

Using behavioral science in fundraising communications

What experimental research tells us about the right words and phrases

Professor Russell James, Texas Tech University



### Can I see your character?

When fundraising story is in the details

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# Story character

If we don't care about the character, plot doesn't matter

# Identifying = perspective + empathy

In effective story, we **identify with** with the character

- We can see things from their perspective +
- 2. We have empathy for them





# Fundraising story character

#### In brain imaging,

- (perspective + empathy)  $\rightarrow$
- social-emotional valuation  $\rightarrow$
- donating

Hare, T. A., Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making incorporate input from regions involved in social cognition. *Journal of Neuroscience, 30*(2), 583-590; Tusche, A., Böckler, A., Kanske, P., Trautwein, F. M., & Singer, T. (2016). Decoding the charitable brain: empathy, perspective taking, and attention shifts differentially predict altruistic giving. *Journal of Neuroscience, 36*(17), 4719-4732.

Identifying starts with visualizing

- To *feel* something, we must first *see* something. But what we see must also make us feel.
- A character must be clear. But it must also be empathetic.





The goal: Evoke a clear image that generates social emotion

1. Make it specific

2. Make it simple



3. Make it empathetic

# Rule 1 Make it specific



# Character details in fundraising

Details make mental images easier



Experiment: Give to an anonymous person?

- Learning the person's last name increased average gift size by almost 50%
- Actually seeing them doubled gift size



Bohnet, I., & Frey, B. S. (1999). The sound of silence in prisoner's dilemma and dictator games. Journal of Economic Behavior & Organization, 38(1), 43-57; Charness, G., & Gneezy, U. (2008). What's in a name? Anonymity and social distance in dictator and ultimatum games. Journal of Economic Behavior & Organization, 68(1), 29-35.

# Fundraising experiment

Donate for a child in medical need?

• 61% gave

Add name, age, and picture

• 90% gave



Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes*, *97*(2), 106-116.

# WHY it works

- Adding child's name and picture doubled willingness to donate. Why?
- Character details → Mental Image → Victim-focused emotion (Sympathy) → Donation



Dickert, S., Kleber, J., Västfjäll, D., & Slovic, P. (2016). Mental imagery, impact, and affect: A mediation model for charitable giving. *PloS One*, 11(2), e0148274.

# Same answer

In brain imaging, donations require

- taking another's perspective
- having empathy for that person's circumstances

In path analysis, donations require

- picturing the other person
- feeling sympathy for that person



Dickert, S., Kleber, J., Västfjäll, D., & Slovic, P. (2016). Mental imagery, impact, and affect: A mediation model for charitable giving. *PloS One*, 11(2), e0148274; Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making input from regions involved in social cognition. *Journal of Neuroscience*, 30(2), 583-590

# Rule 2 Make it simple



## In logic, the many outweigh the one

Spock says, "logic clearly dictates that the needs of the many outweigh the needs of the few."

Kirk responds, "Or the one."





In story, the one outweighs the many

- A person can be a great character
- A crowd of people can't

### The 1 outweighs the 5

- Donations to benefit one pictured child were almost double those to benefit five
- "As the number of victims increases, the mental representation becomes more diffuse and abstract until it is difficult to attach emotional meaning to it"

Dickert, S., Västfjäll, D., Kleber, J., & Slovic, P. (2012). Valuations of human lives: normative expectations and psychological mechanisms of (ir) rationality. Synthese, 189(1), 95-105, p. 101.; Dickert, S., Kleber, J., Västfjäll, D., & Slovic, P. (2016). Mental imagery, impact, and affect: A mediation model for charitable giving. *PloS one*, *11*(2), e0148274.



### The 1 outweighs the 8

The total cost to save one or eight children was the same

- With the story of one child, 90% donated
- With the story of eight children, only 58% did



The simple 8 outweighs the complex 8

- With the story of one child, 90% donated
- With the story of eight children, 58% did
- With the story of eight children, removing their names, ages, and pictures, 77% did



Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes*, *97*(2), 106-116.





The 1 group outweighs the many individuals

Presenting many individuals as one, single cohesive group simplifies the story cohesive group outweighs
 random characters

- People could donate to help educate six children in Africa with names and pictures
- Described them as siblings more than doubled donations



"Siblings from the same family"

**2X** 

Gifts



Smith, R. W., Faro, D., & Burson, K. A. (2013). More for the many: The influence of entitativity on charitable giving. Journal of Consumer Research, 39(5), 961-976. Study 2.

#### 1 cohesive group outweighs 25 random characters

- Gifts to build a shelter protecting 25 rare butterflies
- Butterflies appearing as a single, orderly unit flying in unison resulted in two-thirds more donations than if they flew randomly from different directions







Smith, R. W., Faro, D., & Burson, K. A. (2013). More for the many: The influence of entitativity on charitable giving. Journal of Consumer Research, 39(5), 961-976. Study 1.



