Understanding and Improving Donation Collection and Allocation in Nonprofit Financial Management

by

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This is to certify that I have examined this copy of a doctoral dissertation by

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ABSTRACT

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Nonprofit organizations are critical in addressing societal needs, yet many face financial challenges that hinder their ability to deliver services effectively. This dissertation examines two central components of nonprofit financial planning: donation collection and donation allocation. The first aspect, donation collection, involves efforts to grow the donor base by drawing in new contributors, boosting the total funds raised, and maintaining support from existing supporters. The second, donation allocation, refers to the strategic choices nonprofits make in distributing funds across programs, operational expenses, and financial reserves to enhance long-term impact and maintain support over time. Through three essays, this dissertation explores each of these aspects while providing valuable insights for nonprofits.

Essay 1 identifies distinct donor motives that shape two key stages of the donation decision-making process: the decision of whether to donate and the decision of how much to donate. Drawing on a systematic literature review, the essay categorizes a wide range of donor motives into two main types—affective and cognitive motives—and maps them onto these two decision stages. Additionally, it identifies donor-related, recipient-related, and contextual factors that moderate the extent to which individuals are influenced by charitable appeals that target affective and cognitive motives. Essay 2 explores another important aspect of the donation collection process: recurring donations. The findings show that individuals are more willing to become recurring donors when a charity utilizes its donations in a segregated rather than an aggregated manner. Segregated donation utilization signals a stronger commitment to the cause on the part of the charity, which in turn enhances the perceived impact of the donation and subsequently increases recurring donation intentions. Essay 3 shifts focus to the donation allocation process, specifically the timing of the nonprofits' resource allocation. This research demonstrates that consumers are less likely to donate to a charity that retains and grows donations to create a larger, later impact compared to the one that uses donations now to create a smaller, sooner impact. This occurs because consumers prioritize the timing of impact over its magnitude; as a result, they perceive charities that delay impact as less effective and less moral. The effect mitigates when the charity is perceived to meet less urgent needs, and the larger, later option is framed as a more effective choice.

Overall, this dissertation contributes to the literature on charitable giving by enriching our understanding of the psychological factors that motivate individuals to donate, to give larger amounts, and to commit to recurring donations. It also sheds light on how donors perceive different components of the charitable impact. The findings offer practical implications for nonprofits seeking to increase donations, reduce uncertainty in their finances, and amplify their overall effectiveness.

ÖZETÇE

Kâr Amacı Gütmeyen Kuruluşlarda Finansal Yönetimde Bağış Toplama ve Tahsis Etme Süreçlerini Anlamak ve Geliştirmek

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Kâr amacı gütmeyen kuruluşlar, toplumsal ihtiyaçların karşılanmasında kritik bir rol oynamaktadır; ancak pek çoğu, hizmetlerini etkili bir şekilde sunmalarını engelleyen mali zorluklarla karşı karşıyadır. Bu tez, kâr amacı gütmeyen kuruluşların finansal planlamasındaki iki temel unsuru incelemektedir: bağış toplama ve bağışların kullanılması. İlk unsur olan bağış toplama, yeni bağışçıları çekerek bağışçı tabanını genişletme, toplanan toplam fon miktarını artırma ve mevcut destekçilerin katkılarını sürdürmelerini sağlama çabalarını içerir. İkinci unsur olan bağışların kullanılması ise, kâr amacı gütmeyen kuruluşların programlara, operasyonel giderlere ve finansal rezervlere yönelik kaynak dağılımı konusundaki stratejik tercihlerini ifade eder; bu tercihler, uzun vadeli etkiyi artırmayı ve verilen desteği zaman içinde sürdürmeyi amaçlar. Bu tez, üç makale ile bu iki unsuru detaylı şekilde ele almakta ve kâr amacı gütmeyen kuruluşlar için değerli içgörüler sunmaktadır.

Birinci makale, bağış karar sürecinin iki temel aşamasını oluşturan bağışçı motivasyonlarını belirlemektedir: bağış yapıp yapmamaya karar verme ve ne kadar bağış yapılacağına karar verme. Sistematik bir literatür taramasına dayanan makale, çok çeşitli bağışçı motivasyonlarını iki ana kategoriye ayırmakta—duygusal ve bilişsel motivasyonlar—ve bu motivasyonları bağış yapmaya karar verme sürecinin ilgili aşamalarıyla eşleştirmektedir. Ayrıca bu makale, bağışçıya, bağış alıcısına ve bağışın gerçekleştiği ortama ilişkin faktörlerin bağışçıların duygusal ya da bilişsel motivasyonlar içeren bağış çağrılarından ne ölçüde etkilendiğini de araştırmaktadır. İkinci makale, bağış toplama sürecinin önemli bir yönü olan düzenli bağışları incelemektedir. Bulgular, bir kuruluşun bağışları bölünmüş olarak kullanılmasının, bağışçıların düzenli bağışçı olma istekliliğini artırdığını göstermektedir. Bölünmüş bağış kullanımı, derneğin amacına olan bağlılığını daha güçlü bir şekilde yansıtır; bu da bağışın algılanan etkisini artırır ve dolayısıyla düzenli bağış yapma niyetini yükseltir. Üçüncü makale, bağışların kullanılması odaklanmakta ve özellikle kâr amacı gütmeyen kuruluşların kaynak kullanım zamanlamasını ele almaktadır. Araştırma, bağışları biriktirip daha büyük ama daha geç bir etki yaratmak isteyen kuruluşlara kıyasla, bağışları hemen kullanarak daha küçük ama daha

erken bir etki yaratan kuruluşlara insanların bağış yapma olasılığının daha yüksek olduğunu göstermektedir. Bu durum, bağışçıların etki büyüklüğünden ziyade zamanlamasına öncelik vermelerinden kaynaklanmaktadır; bu nedenle, etkiyi erteleyen kuruluşlar daha az etkili ve daha az ahlaki olarak algılanmaktadır. Ancak kuruluşun daha az acil ihtiyaçlara hitap ettiği düşünüldüğünde ve büyük-geç etki seçeneği daha etkili olarak sunulduğunda bu etki azalır.

Genel olarak, bu tez, bireyleri bağış yapmaya, daha büyük miktarlarda bağışta bulunmaya ve düzenli bağışçı olmaya iten psikolojik faktörler hakkındaki anlayışımızı derinleştirerek bağış yapma literatürüne katkıda bulunmaktadır. Aynı zamanda bağışçıların bağışlarla yaratılan etkinin farklı bileşenlerini nasıl algıladıklarına dair de önemli bilgiler sunmaktadır. Bulgular, kâr amacı gütmeyen kuruluşların bağış miktarlarını artırmalarına, mali belirsizlikleri azaltmalarına ve genel etkinliklerini güçlendirmelerine yönelik pratik çıkarımlar içermektedir.

