

Regulation of Altruism


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Introduction

- Moral behavior in economics is often modeled with “social preferences”
- There is evidence that: social preferences can be unstable across contexts (Blanco, Engelmann, and Normann (2011))
- An important dimension of instability regards emotions Fehr and Charness (2023) and Drouvelis and Grosskopf (2016).
- Charitable organizations are aware of this emotional dependency and try to increase our generosity by increasing some affective states.



19,000 children will die today

1-855-812-7027

 Call now to give just \$18 a month



Save the Children.

joinsavethechildren.org

Introduction

What do we do?

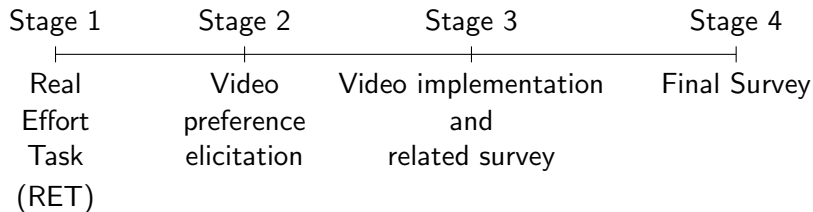
- We study:
 - Do individuals employ strategies to regulate their emotions (e.g. empathy) and thus their altruistic behaviour? (\equiv do people employ self-control strategies?)
 - Are they sophisticated in doing so?
- Whether altruism is a general preference or a state dependent one has implications for economic modelling and thus policy.
- While economics has studied self control problems in many areas (savings, exercise, food consumption..) there is no evidence for the case of altruism.

Introduction

What do we do?

- We take the framework of the ask avoidance literature (People are observed to avoid requests for donations to avoid donating)
- Social pressure has been one of the most popular explanations for this [DellaVigna, List, and Malmendier \(2012\)](#)
- We evaluate whether, net of social pressure, individuals avoid the ask when empathetic triggers are present.

Experimental Design: Timeline



Three treatments:

- **Empathy Treatment:** Video = Empathy video treatment which enhances empathy.
- **Social Pressure Treatment:** Video = Ask video treatment with message request.
- **Neutral Treatment:** Video = Neutral emotion video.

Experimental Design: Video Decision

Before making a choice between Option A (me: £5, charity: £0) and Option B (me: £1, charity: £8), you will see one of two videos:

- **Charity Video:** part of a campaign by "Save the Children", it shows the struggles of a nine-year-old girl when her city becomes a warzone. As the political conflict escalates, the girl and her family experience increasingly traumatic hardships and perils.
- **Alternative Video:** an alternative video of similar length that is unrelated to the charity.

You can use the buttons below to select the video you'd like to watch. Note that you are most likely to see your preferred video, but in minority of cases the computer will instead select your non-preferred video.

Watch alternative
video

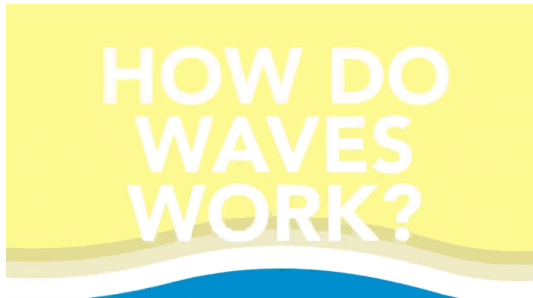
Watch charity
video

Alternative



Alternative (Grass) video

Control treatment



Waves video

Empathy treatment



Empathy video

Pressure treatment



Pressure video

Experimental Design: Video Implementation

- Video preference implementation is stochastic: 60% of the time participants receive their preferred video.
- We also measure:
 - Choice survey: donating behaviour, temptation associated each alternative.
 - Belief questions: Counterfactual behaviour, Likelihood of a similar other donating.
 - Emotions questions
 - Attention check
 - Empathy questionnaire

Results

Sample

- Sample of 1400 UK subjects (Empathy: 399, Pressure: 401, Neutral:403).
- Balanced sociodemographics.

