

# Using Charity Performance Metrics as an Excuse Not to Give

Christine L. Exley \*

November 28, 2018

## Abstract

There is an increasing pressure to give more wisely and effectively. There is, relatedly, an increasing focus on charity performance metrics. Via a series of experiments, this paper provides a caution to such a focus. While information on charity performance metrics may facilitate more effective giving, it may also facilitate the development of excuses not to give. Managers of nonprofit organizations should carefully assess this tension when determining if and how to provide information on their performance metrics.

**Keywords:** charitable giving; prosocial behavior; altruism; excuses, self-serving biases

---

\*Exley: Harvard Business School, clexley@hbs.edu. Acknowledgements: I gratefully acknowledge funding for this study from the NSF (SES # 1159032).

Sources ranging from Ted talks to third party charity evaluators encourage individuals to give wisely.<sup>1</sup> Charity Navigator, a third-party charity evaluator, warns against high overhead costs: “Savvy donors know that the financial health of a charity is a strong indicator of the charity’s programmatic performance [...] the most efficient charities spend 75% or more of their budget on their programs and services.”<sup>2</sup> GiveWell more generally encourages caution: “The wrong donation can accomplish nothing. Charities that demonstrably change lives are the exception, not the rule.”<sup>3</sup> The Life You Can Save, an organization founded by Peter Singer, echoes this caution by noting that “[n]ot all charities are made the same.”<sup>4</sup> Indeed, customized performance reviews for nonprofit organizations are now available via organizations such as ImpactMatters to provide donors with “the analysis needed to make smart, informed funding decisions.”<sup>5</sup>

The literature echoes this push from practice towards a focus on charity performance metrics and outcomes.<sup>6</sup> Giving decisions are influenced by the benefit size (Eckel and Grossman, 2003; Karlan and List, 2007; Meier, 2007; Eckel and Grossman, 2008; Huck and Rasul, 2011; Karlan et al., 2011; Meer, 2017), the flexibility in how donations may be used (Eckel et al., 2016; Gneezy et al., 2014; Batista et al., 2015; Li et al., 2015), and effectiveness or efficiency measures such as overhead costs (Gordon et al., 2009; Gneezy et al., 2014; Karlan and Wood, 2017; Meer, 2014; Metzger and Günther, 2015; Brown et al., 2016; Yörük, 2016; Coffman, 2017).

While performance metrics clearly influence giving decisions, the value individuals place on performance metrics is often questionable. Among the high-income individuals surveyed in Hope Consulting (2010), only 35% of individuals spend any time researching the performance of charities even though 85% state that charity performance is very important. Null (2011) and Metzger and Günther (2015) also document a widespread unwillingness to pay to learn information about the impact of potential donations in controlled experiments.<sup>7</sup> Even absent costs associated with learning performance metrics, how individuals respond to the use of donations is often independent of the actual use. Eckel et al. (2016) find that allowing alumni to direct their donations

---

<sup>1</sup>See <http://blog.ted.com/2013/03/11/how-to-pick-the-charity-thats-right-for-you>.

<sup>2</sup>See <http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=419#.U4-blpSwIXo>.

<sup>3</sup>See <http://www.givewell.org/giving101>.

<sup>4</sup>See <https://www.thelifeyoucansave.org/about-us/faq>.

<sup>5</sup>See <http://www.impactm.org/>.

<sup>6</sup>See for instance Hwang and Powell (2009), van Iwaarden et al. (2009), and Ebrahim and Rangan (2010).

<sup>7</sup>Fong and Oberholzer-Gee (2011) observe that most individuals are unwilling to learn whether the recipient of a potential donation is disabled or a drug user, even though they are less willing to give to drug users. After also finding that most individuals do not choose to become informed about their giving, Butera and Houser (2016) show how delegating giving allocation decisions to others can lead to more effective giving. Niehaus (2014) models one explanation for this behavior: learning performance information may prevent individuals from maximizing their warm glow by holding the most optimistic beliefs about their impact. Additional work on information avoidance and ask avoidance in the treatment of prosocial behavior include Dana et al. (2006, 2007); Broberg et al. (2007); Oberholzer-Gee and Eichenberger (2008); Larson and Capra (2009); Hamman et al. (2010); Matthey and Regner (2011); Nyborg (2011); DellaVigna et al. (2012); Lazear et al. (2012); Knutson et al. (2013); Bartling et al. (2014); Feiler (2014); Grossman (2014); van der Weele et al. (2014); van der Weele (2014); Kamdar et al. (2015); Trachtman et al. (2015); Andreoni et al. (2016); Lin et al. (2016); Grossman and van der Weele (2017). See also Golman et al. (2017) for a review.

towards their own academic college increases donations even though the directing option is rarely used.<sup>8</sup> While [Gneezy et al. \(2014\)](#) find reduced giving in response to higher overhead costs, they also find that it is not necessary to reduce overhead costs to encourage more giving. Ensuring potential donors that *others* will cover overhead costs proves effective. The findings in [Coffman \(2017\)](#) further suggest that institutions like fundraising campaigns greatly diminishes donor sensitivity to overhead costs.

One interpretation from these findings is that there needs to be a greater push in explaining the importance of charity performance metrics. If it is difficult to increase the total amount of charitable giving in the United States — which has hovered around 2% of GDP for decades — increasing the impact of giving may rely on encouraging more effective giving.<sup>9</sup> A different interpretation from these findings, which motivates this paper, is that self-serving motives may taint how much individuals appear to value performance metrics. For instance, if participants desire to keep money for themselves and to think of themselves as generous, they may overweight their dislike of less-than-perfect performance metrics as an excuse not to give. They may attribute selfish choices to less-than-perfect performance metrics rather than their own selfishness.<sup>10</sup> Thus, while information on performance metrics may encourage more effective giving, it may also have an unintended consequence of facilitating excuses not to give.

This paper provides evidence consistent with excuse-driven responses to charity performance metrics via two identification strategies. The first strategy relies on comparing how individuals respond to these metrics when self-serving motives are and are not relevant. In the charity-charity treatment, participants make decisions between money going to charities with different performance metrics. Since participants cannot keep money for themselves and thus self-serving motives are not relevant, the charity-charity treatment captures non-excuse-driven responses to performance metrics. By contrast, in the charity-self treatment, participants make decisions between money going to charities with different performance metrics versus money going to themselves. Since participants can keep money for themselves and thus self-serving motives are relevant, the charity-self treatment captures excuse-driven responses to performance metrics. The results from a laboratory experiment document a significant difference in response to performance metrics across these two treatments. While participants respond negatively to lower performance metrics in both treatments, they respond more negatively to performance metrics in the charity-self treatment. Participants appear to overweight their dislike of lower performance metrics as an excuse to keep money for themselves.

The second strategy seeks to vary the ease with which one can develop excuses not to give

---

<sup>8</sup>Relatedly, [Kessler et al. \(2018\)](#) find that rich and powerful alumni give more when they can indicate their charitable giving priorities – even though this indication was not binding.

<sup>9</sup>See [Giving USA Foundation \(2015\)](#) for data on charitable giving as a percentage of GDP from 1974-2014.

<sup>10</sup>Among many other possibilities, learning about better performance metrics may also result in individuals thinking they need to give less in order to signal prosocial tendencies ([Butera and Horn, 2014](#)).

via a framing manipulation. This approach is similar in spirit to examining whether more selfish behavior arises when a greater degree of flexibility in the decision environment facilitates justifications of more selfish behavior.<sup>11</sup> In the aggregated-information treatment, participants are asked how much they would like to give to charity when their donation will be multiplied by 5, 4.5, 4, 3.5, or 3. In the disaggregated-information treatment, participants are asked how much they would like to give to charity when their donation will be multiplied by 5 and then discounted by a 0%, 10%, 20%, 30% or 40% “processing fee.” Note that participants face the same donation opportunities in both treatments – i.e., a donation that is multiplied by 4.5 has an equivalent impact to a donation that is multiplied by 5 and then discounted by 10%. However, since the disaggregated-information explicitly provides “good” information (i.e., donations are multiplied by 5) and “bad” information (donations are then discounted by a processing fee), the disaggregated treatment may facilitate excuse-driven responses because participants may easily overweight the bad information as an excuse not to give. The results from an online experiment are supportive of such excuse-driven responses. While giving does not decrease as the impact of donations falls in the aggregated-information treatment, giving significantly decreases as the impact of donations falls in the disaggregated-information treatment. When participants can easily overweight their dislike of the processing fee, they appear to do so and keep more money for themselves.

In documenting a novel factor that individuals exploit in a self-serving manner — charity performance metrics – this paper adds to the literature on motivated reasoning.<sup>12</sup> In focusing on how individuals distort their views of unavoidable payoff information from a prosocial action, the most closely related work includes that which documents how individuals exploit ambiguous payoff information (Haisley and Weber, 2010) or risky payoff information (Exley, 2015). Different than much of the literature on motivated reasoning, the results from the online experiment further show that self-serving responses to unavoidable payoff information can arise even absent uncertainty.<sup>13</sup>

This paper also highlights important policy questions related to the provision of charity performance metrics. Negative responses to performance metrics need not imply the extent to which individuals value better performing charities. Individuals are prone to responding more

---

<sup>11</sup>For instance, in their survey paper, Gino et al. (2016), note that “when the context provides sufficient flexibility to allow plausible justification that one can both act egoistically while remaining moral, people seize on such opportunities to prioritize self-interest at the expense of morality.”

<sup>12</sup>For surveys on the correspondingly vast and broad related literature, see Merritt et al. (2010); Gino et al. (2016); Bénabou and Tirole (2016). Some examples of related work also include Snyder et al. (1979); Babcock et al. (1995); Hsee (1996); Konow (2000); Coffman (2011); Linardi and McConnell (2011); Shalvi et al. (2011, 2012); Gino and Ariely (2012); Gino et al. (2013); Falk and Szech (2013); Andreoni and Sanchez (2014); Di Tella et al. (2015); Pittarello et al. (2015); Shalvi et al. (2015); Danilov and Saccardo (2016); Regner (2016); Schwardman and van der Weele (2016).

<sup>13</sup>To my knowledge, the only other paper to provide evidence for motivated reasoning to payoff information that is absent any uncertainty is Exley and Kessler (2018).

negatively to performance metrics when it is self-serving to do so. Caution is warranted when considering what to infer from individuals’ responses to charity performance metrics and how to optimize given those responses. To what extent does information on performance metrics encourage more effective giving? How does this compare to the extent that information on performance metrics discourages giving by facilitating the development of excuses not to give? If information on performance metrics is provided, is a focus on aggregate performance metrics sufficient to mitigate excuses not to give? In documenting the importance of these questions and providing some insights, this paper hopes that future work will unpack these questions further.

Section 1 documents excuse-driven responses to performance metrics in a laboratory experiment (“Study 1”) that employs the first identification strategy. Appendix A provides additional and related evidence from two online experiments (“Study 1a” and “Study 1b”), both of which follow a similar design as in Study 1. Section 2 documents excuse-driven responses to performance metrics in an online experiment (“Study 2”) that employs the second identification strategy. Section 3 concludes.

## 1 Study 1: A Laboratory Experiment

Study 1 involves data from 50 Stanford University undergraduate students in April 2014 who made a series of binary decisions between money for charities and/or money for themselves. In addition to receiving a \$20 completion fee, participants knew that one of their decisions would be randomly selected to count for payment.<sup>14</sup> The design and results for Study 1 are detailed below (and see Appendix B.1 for instructions and screenshots).

Three types of charities are involved in Study 1. The first charity type involves three Make-A-Wish Foundation state chapters that vary according to their program expense rates, or percentages of their budgets spent directly on their programs and services (i.e., not spent on overhead costs): the New Hampshire chapter (90%), the Rhode Island chapter (80%), and the Maine chapter (71%).<sup>15</sup> The second charity type involves three Knowledge is Power Program (KIPP) charter schools that vary according to college matriculation rates among their students who completed the 8th grade: Chicago (92%), Philadelphia (74%), and Denver (61%).<sup>16</sup> The third charity type involves three Bay Area animal shelters that vary according to their live release rates: the San Francisco SPCA (97%), the Humane Society of Silicon Valley (82%), and the San Jose Animal Care and Services (66%).<sup>17</sup>

So that later decisions in the study account for how participants value money for themselves relative to money for charity, the study begins with a normalization procedure that was previously

---

<sup>14</sup>Study 1 was advertised to take one hour and all sessions completed in less than one hour.

<sup>15</sup>See <http://www.charitynavigator.org> for information on program expense rates.

<sup>16</sup>See <http://www.kipp.org> for information on college matriculation rates.

<sup>17</sup>See <http://www.maddiesfund.org> for information on live release rates.

developed in [Exley \(2015\)](#). The normalization procedure determines how participants value money for themselves relative to money for the top-rated charity for each of the three charity types via three normalization price lists. The order in which each participant answers the three normalization price lists is randomly determined, and immediately following each normalization price list, participants complete a “buffer” price list.<sup>18</sup> On each row of a normalization price list, participants choose between (i) \$10 for themselves and (ii) some amount for the top-rated charity of type  $t$ . Since the amount for the top-rated charity increases by \$2 from \$0 to \$40 as one proceeds down the twenty-one rows of the price list, the amounts at which participants switch to choosing money for the top-rated charity are informative about how individuals value money for themselves relative to the top-rated charity. More specifically, the switch points imply  $X_t$  values such that participants are indifferent between themselves receiving \$10 and the top-rated charity of type  $t$  receiving  $\$X_t$ .<sup>19</sup> Their  $X_t$  values determine the stakes, unbeknownst to participants, involved in the subsequent “valuation” price lists.<sup>20</sup>

The valuation price lists examine how participants value money for themselves versus each lower-rated (2nd-rated or 3rd-rated) charity. For each lower-rated charity of type  $t$ , there are two valuation price lists: one that occurs in the charity-charity treatment and one that occurs in the charity-self treatment. The order of the treatments, as well as the order of charity types within a treatment, is randomly determined. The purpose of the treatments is to examine how individuals’ valuations of lower-rated charities differ when self-serving motives are and are not relevant. While participants cannot choose money for themselves in the charity-charity treatment and thus non-excuses-driven responses to performance metrics follow, participants can choose money for themselves in the charity-self treatment and thus (potentially) excuse-driven responses to performance metrics follow.