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Chapter 1

INTRODUCTION

Nonprofit organizations (NPOs) are crucial in meeting various pressing social needs by providing essential services, goods, and support (Bradford & Boyd, 2020). Their ability to fulfill these missions is closely tied to their financial health. However, many NPOs face a number of challenges in planning their finances. In fact, a recent survey among nonprofit managers revealed that more than half of them identified financial health as their major concern (Fallon et al., 2025). Specifically, 65% expressed concern about declining funding, 92% were worried about financial uncertainty, and 10% were concerned about their ability to meet the growing demand in their communities (Fallon et al., 2025). These concerns highlight the need for effective financial strategies within the nonprofit sector.

Effective financial planning in nonprofits hinges on two critical components. The first is donation collection, which encompasses strategies aimed at increasing the donor base by attracting new donors, increasing the total amount of funds raised, and maintaining support from existing donors. The second is donation allocation, which involves decision-making about how collected funds are distributed across various programs, operational needs, and reserve planning to maximize impact and ensure the sustainability of services and support over time.

This dissertation aims to examine the two core components of financial planning in nonprofit organizations through three key lenses that have received limited attention in prior research. First, we examine the donation decision as a two-step process—whether to donate at all and deciding how much to donate. The existing literature often overlooks this distinction, treating donation behavior as a single-stage decision (cf. Dickert et al., 2011; Fajardo et al., 2018). However, NPOs aim not only to increase the likelihood of donation (i.e., expanding the donor base) but also to maximize the size of each donation (i.e., the dollar amount contributed). Thus, distinguishing between these two stages and identifying distinct donor motives at each step help NPOs to learn how to encourage more participation, larger donation amounts, or both.

Second, we examine a challenge facing NPOs in their goal of achieving financial sustainability: retaining donors over time (Giving USA, 2024; Levontin et al., 2025). When nonprofits fail to turn one-time donors into recurring ones, they miss out on the ongoing revenue and also face the costs associated with continuously recruiting new donors (Anik et al., 2014; Levontin et al., 2025). A great deal of past research has largely examined one-time donations (e.g., Kogut & Ritov, 2011; Savary et al., 2015; Small & Simonsohn, 2008), yet research on motivating recurring donations remains relatively sparse. The limited research on recurring giving has primarily focused on the role of donor-nonprofit relationships, identifying trust, commitment, and satisfaction as key drivers of donor retention (Naskren & Siebelt, 2011; Sargeant & Woodliffe, 2011). However, these relationships are typically built over time, requiring significant effort and resources from charities. Therefore, it is important for NPOs to develop a cost-effective messaging strategy to increase recurring donors.

In addition to investigating the two distinct goals within the donation collection component—acquiring new donors and retaining existing ones—we turn to another critical aspect of financial planning in nonprofits: donation allocation. Prior research has primarily examined where to allocate collected funds, such as which causes to support or how to distribute resources between program and overhead costs (e.g., Esterzon et al., 2023; Gneezy et al., 2014). However, an equally important yet understudied dimension is when to allocate these funds, specifically whether to use funds today or reserve and grow them for future initiatives. Given that 63 of largest nonprofits in the U.S. retained their funds for future use (Barrett, 2023), it is crucial to understand how the timing of fund allocation influences donor perceptions and giving behavior.

In summary, nonprofits face significant financial challenges that impact their ability to fulfill their missions. This dissertation focuses on two core components of effective financial planning—donation collection and donation allocation. By distinguishing the donation decision as a two-step process (i.e., deciding whether to donate and how much to donate), developing a messaging style to retain donors, and exploring the impact of timing of fund allocation on donor behavior, we aim to provide a more comprehensive understanding of financial planning that can help nonprofits strengthen their financial health.

Synopsis of Chapter 2: A Two-Stage Framework of Donation Decisions: The Distinct Roles of Affective and Cognitive Motives

Recognizing the pivotal role of individual donors in advancing nonprofit missions, researchers have conducted extensive reviews on donation behavior. However, these reviews fail to account for the two-stage nature of donation decisions: first, the decision of whether to donate, and second, the decision of how much to contribute. While these stages are conceptually distinct, existing literature lacks a comprehensive understanding of how a broad range of donor motives differentially influence each stage. To address this gap, we first examine the fundamental characteristics that distinguish these two stages and propose that individuals rely more on affective processing when deciding whether to donate, whereas cognitive processing plays a greater role in determining the donation amount. We then conduct a systematic review to identify a comprehensive set of donor motives and assess whether each motive is relatively more affect-based or cognition-based. Drawing on research on psychological matching and its role in persuasion, we further propose that appeals targeting affective motives will be more effective in prompting initial donation decisions, whereas appeals targeting cognitive motives will be more persuasive in influencing donation amounts. Finally, we identify key moderators to help charities determine when to prioritize affective versus cognitive motives in their appeals. Overall, this research integrates and extends the existing literature on charitable giving while offering practical guidance for nonprofit organizations seeking to maximize both donor participation and contribution amounts.

Synopsis of Chapter 3: The Impact of Donation Utilization on Recurring Giving

A pressing issue facing nonprofits is fluctuation in donations, which can be mitigated by increasing recurring donations. This research examines how the frequency of donation utilization influences recurring donation intentions. Across four studies, we demonstrate that a segregated (vs. aggregated) donation utilization would be more effective in garnering recurring giving. This effect occurs because segregated utilization signals greater commitment from the charity, which increases perceived impact and, in turn, recurring donation intentions. Importantly, the effect holds whether the segregation occurs in terms of what is delivered over time (i.e., time-based aid, tangible goods) or in terms of who receives the aid across time. Moreover, the strategy is effective in both encouraging first-time donors to commit to recurring giving and converting one-time donors into repeat contributors. This research offers a cost-effective method for charities to increase repeat giving and address the gap in donation literature that extensively investigated one-time donations and mostly overlooked recurring giving.

Synopsis of Chapter 4: Impact Timing versus Magnitude: Consumer Perceptions of Nonprofits' Resource Allocation Strategies

Nonprofits often face decisions about when to allocate funds—whether to use them immediately or reserve them for future initiatives. Operating within resource constraints, this resource allocation decision introduces a tradeoff between the timing and magnitude of the impact. In this essay, we investigate this tradeoff, focusing on how consumers evaluate charities that prioritize larger, future impacts over smaller, immediate ones. We propose that consumers place greater emphasis on impact timing than impact magnitude. Across seven studies, including hypothetical scenarios, an incentive-compatible design, and a field experiment on Facebook, we demonstrate that nonprofits pursuing larger, future benefits are perceived as less effective and less moral, resulting in lower donation support, compared to those opting for smaller, immediate benefits. This research contributes to literature on impact philanthropy, nonprofit perceptions, and intertemporal decisions in organizations, and managerial implications of our findings for nonprofits navigating the delicate balance between creating immediate impact and larger impact.

