *Donated in the past 12 months*, a dummy that equals 1 if the participant to the experiment and 0 otherwise. *Acquaintance with severe illness*, a dummy that equals 1 if the participant has (or had) a close acquaintance with someone with a severe illness and 0 otherwise. *Religious*, a dummy that equals 1 if the participant defines herself/himself as either religious or ultra-Orthodox and 0 otherwise. *Good economic situation*, a dummy that equals 1 if the participant studies economics and 0 otherwise. *Good economic situation*, a dummy that equals 1 if the participant studies economics that his/her economic situation is either good or very good.

We find that the only socio-demographic variables that have a systematic effect are age and good economic situation. As participants get older, they are less likely to donate small sums. Participants that have a good economic situation are also less likely to donate small sums. Thus, in our settings, participants that are older, and participants that perceive themselves as well off are more likely to donate their full endowment, 50 NIS.

More important, the main results remain unchanged: Participants that read the beneficiary's plea for help tended to make larger donations, while participants that were asked to determine their donation by reporting the outcome of a die toss made smaller donations. We also find evidence that the latter effect is stronger than the former. The results therefore suggest that our main results are almost orthogonal to the participants' characteristics. In our setting, regardless of the participants' characteristics, participants donate less when they have an opportunity to do so without appearing unkind, donate more when they read the plea to help the beneficiary, and the former effect is stronger than the latter.

3.5. Aversion to lies vs. avoiding the ask

The average donations in the *not personal–no lottery* and in the *personal–no lottery* treatments were 29.74 NIS and 36.91 NIS, respectively. Therefore, an alternative explanation to the finding that the no lottery treatments exhibit FSD over the lottery treatments is that many participants adhered to the dice outcomes. If this was the case, we would expect that the average donation would be 25 NIS, significantly below the average donations in the no lottery treatments.

We believe that this was not the case, because the distribution of the donations in both the lottery treatments is not uniform. The χ^2 statistics for testing the null hypothesis of uniform distributions are 10.98 (p < 0.06) and 11.84 (p < 0.04) for the *personal–lottery* and for the *not personal–lottery* treatments, respectively.

We can also test the lying aversion of the participants more directly. In addition to the sociodemographic questions, we asked the participants in the lottery treatments two questions about the dice outcomes. The first question was "how close was the die's outcome to the donation you would have made in the absence of a die toss?" The participants could respond that the outcome was identical to the donation s/he would have chosen, 10 NIS away from the donation s/he would have chosen, or more than 10 NIS away from the donation s/he would have chosen. The second question was "how close was the outcome that you reported to the outcome of the die toss?" The participants could respond that they reported the die toss outcome, 10 NIS away from the die toss outcome or more than 10 NIS away from the die toss outcome, 10 NIS away

We find that 19.7% of the participants reported that the dice outcomes were the same as their donations in the absence of a die toss, 30.1% reported that the outcomes were up to 10 NIS away from their donations in the absence of a die toss and 50.2% reported that the outcomes were more than 10 NIS away from their donations in the absence of a die toss.

Table 6 gives the distribution of the participants' choices. The rows of the table give whether the outcome of a dice toss was the same as the donation that a participant would have made in the absence of a die toss, 10 NIS away from the donation s/he would have made in the absence of a die toss, or more than 10 NIS away from the donation s/he would have made in the absence of a die toss.

The columns give the share of the participants that chose to donate the same as the outcome of the dice toss, up to 10 NIS away from the outcome of the dice toss, or more than 10 NIS away from the outcome of the dice toss. The figures in each row sum up to 100%.

We find that the participants' choices strongly depend on the distance between the outcome of the die toss from their preferred donation in the absence of a die toss. Those that had an outcome that was the same as the donation they would have made in the absence of a die toss, made their donation according to the die toss. When the distance between the outcome of the die toss and the donation that they would have made in the absence of a die toss was 10 NIS, 62.3% of the participants made their donation according to the die toss.

When the outcome of the die toss was more than 10 NIS away from the donation the participant would have made in the absence of a die toss, only 9.6% of the participants made their donations according to the die toss. 34.8% made a donation that was 10 NIS away from the outcome of the die toss, and the majority, 55.6%, made a donation that was more than 10 NIS away from the outcome of the die toss.

It therefore seems that the participants donated in accordance with the outcome of the dice tosses when the outcomes were similar to the donations they would have made in the absence of die tosses. When the outcomes differed by more than 10 NIS from the donation they would have made in the absence of a die toss, 90.4% of the participants made a donation that was different than the outcome of the die toss.