In the charity-charity treatment, participants choose between (i)  $\$X_t$  for a lower-rated charity of type  $t$ , and (ii) some amount for the top-rated charity of type  $t$  that increases in  $\$ \frac{X_t}{20}$  increments

---

<sup>18</sup>Buffer price lists involve participants receiving \$5 (instead of \$10) but are otherwise identical to the normalization price lists. They are intended to limit “stickiness” in participants’ normalization price list decisions across charity types, but unlike the normalization price lists, they do not influence later experimental parameters.

<sup>19</sup>While even the top-rated charities do not have perfect performance metrics, participants are provided with background information that describes how the top-rated charities exceed a common metric. For Make-A-Wish Foundation state chapters, participants are informed that the highest program expense rate among any state chapters is 90%. For KIPP charter school locations, participants are informed that the average college matriculation rate among students at KIPP charter schools is 80%. For Bay Area animal shelters, participants are informed that the animal rescue community defines “no-kill” shelters as those with live release rates above 90%.

<sup>20</sup>Participants are aware that there will be subsequent price lists when making their decisions in the normalization price lists. The details of any given price list, however, are only revealed as one progresses throughout the study. There is no evidence that participants expected their decisions in the normalization price list to subsequently influence the amounts in the valuation price lists. If participants could have forecasted this design feature, they may have made decisions that imply higher  $X_t$  values so that the amounts of money for charities would be higher in the valuation price lists and then, if anything, the desire to exploit charity performance metrics as an excuse to keep money for themselves would be muted. Moreover, and encouragingly, our results are robust to the exclusion of participants with censored  $X_t$  values (Column 1 - 5 of Table 1) and to the inclusion of participants with censored  $X_t$  values (Column 6 of Table 1).

from \$0 to  $\$X_t$  as one proceeds down the twenty-one rows of a valuation price list. These decisions imply a charity-charity valuation such that participants are indifferent between the lower-rated charity of type  $t$  receiving  $\$X_t$  and the top-rated charity of type  $t$  receiving some percent of  $\$X_t$ . This percent is called the charity-charity valuation and the extent to which it falls below 100% indicates the extent to which participants dislike a low-rated charity relative to the corresponding top-rated charity. Equivalently, the charity-charity valuation indicates how often, out of the twenty-one rows of the valuation price list, participants choose money for a lower-rated charity over money for the corresponding top-rated charity.

In the charity-self treatment, participants choose between (i)  $\$X_t$  for a lower-rated charity of type  $t$ , and (ii) some amount for themselves that increases in \$0.50 increments from \$0 to \$10 as one proceeds down the twenty-one rows of a valuation price list. Thus, option (i) is the same across both treatments, while option (ii) involves the top-rated charity receiving some increasing percent of  $\$X_t$  in the charity-charity treatment but instead participants receiving some increasing percent of \$10 for themselves in the charity-self treatment. Given participants are indifferent between  $\$X_t$  for the top-rated charity of type  $t$  and \$10 for themselves, the rows at which participants switch from (i) to (ii) should be the same in both treatments if they are not excuse-driven.<sup>21</sup> If so, participants' charity-charity valuations would be the same as participants' charity-self valuations.<sup>22</sup> If participants are instead less willing to choose  $\$X_t$  for a lower-rated charity when self-serving motives are relevant, they may switch more quickly to (ii) in the charity-self treatment than in the charity-charity treatment. More specifically, the extent to which the charity-self valuation is lower than the charity-charity valuation is reflective of the extent of excuse-driven responses to charity performance metrics.

Before turning to the main results of interest from the valuation price lists, a few results from the normalization price lists are informative. Implied  $X_t$  values — such that participants are indifferent between themselves receiving \$10 and the top-rated charity of type  $t$  receiving  $\$X_t$  — are unclear for three participants who switch from choosing money for themselves to money for the top-rated charity of type  $t$  more than once on a normalization price list. These participants are excluded from the analyses. In 31% of the remaining 141 normalization price lists (three for each of the remaining 47 participants), participants always choose \$10 for themselves and thus the best estimate of  $X_t$  is censored and set to equal the maximum value in the price list: \$40.<sup>23</sup> In all other cases,  $X_t$  values are easily inferred by the unique amounts at which participants switch from choosing \$10 for themselves to  $\$X_t$  for the top-rated charity  $t$ .<sup>24</sup> Figure 1 shows these

<sup>21</sup>This assumes linearity in money, which is made more reasonable by the small stakes involved.

<sup>22</sup>Similar to charity-charity valuations, charity-self valuations equal the percent such that participants are indifferent between the lower-rated charity of type  $t$  receiving  $\$X_t$  and themselves receiving some percent of \$10.

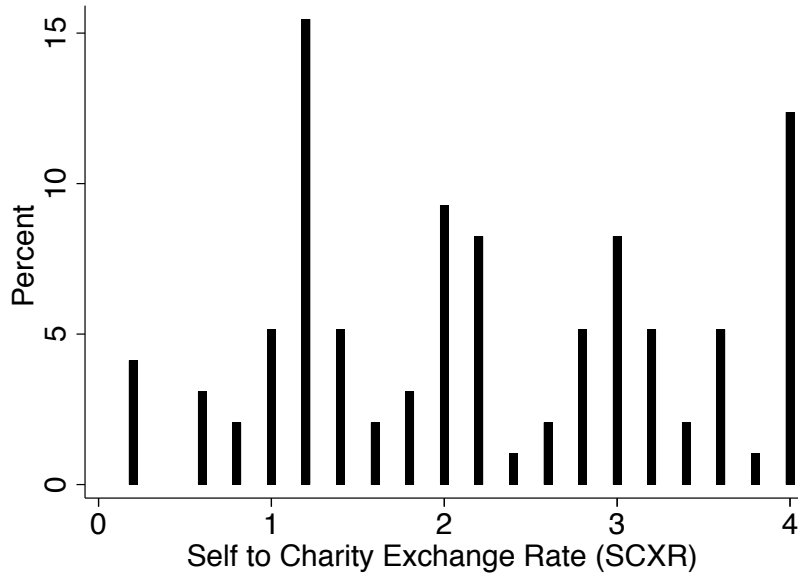
<sup>23</sup>This is comparable to the 42% observed in Exley (2015), and more broadly, Engel (2011)'s meta study finding that 36% of dictators do not give anything to their recipients.

<sup>24</sup>To bias against finding excuse-driven evidence,  $X_t$  values are estimated as the upper bound of participants' implied indifference ranges so that they weakly prefer  $\$X_t$  for the top-rated charity  $t$  over \$10 for themselves.



non-censored  $X_t$  values when they are translated into self-to-charity-exchange rates (SCXR). The average SCXR of 2.78 implies that participants are on average indifferent between \$10 for themselves and  $10 \times 2.78$  for the top-rated charity.<sup>25</sup> While the main analysis will focus on decisions involving non-censored  $X_t$  values, subsequent analyses confirm the robustness to also including decisions that involve censored  $X_t$  values.<sup>26</sup>

Figure 1: Distribution of SCXR in Study 1



Each bar shows the percent of the participants in Study 1 with a given self-to-charity-exchange rate (SCXR), which equals  $\frac{X_t}{10}$  for each charity  $t$ , where participants are indifferent between  $\$X_t$  for the top-rated charity  $t$  and \$10 for themselves. The results include data for the 97 non-censored  $X_t$  values.

Table 1 presents results from OLS regressions of the valuations for low-rated charities.<sup>27</sup> The coefficient estimate on *charity-self* in Column 1 shows that valuations are, on average, 11 percentage points significantly lower in the charity-self treatment than in the charity-charity treatment. In other words, the frequency with which participants are willing to choose money for a lower-rated charity falls by 11 percentage points when their alternative choice involves money for themselves in the charity-self treatment rather than money for the corresponding top-rated charity in the charity-charity treatment. Consistent with excuse-driven responses to

<sup>25</sup>The average SCXRs range from 2.73 to 2.87 across the three price lists when defined according to their order or when defined according to the charity type involved. These differences are not statistically significant.

<sup>26</sup>Since stronger evidence for excuse-driven behavior emerges for participants with larger  $X_t$  values, initially excluding decisions involving censored  $X_t$  values seeks to be conservative. It is not possible to include decisions involving the three participants with unknown  $X_t$  values due to multiple switch points because the experimental code outputted unreasonable  $X_t$  values for them during the experiment.

<sup>27</sup>These valuations are set to equal the midpoint of implied ranges from participants' switch points on the valuation price lists, unless the point estimate of 0% or 100% is implied from a participant never or always choosing  $\$X_t$  for the P-rated charity  $t$ , respectively. In the 7% of valuation price lists with multiple switch points, valuations are estimated by following prior literature that only considers the first switch points. The results are robust to instead excluding any valuations with multiple switch points.



performance metrics, participants appear to overweight their dislike of the low-rated charities when self-serving motives are relevant. Indeed, this 11 percentage point decrease is nearly twice as large as the 5.6 percentage point decrease seen when going from a 2nd-rated to a 3rd-rated charity (controlled for via rating fixed effects).

Column 2 confirms that this excuse-driven behavior is robust to the inclusion of individual fixed effects and thus not driven by permanent heterogeneity across participants. Column 3 shows that the drop in valuations in the charity-self treatment is more pronounced among individuals who may be more likely to seek excuses not to give: individuals who are more selfish as indicated by higher self-to-charity-exchange rates (SCXR). That excuse-driven responses to charity performance metrics are more likely among more selfish individuals echoes the finding in [Exley \(2015\)](#) that more selfish individuals are more likely to have excuse-driven responses to risk in charitable giving opportunities.<sup>28</sup> Column 4 shows that there are not significant ordering effects between individuals who first complete valuation price lists in the charity-self treatment (captured by the indicator, *order(cs,cc)*) versus individuals who first complete the valuation price lists in the charity-charity treatment. Such differences may have been expected from a desire to maintain consistency and avoid cognitive dissonance.<sup>29</sup> Column 5 considers variation across charity types. The coefficient on *charity-self\*KIPP* shows that there is not a significant difference in how participants respond to the lower college matriculation rates of KIPP charter schools versus the lower program expense rates of Make-A-Wish Foundation state chapters (the excluded charity type). While the positive coefficient on *charity-self\*animal shelters* implies relatively less evidence for excuse-driven responses to live release rates of animal shelters, the evidence is still significant.<sup>30</sup> Column 6 shows that the results are robust to including valuations involving censored  $X_t$  values.<sup>31</sup>

Appendix A provides additional evidence for excuse-driven responses to charity performance metrics from two online experiments: Study 1a and Study 1b. Study 1a replicates the main finding of excuse-driven responses to performance metrics on a larger sample of 200 participants using a simplified design. In showing that these results are sensitive to the order in which partici-

---

<sup>28</sup>Other literature with potentially related findings include [Exley and Kessler \(2018\)](#), [Karlan and Wood \(2017\)](#), and [Exley and Petrie \(2018\)](#). For a discussion of about potential heterogeneity in self-serving avoidance of information or giving opportunities, see [Nyborg \(2011\)](#) and [Lazear et al. \(2012\)](#).

<sup>29</sup>Literature documenting a desire to avoid cognitive dissonance includes [Babcock et al. \(1995\)](#); [Konow \(2000\)](#); [Haisley and Weber \(2010\)](#); [Gneezy et al. \(2016\)](#); [Golman et al. \(2016\)](#).

<sup>30</sup>From Column 5 in Table 1, the sum of the coefficients on *charity-self* and *charity-self\*animal shelters* is significantly different than zero ( $p < 0.05$ ). Follow-up responses suggest this may be driven by some participants thinking that high live release rates are indicative of not needing help – thus either low or high live release rates may serve as excuses. Since such a possibility can confound the results, Studies 1a and 1b (detailed in Appendix A) examine more unambiguous metrics and strip away unnecessary contextual details about the involved charities.

<sup>31</sup>Since stronger evidence for excuse-driven behavior emerges for participants with larger  $X_t$  values (those with higher self-to-charity-exchange rates) and the largest  $X_t$  values arise from censored values, initially excluding valuations involving censored  $X_t$  values seeks to be conservative. The results in Columns 1 - 6 are robust to instead considering Tobit regressions.

pants make decisions, Study 1a also provides evidence for the role that a desire to avoid cognitive dissonance and to maintain consistency may play in driving responses. Study 1b, in addition to replicating the main finding of excuse-driven responses on a sample of 201 participants, shows that excuse-driven responses to performance metrics are not mitigated when individuals have an opportunity to exert effort in order to reallocate their giving towards a more effective charity.

