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# How does fundraising affect volunteering? Evidence from a natural field experiment

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## ABSTRACT

Can fundraising solicitations have an effect on other types of giving, like volunteering? We report results from a field experiment in which a non-profit firm asked their current volunteers to donate money, in a randomly-staggered roll-out. We observe volunteers' entire portfolio of giving to the firm – both donations, and volunteer hours before and after the call. Overall, these results suggested there was some decline in volunteer hours among volunteers who were newer to the firm. By contrast, long-time volunteers maintained their volunteering after the call, and were also more likely to donate in the first place. Substitution was rare, as the donors themselves did not decrease their volunteer hours after donating. Our findings provide new evidence for how personal history can shape charitable giving decisions, and provide new practical guidance for fundraisers.

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## 1. Introduction

Fundraising drives are ubiquitous in the not-for-profit world – charitable contributions from individuals in the United States totaled roughly \$218 billion in 2011 ([Giving USA, 2012](#)). They provide critical support to organizations that might not exist otherwise, and almost every non-profit relies on some degree of active solicitation from potential donors. A simple cost-benefit calculation for a firm would weigh the expenses of fundraising against their expected revenues. But this misses the fact that the solicitees might respond in other ways, that could affect the firm's bottom line.

In particular, many non-profits also rely on volunteering – free contributions of time to support an organization's activities ([Wilson, 2000](#)). Volunteers donated 65.7 million hours to charities in the United States in 2012 ([Bureau of Labor Statistics, 2012](#)). Fundraisers naturally see a firm's volunteers as a fruitful target – volunteers already support the firm's goals, and have an ongoing personal relationship with the firm ([Bryant, Jeon-Slaughter, Kang, & Tax, 2003](#); [Havens, O'Herlihy, & Schervish, 2006](#)). And practitioners have often connected volunteering and fundraising, even considering volunteering as a “gateway drug” to future giving, including money donations. ([Dietz & Keller, 2015](#); [Fidelity Charitable, 2015](#)). But this very relationship also complicates the firm's decision, because fundraising might also change how much time they are willing to volunteer in the future. In the current research we ask: might fundraising have a spillover effect on volunteering?

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There is a rich literature on how fundraising drives charitable giving (Bekkers & Wiepking, 2011; List & Price, 2011; Oppenheimer & Olivola, 2010). However, most of this research focuses on the direct effect of solicitations, *within* the dimension being queried – most often, by looking at how monetary donations are impacted by an ask for money. These results are limited because fundraising could have secondary consequences on other forms of giving, in addition to the direct donations. We test for these spillover effects in a natural field experiment, in a setting that provides a unique opportunity to estimate these effects. Specifically, we observe volunteers making decisions about their volunteering contributions before and after fundraising calls, the timing of which was randomly assigned.

There are many ways volunteers could adjust their time donations in response to a solicitation. They might substitute away from future time donations after giving money. Fundraising could also increase time donations if it is a reminder of the cause, or if time and money are complementary. People who do not give money might also adjust their volunteer time after receiving a fundraising call. And the distribution of these spillover effects may vary across the pool of volunteers, who come from different backgrounds and have different histories with the organization.

In this paper we present data collected from a non-profit firm that fundraised from their volunteer pool. Volunteers were randomly assigned to the time they received their fundraising call, across a four-month period in which they were also expected to donate time. The firm kept a daily log of volunteer hours, which we paired with data from the fundraising itself. The volunteering data was modeled in a panel regression to generate the counterfactual: what time donations should the firm have expected each volunteer to give, if they had not been called? This novel dataset allows us to simultaneously estimate the causal effect of a single fundraising call on both money donations and time donations, within individual volunteers.

Our experiment provides new evidence that soliciting charitable donations must also consider potential trade-offs, such as volunteer time. Furthermore, this aggregate trade-off can exist even when there is no individual-level substitution, due to a combination of different mechanisms that both increase and decrease giving. We also find evidence for a new consequence of personal history in charitable giving – not only do long-time volunteers give more money than new volunteers during fundraising, but they also reduce their volunteer hours less after being solicited. This demonstrates that while calls to long-term volunteers were still effective, calls to newer volunteers can have a negative expected value for the firm.

The rest of the paper proceeds as follows: Section 2 reviews relevant literature on the psychology and economics of charitable giving. Section 3 describes the firm, data collection, and the experimental design. Section 4 presents results from both money and time donations, and analyses the individual-level results in light of our predictions. Section 5 discusses the implications of these data for related theories of charitable giving, and practical consequences.

## 2. Theory and related literature

We are not aware of any previous research that has looked at the direct and indirect effects of fundraising among volunteers. However, the existing literature demonstrates several kinds of mechanisms that link these two behaviors in the field. First, past volunteering may moderate the direct effect of fundraising on monetary donations. Second, fundraising may have spillover effects on future volunteering. Third, past volunteering history may moderate the spillover effects on future volunteering. All of these mechanisms have consequences for estimating the total effects of fundraising among volunteers, and provide theoretical guidance for our experimental design and analyses. We review these literatures in the following sections.

### 2.1. Past volunteering and fundraising

The connection between volunteering and fundraising is understood by practitioners – as one research report stated, volunteering can be seen as a “gateway drug” to fundraising (Dietz & Keller, 2015). Although the percentage of fundraising targeted at past volunteers has not been estimated well, a review of recent survey evidence suggests that fundraising from volunteers is not rare. At the household level, volunteering and fundraising are positively correlated (Bryant et al., 2003; Grimm, 2007; Havens et al., 2006) and there is some evidence for broader complementarities across different kinds of prosocial behavior (Brown & Lankford, 1992; Greenberg, 2014).

This result can be explained by a classical model that assume donors simply want to increase the quantity of a public good that is provided (e.g. Hochman & Rodgers, 1969; Warr, 1983). That is, if someone has revealed a preference for supporting a cause, this preference should be fungible across other opportunities to give to that same cause. Existing evidence for these effects are typically limited to giving within a single dimension. For example, those who have given money in a past solicitation are more responsive to future solicitations for money than those who did not give money initially (Landry, Lange, List, Price, & Rupp, 2010; Meer, 2013; for a similar effect in blood donations, see Foss & Dempsey, 1979). But it is reasonable to think that this mechanism could extend across dimensions of giving, as long as it was targeted towards the same cause.

But beyond this simple model, prosocial behavior has many psychological antecedents and consequences (Andreoni, 1990; Batson & Shaw, 1991; Bekkers & Wiepking, 2011; Schwartz, 1973). And many of these channels could mediate the relationship between past volunteering and donations. For example, volunteers may build a personal relationship with the firm during their volunteering time, which is an important psychological driver of giving (Chen & Li, 2009; Kessler & Milkman, 2016; Prouteau & Wolff, 2008; Small & Simonsohn, 2008). And a time donation mindset can also prime monetary contributions, even if no time is actually donated (Liu & Aaker, 2008). Finally, on a practical level, past volunteers are easier to contact, and already understand the firm’s impact, which reduces the upfront costs of fundraising.

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