We conclude that most of the participants did not perceive the dice outcomes as restrictive. Rather, the participants stuck by the outcomes of the dice tosses when they were convenient to them, and deviated when the dice tosses were inconvenient.

4. Conclusions

We used a lab experiment with a 2×2 design to study two factors that affect the willingness to donate to charity: (a) feeling compassion towards the beneficiary and (b) The ability of the donors to attribute small donations to luck.

We find that giving participants to read a plea to help the beneficiary, thus increasing the compassion they feel towards the beneficiary, tilts the distribution of donation to the right. Giving the participants an opportunity to attribute small donations to luck, tilts the distribution of donations to the left. Also, we find that the latter effect dominates the former.

Our findings, therefore, suggest that exposing participants to emotionally loaded information in the form of a personal plea for help effectively encourages donations in environments where the participants can reduce donations without appearing unkind. However, emotionally loaded information is not a panacea: many participants still wriggle out of donations even after being exposed to such information. Further, our results suggest that an opportunity to attribute a small donation to luck has a stronger effect than exposing the participants to a personal plea for help. Thus, an environment where participants cannot attribute the size of their donation to external factors, such as luck, is likely to be more effective in soliciting donations than manipulating the donors' compassion towards the beneficiaries.

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Tables

Table 1: Descriptive statistics

% Of participants in the baseline treatment	24.57
% Of participants in the personal treatment	26.08
% Of participants in the lottery treatment	25.65
% Of participants in the personal-lottery treatment	23.71
Average contribution (NIS)	27.92 (18.509)
Age (years)	26.67 (7.296)
% Women	55.85
% Married	23.62
% Of participants having children	17.88
% Volunteered in the past 12 months	47.46
% Contributed to charity in past 12 months	74.17
% Having close acquaintance with a severely ill individual	51.43
% Employed full-time or part time	59.38
% Religious	31.79
% Economics students	34.88
% Good economic situation	50.99
Observations	453

Note: Standard deviations are written in parentheses.

Treatment	No lottery	Lottery	Differences
Not personal	29.74	20.08	-9.66***
Personal	36.91	25.55	-11.36***
Differences	7.17***	5.47**	

Table 2: Average	donation	by	treatment
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Notes: The average donations by treatment. The differences column/row presents the differences between the average donations in the corresponding cells. The significance levels are calculated according to the Wilcoxon rank-sum test. **- p < 5%, and *** - p < 1%.

Treatment	(A) The proportion of participants who donated 0-20	(B) The proportion of participants who donated 30-50	(C) Difference: (A)-(B)	
Not personal–No lottery	42.98%	57.02%	-14.04%**	
Personal–No lottery	29.09%	70.91%	-41.82%***	
Not personal– Lottery	63.87%	36.13%	27.74%***	
Personal– Lottery	52.73%	47.27%	5.46%	

Table 3: Proportion of subjects who contributed 0-20 vs. the proportion of subjects who contributed 30-50

Notes: Stars display the significance of the differences between columns A and B according to Pearson's chisquare statistics. **- p < 5%, and *** - p < 1%.

Donations	(A) Personal – No lottery	(B) Not personal – No lottery	(C) Personal – Lottery	(D) Not personal – Lottery
0	0.91%	13.16%	20.91%	24.37%
10	9.09%	28.95%	34.55%	44.54%
20	29.09%	42.99%	52.73%	63.87%
30	43.64%	57.90%	60.00%	79.00%
40	48.19%	59.65%	76.36%	87.40%
50	100.00%	100.00%	100.00%	100.00%
FSD over columns:	B**	C*	D**	
	C***	D***		
	D***			

Table 4: Cumulative distribution of donations by treatment

Notes: The table reports the cumulative distributions of the donations in each of the treatments. The columns are ordered according to first-order stochastic domination. The distribution in each column is first-order stochastic dominant over the distributions to its right. The *FSD over columns* row reports the columns over which each column is first-order stochastically dominant. The statistical significance of the FSD was calculated according to the K-S test. * -p<10%, **-p<5%, and *** -p<1%.