Table 1: Ordinary least squares regressions of valuations for low-rated charities in Study 1

	1	2	3	4	5	6
<i>charity-self</i>	-10.75**	-10.75**	-10.75***	-15.20***	-17.43***	-23.18***
	(4.00)	(4.19)	(3.13)	(4.32)	(5.25)	(4.77)
$(SCXR - \overline{SCXR})$			-8.99***	-9.73***	-9.60***	-9.08***
			(2.94)	(3.21)	(3.30)	(1.68)
<i>charity-self</i>			-12.74***	-11.78***	-11.75***	-13.93***
$*(SCXR - \overline{SCXR})$			(3.40)	(3.42)	(3.44)	(2.18)
<i>order(cs,cc)</i>				-7.53	-7.46	-8.63
				(7.26)	(7.33)	(5.62)
<i>charity-self</i>				9.81	9.84	5.11
$*order(cs,cc)$				(6.06)	(6.13)	(6.00)
<i>KIPP schools</i>					4.54	5.79
					(3.54)	(3.55)
<i>charity-self</i>					0.16	-3.53
$*KIPP schools$					(5.01)	(4.17)
<i>animal shelters</i>					-4.15	-2.77
					(3.02)	(2.52)
<i>charity-self</i>					6.77*	7.58**
$*animal shelters$					(3.95)	(3.54)
Constant	72.22***	35.91***	72.22***	75.63***	75.47***	70.47***
	(3.99)	(2.29)	(3.47)	(4.64)	(4.84)	(4.00)
Rating FEs	yes	yes	yes	yes	yes	yes
Ind FEs	no	yes	no	no	no	no
Censored X	no	no	no	no	no	yes
N	388	388	388	388	388	564

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Standard errors are clustered at the individual level and shown in parentheses. The above presents OLS regression results of valuations of a lower-rated charity of type  $t$  receiving  $\$X_t$ . Valuations are scaled as percentages of  $\$X_t$  in the charity-charity treatment and as percentages of \$10 in the *charity-self treatment*. *charity-self* is an indicator for valuations elicited in the charity-self treatment.  $(SCXR - \overline{SCXR})$  is an individual's self-to-charity-exchange rate minus the average self-to-charity-exchange rate. *order(cs,cc)* is an indicator for individuals who first complete valuation price lists in the charity-self treatment. *KIPP schools* and *animal shelters* are indicators for KIPP charter schools or animal shelters, respectively, where the excluded charity type is Make-A-Wish foundation state chapters. "Rating FEs" and "Ind FEs" indicate whether charity rating fixed effects and individual fixed effects are included, respectively. "Censored X" indicates whether cases involving censored  $X_t$  values are included. When cases with censored  $X_t$  values are not included, the data include valuations from 31-35 participants for each charity type. When cases with censored  $X_t$  values are included, the data include valuations from 47 participants for each charity type.

## 2 Study 2: An Online Experiment

Study 2 involves data from 400 Amazon Mechanical Turk workers in January 2018 who made five decisions about how much money to keep for themselves or instead to donate to Make-A-Wish Foundation.<sup>32</sup> In addition to receiving a \$1 completion fee, participants knew that one of their decisions would be randomly selected to count for payment.<sup>33</sup> Relative to Study 1, Study 2 allows for a test of excuse-driven responses to charity performance metrics on a larger sample and via an identification strategy that does not require a normalization procedure. The design and results for Study 2 are detailed below (and see Appendix B.4 for instructions and screenshots).

Participants are randomly assigned to the aggregated-information treatment ( $n=201$ ) or to the disaggregated-information treatment ( $n=199$ ). In both treatments, participants make five decisions about how much money to keep for themselves, out of an additional payment of 50 cents, versus how much money to instead donate to Make-A-Wish Foundation. All that varies across their five decisions is the impact of their donation — more specifically, whether the amount they choose to donate is multiplied by 5, 4.5, 4, 3.5, or 3 before being donated to Make-A-Wish Foundation. All that varies across the two treatments is how the information on the impact of their donation is presented. In the aggregated-information treatment, participants are simply informed that any amount they choose to donate will be multiplied by 5, 4.5, 4, 3.5, or 3. In the disaggregated-information treatments, participants are instead informed that any amount they choose to donate will be multiplied by 5 and then discounted by a “processing fee” of 0%, 10%, 20%, 30%, or 40% — thus implying the same overall multipliers as in aggregated-information treatment. Unlike in the aggregated-information treatment, however, participants in the disaggregated-information treatment may narrowly bracket the “bad” information on the impact of their donation: the processing fee. The ability to narrowly bracket this bad information may in turn facilitate their ability to overweight the extent to which they dislike higher processing fees as an excuse not to give.

Table 3 presents results from OLS regressions of donation behavior on the processing fee. The *fee* variable is set equal to 0 when the multiplier is 5 (or processing fee is 0%), 0.1 when the multiplier is 4.5 (or processing fee is 10%), 0.2 when the multiplier is 4 (or processing fee is 20%), 0.3 when the multiplier is 3.5 (or processing fee is 30%), and 0.4 when the multiplier is 3 (or processing fee is 40%).

Column 1 presents results on the donation amount. The coefficient estimate on *fee* > 0 shows that if a donation opportunity involves a processing fee (or equivalently, a multiplier that is less than 5), the average amount participants give does not significantly change in the aggregated-information treatment. The coefficient estimate on *disagg* also shows that, when there is no processing fee, the average amount participants give in the aggregated-information treatment

---

<sup>32</sup>Study 2 was advertised as a 5-10 minute study, and the median completion time was 4 minutes.

<sup>33</sup>In the taxonomy proposed in Charness et al. (2013), this can be considered an extra-laboratory study.

Table 2: Ordinary least squares regressions of donation behavior in Study 2

Dependent Variable:	donation		donation > 0		donation		donation > 0	
	1	2	3	4	5	6	7	8
<i>fee</i> > 0	-0.35 (0.31)	-0.34 (0.31)	-0.02 (0.01)	-0.02 (0.01)				
<i>disagg.</i>	2.29 (1.67)	2.31 (1.67)	-0.05 (0.05)	-0.05 (0.05)	1.65 (1.61)	1.63 (1.61)	-0.05 (0.05)	-0.06 (0.05)
<i>disagg.</i> * <i>fee</i> > 0	-4.52*** (0.85)	-4.55*** (0.85)	-0.12*** (0.03)	-0.12*** (0.03)				
<i>fee</i>					-0.36 (0.94)	-0.46 (0.94)	-0.12*** (0.04)	-0.12*** (0.04)
<i>disagg.</i> * <i>fee</i>					-14.89*** (2.61)	-14.79*** (2.58)	-0.45*** (0.09)	-0.44*** (0.09)
Constant	13.53*** (1.13)	13.15*** (1.14)	0.73*** (0.03)	0.72*** (0.03)	13.33*** (1.11)	12.97*** (1.12)	0.73*** (0.03)	0.73*** (0.03)
Order FEs	no	yes	no	yes	no	yes	no	yes
N	2000	2000	2000	2000	2000	2000	2000	2000

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Standard errors are clustered at the individual level and shown in parentheses. Columns 1, 2, 5, and 6 present OLS regression results of how much participants donate. Columns 3, 4, 7, and 8 present OLS regression results of an indicator on whether participants donate. *fee* > 0 is an indicator for a processing fee greater than 0, or equivalently a multiplier less than 5. *disagg.* is an indicator for participants in the disaggregated-information treatment. *fee* equals 0, 0.1, 0.2, 0.3, or 0.5 when the processing fee is 0%, 10%, 20%, 30%, or 40% in the disaggregated-information treatment or when the multiplier equals 5, 4.5, 4, 3.5, or 3 in the aggregated-information treatment. “Order FEs” indicate whether fixed effects for the order of each decision are included. The data include 5 observations from each of the 400 participants.

is not significantly different than the average amount participants give in the disaggregated-information treatment. The coefficient estimate on *disagg*\**fee*, however, shows that a processing fee causes average giving to decrease by a significantly greater amount in the disaggregated-information treatment than it does in the aggregated information treatment. While a processing fee causes average giving to insignificantly decrease by 0.35 cents in the aggregated-information treatment, a processing fee causes average giving to significantly decrease by an additional 4.52 cents in the disaggregated-information treatment. Given an average donation amount of 12.59 cents (out of the 50 cents), these decreases in average giving correspond to a decrease of 3% in the aggregated-information treatment versus a 39% decrease in the disaggregated-information treatment. That is, participants appear to overweight their dislike of giving opportunities with lower impact factors when they can easily exploit bad information — i.e., when the processing fee is highlighted in the disaggregated-information treatment — as an excuse not to give.

Column 2 shows that these results are robust to including fixed effects for the order in which decisions are made. Columns 3 and 4 show similar results when considering the likelihood

of a participant making a donation. While a processing fee causes the likelihood of giving to insignificantly decrease by 2 percentage points in the aggregated-information treatment, a processing fee causes average giving to significantly decrease by 12 additional percentage points in the disaggregated-information. Given a baseline giving rate of 64%, these decreases in the likelihood of giving correspond to a decrease of 3% in the aggregated-information treatment versus a decrease of 22% in the disaggregated-information treatment. Columns 4 - 8 show similar results when instead considering a continuous measure of the underlying processing fee.

In reflecting on the results from Study 1 and Study 2, it is useful to note there are clear tradeoffs across these two studies – mostly notably, because Study 1 employs a normalization procedure while Study 2 does not. Study 1 examines evidence for excuse-driven responses to charity performance metrics by comparing giving decisions that occur when self-serving motives and thus excuses are relevant (in the charity-self treatment) to ones that occur when self-serving motives and thus excuses are *not* relevant (in the charity-charity treatment). The use of the normalization procedure alleviates concerns that this comparison is merely reflective of giving decisions varying under different stakes. That is, absent a normalization procedure, Figure 1 makes clear that differences across contexts where money for the participants is and is not at stake could simply follow from participants valuing the stakes in each context quite differently.

Study 2 considers a different comparison via a framing manipulation. Study 2 compares giving decisions when excuses are more easily developed (in the disaggregated-information treatment) to when excuses are less easily developed (in the aggregated-information treatment). By making a comparison about whether excuses are more or less easily developed, rather than about whether excuses are relevant or not (as in Study 1), Study 2 always considers contexts where money for the participants is at stake. That there is no normalization procedure in Study 2 allows for a simplified decision environment to follow.<sup>34</sup> However, the lack of a normalization procedure in Study 2 prevents the examination of how giving decisions respond to the framing manipulation in a context where self-serving motives are not relevant but the amount of money at stake is known to be similarly valued as the amount of money at stake in a context where self-serving motives are relevant. Put differently, the results in Study 2 do not allow us to identify to what extent the response to the framing manipulation is an excuse-driven response versus a non-excuse-driven response. The results in Study 2 are indicative of excuse-driven responses to the extent that the framing manipulation does indeed facilitate the development of excuses. With that caution in mind, Appendix A.3 provides suggestive evidence of the framing manipulation having a smaller impact when self-serving motives and thus excuses are not relevant.

---

<sup>34</sup>Thank you to the review team for encouraging this new approach in Study 2 that allowed for a simplified decision environment. It is also worth noting that this new approach neither relies on the assumption of linearity nor could be influenced by moral crediting concerns. Note, however, that the assumption of linearity in Study 1 is reasonable given the small stakes involved and that there is no evidence for moral crediting concerns in Study 1 (i.e., recall that participants who are more selfish in their decisions during the normalization procedure are more likely to be excuse-driven and thus more selfish again).

### 3 Conclusion

This paper documents how individuals may use charity performance metrics as an excuse not to give. The relation between policy and this novel channel through which individuals exploit factors in a self-serving manner is clear. When considering the benefits of providing performance metrics as a tool to encourage more effective giving, it is important to consider the potential downside of facilitating the development of excuses not to give. How to construct solicitations that balance this tension, and that mitigate the potential downside, is worthy of future work.

A few comments that may prove useful to this future work. First, excuses are not relevant when how much to give has been decided and the only question is how to distribute said giving. The provision of performance metrics in these cases may indeed encourage more effective giving absent any concerns related to excuse-driven responses. Second, excuses that involve self-serving views of information may be more likely among more marginal givers such as new potential donors or those who have neither given many times nor very much in the past. Third, providing aggregated information — if positive overall — may limit excuse-driven responses to information by making it more difficult to exploit particular pieces of information.

Finally, it is worth noting that the use of performance metrics is ubiquitous and not unique to the nonprofit sector. Companies compete in terms of performance metrics, and workers are often incentivized and evaluated in terms of performance metrics. A desire to discount the success of companies in which one does not have a stake or a desire to discriminate against certain job candidates may imply that one's view of related performance metrics are tainted by self-serving motives. A perception that the use of performance metrics is objective and fair may exacerbate the impact of related biases. Thus, managers of both nonprofit and for-profit organizations should carefully consider if and to what extent views of performance metrics may be distorted by self-serving motives.