Chapter 2

A TWO-STAGE FRAMEWORK OF DONATION DECISIONS: THE DISTINCT ROLES OF AFFECTIVE AND COGNITIVE MOTIVES

2.1. Introduction

Individual donations, which account for 64% of all philanthropic giving, are crucial to the success or failure of many nonprofit organizations (Giving USA, 2023; Wait, 2022). Given their significance, scholars have undertaken extensive reviews and syntheses of literature spanning various disciplines, including psychology, economics, and marketing, to better understand why and when people choose to make monetary donations (e.g., Bekkers & Wiepking, 2011; Chapman et al., 2020; Chapman et al., 2022; Konrath & Handy, 2018; Sargeant, 1999; Sargeant & Woodliffe, 2007; Small & Cryder, 2016; Webb et al., 2000). Despite their contributions to our understanding of individual donor motives, these reviews have largely treated the donation decision as a single-stage process. However, unlike a purchase decision—where consumers simply decide whether to buy a product at a fixed price—the donation process requires individuals to make two distinct choices: whether to donate and, if so, how much to contribute.

Prior conceptual reviews of donor motivations failed to acknowledge this two-stage nature of the donation process, which encompasses the decisions of whether to donate (donation choice) and how much to donate (donation amount). While numerous empirical studies have examined these two stages, they typically focus on how the characteristics of a single motive varies between them (e.g., Dickert et al., 2011; Fajardo et al., 2018). For instance, Dickert et al. (2011) found that the initial decision to donate is driven by self-focused emotions, whereas the decision regarding the donation amount is influenced by other-focused emotions. Similarly, Fajardo et al. (2018) demonstrated that donor-focused charity appeals are more effective in determining whether to donate, while organization-focused appeals play a greater role in shaping the donation amount. Additionally, research by Koo et al. (2021) suggests that the decision to donate is motivated by a desire to signal commitment to a cause, whereas the donation amount is driven by the motivation to contribute toward the organization's ultimate goal. While these studies offer valuable insights into how certain motives differ between the two stages, they do not provide a holistic understanding of how a broader range of donor motives may differentially influence each stage of giving. To address this gap, we conduct a comprehensive review of donor motives and systematically examine how they influence the two stages of the donation decision—whether to donate and how much to donate.

In this research, we employ theory synthesis to summarize and integrate the fragmented literature on donor behavior (Jaakkola, 2020). Specifically, we begin our investigation by outlining the characteristics that fundamentally distinguish the two decision stages. In doing so, we conceptually summarize these differences and argue that individuals primarily engage in affective processing—relying on feelings and emotions—when making the initial decision to donate, whereas they tend to rely on cognitive processing—guided by reasoning and deliberation—when determining the donation amount. Next, by integrating the literature on two stages of donation decision and donor motives, we systematically classify donor motives under each decision stage. To that end, we draw on prior work demonstrating that persuasion is enhanced when an aspect of the appeal is matched with an aspect of the individual receiving it (e.g., Edwards, 1990; Fabrigar & Petty, 1999; Teeny et al., 2020). Accordingly, from a theoretical point of view, we propose that affective messages—which make affective donor motives salient—are more persuasive when individuals decide whether to donate any amount at all, whereas cognitive messages—which make cognitive donor motives salient—are more effective in influencing how much a donor chooses to give. Empirically, we categorize donor motives based on whether they are primarily affect-based—rooted in feelings—or cognition-based—grounded in reasoning—through a systematic literature review and text analysis. This approach allows us to identify distinct motives influencing each stage of the donation decision process, aiming to guide charitable organizations in increasing both donation rates and donation amounts.

Our research, therefore, offers both theoretical and practical contributions. From a theoretical standpoint, it contributes to the literature on charitable giving in three ways. First, some empirical research dissects the donation decision into two stages—donation choice and donation amount—and suggests that these decisions may differ across various dimensions (e.g., De Bruyn & Prokopec, 2013; Dickert et al., 2011). However, no existing work systematically differentiates between these two stages, leaving a critical gap in our understanding of how donors decide at each stage.

We address this gap by examining the differences between these two stages from the theoretical lens of affect-based and cognition-based processing. Second, as discussed earlier, previous literature empirically shows that certain motives can differ across the two donation stages (Dickert et al., 2011; Fajardo et al., 2018). However, existing research typically focuses on a single individual motive that operates differently across these stages. We extend this line of research by identifying a comprehensive set of donor motives and specifying which distinct motives influence each stage of the donation decision. Third, we identify donor-, context-, and recipient-related moderators that influence the relative weight of affect and cognition in donors' decision-making. While the impact of some of these moderators, such as vividness of recipients, on the processing mode has been established in the previous research (Loewenstein & Small, 2007; Small et al., 2007), we also introduce novel moderators in the context of charitable giving, such as past giving experience and whether the donation is solicited or unsolicited, which influences the reliance on affective or cognitive processing.

This research also offers practical insights for charities. Dividing the donation process into two stages reflects operational practices of many real-world organizations, such as Feeding America and Save the Children, which first ask whether individuals are willing to donate before requesting a specific amount. This two-stage framework provides valuable insights for organizations seeking funds. Fundraisers have different objectives—some aim to build a large body of supporters (e.g., petition campaigns), while others aim to maximize total contributions (e.g., universities raising funds for a new research center). Understanding the distinct motivations at each stage is essential for tailoring fundraising messages to meet these goals. Additionally, different donor segments may be at different stages of the decision-making process. For instance, first-time donors are typically in the initial stage, considering whether to donate at all, while repeat donors have progressed to the second stage, determining how much to donate. By recognizing the specific motives at each stage, nonprofits can craft appeals that resonate with donors at their respective stages. To help charities in leveraging this insight, we identify distinct motivational factors that influence donation decisions at each stage. Finally, our proposed moderators provide charities with an effective roadmap regarding when and how to emphasize affective versus cognitive motives to boost both the frequency of donations and total donation sums.