			(1)					(2)		
	0 NIS	10 NIS	20 NIS	30 NIS	40 NIS	0 NIS	10 NIS	20 NIS	30 NIS	40 NIS
Tossing dice	2.13***	1.31***	1.05***	0.70*	2.30***	2.15***	1.41***	1.05***	0.69*	2.33***
-	(0.391)	(0.310)	(0.339)	(0.426)	(0.385)	(0.400)	(0.254)	(0.272)	(0.389)	(0.388)
Beneficiary's plea	-0.97**	-0.90***	-0.26	-0.70	0.286	-1.21***	-1.09	-0.45*	-0.85**	0.19
	(0.449)	(0.282)	(0.333)	(0.438)	(0.262)	(0.419)	(0.263)	(0.259)	(0.406)	(0.293)
Age						-0.08**	-0.02	-0.04*	-0.02	-0.04
_						(0.037)	(0.022)	(0.24)	(0.028)	(0.031)
Woman						-0.25	0.43	-0.10	0.29	0.25
						(0.251)	(0.378)	(0.323)	(0.309)	(0.336)
Married						0.14	0.65	0.01	-0.38	-0.23
						(0.591)	(0.682)	(0.466)	(0.433)	(0.648)
Children						0.11	-0.82	0.08	-0.05	0.61
						(0.597)	(0.870)	(0.586)	(0.721)	(0.681)
Volunteered 12						0.09	0.24	-0.25	-0.59	-0.29
months						(0.400)	(0.278)	(0.317)	(0.410)	(0.552)
Donated 12 months						-0.39	-0.60	-0.12	0.40	-0.45
						(0.469)	(0.430)	(0.398)	(0.553)	(0.439)
Acquaintance with						0.14	0.28	0.358	0.55	0.95**
severe illness						(0.332)	(0.336)	(0.371)	(0.382)	(0.454)
Employment						-0.47	-0.31	-0.07	0.11	-0.05
						(0.334)	(0.397)	(0.307)	(0.260)	(0.539)
Religious						0.30	0.21	0.45	0.51	0.27
-						(0.396)	(0.445)	(0.395)	(0.369)	(0.560)
Economics student						-0.20	0.01	-0.31	-0.16	-0.02
						(0.495)	(0.356)	(0.285)	(0.344)	(0.313)
Good economic						-0.53	-0.45	-0.63**	-0.41	-0.58*
situation						(0.363)	(0.334)	(0.275)	(0.268)	(0.353)
Constant	-1.43***	-0.93***	-0.86^{***}	-0.800 * * *	-2.86***	1.53	-0.05	0.75	-0.62	-1.85**
	(0.299)	(0.325)	(0.267)	(0.280)	(0.290)	(1.210)	(0.757)	(0.819)	(1.039)	(0.840)
$eta_{tossing\ dice}$										
$= -\beta_{Beneficiary's plea}$	2.98*	0.65	3.66*	0.00	75.28***	2.78*	0.50	3.15*	0.14	51.28***hn
Pseudo R ²			0.05					0.09		
Observations			453					453		

 Table 5. Regression analysis

Notes: Results of multi-logistic regressions. The dependent variable is the sums donated by the participants (0 NIS, 10 NIS, 20 NIS, 30 NIS, 40 NIS), with the pivot group being 50 NIS. Tossing dice is a dummy that equals 1 if the participants were asked to toss a die and 0 otherwise. Beneficiary's plea is a dummy that equals 1 if the participant read a plea to help the beneficiary before donating. Age is the participants age, in years. Woman is a dummy that equals 1 if the participant is a woman and 0 otherwise. Married is a dummy that equals 1 if the participant is married and 0 otherwise. Children is a dummy that equals 1 if the participant has children and 0 otherwise. Volunteered 12 months is a dummy that equals 1 if the participant has volunteered in the 12 months prior to the experiment and 0 otherwise. Donated 12 months is a dummy that equals 1 if the participant donated in the 12 months prior to the experiment and 0 otherwise. Acquaintance with severe illness is a dummy that equals 1 if the participant has or had a close acquaintance with a person who has, or had, a severe illness. Religious is a dummy that equals 1 if the participant defined himself/herself as either religious or ultra-Orthodox. Economics student is a dummy that equals 1 if the participant studies economics. Good economic situation is a dummy that equals 1 if the participant defines his/her economic situation as either good or very good. $\beta_{tossing dice} =$ $-\beta_{Beneficiary's plea}$ gives the χ^2 statistic for testing the hypothesis that the coefficient of tossing dice is equal to minus the coefficient of beneficiary's plea. Robust standard errors, clustered at the session level, are reported in parentheses.