## References

- Andreoni, James, and Alison L. Sanchez.** 2014. “Do Beliefs Justify Actions or Do Actions Justify Beliefs? An Experiment on Stated Beliefs, Revealed Beliefs, and Social-Image Motivation.” *Working paper*.
- Andreoni, James, Justin M. Rao, and Hannah Trachtman.** 2016. “Avoiding the ask: A field experiment on altruism, empathy, and charitable giving.” *Journal of Political Economy*.
- Babcock, Linda, George Loewenstein, Samuel Issacharoff, and Colin Camerer.** 1995. “Biased Judgments of Fairness in Bargaining.” *The American Economic Review*, 85(5): 1337–1343.
- Bartling, Björn, Florian Engl, and Roberto A. Weber.** 2014. “Does willful ignorance deflect punishment? – An experimental study.” *European Economic Review*, 70(0): 512 – 524.
- Batista, Catia, Dan Silverman, and Dean Yang.** 2015. “Directed Giving: Evidence from an Inter-Household Transfer Experiment.” *Journal of Economic Behavior & Organization*.
- Bénabou, Roland, and Jean Tirole.** 2016. “Mindful Economics: The Production, Consumption, and Value of Beliefs.” *Journal of Economic Perspectives*, 30(3): 141–164.
- Broberg, Tomas, Tore Ellingsen, and Magnus Johannesson.** 2007. “Is generosity involuntary?” *Economics Letters*, 94(1): 32–37.
- Brown, Alexander L., Jonathan Meer, and J. Forrest Williams.** 2016. “Social Distance and Quality Ratings in Charity Choice.” *Journal of Behavioral and Experimental Economics*.
- Butera, Luigi, and Daniel Houser.** 2016. “Delegating Altruism: Toward an Understanding of Agency in Charitable Giving.” *Working paper*.
- Butera, Luigi, and Jeffery Horn.** 2014. “Good News, Bad News, and Social Image: The Market for Charitable Giving.” *Working paper*.
- Charness, Gary, Uri Gneezy, and Michael A Kuhn.** 2013. “Experimental methods: Extralaboratory experiments-extending the reach of experimental economics.” *Journal of Economic Behavior & Organization*, 91: 93–100.
- Coffman, Lucas.** 2017. “Intermediaries in Fundraising Inhibit Quality-Driven Charitable Donations.” *Economic Inquiry*, 55(1): 409–424.
- Coffman, Lucas C.** 2011. “Intermediation Reduces Punishment (and Reward).” *American Economic Journal: Microeconomics*, 3(4): 1–30.



- Dana, Jason, Daylian M. Cain, and Robyn M. Dawes.** 2006. "What you don't know won't hurt me: Costly (but quiet) exit in dictator games." *Organizational Behavior and Human Decision Processes*, 100: 193–201.
- Dana, Jason, Roberto A. Weber, and Jason Xi Kuang.** 2007. "Exploiting moral wiggle room: experiments demonstrating an illusory preference for fairness." *Economic Theory*, 33: 67–80.
- Danilov, Anastasia, and Silvia Saccardo.** 2016. "Disguised Discrimination." *Working Paper*.
- DellaVigna, Stefano, John List, and Ulrike Malmendier.** 2012. "Testing for Altruism and Social Pressure in Charitable Giving." *Quarterly Journal of Economics*, 127(1): 1–56.
- Di Tella, Rafael, Ricardo Perez-Truglia, Andres Babino, and Mariano Sigman.** 2015. "Conveniently Upset: Avoiding Altruism by Distorting Beliefs about Others' Altruism." *American Economic Review*, 105(11): 3416–42.
- Ebrahim, Alnoor, and V. Kasturi Rangan.** 2010. "The Limits of Nonprofit Impact: A Contingency Framework for Measuring Social Performance." *Working Paper, Harvard Business School*.
- Eckel, Catherine C, and Philip J Grossman.** 2003. "Rebate versus matching: does how we subsidize charitable contributions matter?" *Journal of Public Economics*, 87(3): 681–701.
- Eckel, Catherine C, and Philip J Grossman.** 2008. "Subsidizing charitable contributions: a natural field experiment comparing matching and rebate subsidies." *Experimental Economics*, 11(3): 234–252.
- Eckel, Catherine C., David Herberich, and Jonathan Meer.** 2016. "A field experiment on directed giving at a public university." *Journal of Behavioral and Experimental Economics*.
- Engel, Christoph.** 2011. "Dictator games: a meta study." *Experimental Economics*, 14(4): 583–610.
- Exley, Christine L.** 2015. "Excusing Selfishness in Charitable Giving: The Role of Risk." *Review of Economic Studies*, 83(2): 587–628.
- Exley, Christine L., and Judd B. Kessler.** 2018. "Motivated Errors." *Working Paper*.
- Exley, Christine L., and Ragan Petrie.** 2018. "The Impact of a Surprise Donation Ask." *Journal of Public Economics*, 158(152-167).
- Exley, Christine L., and Stephen J. Terry.** Forthcoming. "Wage Elasticities in Working and Volunteering: The Role of Reference Points in a Laboratory Study." *Management Science*.

- Falk, Armin, and Nora Szech.** 2013. "Organizations, Diffused Pivotality and Immoral Outcomes." *IZA Discussion Paper* 7442.
- Feiler, Lauren.** 2014. "Testing Models of Information Avoidance with Binary Choice Dictator Games." *Journal of Economic Psychology*.
- Fong, Christina M., and Felix Oberholzer-Gee.** 2011. "Truth in giving: Experimental evidence on the welfare effects of informed giving to the poor." *Journal of Public Economics*, 95: 436–444.
- Gino, Francesca, and Dan Ariely.** 2012. "The dark side of creativity: original thinkers can be more dishonest." *Journal of personality and social psychology*, 102(3): 445.
- Gino, Francesca, Michael I. Norton, and Roberto A. Weber.** 2016. "Motivated Bayesians: Feeling Moral While Acting Egoistically." *Journal of Economic Perspectives*, 30(3): 189–212.
- Gino, Francesca, Shahar Ayal, and Dan Ariely.** 2013. "Self-serving altruism? The lure of unethical actions that benefit others." *Journal of economic behavior & organization*, 93(285–292).
- Giving USA Foundation.** 2015. "Giving USA 2015: The Annual Report on Philanthropy." Indiana University Lilly Family School of Philanthropy.
- Gneezy, Uri, Elizabeth A. Keenan, and Ayelet Gneezy.** 2014. "Avoiding overhead aversion in charity." *Science*, 346(6209): 632–635.
- Gneezy, Uri, Silvia Saccardo, Marta Serra-Garcia, and Roel van Veldhuizen.** 2016. "Bribing the Self." *Working paper*.
- Golman, Russell, David Hagmann, and George Loewenstein.** 2017. "Information Avoidance." *Journal of Economic Literature*, 55(1): 1–40.
- Golman, Russell, George Loewenstein, Karl Ove Moene, and Luca Zarri.** 2016. "The Preference for Belief Consonance." *Journal of Economic Perspectives*, 30(3): 165–188.
- Gordon, Teresa P, Cathryn L Knock, and Daniel G Neely.** 2009. "The role of rating agencies in the market for charitable contributions: An empirical test." *Journal of accounting and public policy*, 28(6): 469–484.
- Grossman, Zachary.** 2014. "Strategic ignorance and the robustness of social preferences." *Management Science*, 60(11): 2659–2665.
- Grossman, Zachary, and Joël J van der Weele.** 2017. "Self-image and willful ignorance in social decisions." *Journal of the European Economic Association*, 15(1).

- Haisley, Emily C., and Roberto A. Weber.** 2010. "Self-serving interpretations of ambiguity in other-regarding behavior." *Games and Economic Behavior*, 68: 614–625.
- Hamman, John R., George Loewenstein, and Roberto A. Weber.** 2010. "Self-Interest through Delegation: An Additional Rationale for the Principal-Agent Relationship." *American Economic Review*, 100(4): 1826–1846.
- Hope Consulting.** 2010. "Money for Good The US Market for Impact Investments and Charitable Gifts from Individual Donors and Investors." *Technical Report*.
- Hsee, Christopher K.** 1996. "Elastic justification: How unjustifiable factors influence judgments." *Organizational Behavior and Human Decision Processes*, , (1).
- Huck, Steffen, and Imran Rasul.** 2011. "Matched fundraising: Evidence from a natural field experiment." *Journal of Public Economics*, 95: 351–362.
- Hwang, Hokyung, and Walter W. Powell.** 2009. "The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector." *Administrative Science Quarterly*, 54: 268–298.
- Kamdar, Amee, Steven D. Levitt, John A. List, Brian Mullaney, and Chad Syverson.** 2015. "Once and Done: Leveraging Behavioral Economics to Increase Charitable Contributions."
- Karlan, Dean, and Daniel H. Wood.** 2017. "The effect of effectiveness: donor response to aid effectiveness in a direct mail fundraising experiment." *Journal of Behavioral and Experimental Economics*, 66: 1–8.
- Karlan, Dean, and John A. List.** 2007. "Does Price Matter in Charitable Giving? Evidence from a Large-Scale Natural Field Experiment." *The American Economic Review*, 97(5): pp. 1774–1793.
- Karlan, Dean, John A List, and Eldar Shafir.** 2011. "Small matches and charitable giving: Evidence from a natural field experiment." *Journal of Public Economics*, 95(5): 344–350.
- Kessler, Judd B., Katherine L. Milkman, and C. Yiwei Zhang.** 2018. "Getting The Rich and Powerful to Give." *Working Paper*.
- Knutson, Mikael, Peter Martinsson, and Conny Wollbrant.** 2013. "Do people avoid opportunities to donate? A natural field experiment on recycling and charitable giving." *Journal of Economic Behavior & Organization*, 93: 71–77.

- Konow, James.** 2000. "Fair Shares: Accountability and Cognitive Dissonance in Allocation Decisions." *The American Economic Review*, 90(4): 1072–1092.
- Larson, Tara, and Monica C. Capra.** 2009. "Exploiting moral wiggle room: Illusory preference for fairness? A comment." *Judgment and Decision Making*, 4(6): 467–474.
- Lazear, Edward P., Ulrike Malmendier, and Roberto A. Weber.** 2012. "Sorting in experiments with application to social preferences." *American Economic Journal: Applied Economics*, 4(1): 136–163.
- Linardi, Sera, and Margaret A. McConnell.** 2011. "No excuses for good behavior: Volunteering and the social environment." *Journal of Public Economics*, 95: 445–454.
- Lin, Stephanie C., Rebecca L. Schaumberg, and Taly Reich.** 2016. "Sidestepping the rock and the hard place: The private avoidance of prosocial requests." *Journal of Experimental Social Psychology*, 35–40.
- Li, Sherry Xin, Catherine Eckel, Philip J. Grossman, and Tara Larson Brown.** 2015. "Directed giving enhances voluntary giving to government." *Economics Letters*, 133: 51–54.
- Matthey, Astrid, and Tobias Regner.** 2011. "Do I really want to know? A cognitive dissonance-based explanation of other-regarding behavior." *Games*, 2: 114–135.
- Meer, Jonathan.** 2014. "Effects of the price of charitable giving: Evidence from an online crowdfunding platform." *Journal of Economic Behavior & Organization*, 103: 113–124.
- Meer, Jonathan.** 2017. "Does fundraising create new giving?" *Journal of Public Economics*, 145: 82–93.
- Meier, Stephan.** 2007. "Do subsidies increase charitable giving in the long run? Matching donations in a field experiment." *Journal of the European Economic Association*, 5(6): 1203–1222.
- Merritt, Anna C., Daniel A. Effron, and Benoît Monin.** 2010. "Moral Self-Licensing: When Begin Good Frees Us to be Bad." *Social and Personality Psychology Compass*, 4(5): 344–357.
- Metzger, Laura, and Isabel Günther.** 2015. "Making an impact? The relevance of information on aid effectiveness for charitable giving. A laboratory experiment." *Working paper*.
- Niehaus, Paul.** 2014. "A Theory of Good Intentions." *Working Paper*.
- Null, Clair.** 2011. "Warm glow, information, and inefficient charitable giving." *Journal of Public Economics*, 95: 455–465.

- Nyborg, Karine.** 2011. "I don't want to hear about it: Rational ignorance among duty-oriented consumers." *Journal of Economic Behavior & Organization*, 79(3): 263–274.
- Oberholzer-Gee, Felix, and Reiner Eichenberger.** 2008. "Fairness in Extended Dictator Game Experiments." *The B.E. Journal of Economic Analysis & Policy*, 8(1).
- Pittarello, Andrea, Margarita Leib, Tom Gordon-Hecker, and Shaul Shalvi.** 2015. "Justifications shape ethical blind spots." *Psychological Science*.
- Regner, Tobias.** 2016. "Reciprocity under moral wiggle room: is it a preference or a constraint?" *Jena Economic Research Papers 2016 - 024*.
- Schwardman, Peter, and Joël van der Weele.** 2016. "Deception and Self-Deception." *Tinbergen Institute Discussion Paper*.
- Shalvi, Shaul, Francesca Gino, Rachel Barkan, and Shahar Ayal.** 2015. "Self-serving justifications doing wrong and feeling moral." *Current Directions in Psychological Science*, 24(2): 125–130.
- Shalvi, Shaul, Jason Dana, Michel JJ Handgraaf, and Carsten KW De Dreu.** 2011. "Justified ethicality: Observing desired counterfactuals modifies ethical perceptions and behavior." *Organizational Behavior and Human Decision Processes*, 115(2): 181–190.
- Shalvi, Shaul, Ori Eldar, and Yoella Bereby-Meyer.** 2012. "Honesty requires time (and lack of justifications)." *Psychological science*, 10(1264-1270).
- Snyder, Melvin L, Robert E Kleck, Angelo Strenta, and Steven J Mentzer.** 1979. "Avoidance of the handicapped: an attributional ambiguity analysis." *Journal of personality and social psychology*, 37(12): 2297–2306.
- Trachtman, Hannah, Andrew Steinkruger, Mackenzie Wood, Adam Wooster, James Andreoni, James J. Murphy, and Justin M. Rao.** 2015. "Fair weather avoidance: unpacking the costs and benefits of "Avoiding the Ask"." *Journal of the Economic Science Association*, 1–7.
- van der Weele, Joël J.** 2014. "Inconvenient Truths: Determinants of Strategic Ignorance in Moral Dilemmas." *Working paper*.
- van der Weele, Joël J., Julija Kulisa, Michael Kosfeld, and Guido Friebe.** 2014. "Resisting Moral Wiggle Room: How Robust Is Reciprocal Behavior?" *American Economic Journal: Microeconomics*, 6(3): 256–264.