2.2. Motives for Charitable Giving

The question of why people provide monetary support has been systematically examined by scholars from marketing, psychology, and economics. As such, a wide range of donor motives have been discovered. Individuals may be motivated to give by psychological benefits such as feeling warm-glow, alleviating personal distress, or social benefits including gaining recognition and approval, or material benefits such as tax reductions (e.g., Bekkers & Wiepking, 2011; Chapman et al., 2020; Konrath & Handy, 2018; Lindahl & Conley, 2002; Sargeant, 1999; Sargeant & Woodliffe, 2007; Small & Cryder, 2016; Webb et al., 2000). Importantly, the work of Bekkers and Wiepking (2011), which outlines eight mechanisms underlying donation decisions, along with Sargeant's (1999) donor behavior model provide integrative review to structure the fragmented literature on donation decisions.

A common theme in past research is its tendency to treat charitable giving as a single decision, primarily asking why people give to charity. However, this approach overlooks the multistage nature of donation decisions. When individuals consider donating, they face two distinct decisions: whether to give at all and, if so, how much to give. Given that these decisions are conceptually distinct and influenced by different motivations, neglecting one of the stages in donation decisions leaves us only a partial understanding of the motivation behind giving. To bridge this gap, in this research, we ask two distinct questions: why people decide to donate and why they choose to donate less or more. Thus, we aim to understand if and how donor motives differ across these decision stages. To the best of our knowledge, this is the first conceptual review paper to systematically examine how donor motivations differ between these two decision stages.

To achieve this, we employ theory synthesis, which provides a "conceptual integration across multiple theoretical perspectives" (Jaakola, 2020, p. 22). This approach helps structure the field by analyzing donor motives through a specific theoretical lens (Jaakola, 2020). Specifically, we integrate the two-stage nature of the donation decision process with the fragmented literature on donor motives through the lens of affective and cognitive processing. This approach allows us to identify distinct motivations that primarily drive each stage. We now turn to a detailed explanation of our approach.

2.3. Donor Motives across Decision Stages

2.3.1 Two Steps in Giving

We examine the donation decision as a two-step process that consists of first deciding whether to donate any amount (donation choice) and then deciding how much to donate in a subsequent stage (donation amount), informed by the findings of empirical work on charitable giving (e.g., De Bruyn & Prokopec, 2013; Dickert et al., 2011; Fajardo et al., 2018; Kim et al., 2021; Koo et al., 2021; Paramita et al., 2020). We argue that these two decision steps differ in the extent to which individuals rely on affective versus cognitive processing. Specifically, we propose that individuals are more inclined to rely on affective processes—driven by feelings and emotions—during the initial decision to donate. In contrast, we suggest that cognitive processes—governed by reason and deliberation—predominate in the subsequent decision concerning the amount to be donated. The inherent distinctions between these two stages support our premise.

First, a key difference between these two stages lies in their temporal order within the decision-making process. The decision of whether to donate is a primary decision, representing the initial moment when individuals determine whether or not to contribute to a cause. In contrast, the decision on how much to donate is secondary, where individuals, having decided to donate to a cause, subsequently determine the amount they would like to contribute. The primacy of affect hypothesis suggests that affective information often precedes cognitive input in evaluations and decision-making (Lavine et al., 1998; Zajonc, 1980; 1984). Specifically, information relevant for affective responses can be activated rapidly and automatically, even before cognitive processing occurs (Lai et al., 2012). Building on this notion, we propose that individuals predominantly rely on affective processing rather than cognitive processing in their initial decision to donate because affective reactions take precedence in shaping early decisions.

Second, individuals tend to focus more on themselves when deciding whether to donate compared to determining how much to donate. For example, Dickert et al. (2011) propose that people focus more on self-related emotions as opposed to others when deciding whether to donate, as information about self is more readily available and requires less cognitive effort than information about others. Similarly, Fajardo et al. (2018) analyzed two components of donation decisions and showed that charity appeals emphasizing donor-related factors (e.g., self-proximity to the cause) are more effective in deciding whether to help or not. Shifting to a different line of research, prior studies have examined how self-focused attention influences decision-making processes. This work has shown that heightened self-focus leads individuals to rely more on affective processing in decision-making (Chang & Hung, 2018; Faraji-Rad & Pham, 2017; Mittal, 1988). By manipulating self-focused attention through different methods—such as having participants write a story using first-person pronouns or exposing them to self-referential promotional messages—Chang and Hung (2018) demonstrated that individuals tend to base their decisions more on affective considerations when self-focus is heightened. Taken together, these two streams of research suggest that the initial decision to donate is more self-referential, and, as a result, more affect-driven.

Third, individuals exert more effort when determining the donation amount than when deciding whether to donate. This variation in effort exerted at each decision stage can be attributed to clarity of social norms surrounding each decision and the nature of the decision itself. Social norms convey that supporting a cause is a morally approved behavior (e.g., Frey & Meier, 2004; White et al., 2020; White & Peloza, 2009), thus people have a clear-cut guideline for whether or not to donate. On the other hand, norms about the appropriate amount of donation are often ambiguous. Expectations about how much one should donate vary based on numerous factors such as financial resources (Margolis, 1984; Sussman et al., 2015), the social proximity of the recipient (Small & Simonsohn, 2008), or the urgency of the appeal (e.g., emergency situations vs. routine fundraising). Despite these expectations, there is no universally accepted standard for an appropriate donation amount, placing a greater cognitive burden on potential donors. Additionally, the nature of the decision differs between these two stages. Previous research indicates that individuals rely on intuition and exert minimal cognitive effort when choosing between two options, whereas they consider various factors such as the quantity, or perceived value of the product thereby engaging in more deliberate processing when specifying a monetary amount (O'Donnell & Evers, 2019; Slovic et al., 2002; 2007). Furthermore, people typically associate financial decisions with an analytical mode of thinking, viewing them as incongruent with feelings and emotions (Park & Sela, 2018). Building on these, we argue that the decision of whether to donate is primarily influenced by immediate responses and requires little cognitive effort. In contrast, determining the donation amount requires synthesizing different factors, such as the perceived impact of the donation (Cryder, Loewenstein, & Seltman, 2013), the charity's effectiveness in utilizing donations (Fajardo et al., 2018), or whether it is considered as a good use of money (Liu & Aaker, 2008). Because affective processing is characterized by faster and more automatic responses compared to cognitive processing (Epstein, 1994; Metcalfe & Mischel, 1999), we propose that the decision of whether to donate is primarily affect-driven, while the decision of how much to donate is more cognitively based.

In summary, past findings suggest that individuals primarily rely on affective processing when deciding whether to donate. This tendency can be attributed to the primacy nature of the decision, heightened self-focused attention, the presence of clear normative suggestions to donate, and reliance on intuition and immediate responses involved in this initial stage. In contrast, they engage in more cognitive processing when determining how much to give, due to the secondary nature of the decision, the absence of clear norms for appropriate donation amounts and the inherently complex and financial nature of the decision.