Hypotheses

- ① Experiencing empathetic appeals and/or social pressure increases donations relative to control.
- ② Both empathetic appeals and social pressure trigger avoidance relative to control (increased selection of alternative video).
- ③ Avoidance increases in the Empathy Treatment relative to the Pressure Treatment.

In addition: a number of analyses related to sophistication.

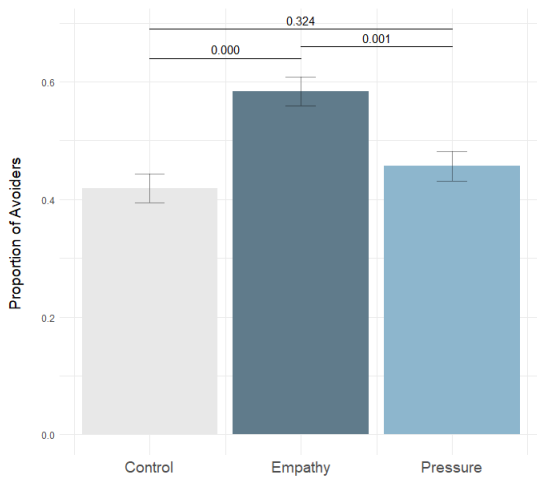
Results: Donations

	Control (1)	Donation Empathy (2)	Pressure (3)
Constant	0.23*** (0.04)	0.22*** (0.03)	0.18*** (0.03)
Preferred Treatment	0.07* (0.04)	0.16*** (0.05)	0.27*** (0.05)
Received Treatment	0.001 (0.04)	0.18*** (0.05)	0.10** (0.05)
Observations	403	399	401
R ²	0.01	0.07	0.10
Adjusted R ²	0.002	0.06	0.10
Residual Std. Error	0.45 (df = 400)	0.47 (df = 396)	0.46 (df = 398)
F Statistic	1.30 (df = 2; 400)	14.80*** (df = 2; 396)	22.23*** (df = 2; 398)

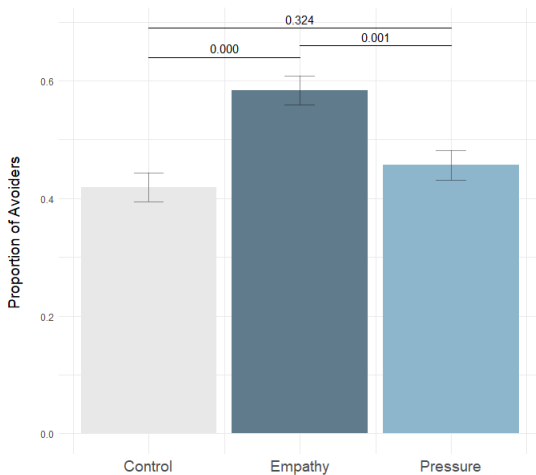
*p<0.1; **p<0.05; ***p<0.01

- Comparing coefficients across regressions: Both empathy and pressure increase donations relative to a baseline and their effect is similar.

Results: Avoidance



Results: Avoidance



- Empathetic triggers yield higher ask avoidance than Control, weak evidence for Pressure.

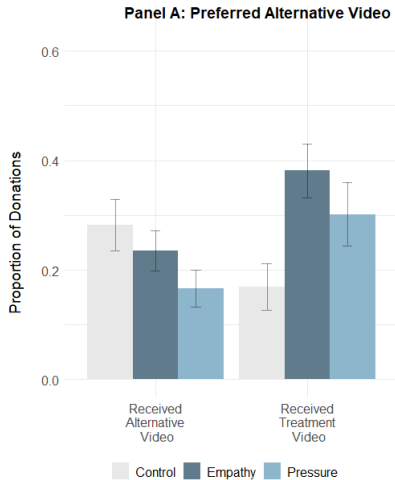
Sophistication

Sophistication: the ability of an individual to predict her own choices in the future.