- van Iwaarden, Jos, Ton van der Wiele, Roger Williams, and Claire Moxham. 2009. "Charities: how important is performance to donors?" *International Journal of Quality & Reliability Management*, 26(1): 5–22.
- Yörük, Barış K. 2016. "Charity Ratings." *Journal of Economics & Management Strategy*, 25(1): 195–219.

# A Additional Studies

## A.1 Study 1a: An Online Experiment

Study 1a involves data from 200 Amazon Mechanical Turk workers in February 2016 who made a series of binary decisions between money for Make-A-Wish foundation state chapters and/or money for themselves.<sup>35</sup> In addition to receiving a \$3 completion fee, participants knew that one of their decisions would be randomly selected to count for payment. Relative to the Study 1, participants in Study 1a faced simplified decisions to draw greater attention to the performance metrics and to mitigate other potential concerns detailed below. Cognitive dissonance from exploiting excuses — that may arise from participants’ altering how they respond to performance metrics according to whether their own money is at stake — may therefore be greater in Study 1a than Study 1. In addition to serving as a replication check on a larger sample, Study 1a serves as a plausibly more conservative test of excuse-driven behavior. The design and results for Study 1a are detailed below (and see Appendix B.2 for instructions and screenshots).

First, to limit noise that is introduced when comparing performance metrics across charities and to draw greater attention to the performance metrics, each participant makes decisions involving five Make-A-Wish Foundation state chapters, which aside from their performance metrics, are indistinguishable from each other. That is, participants only learn about the performance metric for a particular state chapter, not the actual state involved.

Second, to help minimize the ambiguity about the interpretation of the performance metrics themselves, participants are presented with performance metrics that are measurable across different types of charities. In particular, participants are randomly assigned to either learn the program expense rates or the “overall scores” for the state chapters. The five program expense rates involved in this study are described via the following ranges: 85% or better, 80 - 84%, 75 - 79%, 70 - 74%, and 65 - 69%. The five overall scores – which indicate the financial health, accountability and transparency of the state chapters – are described via the following ranges: 95% or better, 90 - 94%, 85 - 89%, 80 - 84%, and 75 - 79%.<sup>36</sup>

Third, to facilitate comparisons between money for oneself and money for charity, the normalization procedure is used to determine “tokens” that allow for decisions to be made in similar units in both the charity-charity treatment and the charity-self treatment. To begin, on each row of a normalization price list, participants choose between (i) 200 cents for the top-rated charity and (ii) some amount for themselves that increases by 10 cents from 0 to 200 cents as they proceed down the twenty-one rows of the price list (the charity  $t$  notation is dropped since a participant only evaluates one charity type).<sup>37</sup> The amounts at which they switch to choosing

---

<sup>35</sup>Study 1a was advertised as a 20-minute study, and the median completion time was 12.1 minutes.

<sup>36</sup>See <http://www.charitynavigator.org> for information on how overall scores are calculated.

<sup>37</sup>While the normalization price list in Study 1 holds the amount of money for the participants constant, instead holding the amount of money for the top-rated charity constant in Study 1a helps to prevent censored valuations.



money for themselves imply  $Y$  values such that participants are indifferent between 200 cents for the top-rated charity and  $Y$  cents for themselves. Their  $Y$  values, unbeknownst to participants, determine the stakes involved in the subsequent “valuation” price lists.<sup>38</sup> In particular, the tokens involved in the valuation price lists are such that any token for a charity yields 2 cents for that charity and any token for a participant yields  $\frac{Y}{100}$  cents for that participant.

Participants complete the valuation price lists in two treatments — the charity-charity treatment and the charity-self treatment — for each low-rated (i.e., 2nd-rated, 3rd-rated, 4th-rated, or 5th-rated) charity. The order of the treatments are randomly determined. In the charity-charity treatment, participants choose between (i) 100 tokens for a low-rated charity and (ii) some amount of tokens for the top-rated charity that increases by 5 tokens from 0 to 100 as participants proceed down the twenty-one rows of a valuation price list. In the charity-self treatment, participants choose between (i) 100 tokens for a low-rated charity and (ii) some amount of tokens for themselves that increases by 5 tokens from 0 to 100 as participants proceed down the twenty-one rows of a valuation price list. Given participants are indifferent between 200 cents for the top-rated charity and  $Y$  cents for themselves, the row at which they switch from (i) to (ii) should be the same in both treatments if they are not excuse-driven.<sup>39</sup> If participants are excuse-driven, however, they may switch more quickly to (ii) in the charity-self treatment to choose tokens that benefit themselves more often, resulting in lower valuations in the charity-self treatment than in the charity-charity treatment.

Before turning to participants’ valuations of the lower-rated charities, a few notes on the results from the normalization price list are useful. To begin, note that 5% of participants never switch between money for the top-rated charity and money for themselves and thus have “censored”  $Y$  values, which are assumed to equal 200 cents if they always choose money for the charity or 10 cents if they always choose money for themselves. In all other cases,  $Y$  values are easily inferred by the unique amounts at which participants switch from choosing 200 cents for themselves to  $Y$  cents for the top-rated charity.<sup>40</sup> When these non-censored  $Y$  values are translated into self-to-charity-exchange rates (SCXR), the average SCXR of 8.33 implies participants are on

---

<sup>38</sup>As in Study 1, participants in Study 1a are aware that there will be subsequent price lists when making their decisions in the normalization price lists but details of any given price list are only revealed as one progresses throughout the study. There is no evidence that participants expected their decisions in the normalization price list to subsequently influence the amounts in the valuation price lists. Less than 5% of participants make decisions that yield the highest  $Y$  value and thus highest amount available for themselves in later valuation price lists. Moreover, our results are robust to the exclusion of participants with censored  $Y$  values (Column 1 - 5 of Table A.1) and to the inclusion of participants with censored  $Y$  values (Column 6 of Table A.1).

<sup>39</sup>As in Study 1, this assumes linearity in money, which is made more reasonable by the small stakes involved.

<sup>40</sup>That is, unlike in Study 1 where participants could have multiple switch points, the experimental platform in Study 1a forces participants to only have one switch point on the normalization price list (and later valuation price lists). Also, to bias against finding evidence of excuse-driven behavior, the lower bounds of the indifference ranges implied by normalization price list switch points are chosen (when non-zero) so that participants weakly prefer 200 cents for the top-rated charity over  $Y$  cents for themselves. For the 23% of participants with implied indifference ranges from 0-10 cents, the upper bound of 10 cents is instead chosen.

average indifferent between  $Y$  cents for themselves and  $Y \times 8.33$  cents for the top-rated charity.<sup>41</sup> While the main analysis will focus on decisions involving non-censored  $Y$  values, subsequent analyses confirm the robustness to also including decisions that involve censored  $Y$  values.

Table A.1 presents the results from OLS regressions of the valuations for low-rated charities on whether the valuation occurs in the charity-self treatment.<sup>42</sup> If, as in Study 1, participants use performance metrics as an excuse not to give, valuations should be lower in the charity-self treatment than in the charity-charity treatment. Column 1 of Table A.1 confirms that this is the case: the average valuation significantly drops by 6 percentage points if it is elicited in the charity-self treatment than if it is elicited in the charity-charity treatment.

As similarly seen in Study 1, excuse-driven responses to charity performance metrics are: robust to the inclusion of individual fixed effects (Column 2), more likely among individuals who are more selfish and thus have higher self-to-charity-exchange rates (Column 3), not significantly different according to the type of performance metric involved (Column 5), and robust to the inclusion of the participants with censored  $Y$  values (Column 6).<sup>43</sup>

However, unlike in Study 1, Column 4 shows that significant ordering effects emerge in Study 1a. To begin, consider the participants who first complete valuation price lists in the charity-self treatment (captured by the indicator,  $order(cs,cc)$ ). The sum of coefficients on *charity-self* and *charity-self\*order(cs,cc)* implies that their valuations of low-rated charities are not significantly different across the two treatments.<sup>44</sup> After first evaluating low-rated charities when self-serving motives are relevant in the charity-self treatment, they subsequently evaluate low-rated charities in a similar manner when self-serving motives are no longer relevant in the charity-charity treatment. Consistent with a desire to avoid cognitive dissonance from altering how they evaluate low-rated charities across treatments, the negative coefficient on  $order(cs,cc)$  suggests that they achieve this similarity by engaging in more negative evaluations of low-rated charities in the charity-charity treatment to match how they previously evaluated low-rated charities in the charity-self treatment.

A different pattern of behavior emerges among participants who first complete the charity-charity treatment. After evaluating low-rated charities when self-serving motives are not relevant in the charity-charity treatment, they subsequently respond more negatively to low performance metrics when self-serving motives are relevant in the charity-self treatment: their valuations

---

<sup>41</sup>The average SCXR of 8.64 among participants viewing program expense rates is not significantly different than the average SCXR of 8.01 among participants viewing overall scores ( $p = 0.57$ ). Also, note that the notably larger SCXR in Study 1a than in Study 1 likely reflects the normalization price list procedure in Study 1a allowing SCXRs to range from 0 to 20 while the SCXRs could only range from 0 to 4 in Study 1.

<sup>42</sup>Valuations are considered in terms of token-valuations, which are equivalent to percentage point changes in valuations. These valuations are set to equal the midpoint of implied ranges, or if needed because of censoring, to equal the lowest censored valuation of 0 tokens or the highest censored valuation of 100 tokens.

<sup>43</sup>The results in Columns 1 - 6 are robust to instead considering Tobit regressions.

<sup>44</sup>The sum of the coefficients on *charity-self* and *charity-self\*order(cs,cc)* is not significantly different than zero ( $p = 0.57$ )

Table A.1: Ordinary least squares regressions of valuations for low-rated charities in Study 1a

	1	2	3	4	5	6
<i>charity-self</i>	-5.62**	-5.62**	-5.62**	-13.19***	-12.10***	-9.76***
	(2.29)	(2.44)	(2.24)	(2.82)	(3.45)	(3.72)
$(SCXR - \overline{SCXR})$			-0.75**	-0.76**	-0.74**	-0.75**
			(0.30)	(0.30)	(0.30)	(0.29)
<i>charity-self</i> * $(SCXR - \overline{SCXR})$			-0.85**	-0.83**	-0.84**	-1.04***
			(0.34)	(0.33)	(0.33)	(0.32)
<i>order(cs,cc)</i>				-8.49**	-8.86**	-8.44**
				(4.13)	(4.11)	(4.02)
<i>charity-self</i> * <i>order(cs,cc)</i>				15.05***	15.21***	14.27***
				(4.33)	(4.35)	(4.35)
<i>overall score</i>					5.41	5.51
					(4.12)	(4.03)
<i>charity-self</i> * <i>overall score</i>					-2.37	-4.37
					(4.34)	(4.35)
Constant	36.68***	17.97***	36.68***	40.95***	38.47***	38.53***
	(2.23)	(1.50)	(2.22)	(2.85)	(3.44)	(3.41)
Rating FEs	yes	yes	yes	yes	yes	yes
Ind FEs	no	yes	no	no	no	no
Censored <i>Y</i>	no	no	no	no	no	yes
N	1512	1512	1512	1512	1512	1600

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Standard errors are clustered at the individual level and shown in parentheses. The above presents OLS regression results of valuations of a lower-rated charity receiving 200 cents. Valuations are in tokens, where each token for a charity yields 2 cents and each token for a participant yields  $\frac{Y}{100}$  cents. *charity-self* is an indicator for valuations elicited in the charity-self treatment.  $(SCXR - \overline{SCXR})$  is an individual's self-to-charity-exchange rate minus the average self-to-charity-exchange rate. *order(cs,cc)* is an indicator for individuals who first complete valuation price lists in the charity-self treatment. *overall score* is an indicator for participants' decisions involving overall scores instead of program expense rates of Make-A-Wish foundation state chapters. "Rating FEs" and "Ind FEs" indicate whether charity rating fixed effects and individual fixed effects are included, respectively. "Censored *Y*" indicates whether individuals with censored *Y* values are included. When individuals with censored *Y* values are not included, the data include valuations from 189 participants. When individuals with censored *Y* values are included, the data include valuations from 200 participants.

significantly fall by 13 percentage points as shown by the coefficient estimate on *charity-self*. Cognitive dissonance that may arise from altering how one evaluates low-rated charities is not sufficient to prevent excuse-driven behavior. Thus, there is only evidence for participants adjusting their valuations in a manner consistent with limiting cognitive dissonance when doing so is costless to them.

## A.2 Study 1b: An Online Experiment with A Policy Test

Study 1 and Study 1a document excuse-driven responses to charity performance metrics. These studies show that the extent to which individuals respond negatively to performance metrics

need not be indicative of how much they value performance metrics; it may instead be indicative of excuse-driven behavior. However, the use of performance metrics as an excuse not to give need not imply reduced overall giving. When individuals have the opportunity not only to give to lower-rated charities — but also to give to higher-rated charities — excuse-driven responses to performance metrics may not persist or may result in simply a shift towards more money being given to higher-rated charities. Study 1b investigates this possibility by collecting decisions from an additional 201 Amazon Mechanical Turk workers in April 2016.<sup>45</sup> In addition to receiving a \$3 completion fee, these participants knew that one of their decisions would be randomly selected to count for payments. The design and results for Study 1b are detailed below (and see Appendix B.3 for instructions and screenshots).