To provide empirical support for our premise, we recruited participants from CloudResearch's Connect platform (N = 199, M_{age} = 37.76, 53.3% male). Participants were randomly assigned to one of the two conditions (decision stage: whether to donate vs. how much to donate). In both conditions, participants were presented with an appeal from a charity that provides educational materials to children. In the "Whether to donate" condition, participants first read the charity's message: "Donate $2 to provide children with the essential educational materials they need to learn and thrive." Then they read that:

> "The charity has already set the donation amount, so the decision now is whether to donate. In other words you are currently at the stage of deciding whether to give at all. Now, take a moment to think about how you would go about making this decision. Please write down the thoughts or feelings you think you might have while trying to make this decision—that is, how you would determine whether or not to donate."

Similarly, in the "How much to donate" condition, participants first read the message from the charity: "Donate to provide children with the essential educational materials they need to learn and thrive." Then they read the following:

> "You have already decided to donate to the charity, so the decision now is how much to donate. In other words you are currently at the stage of deciding the amount you would like to give. Now, take a moment to think about how you would go about making this decision. Please write down the thoughts or feelings you think you might have while trying to make this decision—that is, how you would determine how much to donate."

Participants provided open-ended descriptions of how they would make the assigned decision. We then analyzed these responses using text analysis. Following Rathje et al. (2023), we used ChatGPT (GPT-4 Turbo, date December 1, 2023) to identify the dominant processing mode at each decision stage. We used the GPT application programming interface (API) to repeatedly prompt GPT via R code (Rathje et al., 2023). We used the following prompt: "This is a short essay describing how someone makes a donation decision. Please analyze the text and assign a score based on whether the decision-making process is primarily driven by affect (emotions, feelings, intuition, what feels right) or cognition (thoughts, deliberation, detailed systematic evaluation, and reasoning). 1 = decision is based purely on affective decision-making processes (relying on emotions, feelings, intuition, and what feels right). 7 = The decision is based purely on cognitive decision-making processes (relying on thoughts, deliberation, detailed systematic evaluation, and reasoning). Scores between 2 and 6 should reflect the extent to which the decision incorporates both emotions and reasoning, with lower scores indicating a stronger reliance on affective decision-making processes and higher scores indicating a stronger reliance on cognitive decision-making processes. Only respond with a single number from 1 to 7."

The results revealed that participants who contemplate about deciding whether to donate at all rely more on affective processing compared to those who contemplate about deciding how much to donate ($M_{\text{Whether to donate}}$= 4.22, SD = 1.66, $M_{\text{How much to donate}}$ = 4.79, SD = 1.50; F (1, 197) = 6.40, p = .01). These findings further support our premise. Therefore we predict:

Proposition 1: Individuals rely more on affective processing when deciding whether to donate at all, whereas they rely more on cognitive processing when deciding how much to donate.

2.3.2 Matching between Donor's Processing Mode and Donor Motives

Having established that individuals engage in different types of processing at each stage of the donation decision, we next move to identifying distinct motives influencing each stage. To that end, we draw upon research on psychological matching and its role in persuasion. Prior studies have demonstrated that matching some aspects of the communication to temporary or chronic characteristic of the recipient is one of the most effective strategies for enhancing persuasion (e.g., Kidwell et al., 2013; Lee & Aaker, 2004; MacDonnell & White, 2015; Mayer & Tormala, 2010; Teeny et al., 2020). For instance, cognition-based message framing (e.g., "I think …") is more effective for cognitively oriented recipients, whereas affect-based framing (e.g., "I feel …") is more persuasive for affectively oriented individuals (Mayer & Tormala, 2010). This effect occurs because individuals experience a sense of fluency or ease of processing when they encounter information that is congruent with their beliefs and values, creating a "feels right" experience (Kidwell et al., 2013). This experience, in turn, leads to more favorable evaluations of the message, as individuals often mistakenly attribute their fluency to their perceived quality and liking of the message itself (Kim et al., 2009). Building on this research, we propose that charitable appeals will be more persuasive when the donor motives they target match with donors' processing styles at each stage. Formally:

Proposition 2: Appeals that target affective motives will be more persuasive in the initial stage, whereas those that target cognitive motives will be more effective in the subsequent stage.

Further, past work on persuasion has identified the four factors in the persuasion domain: the recipient of the message, the message itself, the source of the message, and the setting in which the message is conveyed (Teeny et al., 2020). In our context, matching occurs between the processing mode of the message recipient and one of the other factors. From a practical standpoint, for instance, nonprofits can target affective or cognitive motives by adjusting these elements of their appeals, such as *message* content (e.g., emphasizing emotional vs. monetary benefits of giving), *source* (e.g., a heartfelt testimonial vs. an expert endorsement), and the *setting* in which the message is conveyed (e.g., donation request at a checkout counter vs. direct email). Next, we conduct a systematic literature review and text analysis to classify donor motives as affective versus cognitive.

2.3.3 Affective and Cognitive Donor Motives

Prior research has identified several factors that drive donation decision, including the desire to signal generosity, feeling happiness, or gain social status (Andreoni, 1990; Batson et al., 1987; Bekkers & Wiepking, 2011; Bendapudi et al., 1996; Glazer & Konrad, 1996; Savary & Goldsmith, 2020). While these motivations have been widely studied, categorizing them based on the dominant processing mode remains unexplored. In this research, we argue that the motivations to give can be broadly grouped into two distinct groups: affective and cognitive.

A substantial body of research has examined the differences between affective and cognitive processes, demonstrating that relying on feeling- versus reason-based processes influences attitudes, judgments, and decision-making (e.g., May, 2017; O'Donnell & Evers, 2019; Park & Sela, 2017; Shiv & Fedorikhin, 1999). Extending this distinction to charitable giving, we propose that donor motives can also be understood through these two distinct processing types. Specifically, some motives are rooted in affective processes, such as feelings and emotions, including experiencing happiness, or feeling sympathy (Hibbert et al., 2007; Liu & Aaker, 2008; Loewenstein & Small, 2007). In contrast, other motives are rooted in cognitive processes, such as reasoning and deliberation, including assessing the recipient's deservingness or considering one's own financial capacity to contribute (Loewenstein & Small, 2007). This distinction aligns with previous research suggesting that helping decisions are guided by dual psychological states—one affective and the other cognitive (Cryder et al., 2017; Loewenstein & Small, 2007; Rahal & Fiedler, 2022). However, our research extends this past work by systematically categorizing a comprehensive list of donor motives based on whether they are primarily affect-based or cognition-based. This categorization forms the foundation of our proposition regarding which motives influence each stage of the donation process.