#### 1 cohesive group outweighs 200 random characters

- Donations for fence to protect 200 gazelles
- People were asked, "how much the gazelles typified what it means to be a tight group"
- Viewing the gazelles as a more unified group boosted emotional concern which increased the gift

Smith, R. W., Faro, D., & Burson, K. A. (2013). More for the many: The influence of entitativity on charitable giving. Journal of Consumer Research, 39(5), 961-976. Study 3 & p.967 Evoke a clear image that generates social emotion

- 5, 6, 8, 25, or 200 different main characters is too complicated
- But a single cohesive group makes a clear, simple image



# Rule 3 Make it empathetic



Only the empathetic group outweighs the many individuals



Kahneman, D., & Ritov, I. (1994). Determinants of stated willingness to pay for public goods: A study in the headline method. Journal of Risk and Uncertainty, 9, 5–38.

"fertility loss due to pollution threatens <u>reptiles</u> on the Mexican coast"

24% willing to give



Only the empathetic group outweighs the many individuals Donate to help educate six children in Africa with names and pictures

Adding that they were siblings helped, unless the characters were less empathetic, then it hurt



+ "Siblings from the same family"







- + "in prison for committing crimes"
- + "in prison for committing crimes"
- + "Siblings from the same family"









Sharpening focus helps only if the characters are sympathetic

- Turtles and kids are sympathetic characters
- Lizards and criminals aren't





Details help only the empathetic character

Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior & Human Decision Processes*, 97(2), 106-116.

#### Education for a financially needy gifted child

- Adding name and picture increased sympathy and nearly quadrupled willingness to donate
- But if child was not in financial need, then adding these had little effect on either outcome

# Both steps

#### Effective fundraising story

- 1. Evokes a clear image
- 2. That generates social emotion

A clear image is important, but without the rest of the story it doesn't matter



# Other applications

#### The goal is still the same

- 1. Evoke a clear image
- 2. That generates social emotion
- Vague or fuzzy fails
- Complex or technical fails



# It's complicated

The #1 problem?

"their stories are way too complicated." -Michael Hauge



# Story starts with character

# The donor must **identify with** the character

- The donor must see things from their perspective. (The image must be clear.) +
- 2. The donor must have empathy for their situation. (The image must evoke social emotion.)





### Can I see your character?

When fundraising story is in the details

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# $\frac{dv}{dx} + \frac{1-2x}{x^2} V = 0$ $\frac{dv}{\sqrt{dx}} + \frac{1-2x}{x^2} V = 0$ $\frac{dv}{\sqrt{dx}} + \frac{1-2x}{x^2} \sqrt{\frac{1}{2}} \frac{dx}{\sqrt{dx}}$

109

$$\sin^{2} x + \cos^{2} x = 1$$

$$tgx = \frac{\sin x}{\cos x}$$

$$\cot gx = \frac{\cos x}{\sin x}$$

$$tgx = \frac{\cos x}{\sin x}$$

$$tgx = \frac{\cos x}{\sin x}$$

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## Math Problems in Fundraising Story

SMQ

 $(x) + \log$ 

 $\mathfrak{I}_{\mathcal{A}}(\mathbf{x})$ 

 $X_1 = 0$   $X_2 = 1$   $X_3 = \frac{2}{3}$ 

Motivations and Barriers

#### Numbers

- For nonprofit managers, numbers are important
- But in fundraising, numbers are important in weird ways

### Real world

- One store sells a can of Coke for \$1, but with "buy one get one free"
- The other offers a 50% refund when you buy two cans of Coke for \$1 each
- Either way, two cans cost \$1

## Fundraising world

- A one-to-one match ("buy one get one free") works dramatically better than a 50% refund
- The math is the same
- The message is different

Eckel, C. C., & Grossman, P. J. (2006). Subsidizing charitable giving with rebates or matching: Further laboratory evidence. *Southern Economic Journal, 72*(4), 794-807; Eckel, C. C., & Grossman, P. J. (2008). Subsidizing charitable contributions: a natural field experiment comparing matching and rebate subsidies. *Experimental Economics, 11*(3), 234-252.



### Real world

"Buy one get three free" beats "buy one get one free"



# Fundraising world

- People treat both offers the same
- The math is different
- The message is the same

Karlan, D., List, J. A., & Shafir, E. (2011). Small matches and charitable giving: Evidence from a natural field experiment. Journal of Public Economics, 95(5-6), 344-350.



# Story world, not math world In fundraising, numbers are important only <u>as story</u>



# Story world, not math world

Math: I donated \$100. An outside corporation matched this with their own gift of \$100. Story: I'm philanthropic. And my \$100 made an extra impact.

# That's a cool story



# Story world, not math world

Math: I donated \$100. An outside corporation matched this with their own gift of **\$150**.

Story: I'm philanthropic. And my \$100 made an extra impact.

# That's the same story



# Story world, not math world

Math: I donated \$200. An outside corporation gave me a check for a cash rebate of \$100. Story: I'm "kind of" philanthropic. But I also got some cash out of the deal.