The design for the control group in Study 1b replicates Study 1a’s design with one minor exception: the order of treatments does not vary. All participants first complete price lists in the charity-charity treatment and then in the charity-self treatment. The design for the reallocation group only differs from the control group in that, if participants choose for any money to be given to low-rated charities in the charity-self treatment, they can choose to redirect this money to the top-rated charity by completing an effort task. Successfully completing the effort task involves correctly counting the number of 0s that are in a series of 400 numbers.<sup>46</sup> This effort task is meant to mimic the scenario where individuals have to exert some effort or pay some search costs in order to find a more effective charity when they are asked to give by a particular charity.

Using performance metrics as an excuse not to give may be more difficult for participants in the reallocation group regardless of whether they intend to complete the effort task. Participants who intend to complete the effort task may view their charitable giving decisions in the charity-self treatment as only involving the top-rated charities. Participants who do not intend to complete the effort task may find it difficult to simultaneously believe that (i) it is not worthwhile to put forth effort to redirect money from a low-rated charity to the top-rated charity and (ii) low performance metrics serve as good excuses not to give.

Table A.2 presents results from several OLS regressions of the valuations for low-rated charities. Column 1 confirms excuse-driven responses to performance metrics persist in the control group: the average valuation significantly drops by 14 percentage points if it is elicited in the charity-self treatment instead of the charity-charity treatment. Similar results are observed when

---

<sup>45</sup>Study 1b was advertised as a 20-minute study, and the median completion time was 15.8 minutes.

<sup>46</sup>In Exley and Terry (Forthcoming), participants on Amazon Mechanical Turk are presented with an opportunity to earn money for charity by counting the number of 0s in a series of 0s and 1s. The 50th percentile of effort involved counting through 173 numbers (11.5 “tables” in that study where each table involved 15 numbers), the 75th percentile of effort involved counting through 375 numbers, and the 90th percentile effort involved counting through 788 numbers. In light of this data, the effort task in this study required participants to count through 400 numbers because it seemed correspondingly non-trivial but reasonable. It is possible that an easier effort task could better mitigate excuse-driven behavior.

Table A.2: Ordinary least squares regressions of valuations for lower-rated charities in Study 1b

	1	2	3	4
<i>charity-self</i>	-14.12*** (3.16)	-14.34*** (2.99)	-10.40*** (3.50)	-10.30*** (3.49)
<i>reallocation group</i>	2.69 (3.99)	2.87 (3.96)	2.05 (3.90)	0.99 (3.85)
<i>charity-self</i> * <i>reallocation group</i> ( $SCXR - \overline{SCXR}$ )	2.84 (4.66)	3.29 (4.40)	4.15 (4.37)	5.77 (4.25)
		-0.52* (0.29)	-0.54* (0.29)	-0.64** (0.28)
<i>charity-self</i> *( $SCXR - \overline{SCXR}$ )		-1.34*** (0.31)	-1.33*** (0.31)	-1.50*** (0.29)
<i>overall score</i>			8.66** (3.91)	9.11** (3.88)
<i>charity-self</i> * <i>overall score</i>			-9.01** (4.38)	-10.33** (4.25)
Constant	38.57*** (2.79)	38.48*** (2.78)	34.69*** (3.20)	35.97*** (3.18)
Rating FEs	yes	yes	yes	yes
Censored Y	no	no	no	yes
N	1504	1504	1504	1608

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Standard errors are clustered at the individual level and shown in parentheses. The above presents OLS regression results of valuations of the P-rated charity receiving 200 cents, where  $P \in \{2nd, 3rd, 4th, 5th\}$ . Valuations are in tokens, where each token for a charity yields 2 cents and each token for a participant yields  $\frac{Y}{100}$  cents. *charity-self* is an indicator for valuations elicited in the charity-self treatment. ( $SCXR - \overline{SCXR}$ ) is an individual's self-to-charity-exchange rate minus the average self-to-charity-exchange rate. *reallocation group* is an indicator for individuals in the reallocation group. *overall score* is an indicator for participants' decisions involving overall scores instead of program expense rates of Make-A-Wish foundation state chapters. "Rating FEs" indicate whether charity rating fixed effects are included. "Censored Y" indicates whether individuals with censored Y values are included. When individuals with censored Y values are not included, the data include valuations from 188 participants. When individuals with censored Y values are included, the data include valuations from 201 participants.

participants have the opportunity to reallocate giving towards the top-rated charity. Relative to the control group, participants in the reallocation group neither give more overall (as seen by the coefficient estimate on *reallocation group*) nor exhibit less excuse-driven responses to performance metrics (as seen by the coefficient estimate on *charity-self\*reallocation group*). In line with the persistence of excuse-driven responses to performance metrics, 61% of participants in the reallocation group do not even provide a guess in the effort task and only 8% of participants provide the correct answer.

Finally, and as also seen in Study 1 and Study 1a, excuse-driven responses to charity performance metrics are: more likely among individuals who are more selfish and thus have higher self-to-charity-exchange rates (Column 2), robust to either type of performance metric involved although levels of giving significantly differ by the involved metric (Column 3), and robust to

the inclusion of the participants with censored  $Y$  values (Column 4).<sup>47</sup>

### A.3 Study 2a: Impact of Framing Manipulation Absent Self-Serving Motives

Study 2a collects decisions from an additional 174 Amazon Mechanical Turk workers in September 2018.<sup>48</sup> In addition to receiving a \$1 completion fee, these participants knew that one of their decisions would be randomly selected to count for payments of others. The design and results for Study 2a are detailed below (see Appendix B.5 for instructions and screenshots).

The design for Study 2a closely follows Study 2 except for one main change: instead of participants making decisions about how much to donate to Make-A-Wish Foundation when they receive any amount that is not donated, they make decisions about how much to donate to Make-A-Wish Foundation when other MTurk participants receive any amount that is not donated. In this way, Study 2a allows us to consider the impact of the framing manipulation (i.e., compare behavior in the disaggregated-information treatment to that in the aggregated-information treatment) in a setting where self-serving motives and thus excuses are not relevant. However, as detailed in Section 2, the lack of a normalization procedure in Study 2 and Study 2a implies that how much participants value the stakes in Study 2 and Study 2a may widely vary. Thus, caution is warranted in any comparison of the magnitudes of the impact of the framing manipulation across Study 2 and Study 2a.

Table A.3 presents results from OLS regressions of donation behavior on the processing fee. Columns 1 - 2 present results on the donation amount. While a processing fee causes average giving to insignificantly decrease by 0.19 cents in the aggregated-information treatment, a processing fee causes average giving to significantly decrease by an additional 4.09 cents in the disaggregated-information treatment. Given an average donation amount of 27.20 cents, note that this additional 4.09 cent decrease is equivalent to an additional 15% decrease. In Study 2, note that the corresponding percent decrease is larger: it is 36% relative to an average donation amount of 12.60, and thus 2.4 times larger than 15%.

Columns 3 - 4 present results when instead considering the likelihood of a participant making a donation. While a processing fee causes the likelihood of giving to insignificantly decrease by 1 percentage point in the aggregated-information treatment, a processing fee causes the likelihood of giving to marginally significantly decrease by an additional 4 percentage points in the

---

<sup>47</sup>The average self-to-charity-exchange rates (SCXR) is 8.94. The average SCXR of 8.78 among participants viewing program expense rates is not significantly different than the average SCXR of 9.10 among participants viewing overall scores ( $p = 0.77$ ). The results in Columns 1 - 4 are robust to considering Tobit regressions.

<sup>48</sup>Study 2a was advertised as a 5-10 minute study, and the median completion time was 4.7 minutes. Study 2a aimed to recruit 200 participants, but 1 participant did not submit a valid completion code and 25 participants had completed one of the previous studies in this paper (note that these 25 participants could not be excluded ex-ante due to a research assistant having run the other studies and that research assistant no longer working for the author of this paper).

Table A.3: Ordinary least squares regressions of donation behavior in Study 2a

Dependent Variable:	donation		donation > 0		donation		donation > 0	
	1	2	3	4	5	6	7	8
<i>fee</i> > 0	-0.19 (0.64)	-0.21 (0.64)	-0.01 (0.01)	-0.01 (0.01)				
<i>disagg.</i>	5.34* (3.09)	5.30* (3.10)	0.01 (0.05)	0.01 (0.05)	4.59 (3.11)	4.61 (3.11)	0.01 (0.05)	0.01 (0.05)
<i>disagg.</i> * <i>fee</i> > 0	-4.09*** (1.45)	-4.03*** (1.45)	-0.04* (0.02)	-0.04* (0.02)				
<i>fee</i>					-1.00 (2.25)	-0.91 (2.23)	-0.07 (0.05)	-0.07 (0.05)
<i>disagg.</i> * <i>fee</i>					-12.58** (5.39)	-12.68** (5.34)	-0.15 (0.09)	-0.15 (0.09)
Constant	26.33*** (2.13)	26.27*** (2.14)	0.85*** (0.04)	0.86*** (0.04)	26.38*** (2.13)	26.14*** (2.15)	0.85*** (0.04)	0.86*** (0.04)
Order FEs	no	yes	no	yes	no	yes	no	yes
N	870	870	870	870	870	870	870	870

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Standard errors are clustered at the individual level and shown in parentheses. Columns 1, 2, 5, and 6 present OLS regression results of how much participants donate. Columns 3, 4, 7, and 8 present OLS regression results of an indicator on whether participants donate. *fee* > 0 is an indicator for a processing fee greater than 0, or equivalently a multiplier less than 5. *disagg.* is an indicator for participants in the disaggregated-information treatment. *fee* equals 0, 0.1, 0.2, 0.3, or 0.5 when the processing fee is 0%, 10%, 20%, 30%, or 40% in the disaggregated-information treatment or when the multiplier equals 5, 4.5, 4, 3.5, or 3 in the aggregated-information treatment. “Order FEs” indicate whether fixed effects for the order of each decision are included. The data include 5 observations from each of the 174 participants.

disaggregated-information treatment. Given a baseline giving rate of 83%, note that the this additional 4 percentage point decrease is equivalent to an additional 5% decrease. In Study 2, note that the corresponding percent decrease is larger: it is 19% relative to a baseline giving rate of 64%, and thus 3.9 times larger than 5%.

Columns 4 - 8 show similar results when instead considering a continuous measure of the underlying processing fee.

## B Experimental Instructions

### B.1 Study 1’s Experimental Instructions

Before making the decisions in the study, participants consent to participate in the study. They are then informed of the \$20 study completion fee and the opportunity to earn additional payment. To explain their additional payment, participants learn that they will make a series of



decisions involving two options, Option A and Option B. Each option corresponds with some amount of money for a charity or for the participant. The amount of money associated with whichever option they choose in a randomly selected “decision-that-counts” will be distributed as additional payment. If participants read through and correctly answer understanding questions about the decision-that-counts and a potential choice pattern of a hypothetical participant, they then proceed to the main study decisions.

The main study decisions are presented to participants in the form of price lists. Prior to viewing a price list involving a specific type of charity, participants view descriptions about that type of charity. There are three charity types: Make-A-Wish Foundation, Knowledge is Power Program charter schools, and Bay Area animal shelters. The descriptions for each charity type are shown in Figures B.1, B.2, and B.3, respectively.

Figure B.1: Description for Make-A-Wish Foundation

According to their website ([www.charitynavigator.org](http://www.charitynavigator.org)), Charity Navigator "has become the nation's largest and most-utilized evaluator of charities." They provide information on program expenses for each charity. A charity's program expense rate is the percentage of total functional expenses spent on its programs and services. Charity Navigator says the higher the program expense rate, the better - as non-program expenses typically involve overhead costs that do not directly fulfill a charity's mission. Make-A-Wish foundation, which "grants the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength, and joy," has many of its state chapters listed on Charity Navigator.

Out of Make-A-Wish's state chapters listed on Charity Navigator, the highest program expense rate is 90%.

**Your decisions will involve the following state chapters of Make-A-Wish Foundation.**

- For the Make-A-Wish Foundation state chapter in New Hampshire, the program expense rate is 90%. Hence, this chapter will be denoted as:

**Make-A-Wish NH (90% program rate)**

- For the Make-A-Wish Foundation state chapter in Rhode Island, the program expense rate is 80%. Hence, this chapter will be denoted as:

**Make-A-Wish RI (80% program rate)**

- For the Make-A-Wish Foundation state chapter in Maine, the program expense rate is 71%. Hence, this chapter will be denoted as:

**Make-A-Wish ME (71% program rate)**

## Figure B.2: Description for Knowledge is Power Program (KIPP) charter schools

According to their website (<http://www.kipp.org>), "The mission of KIPP is to create a respected, influential, and national network of public schools that are successful in helping students from educationally underserved communities develop the knowledge, skills, character and habits needed to succeed in college and the competitive world beyond.... There are currently 141 KIPP schools in 20 states and the District of Columbia serving 50,000 students. More than 86 percent of our students are from low-income families and eligible for the federal free or reduced-price meals program, and 95 percent are African American or Latino."

On average, out of the students who have completed the 8th grade at a KIPP charter school, the college matriculation rate for KIPP alumni is 80%.

Your decisions will involve the following KIPP charter schools.