Methodology

To assess whether a particular donor motive is primarily rooted in affective or cognitive processing, we adopted a systematic literature review approach (Breslin & Gatrell, 2023; Post et al., 2020). Given the extensive list of donor motives and the distinct psychological processes underlying them, a systematic review is essential to synthesize research across divergent fields and categorize these motives (Hulland, 2020). By doing so, we can better understand the processing type governing each donor motive and ultimately identify the specific motives that influence each stage of the donation decision. Our goal is to compile a bibliography that presents a diverse collection of scholarly definitions of each motive within the marketing field.

Search Process

We began by searching indexed databases—Web of Science and Scopus—for research articles using the key term for each respective donor motive (e.g., “self-signalling”) AND “donation”. However, similar to Peñaloza et al. (2023) and Robinson and Veresiu (2024), we realized that searching within titles, abstracts, and keywords overlooked some articles that we were already familiar with. To address this limitation, we followed Peñaloza et al.’s (2023) and Robinson and Veresiu (2024)’s systematic literature review process. Particularly, we manually identified articles on each donor motive from all marketing journals ranked 4* in the 2024 Academic Journal Guide by the Chartered Association of Business Schools (i.e., Journal of Consumer Research, Journal of Consumer Psychology, Journal of Marketing, Journal of Marketing Research, Journal of the Academy of Marketing Science, Marketing Science). Two research assistants first conducted a manual search of these six journals' homepages, covering research articles published until February 2025, using the the key term for each respective donor motive AND “donation.” Next, we manually examined each identified article for these keywords to determine whether each motive was studied in the context of charitable giving. If the donor motive was examined within the domain of individual donor behavior, we then checked whether the article provided a formal definition of the specific motive. If a definition was available, it was identified and used in the subsequent text analysis stage. This process reduced the initial set of 1,081 articles to a total of 64 (see Figure 2.1). Table 1 in Appendix A provides a complete list of these 64 articles, and definitions found in those articles for each donor motive.

Identification: Search each marketing journal's homepage (journals ranked 4* in the 2024 Academic Journal Guide) for research articles using the key term for each respective donor motive AND "donation" (n = 1,081)

↓

First screening: Include articles if each motive was studied in the context of individual donor behavior (n = 222)

↓

Second screening: Include articles if the specific donor motive was defined (n = 64)

Figure 2.1: Systematic literature review process.

Content Analysis

We collected definitions of each motive from six marketing journals. The total number of definitions per journal is available in Table 2 in Appendix A. Next, we used ChatGPT (GPT-4 Turbo, date December 1, 2023) to classify each motive as primarily affect-based or cognition-based. Following Rathje et al. (2023), we decided to use ChatGPT instead of conventional text-analysis dictionaries (e.g., Linguistic Inquiry and Word Count). This is because text-analysis dictionaries rely on predefined word lists (e.g., *remember, know, because* for cognitive processing and *good, new, bad* for affective processing), which may fail to capture contextual nuances and may not align with our specific conceptualization of affect- and cognition-based donor motives. Further, ChatGPT generates output in response to a question—"prompting"—thereby offering a more intuitive and flexible text analysis (Rathje et al., 2023). We used the GPT application programming interface (API) to repeatedly prompt GPT via R code (Rathje et al., 2023). We used the following prompt: "This is a motive that influences individuals' donation decisions. Please analyze the text and assign a score based on whether the motive is primarily based on affective processing (emotions, feelings, intuition, what feels right) or cognitive processing (thoughts, deliberation, detailed systematic evaluation, and reasoning). 1 = The motive is purely based on affective processing (relying on emotions, feelings, intuition, and what feels right). 7 = The motive is purely based on cognitive processing (relying on thoughts, deliberation, detailed systematic evaluation, and reasoning). Scores between 2 and 6 should reflect the extent to which the motive reflects both emotions and reasoning, with lower scores indicating a stronger basis in affective processing and higher scores indicating a stronger basis in cognitive processing. Only respond with a single number from 1 to 7."

Results

ChatGPT assigned a score to each definition of every motive, and the final score for each motive was determined by averaging these individual scores. As previously discussed, we exclude articles from our literature review if they do not examine the corresponding motive in the context of charitable giving. However, when fewer than two definitions are available for a given motive, we broaden our search to include papers that do not specifically focus on donation decisions. Table 2.1 presents the number of definitions per motive, illustrative examples, and the mean score for each motive derived from the text-analysis. Lower scores indicate that a motive is more characteristic of an affective motive, while higher scores indicate that a motive is more characteristic of a cognitive motive.

It is important to note that we conceptualize affect-based and cognition-based psychological processes as two ends of a continuum rather than discrete categories (Chang & Pham, 2013; Hong & Chang, 2015). Accordingly, we adopt a median split to differentiate between motives that are relatively based more on affect and those that are relatively based more on cognition. Furthermore, given the inherently subjective nature of scale-based evaluations, the scores obtained from our text analysis should be understood as relative indicators rather than absolute classifications, reinforcing the appropriateness of a median-split approach. Specifically, we calculated the mean score for each of the 14 identified motives, with the median value being 3.13. Based on this threshold, we propose that motives with a mean score lower than 3.13 are more characteristic of affective motives, motives with a mean score higher than 3.13 are more indicative of cognitive motives. In the following section, we provide a detailed description of each identified motive and report whether it is predominantly rooted in affect or cognition based on the results of text analysis.

Table 2.1: Mean of scores assigned by ChatGPT for each donor motive.

Donor motive	Number of definitions	Illustrative definitions	Mean of scores assigned by ChatGPT
Personal Distress	2	"sadness, anxiety elicited by observing another's suffering" (Webb et al., 2000: 301)	1.00 (0)
Sympathy	7	"an emotional concern for another's well-being" (Vieites et al., 2022: 776)	1.14 (0.35)
Warm glow	15	"the positive affect one anticipates experiencing from helping others" (Lee et al., 2017: 872)	1.27 (0.77)
Pain of Paying	3	"the negative affective reaction that consumers experience when parting with their money" (Shah et al., 2016: 689)	2.00 (0)
Social Pressure	2	"normative pressure" (Latour & Manrai, 1989: 329)	2.50 (0.50)
Belongingness	4	"a desire to form and maintain positive interpersonal relationships" (Lee & Shrum, 2012: 531)	2.50 (1.12)
Anticipatory Guilt	3	"cognitive awareness that one will feel guilty in the future, which arises during the decision-making process" (Duke & Amir, 2019: 1255)	3.00 (0.82)
Perceived Impact	4	"make a difference" (Waites et al., 2023: 952)	3.25 (1.30)
Identity-signaling	7	"use consumption and our connection to brands to communicate the self-concept to others" (Bublitz et al., 2010: 243)	3.29 (0.45)
Social Status/Prestige	4	"a higher position in a social hierarchy" (Wang et al., 2023: 135)	3.50 (0.50)
Thank-you Gifts	2	"incentives conditional upon donations" (Kulow & Kramer, 2016: 337)	3.50 (0.50)

