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Abstract

Personalized fundraising:

A field experiment on threshold matching of donations

While increasing the number of small donors, standard matching schemes have been shown to cause considerable crowding out in charitable giving with pronounced effects on large gifts. We propose a form of non-convex threshold matching where donations above a certain threshold are topped up with a fixed amount. We show theoretically that personalized threshold matching can induce crowding in if appropriately personalized.

In a field experiment, we explore how thresholds should be chosen depending on past donations. We demonstrate that the optimal choice of thresholds is rather bold, approximately 60-75% above past donations.

Additionally, we explore how thresholds should be set for new donors as a function of their personal characteristics and demonstrate the benefits of personalization as opposed to setting general thresholds applying to all recipients of a fundraising call.

(joint with Steffen Huck (WZB & UCL))