- For the KIPP charter schools in Chicago IL, out of the students who have completed the 8th grade at their schools, the college matriculation rate is 92%. Hence, these charter schools will be denoted as:

**KIPP Chicago (92% college rate)**

- For the KIPP charter schools in Philadelphia PN, out of the students who have completed the 8th grade at their schools, the college matriculation rate is 74%. Hence, these charter schools will be denoted as:

**KIPP Philadelphia (74% college rate)**

- For the KIPP charter schools in Denver CO, out of the students who have completed the 8th grade at their schools, the college matriculation rate is 61%. Hence, these charter schools will be denoted as:

**KIPP Denver (61% college rate)**

## Figure B.3: Description for Bay Area animal shelters

According to their website (<http://www.maddiesfund.org>), Maddie's Fund is a foundation dedicated to animal welfare and provides information on live release rate for various animal shelters. An animal shelter's live release rate is the percentage of their dogs that have live outcomes - i.e., are adopted, transferred to another rescue organization, or are returned to their owner/guardian. Maddie's Fund aims to help shelters become "no-kill", which means that they do not kill any healthy or treatable animal.

An animal shelter with a live release rate above 90% is considered no-kill.

Your decisions will involve the following animal shelters.

- For the San Francisco Society for the Prevention of Cruelty to Animals, the live release rate is 97%. Hence, this animal shelter will be denoted as:

**SFSPCA (97% live release rate)**

- For the Humane Society of Silicon Valley, the live release rate is 82%. Hence, this animal shelter will be denoted as:

**HSSV (82% live release rate)**

- For the San Jose Animal Care and Services, the live release rate is 66%. Hence, this animal shelter will be denoted as:

**SJACS (66% live release rate)**

The first price list participants view for each charity type is a “normalization” price list. A normalization price list involves the highest rated state chapter for a given charity type. Figure B.4 is an example of a normalization price list when the charity type is Make-A-Wish Foundation.

Figure B.4: Normalization price list for Make-A-Wish Foundation

In this list:

- **Option A** will always be **you receive \$10 dollars** (and Make-A-Wish NH receives nothing).
- **Option B** will be **Make-A-Wish NH receives some dollar amount** (and you receive nothing). As you proceed down the rows of a list, the amount Make-A-Wish NH receives will increase from \$0 to \$40.

For each row, all you have to do is decide whether you prefer Option A or Option B. Indicate your preference by selecting the corresponding button. **Most people begin by preferring Option A and then switch to Option B, so one way to complete this list is to determine the best row to switch from Option A to Option B.**

Now, please make your decisions below.

Option A (you receive)	Option B (Make-A-Wish NH receives)
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$0
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$2
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$4
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$6
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$8
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$10
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$12
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$14
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$16
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$18
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$20
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$22
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$24
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$26
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$28
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$30
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$32
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$34
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$36
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$38
<input type="radio"/> You: \$10	<input type="radio"/> Make-A-Wish NH (90% program rate): \$40

The second price list participants view for each charity type is a “buffer” price list. Figure B.5 is an example of a buffer price list when the charity type is Make-A-Wish Foundation.

Figure B.5: Buffer price list for Make-A-Wish Foundation

In this list:

- **Option A** will always be **you receive \$5 dollars** (and Make-A-Wish NH receives nothing).
- **Option B** will be **Make-A-Wish NH receives some dollar amount** (and you receive nothing). As you proceed down the rows of a list, the amount Make-A-Wish NH receives will increase from \$0 to \$40.

For each row, all you have to do is decide whether you prefer Option A or Option B. Indicate your preference by selecting the corresponding button. **Most people begin by preferring Option A and then switch to Option B, so one way to complete this list is to determine the best row to switch from Option A to Option B.**

Now, please make your decisions below.

Option A (you receive)	Option B (Make-A-Wish NH receives)
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$0
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$2
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$4
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$6
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$8
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$10
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$12
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$14
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$16
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$18
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$20
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$22
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$24
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$26
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$28
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$30
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$32
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$34
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$36
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$38
<input type="radio"/> You: \$5	<input type="radio"/> Make-A-Wish NH (90% program rate): \$40

After participants complete the normalization price list and the buffer price list for one charity type, they then proceed to complete the normalization price list and the buffer price list for the second charity type and then the third charity type. The order of the charity types is randomly determined on the participant level.

After participants complete all normalization price lists and buffer price lists, they complete “valuation” price lists for the 2nd-rated and 3rd-rated charities for each charity type. Figure B.6 is an example of a valuation price list in the charity-charity treatment involving the 2nd-rated state chapter of Make-A-Wish Foundation when a participant’s X value equals \$20.

Figure B.6: Valuation price list in charity-charity treatment for 2nd-rated state chapter of Make-A-Wish Foundation

In this list:

- **Option A** will always be **Make-A-Wish RI receives \$20** (and Make-A-Wish NH receives nothing). As you proceed down the rows of the list, the amount that Make-A-Wish RI will remain the same.

- **Option B** will be **Make-A-Wish NH some dollar amount** (and the Make-A-Wish RI receives nothing). As you proceed down the rows of a list, the amount Make-A-Wish NH receives will increase from \$0 to \$20.

For each row, all you have to do is decide whether you prefer Option A or Option B. Indicate your preference by selecting the corresponding button. **Most people begin by preferring Option A and then switch to Option B, so one way to complete this list is to determine the best row to switch from Option A to Option B.**

Now, please make your decisions below.

**Option A**  
(Make-A-Wish RI receives)

- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20

**Option B**  
(Make-A-Wish NH receives)

- ☐ Make-A-Wish NH (90% program rate): \$0
- ☐ Make-A-Wish NH (90% program rate): \$1
- ☐ Make-A-Wish NH (90% program rate): \$2
- ☐ Make-A-Wish NH (90% program rate): \$3
- ☐ Make-A-Wish NH (90% program rate): \$4
- ☐ Make-A-Wish NH (90% program rate): \$5
- ☐ Make-A-Wish NH (90% program rate): \$6
- ☐ Make-A-Wish NH (90% program rate): \$7
- ☐ Make-A-Wish NH (90% program rate): \$8
- ☐ Make-A-Wish NH (90% program rate): \$9
- ☐ Make-A-Wish NH (90% program rate): \$10
- ☐ Make-A-Wish NH (90% program rate): \$11
- ☐ Make-A-Wish NH (90% program rate): \$12
- ☐ Make-A-Wish NH (90% program rate): \$13
- ☐ Make-A-Wish NH (90% program rate): \$14
- ☐ Make-A-Wish NH (90% program rate): \$15
- ☐ Make-A-Wish NH (90% program rate): \$16
- ☐ Make-A-Wish NH (90% program rate): \$17
- ☐ Make-A-Wish NH (90% program rate): \$18
- ☐ Make-A-Wish NH (90% program rate): \$19
- ☐ Make-A-Wish NH (90% program rate): \$20

Figure B.7 is an example of a valuation price list in the charity-self treatment involving the 2nd-rated state chapter of Make-A-Wish Foundation when a participant's X value equals \$20.

Figure B.7: Valuation price list in charity-self treatment for 2nd-rated state chapter of Make-A-Wish Foundation

In this list:

- **Option A** will always be **Make-A-Wish RI receives \$20** (and you receive nothing). As you proceed down the rows of the list, the amount that Make-A-Wish RI will remain the same.

- **Option B** will be **you receive some dollar amount** (and the Make-A-Wish RI receives nothing). As you proceed down the rows of a list, the amount you receive will increase from \$0 to \$10.

For each row, all you have to do is decide whether you prefer Option A or Option B. Indicate your preference by selecting the corresponding button. **Most people begin by preferring Option A and then switch to Option B, so one way to complete this list is to determine the best row to switch from Option A to Option B.**

**Now, please make your decisions below.**

**Option A**  
(Make-A-Wish RI receives)

- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20
- ☐ Make-A-Wish RI (80% program rate): \$20

**Option B**  
(You receive)

- ☐ You: \$0
- ☐ You: \$0.50
- ☐ You: \$1
- ☐ You: \$1.50
- ☐ You: \$2
- ☐ You: \$2.50
- ☐ You: \$3
- ☐ You: \$3.50
- ☐ You: \$4
- ☐ You: \$4.50
- ☐ You: \$5
- ☐ You: \$5.50
- ☐ You: \$6
- ☐ You: \$6.50
- ☐ You: \$7
- ☐ You: \$7.50
- ☐ You: \$8
- ☐ You: \$8.50
- ☐ You: \$9
- ☐ You: \$9.50
- ☐ You: \$10

After participants complete all valuation price lists for one charity type, they then proceed to complete the valuation price lists for the second charity and third charity type. The order of the charity types is randomly determined on the participant level. Within a charity type, participants first complete all valuation price lists in the charity-charity treatment or instead first complete all valuation price lists in the charity-self treatment. The order is again randomly determined on the participant level.

After completing the valuation price lists, on the final screen of the study, participants answer follow-up questions about their decisions in the study and provide demographic information.

## B.2 Study 1a's Experimental Instructions

Before making the decisions in the study, participants consent to participate in the study. They are then informed of the \$3 study completion fee and the opportunity to earn additional payment. To explain their additional payment, participants learn that they will make a series of decisions involving two options, Option A and Option B. Each option corresponds with some amount of money for a charity or for the participant. The amount of money associated with whichever option they choose in a randomly selected "decision-that-counts" will be distributed as additional payment. If participants read through and correctly answer understanding questions about the decision-that-counts and a potential choice pattern of a hypothetical participant, they then proceed to the main study decisions.

The main study decisions are presented to participants in the form of price lists. Participants are randomly assigned to view price lists that involve state chapters of Make-A-Wish Foundation that vary according to program expense rates or instead that vary according to overall scores. Prior to viewing the price lists, participants view the description shown in Figure B.8 or in Figure B.9 if they are assigned to group with program expense rates or overall scores, respectively.

Figure B.8: Description for Make-A-Wish Foundation if performance metric is program expense rate

**Program Expense Rate:** According to their website ([www.charitynavigator.org](http://www.charitynavigator.org)), Charity Navigator "has become the nation's largest and most-utilized evaluator of charities." Among other metrics, they provide information on program expenses for each charity.

A charity's program expense rate is the "percent of total expenses a charity spends on the programs and services it exists to deliver." In other words, a charity's program expense rate is the percent of total expenses NOT spent on overhead costs such as administrative and fundraising expenses. The higher the program expense rate the better.

**Make-A-Wish Foundation (MAW):** Make-A-Wish foundation, which "grants the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength, and joy," has many of its state chapters listed on Charity Navigator. Your decisions may involve a state chapter of Make-A-Wish Foundation, and if so, information on their program expense rates will be provided. In particular, you will learn whether the involved Make-A-Wish Foundation state chapter has a program expense rate of 85% or better, 80-84%, 75-79%, 70-74%, or 65-69%. Aside from learning this information on the program expense rate for an involved Make-A-Wish Foundation state chapter, no other information will be provided.



Figure B.9: Description for Make-A-Wish Foundation if performance metric is overall score

**Overall Score:** According to their website (www.charitynavigator.org), Charity Navigator "has become the nation's largest and most-utilized evaluator of charities." Among other metrics, they provide information an overall score (out of 100) for each charity. A charity's overall score "is derived by analyzing the charity's (1) Financial Health and (2) Accountability and Transparency performance." In other words, a charity's overall score is higher if they have better financial health ratings and accountability and transparency ratings. The higher the overall score the better.

**Make-A-Wish Foundation (MAW):** Make-A-Wish foundation, which "grants the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength, and joy," has many of its state chapters listed on Charity Navigator. Your decisions may involve a state chapter of Make-A-Wish Foundation, and if so, information on their overall scores will be provided. In particular, you will learn whether the involved Make-A-Wish Foundation state chapter has a overall score of 95 or better, 90-94, 85-89, 80-84, or 75-79. Aside from learning this information on the overall score for an involved Make-A-Wish Foundation state chapter, no other information will be provided.

The first price list participants view for each charity type is a "normalization" price list. The normalization price list involves the highest-rated state chapter for the given performance metric. Figure B.10 is an example normalization price list when the performance metric is the overall score.

Figure B.10: Normalization price list if performance metric is overall score

For the first list:

- The option on the LEFT will always involve a **Make-A-Wish Foundation state chapter with a overall score of 95 or better receiving 200 cents**. This charity will be denoted as MAW (95 or better).

- The option on the RIGHT will involve **you receiving some amount of money**. The amount of money will increase from 0 to 200 cents as you proceed down the rows of the list.

Please indicate which payment option you prefer on each row by clicking on the row where you would like to switch from choosing the option on the left to choosing the option on the right.

(Note that you cannot click on the submit button until you have selected an answer.)

DONATION TO MAW (95 OR BETTER)		BONUS FOR SELF
200 CENTS	OR	0 CENTS
200 CENTS	OR	10 CENTS
200 CENTS	OR	20 CENTS
200 CENTS	OR	30 CENTS
200 CENTS	OR	40 CENTS
200 CENTS	OR	50 CENTS
200 CENTS	OR	60 CENTS
200 CENTS	OR	70 CENTS
200 CENTS	OR	80 CENTS
200 CENTS	OR	90 CENTS
200 CENTS	OR	100 CENTS
200 CENTS	OR	110 CENTS
200 CENTS	OR	120 CENTS
200 CENTS	OR	130 CENTS
200 CENTS	OR	140 CENTS
200 CENTS	OR	150 CENTS
200 CENTS	OR	160 CENTS
200 CENTS	OR	170 CENTS
200 CENTS	OR	180 CENTS
200 CENTS	OR	190 CENTS
200 CENTS	OR	200 CENTS

After completing the normalization price list, participants learn about "tokens." Figure B.11 shows how tokens are explained assuming a participant's Y value equals 100 cents.