Table 6. The distance between participants' donations and the dice outcomes

Dice outcomes	Participants' choices				
	Same as dice outcome	10 NIS away	More than 10 NIS away		
Same	100.0%	0.0%	0.0%		
10 NIS away	62.3%	37.7%	0.0%		
More than 10 NIS away	9.6%	34.8%	55.6%		

Notes: The columns of the table describe the percentage of the participants that chose their donations exactly the same as the die toss outcome, 10 NIS away from the die toss outcome, or more than 10 NIS away from the die toss outcome. The rows show whether the die outcome was exactly the same as the donation that the participants would have chosen in the absence of a die toss, 10 NIS away from the donation that the participants would have chosen in the absence of a die toss, or more than 10 NIS away from the donation that the participants would have chosen in the absence of a die toss. The figures in each row sum up to 100.0%.

Figures

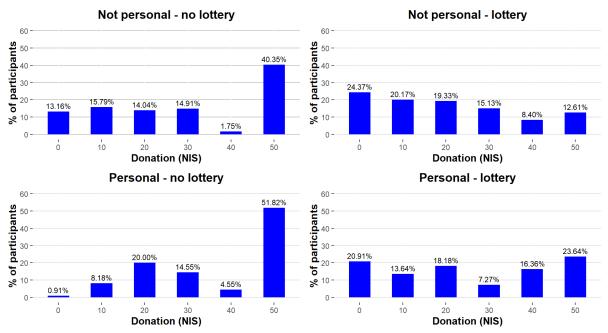


Figure 1: The distribution donations by treatment

Notes: The figure depict the distribution of the sums contributed in each of the four treatments.

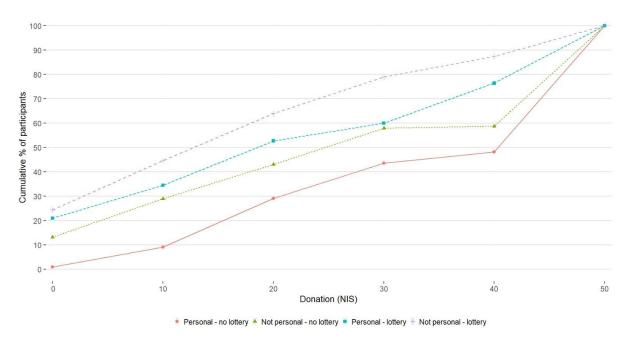


Figure 2: Cumulative distributions by treatment

Notes: The cumulative distribution of the donations in each of the four treatments.

Appendix (Not for publication)

Introduction (applies to all of the treatments)

Hello, we are Dr. Ronen Bar-El, Dr. Limor Hatzor, and Dr. Avichai Snir, faculty members at the Open University of Israel, Lev Academic Center, and Netanya College. We conduct a multi-participant study on charitable donations. We thank you for your willingness to participate in this short experiment and appreciate your contribution to the understanding of this important topic.

As a gratitude for your participation, you will receive a sum of 10 NIS. The final amount you will receive at the end of the experiment will consist of the 10 NIS and an additional sum determined solely by a decision you will make during the experiment.

To maintain your anonymity, you will be identified throughout the experiment only by the experiment number assigned to you at the beginning of the session.

Before starting the experiment, we ask you to read the instructions carefully and answer a short questionnaire designed to make sure that you understand the instructions correctly. After verifying that you have understood the instructions correctly, we will begin the experiment itself.

In the final stage of the experiment, you will be asked to fill out a short socioeconomic questionnaire.

After submitting your answers to the questionnaire, you'll be kindly asked to fill out a google form with your experiment number and phone number, which will be used to transfer the payment to your account using a phone app ("bit" or "PayBox"). This will end the experiment.

If a particular question makes you uncomfortable, you may skip it. You can also terminate your participation in the experiment at any stage without this having any negative consequences.

The questionnaire is anonymous, and the information you provide will be used for research purposes only.

Participation in the experiment and completing the questionnaire constitute consent to participate in the research. This without prejudicing your right to terminate your participation at any time.

At the end of the experiment, all of the donated money will be transferred to the "Lehosheet Yad" organization.

Thank you very much for your cooperation.

For any questions about the study and a copy of the receipt for the donations, please contact <u>ronenba@openu.ac.il</u>.

* The experiment and the questionnaire are intended for those aged 18 and over.

NEXT

Treatment: Not personal – No lottery

Instructions

At the beginning of the experiment, you will have 50 NIS at your disposal. You will have to decide how much of the 50 NIS you donate to the "Lehosheet Yad" organization.

The organization's homepage is <u>https://1-yad.org</u>.