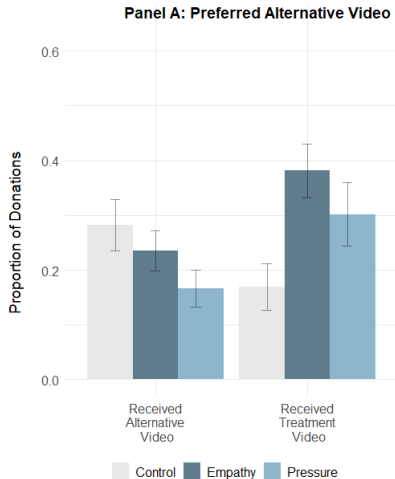
We look at:

- Donating behaviour
- Beliefs (incentivized and unincentivized)
- Open ended questions

Sophistication: Donating behaviour



Sophistication: Donating behaviour



- Overriding avoidance decision increases donations in the Empathy and Pressure Treatments.

Sophistication: Beliefs

Belief question Incentivized: *From the group of people who preferred 'Watch charity video' like you, but actually ended up watching the alternative video, how many people out of a 100 do you think chose to donate?*

Ten pence incentive for correct answers.

Belief question Unincentivized: *Which option would you have chosen had you not been assigned to your preferred video?*

Both are significantly correlated in each treatment¹

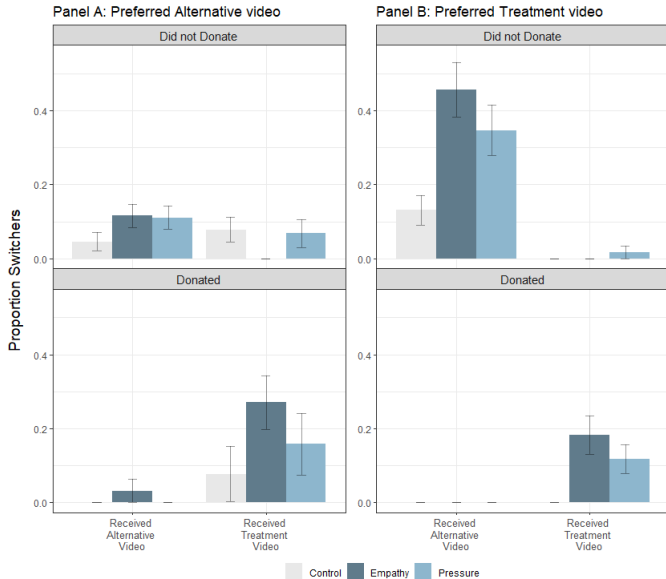
¹ $r = 0.44, r = 0.40, r = 0.49$ and always with $p < 0.001$ for the Control, Empathy and Pressure Treatments, respectively

Sophistication: Unincentivized Beliefs

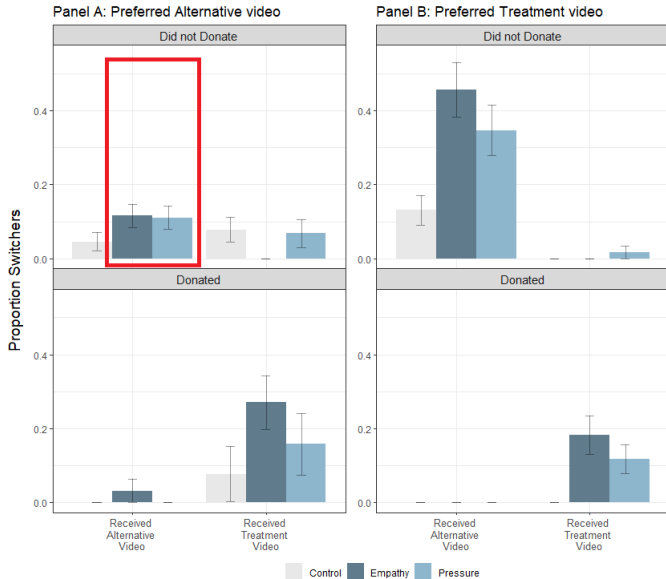
Provides evidence of switching behaviour.

- Individuals in both the Empathy ($\chi^2 = 19.078$, $df = 1$, $p < 0.001$) and the Pressure ($\chi^2 = 10.348$, $df = 1$, $p = 0.001$) Treatment displayed more switching behaviour than in the Control.