Figure B.11: Description of Tokens

**Modification:** Payments will now be shown in TOKENS instead of cents. How tokens translate into cents depends on whether they are given to you or to a Make-A-Wish Foundation state chapter. In particular:

- Each token given to you translates into you receiving a bonus payment of 1 cents.
- Each token given to a Make-A-Wish Foundation state chapter translates into them receiving a donation of 2 cents.

After completing understanding questions about the conversion of tokens to money, participants complete “valuation” price lists for the 2nd-, 3rd-, 4th- and 5th-rated charities for each charity type. Figure B.12 is an example of a valuation price list in the charity-charity treatment involving the 2nd-rated state chapter if the given performance metrics is the overall score when a participant’s Y value equals 100 cents.

Figure B.12: Valuation price list in charity-charity treatment of 2nd-rated charity if performance metric is overall score

For the next list:

- The option on the LEFT will always involve a **Make-A-Wish Foundation state chapter with a overall score of 90-94 receiving 100 tokens**. This charity will be denoted as MAW (90-94). Also, recall that 100 tokens for a Make-A-Wish Foundation state chapter translates into them receiving 200 cents.

- The option on the RIGHT will always involve a **Make-A-Wish Foundation state chapter with a overall score of 95 or better receiving some tokens**. This charity will be denoted as MAW (95 or better). The amount of tokens will increase from 0 to 100 as you proceed down the rows of the list. Also, recall that 100 tokens for a Make-A-Wish Foundation state chapter translates into them receiving 200 cents.

Please indicate which payment option you prefer on each row by clicking on the row where you would like to switch from choosing the option on the left to choosing the option on the right.

(Note that you cannot click on the submit button until you have selected an answer.)

DONATION TO MAW (90-94)		DONATION TO MAW (95 OR BETTER)
100 TOKENS	OR	0 TOKENS
100 TOKENS	OR	5 TOKENS
100 TOKENS	OR	10 TOKENS
100 TOKENS	OR	15 TOKENS
100 TOKENS	OR	20 TOKENS
100 TOKENS	OR	25 TOKENS
100 TOKENS	OR	30 TOKENS
100 TOKENS	OR	35 TOKENS
100 TOKENS	OR	40 TOKENS
100 TOKENS	OR	45 TOKENS
100 TOKENS	OR	50 TOKENS
100 TOKENS	OR	55 TOKENS
100 TOKENS	OR	60 TOKENS
100 TOKENS	OR	65 TOKENS
100 TOKENS	OR	70 TOKENS
100 TOKENS	OR	75 TOKENS
100 TOKENS	OR	80 TOKENS
100 TOKENS	OR	85 TOKENS
100 TOKENS	OR	90 TOKENS
100 TOKENS	OR	95 TOKENS
100 TOKENS	OR	100 TOKENS

Figure B.13 is an example of a valuation price list in the charity-self treatment involving the 2nd-rated state chapter if the given performance metrics is the overall score when a participant's Y value equals 100 cents.

Figure B.13: Valuation price list in charity-self treatment of 2nd-rated charity if performance metric is the overall score

For the next list:

- The option on the LEFT will always involve a **Make-A-Wish Foundation state chapter with a overall score of 90-94 receiving 100 tokens**. This charity will be denoted as MAW (90-94). Also, recall that 100 tokens for a Make-A-Wish Foundation state chapter translates into them receiving 200 cents.

- The option on the RIGHT will involve **you receiving some tokens**. The amount of tokens will increase from 0 to 100 as you proceed down the rows of the list. Also, recall that 100 tokens for yourself translate into you receiving 100 cents.

Please indicate which payment option you prefer on each row by clicking on the row where you would like to switch from choosing the option on the left to choosing the option on the right.

(Note that you cannot click on the submit button until you have selected an answer.)

DONATION TO MAW (90-94)		BONUS FOR SELF
100 TOKENS	OR	0 TOKENS
100 TOKENS	OR	5 TOKENS
100 TOKENS	OR	10 TOKENS
100 TOKENS	OR	15 TOKENS
100 TOKENS	OR	20 TOKENS
100 TOKENS	OR	25 TOKENS
100 TOKENS	OR	30 TOKENS
100 TOKENS	OR	35 TOKENS
100 TOKENS	OR	40 TOKENS
100 TOKENS	OR	45 TOKENS
100 TOKENS	OR	50 TOKENS
100 TOKENS	OR	55 TOKENS
100 TOKENS	OR	60 TOKENS
100 TOKENS	OR	65 TOKENS
100 TOKENS	OR	70 TOKENS
100 TOKENS	OR	75 TOKENS
100 TOKENS	OR	80 TOKENS
100 TOKENS	OR	85 TOKENS
100 TOKENS	OR	90 TOKENS
100 TOKENS	OR	95 TOKENS
100 TOKENS	OR	100 TOKENS

After participants complete all valuation price lists in one treatment, they proceed to complete the valuation price lists in the other treatment. The order of price lists — whether they first complete all prices list in the charity-charity treatment or instead first complete all valuation price lists in the charity-self treatment — is randomly determined on the participant level.

After completing the valuation price lists, on the final screen of the study, participants answer follow-up questions about their decisions in the study and provide demographic information.

### B.3 Study 1b's Experimental Instructions

Study 1b proceeds in exactly the same manner as Study 1a except for two changes. The first change is that participants always complete all of the valuation price lists in the charity-charity treatment and then in the charity-self treatment. The second change only involves participants

assigned to the “reallocation” group. When they complete the valuation price lists in the charity-self treatment, they learn about an opportunity to redirect any money designated for a low-rated charity to the top-rated charity by completing a simple effort task. Figure B.14 is an example of a valuation price list in the charity-self treatment involving the 2nd-rated state chapter if the given performance metrics is the overall score when a participant’s Y value equal 100 cents.

Figure B.14: Valuation price list in charity-self treatment of 2nd-rated charity if performance metric is the overall score

For the next list:

- The option on the LEFT will always involve a **Make-A-Wish Foundation state chapter with a overall score of 95 or better or 90-94 receiving 100 tokens**. These two charities will be denoted as MAW (95 or better) and MAW (90-94), respectively. Also, recall that 100 tokens for a Make-A-Wish Foundation state chapter translates into them receiving 200 cents. If you choose the option on the LEFT in the decision-that-counts, which charity receives 100 tokens will depend on whether you choose to count how many 0s are in a series of 400 numbers. In particular:

\*If you provide the correct number of 0s that are in the series of 400 numbers, MAW (95 or better) will receive the 100 tokens.

\*If you do not provide the correct number of 0s that are in the series of 400 numbers, MAW (90-94) will receive the 100 tokens.

- The option on the RIGHT will involve **you receiving some tokens**. The amount of tokens will increase from 0 to 100 as you proceed down the rows of the list. Also, recall that 100 tokens for yourself translate into you receiving 100 cents.

Please indicate which payment option you prefer on each row by clicking on the row where you would like to switch from choosing the option on the left to choosing the option on the right.

(Note that you cannot click on the submit button until you have selected an answer.)

DONATION TO MAW (90-94) OR MAW (95 OR BETTER)		BONUS FOR SELF
100 TOKENS	OR	0 TOKENS
100 TOKENS	OR	5 TOKENS
100 TOKENS	OR	10 TOKENS
100 TOKENS	OR	15 TOKENS
100 TOKENS	OR	20 TOKENS
100 TOKENS	OR	25 TOKENS
100 TOKENS	OR	30 TOKENS
100 TOKENS	OR	35 TOKENS
100 TOKENS	OR	40 TOKENS
100 TOKENS	OR	45 TOKENS
100 TOKENS	OR	50 TOKENS
100 TOKENS	OR	55 TOKENS
100 TOKENS	OR	60 TOKENS
100 TOKENS	OR	65 TOKENS
100 TOKENS	OR	70 TOKENS
100 TOKENS	OR	75 TOKENS
100 TOKENS	OR	80 TOKENS
100 TOKENS	OR	85 TOKENS
100 TOKENS	OR	90 TOKENS
100 TOKENS	OR	95 TOKENS
100 TOKENS	OR	100 TOKENS

After participants complete all valuation price lists, but before the follow-up questions, they then have the opportunity to complete the effort task. Figure B.15 shows how this effort task is displayed if the given performance metrics is the overall score.

Figure B.15: Effort task if performance metric is the overall score

As explained in the previous four lists, if you choose the option on the LEFT in the decision-that-counts, a Make-A-Wish Foundation state chapter will receive 100 tokens. If you provide the *correct* number of 0s in a series of 400 numbers, the Make-A-Wish Foundation with the highest overall score of 95 or better will receive 100 tokens. If you do not provide the *correct* number of 0s in a series of 400 number, then a Make-A-Wish Foundation with a performance metrics of 90-94, 85-89, 80-84, or 75-79 will receive 100 tokens, depending on the list.

If you do not want to count the number of 0s in the series, please push the arrow to continue to the follow-up survey now.

If you would like to count the number of 0s in the series, please provide your count of how many 0s are in the series below.

```
0000000000000100000010011110111110011000
1111111011111001100000000010100001111000
0001000010001010001011000100111110000101
111110000011101010000111011110111111111
01010000001100010111010101010101011111
1101101110000000110011100001001000111001
0110001110000001010101100000010101000100
0000100001000010000011111001010010000111
101110100101000011111010011110101010111
010000011000000000011000000000100000010
```

Number of 0s:

## B.4 Study 2's Experimental Instructions

Before making the decisions in Study 2, participants consent to participate in the study. They are then informed of the \$1 study completion fee and the opportunity to earn additional payment. To explain their additional payment, participants learn that they will make a 5 decisions, and that in each decision, they must indicate how much money they would like to keep for themselves (out of an additional 50 cents) and how much money they would instead like to donate to Make-A-Wish Foundation. The amount of money associated with whichever option they choose in a randomly selected “decision-that-counts” will be distributed as additional payment. If participants read through and correctly answer understanding questions about the decision-that-counts, they then proceed to the main study decisions.

The order of the five decisions is randomly determined. If participants are randomly assigned to the aggregated-information treatment, their five decisions only vary in terms of whether donations to charity are multiplied by 5, 4.5, 4, 3.5, or 3. Figure B.16 shows a decision screen for when the multiplier is 3.

Figure B.16: Decision screen in aggregated-information treatment if the multiplier is 3

In this decision, the **multiplier is 3**.

Recall that the total amount of money that Make-A-Wish Foundation receives will then be equal to the amount you chose to donate multiplied by the multiplier.

---

**How many cents, out of an additional 50 cents, would you like to donate to Make-A-Wish Foundation if this decision is the decision-that-counts?**

If participants are randomly assigned to the disaggregated-information treatment, their five decisions only vary in terms of whether donations to charity, after being multiplied by 5, are discounted by a processing fee of 0%, 10%, 20%, 30%, or 40%. Figure B.17 shows a decision screen for when the processing fee is 40%.

Figure B.17: Decision screen in disaggregated-information treatment if the processing fee is 40%

In this decision, the matching rate is 5 and **the processing fee is 40%**.

Recall that the total amount of money that Make-A-Wish Foundation receives will then be determined as follows:

- First, the amount of money you choose to donate will be multiplied by the matching rate.
  - Second, after the amount of money you choose to donate is multiplied by the matching rate, that amount will be decreased by the processing fee.
- 

**How many cents, out of an additional 50 cents, would you like to donate to Make-A-Wish Foundation if this decision is the decision-that-counts?**

After participants complete all decisions, they answer follow-up questions about their decisions in the study and provide demographic information.

## B.5 Study 2a's Experimental Instructions

Study 2a follows the same procedure as in Study 2 except for one change: instead of participants making decisions about how much to donate to Make-A-Wish Foundation when they receive any

amount that is not donated, they make decisions about how much to donate to Make-A-Wish Foundation when other MTurk participants receive any amount that is not donated.

Figure B.18 shows a decision screen for when the multiplier is 3 in the aggregated-information treatment.

Figure B.18: Decision screen in aggregated-information treatment if the multiplier is 3 (and money for self not at stake)

In this decision, the multiplier is 3.

Recall that the total amount of money that Make-A-Wish Foundation receives will then be equal to the amount you chose to donate multiplied by the multiplier.

Recall also that any amount you choose NOT to donate to Make-A-Wish Foundation will be distributed to another MTurk worker who completes a different study than this one.

Thus, how much money you choose to donate or not to donate to Make-A-Wish Foundation will NOT influence how much money you receive from this study.

---

**How many cents, out of an additional 50 cents that will otherwise be distributed to another MTurk worker who completes a different study than this one, would you like to donate to Make-A-Wish Foundation if this decision is the decision-that-counts?**

Figure B.19 shows a decision screen for when the processing fee is 40% in the disaggregated-information treatment.

Figure B.19: Decision screen in disaggregated-information treatment if the processing fee is 40% (and money for self not at stake)

In this decision, the matching rate is 5 and the processing fee is 40%.

Recall that the total amount of money that Make-A-Wish Foundation receives will then be determined as follows:

- First, the amount of money you choose to donate will be multiplied by the matching rate.
- Second, after the amount of money you choose to donate is multiplied by the matching rate, that amount will be decreased by the processing fee.

Recall also that any amount you choose NOT to donate to Make-A-Wish Foundation will be distributed to another MTurk worker who completes a different study than this one.

Thus, how much money you choose to donate or not to donate to Make-A-Wish Foundation will NOT influence how much money you receive from this study.

---

**How many cents, out of an additional 50 cents that will otherwise be distributed to another MTurk worker who completes a different study than this one, would you like to donate to Make-A-Wish Foundation if this decision is the decision-that-counts?**