The payment you will receive at the end of the experiment (beyond the initial amount of 10 NIS) is the difference between the 50 NIS and the sum you will decide to donate.

You will receive the payment using "bit" or "PayBox" apps, according to your choice.

NEXT

The webpage of "Lehosheet Yad" is displayed here. To maintain anonymity, we removed the photos of the children from the picture.



Translation:

Reaching out. Saving live.

The "Lehosheet Yad" foundation is a cancer patient foundation, focusing on support, aid, and financial assistance to children with cancer and other complex disabilities. The foundation supports the brave children and their families throughout their persistent struggle with the disease and the new challenges it forces them to face.

Next

Test questionnaire

The following questions are intended to verify that you understand the experiment.

If you decide to donate 50 NIS, what will be the total amount you will receive? (In addition to the initial amount of 10 NIS)

- 50 NIS
- $\circ \quad 40 \text{ NIS}$
- $\circ \quad 30 \text{ NIS}$
- $\circ \quad 20 \text{ NIS}$
- 10 NIS
- $\circ \quad 0 \text{ NIS}$

If you decide to donate 20 NIS, what will be the total amount you will receive? (In addition to the initial amount of 10 NIS)

- $\circ \quad 50 \text{ NIS}$
- 40 NIS
- 30 NIS
- $\circ \quad 20 \text{ NIS}$
- $\circ \quad 10 \text{ NIS}$
- \circ 0 NIS

If you decide to donate 0 NIS, what will be the total amount you will receive? (In addition to the initial amount of 10 NIS)

- $\circ \quad 50 \text{ NIS}$
- $\circ \quad 40 \text{ NIS}$
- $\circ \quad 30 \text{ NIS}$
- $\circ \quad 20 \text{ NIS}$
- $\circ \quad 10 \text{ NIS}$
- $\circ \quad 0 \text{ NIS}$

Please wait until the experimenter approves to continue

The experiment page:

Please write down your participant number as you received from the experimenter at the beginning of the experiment: _____

You have 50 NIS at your disposal. Please decide how much of the 50 NIS you donate to the charity organization "Lehosheet Yad". The rest of the money will remain in your possession at the end of the experiment.

Please choose your donation from the following options:

- \circ 0 NIS
- 0 10 NIS
- $\circ \quad 20 \text{ NIS}$
- $\circ \quad 30 \text{ NIS}$
- $\circ \quad 40 \text{ NIS}$
- $\circ \quad 50 \text{ NIS}$

Treatment: Personal – No lottery

Instructions

At the beginning of the experiment, you will have 50 NIS at your disposal. You will have to decide how much of the 50 NIS you donate to the "Lehosheet Yad" organization.

The organization's homepage is <u>https://1-yad.org</u>.

The payment you will receive at the end of the experiment (beyond the initial amount of 10 NIS) is the difference between the 50 NIS and the sum you will decide to donate.

You will receive the payment using "bit" or "PayBox" apps, according to your choice.

NEXT

- The personal story of the child to whom we raised funds and his photo as they appear on the website of Lehosheet Yad" were displayed here.
- To keep the child's privacy, we do not translate the information about the child or present his photo.
- The data is available at: <u>https://l-yad.org/en/projects/fighting-for-little-itais-life/</u>, accessed August 5, 2022.

NEXT

Test questionnaire

The following questions are intended to verify that you understand the experiment.

If you decide to donate 50 NIS, what will be the total amount you will receive? (In addition to the initial amount of 10 NIS)

- 50 NIS
- $\circ \quad 40 \text{ NIS}$
- $\circ \quad 30 \text{ NIS}$
- $\circ \quad 20 \text{ NIS}$
- 10 NIS
- $\circ \quad 0 \text{ NIS}$

If you decide to donate 20 NIS, what will be the total amount you will receive? (In addition to the initial amount of 10 NIS)

- $\circ \quad 50 \text{ NIS}$
- 40 NIS
- 30 NIS
- $\circ \quad 20 \text{ NIS}$
- $\circ \quad 10 \text{ NIS}$
- \circ 0 NIS

If you decide to donate 0 NIS, what will be the total amount you will receive? (In addition to the initial amount of 10 NIS)

- $\circ \quad 50 \text{ NIS}$
- $\circ \quad 40 \text{ NIS}$
- $\circ \quad 30 \text{ NIS}$
- $\circ \quad 20 \text{ NIS}$
- $\circ \quad 10 \text{ NIS}$
- $\circ \quad 0 \text{ NIS}$

Please wait until the experimenter approves to continue

The experiment page:

Please write down your participant number as you received from the experimenter at the beginning of the experiment: _____

You have 50 NIS at your disposal. Please decide how much of the 50 NIS you donate to the charity organization "Lehosheet Yad." The rest of the money will remain in your possession at the end of the experiment.