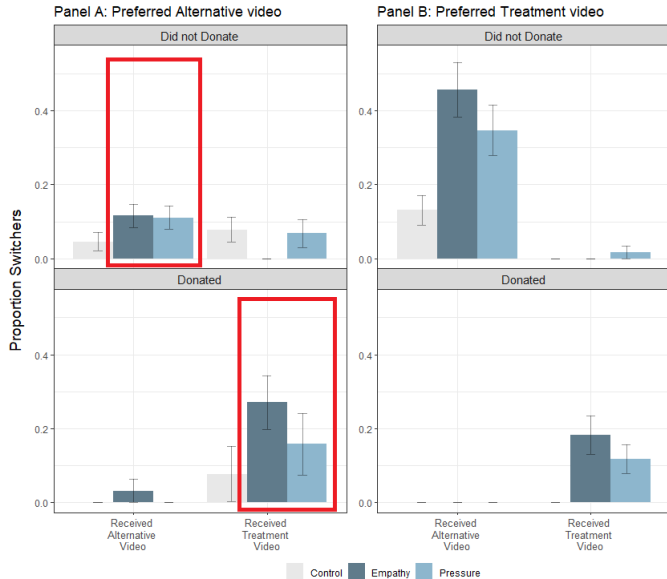
Sophistication: Unincentivized Beliefs



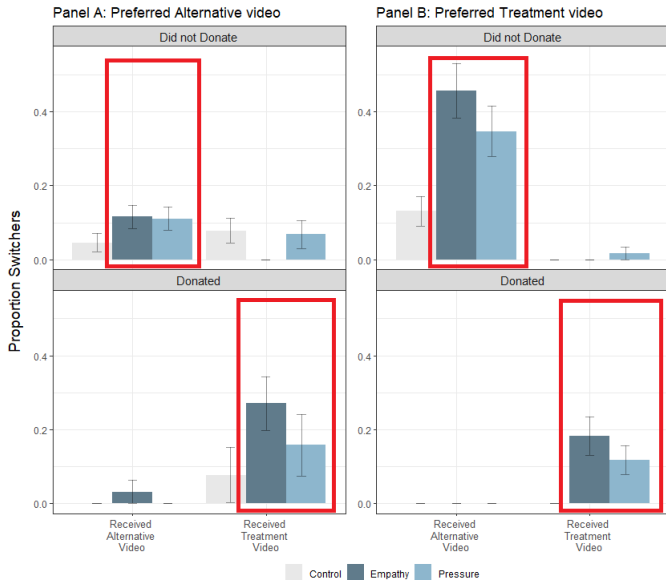
Sophistication: Unincentivized Beliefs



Sophistication: Unincentivized Beliefs



Sophistication: Unincentivized Beliefs



- Switching behaviour is directional

Conclusion of results

- Empathetic and social pressure triggers increase donations.
- Clear evidence that empathetic triggers higher ask avoidance than Control, weak evidence for Pressure.
- Higher avoidance in Empathy Treatment than in Pressure: net of pressure, people self-regulate emotions in social decision making.
- Evidence for sophistication (in this presentation):
 - Overriding avoidance decision increases donations
 - Directional switching predictions.

Model

- We build a model based on Gul and Pesendorfer 2001 and Loewenstein, O'Donoghue, and Bhatia 2015
- Agents choose the option x by maximizing

$$V(x) = \underbrace{U(x)}_{\text{Cold}} + \underbrace{E(x|\theta)}_{\text{Hot}}$$

where θ is a set of emotion-enhancing parameters (video).






- Under some assumptions, this model allow us to typify individuals as a function of their preferences, their temptations and their sophistication.
- Calibration lets us then estimate these proportions in our sample.

Conclusions for economic theory on social preferences

Results from the emotional treatment indicate:

- Social preferences are state dependent.
- People anticipate this and design their decision context (avoidance as commitment).
- In line with dual-self models of hot and cold decision making (Loewenstein et al. 2015).

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