Image Concerns	4	"the degree to which a person is motivated to present a positive self-image to others" (White & Peloza, 2009: 110)	3.75 (0.43)
Self-signaling	6	"make prosocial choices to signal information to themselves about their own values and identities" (Cakanlar et al., 2023: 112)	3.83 (0.37)
Opportunity Cost	4	"forgone consumption (relative to donating the amount they would otherwise prefer)" (Lewis & Small, 2024: 3)	5.50 (1.50)
Tax Reductions	0		
Objective Financial Cost	0		

Note: Standard deviations are given in parentheses.

2.4. Classification of Donor Motives based on the Text Analysis

2.4.1 Personal Distress and Sympathy

Emotions, particularly negative ones, play a crucial role in the decision to donate (e.g., Batson & Shaw, 1991; Batson et al., 1989; Batson et al., 1987). In particular, prior research has identified empathy, defined as the ability to share or understand the feelings of another, as a driver of giving (Batson et al., 1987). Specifically, feeling empathy when confronted with the suffering of others leads to sympathy and/or personal distress (Eisenberg & Fabes, 1990). Personal distress is a self-oriented response and is used as an umbrella term to encompass a wide range of negative emotions that people experience when witnessing a person in need (e.g., alarmed, disturbed, upset, worried; Batson et al., 1987; Cialdini et al., 1987; Erlandsson et al., 2015). Sympathy, on the other hand, is an other-focused response and refers to feelings of emotional concern for the well-being of another person (Loewenstein & Small, 2007; Small & Simonsohn, 2008; Small & Verrochi, 2009). The common features of these emotions are that they are both linked to heightened sense of empathy, arise in response to vivid and personal relevant narratives of others in need, and stimulate giving. For example, people feel greater levels of distress when encountered with a single identified victim (vs. a group of identified victims), and sympathy for others who experience the same misfortune, which ultimately propels them to donate (Kogut & Ritov, 2005; Small & Simonsohn, 2008).

Our systematic review identified 9 articles related to personal distress, 7 of which focus on individual donation behavior. Of these, 2 provide a formal definition of personal distress. Regarding sympathy, we found 136 papers, 43 of which examine individual donation decisions. Seven of these define sympathy. Our text analysis yielded a mean score of 1.00 for personal distress and a mean score of 1.14 for sympathy. Based on these findings, we argue that both personal distress and sympathy are rooted more in affective motivation than in cognitive one. Thus, we propose that both of these motives primarily influence the initial decision to donate.

2.4.2 Warm Glow

People may donate due to the emotional benefit derived from the act of contributing itself (List et al., 2019), commonly referred to as "warm glow" (Andreoni, 1989; 1990). The notion of warm glow was first explored in the field of economics, where it was observed that individuals wanted to give to a charitable cause even if their personal contribution would not alter the total amount of money the charity would receive (Andreoni, 1990; 2006). This implies that people do not see their own contributions as interchangeable with others', suggesting that they derive positive feelings from their act of donating (e.g., Crumpler & Grossman, 2008; Harbaugh et al., 2007; Tonin & Vlassopoulos, 2010). Warm glow has attracted attention in the field of marketing as well as psychology. Research has demonstrated that people feel warm glow when purchasing a product related to a cause marketing program (Andrews et al., 2014), and donating to a charity (e.g., Cryder, Loewenstein, & Seltman, 2013; Dunn et al., 2008; Rudd et al., 2014).

Our review revealed 75 articles, with 45 focusing on individual donation decisions. Of these, 15 offer a formal definition of warm glow. Through our text analysis, which produced a mean score of 1.27, we argue that warm glow is more characteristic of an affective motive than a cognitive one. Therefore, we propose that a warm glow feeling is predominantly associated with the initial decision to donate. The outcome-insensitivity feature of warm glow feeling further supports our premise. Previous research has suggested that the level of warm glow feeling primarily depends on whether an individual makes a personal contribution (Andreoni, 2006; Imas, 2014; Tonin & Vlassopoulos, 2010). For example, in a real effort setting, Tonin and

Vlassopoulos (2010) showed that participants make more effort to claim credit for contributing to a charity even though the charity still receives £15 regardless of participants' level of effort. This suggests that the level of warm glow feeling is not expected to change based on the outcome of the donation—which is directly related to the subsequent donation amount decision rather than the initial decision to give. In summary, both characterization of warm glow as more of an affective motive and the outcome-insensitivity feature of warm glow feeling suggest that warm glow predominantly drives the first decision to donate.

2.4.3 Pain of Paying

The pain of paying refers to an automatic and affective response to parting with money (Prelec & Loewenstein, 1998). Many studies have proved the existence of the pain of paying by showing that paying with cash is more painful than paying with other methods, such as credit card, check (e.g., Prelec & Simester, 2001; Soman, 2001; Thomas et al., 2011). For example, Prelec and Simester (2001) showed that auction participants who use a credit card (vs. cash) bid almost twice as much for the same product. Despite many findings related to the impact of the pain of paying on consumer behavior, research on how this negative feeling can influence donation behavior is limited (c.f. Kelting et al., 2019; Meyvis et al., 2011). For example, Meyvis et al. (2011) have presented one of the earliest findings suggesting that the pain of paying is an obstacle to increasing donations. They proposed the precommitment to donation—rather than donating immediately—as a way to decrease the pain of paying and hence increase donations. More recently, Kelting et al. (2019) have shown that roundup (vs. flat) requests lower the perceived pain of donating and increase donation amounts.

Our literature review uncovered 41 studies, with 7 focusing on individual donation choices. Within this subset, 3 articles defined the pain of paying. Following a text analysis that yielded a score of 2.00, we argue that pain of paying is predominantly rooted in affective motive rather than cognitive one. Consequently, we suggest that the pain of paying is primarily dominant when deciding whether to donate. This premise is further supported by previous research that has shown that merely considering the act of payment triggers the pain of paying, thereby making individuals less likely to spend (Raghubir & Srivastava, 2008; Shah et al., 2016; Soman, 2001). For example, Thomas et al. (2011) demonstrated that participants who imagined paying with cash experienced greater pain of paying compared to those who imagined using credit, ultimately reducing their likelihood of making a purchase. Given that potential donors must actively consider making a payment—regardless of the amount—this psychological barrier associated with payment may be more influential in determining whether to donate at all.