Please choose your donation from the following options:

- \circ 0 NIS
- 0 10 NIS
- $\circ \quad 20 \text{ NIS}$
- $\circ \quad 30 \text{ NIS}$
- $\circ \quad 40 \text{ NIS}$
- $\circ \quad 50 \text{ NIS}$

Treatment: Not Personal - Lottery

Instructions

At the beginning of the experiment, you will have 50 NIS at your disposal. You will have to decide how much of the 50 NIS you donate to the "Lehosheet Yad" organization.

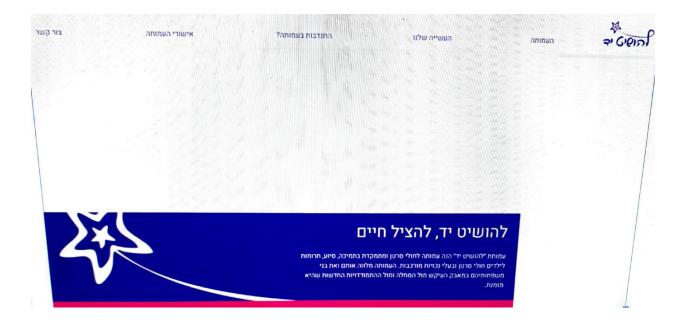
The organization's homepage is <u>https://1-yad.org</u>.

The payment you will receive at the end of the experiment (beyond the initial amount of 10 NIS) is the difference between the 50 NIS and the sum you will decide to donate.

You will receive the payment using "bit" or "PayBox" apps, according to your choice.

NEXT

The webpage of "Lehosheet Yad" is displayed here. To maintain anonymity, we removed the photos of the children from the picture.



Translation:

Reaching out. Saving live.

The "Lehosheet Yad" foundation is a cancer patient foundation, focusing on support, aid, and financial assistance to children with cancer and other complex disabilities. The foundation supports the brave children and their families throughout their persistent struggle with the disease and the new challenges it forces them to face.

Next

We ask you to determine the amount you will donate by tossing a die. You may toss a real die or a virtual one. In both cases, you are the only one who will know the outcome. You can toss the die as many times as you like, but only the first toss counts.

After tossing the die, you will be asked to report the outcome. The amount that will be donated on your behalf will be determined according to your report, as follows:

Reported outcome	The amount of the donation
1	10 NIS
2	20 NIS
3	30 NIS
4	40 NIS
5	50 NIS
6	0 NIS

The payment you will receive at the end of the experiment (beyond the initial amount of 10 NIS) is the difference between the 50 NIS and the sum that you decide to donate.

You will receive the payment using "bit" or "PayBox" apps, according to your choice.

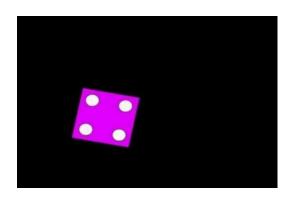
Test questionnaire

The following questions are intended to verify that you understand the experiment correctly.

As a reminder, your donation will be determined according to your report on the outcome, as follows:

Reported outcome	The amount of the donation
1	10 NIS
2	20 NIS
3	30 NIS
4	40 NIS
5	50 NIS
6	0 NIS

You may now experiment with using the virtual die. To toss the die, click on it with the left mouse button. To stop the die and see the result, click on it again or press the space bar. If you want to toss the die more times, all you have to do is click on the screen as many times as you like.



https://www.youtube.com/watch?v=9L-VhUmir-A

What was the result you got in the first toss?

- o 1
- o 2
- o 3
- o 4
- o 5

o 6

If you report that the outcome is 3, how much money will be donated, and how much will be paid to you at the end of the experiment (in addition to the initial sum of 10 NIS)?

- Donate 0 NIS; you will be paid 60 NIS
- Donate 10 NIS; you will be paid 50 NIS
- Donate 20 NIS; you will be paid 40 NIS
- Donate 30 NIS; you will be paid 30 NIS
- Donate 40 NIS; you will be paid 20 NIS
- Donate 50 NIS; you will be paid 10 NIS

If you report that the outcome is 6, how much money will be donated, and how much will be paid to you at the end of the experiment (in addition to the initial amount of 10 NIS)?