That's a worse story



### Translating to story

Match story
 Match story
 Rebate story

## Story characters and math

#### Real world

- Store 1: A Coke for \$1
- Store 2: A Coke + a Pepsi + a Sprite for \$1

 $\rightarrow$ Buy from the second store



### Story characters and math

 $\Lambda \Lambda$ 

### Fundraising world

- Total cost to save eight children was the same as the cost to save one
- People gave more to the request for one child

Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. Organizational behavior and human decision processes, 97(2), 106-116. How NOT to solve math problems

- Can these math problems be fixed?
- Yes, but it's a bad idea



### The problem

- Read statistics about millions needing help → donated 27% of payments
- Read about a specific child needing help → donated 57% of payments



Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes*, *102*(2), 143-153.

### "Fixing" the problem

First explained the bias (donors respond to stories, not statistics)

- Read statistics about millions needing help → donated 25% (not 27%) of payments
- Read about a specific child needing help → donated
   23% (not 57%) of payments

Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes*, *102*(2), 143-153.





# Math and logic "works"

It works by applying the brakes to social emotion and giving



Be careful what system you trigger

System 1

- social
- emotional •
- automatic
- fast

- System 2
- mathematical
- logical
- deliberate
- slow

Be careful what system you trigger

- Social emotional system is the engine that drives giving
- Math and logic system is the brake on giving
- Triggering math and logic "fixes" the problem by using the brakes



# Waking up the math side



Repeated same experiment, but first had people do math problems

- Read about a specific child needing help → donated
   24% (not 57%) of payments
- Read statistics about millions needing help → donated
   30% (not 27%) of payments

Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes*, 102(2), 143-153.



#### Math/finance blocks social emotion

#### Reminding people about money or finances

- Reduces charitable giving
- Reduces willingness to help
- Reduces compassionate responses

Roberts, J. A., & Roberts, C. R. (2012). Money matters: Does the symbolic presence of money affect charitable giving and attitudes among adolescents? Young Consumers, 13(4), 329–336; Vohs, K. D., Mead, N. L., & Goode, M. R. (2008). Merely activating the concept of money changes personal and interpersonal behavior. Current Directions in Psychological Science, 17(3), 208–212.; Vohs, K. D., Mead, N. L., & Goode, M. R. (2006). The psychological consequences of money. Science, 314(5802), 1154–1156; Molinsky, A. L., Grant, A. M., & Margolis, J. D. (2012). The bedside manner of homo economicus: How and why priming an economic schema reduces compassion. Organizational Behavior and Human Decision Processes, 119, 27–37.

#### More math problems: Barriers

- The social emotion story side is the engine
- The math logic side is only the brake
- But knowing this can cause a different mistake with math ...



Donating isn't only about motivation. It's also about cost.

- A gift results from the <u>intersection</u> of motivation and cost
- Math can help with cost





Bad math

So, don't talk about tax deductions? Wrong! Wrong! Wrong!

# **Bad Math Reporting**

#### People report socially-approved motivations

Other motivations must be tested, not self-reported

Nederhof, A. (1985). Methods of coping with social desirability bias: A review. *European* Journal of Social Psychology, 153, 263–280.

# Bad math comprehension

Cost <u>cannot</u> be the motivation for <u>wanting</u> something

- "Why do you smoke?"
- "Because it's cheap."
- What?!?



Cost is still important

- Cost is <u>not</u> about motivations
- It's about <u>the barrier</u> to acting on those motivations





Backus, P., & Grant, N. (2016). Consistent estimation of the tax-price elasticity of charitable giving with survey data (Economics Discussion Paper No. 1606), http://hummedia.manchester.ac.uk/schools/soss/economics/discussionpapers/EDP-1606.pdf; Clotfelter, C. (1985). Federal tax policy and charitable giving. Chicago: University of Chicago Press; Schiff, J. (1985) Does government spending crowd out charitable contributions? National Tax Journal, 38, 535-546; Steinberg, R. (1994). Taxes and giving: New findings. Voluntas, 1, 61–79. Math works in statistics

National economic research repeatedly proves: Tax benefits increase donations



# Math works in experiments

# Referencing tax benefits increases interest in donating

James III, R. N. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management and Leadership, 28*(4), 437-452.

# Math works in experiments

Adding tax benefit references increases willingness to make donations of

- Charitable gift annuities
- Donor advised funds
- Retained life estates
- Charitable remainder trusts

James III, R. N. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management and Leadership, 28*(4), 437-452.

#### A math problem

Numbers, math, and finance can

- 1. Interfere with the social emotion that motivates giving
- 2. Lower the cost barrier for making the gift



#### Number solutions

- A gift results from the <u>intersection</u> of motivation and cost
- Math can help with cost



#### Motivation first

- A donation results from the intersection of motivation and cost
- First, the donor must care



# $\frac{dv}{dx} + \frac{1-2x}{x^2} V = 0$ $\frac{dv}{\sqrt{dx}} + \frac{1-2x}{x^2} V = 0$ $\frac{dv}{\sqrt{dx}} + \frac{1-2x}{x^2} \sqrt{\frac{1}{2}} \frac{dx}{\sqrt{dx}}$

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