- Donate 0 NIS; you will be paid 60 NIS
- Donate 10 NIS; you will be paid 50 NIS
- Donate 20 NIS; you will be paid 40 NIS
- Donate 30 NIS; you will be paid 30 NIS
- Donate 40 NIS; you will be paid 20 NIS
- Donate 50 NIS; you will be paid 10 NIS

If you report that the outcome is 5, how much money will be donated, and how much will be paid to you at the end of the experiment (in addition to the initial sum of 10 NIS)?

- Donate 0 NIS; you will be paid 60 NIS
- Donate 10 NIS; you will be paid 50 NIS
- Donate 20 NIS; you will be paid 40 NIS
- Donate 30 NIS; you will be paid 30 NIS
- Donate 40 NIS; you will be paid 20 NIS
- Donate 50 NIS; you will be paid 10 NIS

Please wait until the experimenter approves to continue.

The experiment page:

Recall that your report on the outcome will determine your donation according to the following table:

10 NIS
20 NIS
30 NIS
40 NIS
50 NIS
0 NIS

Please write down your participant number as you received from the experimenter at the beginning of the experiment: ______

Please toss the die to determine your donation to "Lehosheet Yad." You can either use your die or a virtual die (https://www.youtube.com/watch?v=9L-VhUmir-A).

What is the outcome?

- 5 (a donation of 50 NIS)
- 4 (a donation of 40 NIS)
- \circ 3 (a donation of 30 NIS)
- 2 (a donation of 20 NIS)
- \circ 1 (a donation of 10 NIS)
- \circ 0 (a donation of 0 NIS)

Treatment: Personal – Lottery

Instructions

At the beginning of the experiment, you will have 50 NIS at your disposal. You will have to decide how much of the 50 NIS you donate to the "Lehosheet Yad" organization.

The organization's homepage is <u>https://1-yad.org</u>.

The payment you will receive at the end of the experiment (beyond the initial amount of 10 NIS) is the difference between the 50 NIS and the sum you will decide to donate.

You will receive the payment using "bit" or "PayBox" apps, according to your choice.

NEXT

- The personal story of the child to whom we raised funds and his photo as they appear on the website of Lehosheet Yad" were displayed here.
- To keep the child's privacy, we do not translate the information about the child or present his photo.
- The data is available at: <u>https://l-yad.org/en/projects/fighting-for-little-itais-life/</u>, accessed August 5, 2022.

NEXT

We ask you to determine the amount you will donate by tossing a die. You may toss a real die or a virtual one. In both cases, you are the only one who will know the outcome. You can toss the die as many times as you like, but only the first toss counts.

After tossing the die, you will be asked to report the outcome. The amount that will be donated on your behalf will be determined according to your report, as follows:

Reported outcome	The amount of the donation
1	10 NIS
2	20 NIS
3	30 NIS
4	40 NIS
5	50 NIS
6	0 NIS

The payment you will receive at the end of the experiment (beyond the initial amount of 10 NIS) is the difference between the 50 NIS and the sum that you decide to donate.

You will receive the payment using the "bit" or "PayBox" apps, according to your choice.

Test questionnaire

The following questions are intended to verify that you understand the experiment correctly.

As a reminder, your donation will be determined according to your report on the <u>die</u>outcome, as follows:

Reported outcome	The amount of the donation
1	10 NIS
2	20 NIS
3	30 NIS
4	40 NIS
5	50 NIS
6	0 NIS

You may now experiment with using the virtual die. To toss the die, click on it with the left mouse button. To stop the die and see the result, click on it again or press the space bar. If you want to toss the die more times, all you have to do is click on the screen as many times as you like.



https://www.youtube.com/watch?v=9L-VhUmir-A

What was the result you got in the first toss?

If you report that the outcome is 3, how much money will be donated, and how much will be paid to you at the end of the experiment (in addition to the initial sum of 10 NIS)?

- Donate 0 NIS; you will be paid 60 NIS
- Donate 10 NIS; you will be paid 50 NIS
- Donate 20 NIS; you will be paid 40 NIS
- Donate 30 NIS; you will be paid 30 NIS
- Donate 40 NIS; you will be paid 20 NIS
- Donate 50 NIS; you will be paid 10 NIS

If you report that the outcome is 6, how much money will be donated, and how much will be paid to you at the end of the experiment (in addition to the initial amount of 10 NIS)?

- Donate 0 NIS; you will be paid 60 NIS
- Donate 10 NIS; you will be paid 50 NIS
- Donate 20 NIS; you will be paid 40 NIS
- Donate 30 NIS; you will be paid 30 NIS
- Donate 40 NIS; you will be paid 20 NIS
- Donate 50 NIS; you will be paid 10 NIS

If you report that the outcome is 5, how much money will be donated, and how much will be paid to you at the end of the experiment (in addition to the initial sum of 10 NIS)?

- Donate 0 NIS; you will be paid 60 NIS
- Donate 10 NIS; you will be paid 50 NIS

- o Donate 20 NIS; you will be paid 40 NIS
- o Donate 30 NIS; you will be paid 30 NIS
- o Donate 40 NIS; you will be paid 20 NIS
- Donate 50 NIS; you will be paid 10 NIS

Please wait until the experimenter approves to continue.

The experiment page:

Recall that your report on the outcome will determine your donation according to the following table:

Reported outcome	The amount of the donation
1	10 NIS
2	20 NIS
3	30 NIS
4	40 NIS
5	50 NIS
6	0 NIS

Please write down your participant number as you received from the experimenter at the beginning of the experiment: ______

Please toss the die to determine your donation to "Lehosheet Yad." You can either use your die or a virtual die (https://www.youtube.com/watch?v=9L-VhUmir-A).

What is the outcome?

- 5 (a donation of 50 NIS)
- 4 (a donation of 40 NIS)
- 3 (a donation of 30 NIS)
- 2 (a donation of 20 NIS)
- \circ 1 (a donation of 10 NIS)
- \circ 0 (a donation of 0 NIS)

Socio-economic questionnaire

Please answer the following questions:

What is your age in years?

Sex:

- o Male
- o Female

What is your education level?

- High school
- Post-secondary without an academic degree
- o B.A
- Master's degree or higher
- \circ Student

For what degree are you studying?

- o B.A
- o M.A
- o Ph.D.

What are your fields of study? (You can mark more than one answer)

- Humanities
- Exact sciences (including physics and chemistry)
- o Law
- Social sciences other than economics, business administration, or accounting
- o Economics, business administration, or accounting
- o Life science
- Medicine

Did you take economics courses at school or college/university?

- o Yes
- o No

Do your parents have an academic education?

- o No
- Yes, my mother
- Yes, my father
- Yes, they both have

What is your marital status?

- Married
- \circ Divorced
- o Single
- o Widower
- o Other

How many children do you have:

- 0
 1
 2
 3
 4
 5
- o 6+

What is your employment status?

- Unemployed
- o Part-time
- Full time
- o Covid-19 Furlough

How would you define your family's financial status?

- Very Bad
- \circ Bad
- o Medium
- o Good
- o Very good

What is your religion?

- o Jewish
- o Muslim
- \circ Christian
- o Other

How would you define your religious denomination?

- o Ultra-Orthodox
- Religious

- \circ Traditional
- o Secular
- \circ Other

Have you volunteered in the last 12 months?

- o No
- o Yes

Have you donated money to charity in the last 12 months?

- o No
- o Yes

Do you have or had a close acquaintance with a patient with an incurable disease?

- o No
- o Yes

Please rate your level of agreement with each of the following statements:

I believe that the government must significantly reduce the income inequality between rich and poor, even at the cost of high taxes.

- Strongly oppose
- o Oppose
- o Agree
- o Strongly agree

I believe that a person's financial status depends solely on his ability and effort.

- Strongly oppose
- Oppose
- o Agree
- Strongly agree

Please answer the following questions:

A bat and ball cost \$1.10. The price of the bat is \$1 higher than the price of the ball. How many cents does the ball cost?

ANSWER: _____

Suppose 5 machines produce 5 products in 5 minutes. How many minutes will it take for 100 machines to produce 100 products?

ANSWER: _____

A strip of lilies doubles its surface area every day. On the 48th day, the lilies covered exactly the entire field area. How many days did it take for the lilies to cover exactly half of the field?

ANSWER: _____

How close was the die's outcome to the donation you would have made in the absence of a die toss?

- Identical to the donation I would have made in the absence of a die toss
- \circ 10 NIS away from the donation I would have made in the absence of a die toss

 More than 10 NIS away from the donation I would have made in the absence of a die toss

how close was the outcome that you reported to the outcome of the die toss?

- Identical to the the outcome of the die toss
- \circ 10 NIS away from the outcome of the die toss
- \circ More than 10 NIS away from the outcome of the die toss

Thank you for your participation.