2.4.4 Social Pressure

Social pressure can significantly increase people's participation in charitable activities, operating through their desire to comply with social norms. Social norms provide information about what is considered acceptable and appropriate in a specific social context (White et al., 2019). Previous research, therefore, documented that the social pressure to conform to norms is also positively associated with an increased likelihood of giving (e.g., Bicchieri & Xiao, 2009; Klinowski, 2021; Frey & Meier, 2004; Meer, 2011; Smith & McSweeney, 2007). For example, people are more likely to donate when someone with whom they have social ties makes a donation and then solicits them to donate as well (Meer, 2011), or when they simply know that their peers have contributed (Bicchieri & Xiao, 2009; Frey & Meier, 2004; Klinowski, 2021). Individuals may also experience social pressure stemming from norms obligating them to reciprocate favors (Bartlett & DeSteno, 2006; Dawson, 1988; Malmendier et al., 2014). Giving rates increase when the feeling of indebtedness is triggered via the inclusion of a small gift to charitable appeal (e.g., a postcard; Alpizar et al., 2008; Falk, 2007), and a message stating reciprocal norms (e.g., "You count on your community, can they count on you?"; Krupka & Croson, 2016).

Our systematic literature review resulted in the identification of 87 articles, 20 of which explore individual donation decisions. Among those, 2 of them provide a definition of social pressure. The text analysis produced a mean score of 2.50, hence we argue that social pressure is more characteristic of an affective motive than a cognitive one. As a result, we propose that social pressure has a greater influence on the initial decision to donate. This prediction is further supported by research on social norms. One prominent source of social pressure is the social norms, which shape behavior through two mechanisms: descriptive norms (what *is* commonly done) and injunctive norms (what *should* be done; Cialdini et al., 1991). As previously discussed, social norms play a more dominant role in the initial decision of whether to donate rather than in the subsequent decision of how much to give, as they provide clearer guidance on participation rather than magnitude. Building on these two points—the role of social norms in amplifying social pressure and their stronger influence in the initial donation decision—we argue that social pressure is more likely to drive the decision to donate rather than the decision regarding the donation amount.

2.4.5 Belongingness

Individuals are motivated by a desire for belongingness and to maintain a stable level of social connectedness, therefore they organize their choices and actions in ways that foster feelings of connection and acceptance by others (e.g., Baumeister & Leary, 1995; Chen, 2017; Leary et al., 1995; Lee & Shrum, 2012; Loveland et al., 2010). Donating to a charitable cause can serve as a means to forge and maintain interpersonal bonds. For example, individuals form social connections with fellow donors or recipients of charitable support (e.g., Aaker & Akutsu, 2009; Kessler & Milkman, 2018; Lee & Shrum, 2012; Shang et al., 2008; Zagefka et al., 2013). Supporting this idea, Lee and Shrum (2012) found that when people feel rejected, they are motivated to donate to a charity to restore a sense of belongingness. Being charitable also enables individuals to maintain their social connection with their in-group members. For instance, people are more motivated to support a cause when they identify themselves as a member of a group who donates to a charity, such as fellow college alumni (Arnett et al., 2003), local community members (Kessler & Milkman, 2018), members of the same gender group (Shang et al., 2008), or when the recipients belong to their ingroup (Duclos & Barasch, 2014; James & Zagefka, 2017; Winterich et al., 2009).

In our systematic literature review, we located 73 papers, with 9 examining the individual donation decisions. Among these, 4 provide a definition of belongingness. Based on our text analysis, which generates a mean score of 2.5, we posit that belongingness is more characteristic of an affective motive than a cognitive one. Thus, we propose that the desire to belong is primarily a motivator in the initial decision to donate. Two distinct lines of research on the social benefits of giving provide additional support for our premise. First, research on human needs suggests a hierarchical structure (Maslow, 1946). In particular, the need for social connection takes precedence over other social benefits of donating, such as status or prestige. Because this need is more immediate, it is likely to play a stronger role in the initial decision to donate rather than in the subsequent decision about the size of the contribution. Second, prior research on the order of information processing demonstrates that categorical attributes are typically processed before continuous attributes (Kahneman & Frederick, 2002; Liu et al., 2018).

Specifically, when individuals evaluate group membership, they engage in a categorization process—determining whether they belong to a particular group (e.g., donors to a charitable cause) or not. After this categorization, people consider other social benefits of giving, such as whether they gain a higher level of status or prestige. This sequential pattern of processing further suggests that the need for affiliation, fulfilled through donating, is a primary driver of the initial decision to give.

2.4.6 Anticipatory Guilt

People are also motivated to help when they anticipate feeling guilt if they refrain from helping (e.g., Basil et al., 2008; Erlandsson et al., 2016; Gandhi et al., 2016; Hibbert et al., 2007; Lindsey, 2005; Lindsey et al., 2007). For example, charitable appeals that present facts (e.g., "Many children have no home.") have been shown to evoke stronger feelings of anticipatory guilt and enhance donation intentions (Basil et al., 2008). Moreover, people tend to anticipate greater guilt for not helping when they are presented with a single, identified victim as opposed to statistical information about multiple victims (Lindsey, 2005; Lindsey et al., 2007).

We found 6 articles as a result of our systematic literature review, 3 of which examine individual donation decisions. Of these, only one provides a formal definition of anticipatory guilt. As a result, we broadened our investigation to include all 6 papers, including those not focused on individual donation decisions. We found two additional definitions of anticipatory guilt. Upon conducting our text analysis, we found a mean score of 3.00, thus we posit that anticipatory guilt is grounded more in affective motive than in cognitive one. Consequently, we argue that anticipatory guilt is a prominent factor influencing the initial decision to donate. Prior research suggests that action versus inaction is an antecedent of guilt, which further supports our premise (Baumeister et al., 1994; Dahl et al., 2003). Specifically, Dahl et al. (2003) suggest that individuals feel guilty either for taking an action that they perceive as wrong (i.e., an error of commission, such as cheating on a test) or for failing to take an action they believe they should have taken (i.e., an error of omission, such as not calling a friend for a long period). This binary nature of action versus inaction mirrors the structure of the initial decision of donating, where individuals face a choice: to act (donate) or not act (not donate). The congruency between binary decision of acting versus not acting and the analogous binary nature of the initial decision to donate provides additional support for our premise. In contrast, the decision regarding the donation amount is continuous, where we argue that anticipatory guilt is relatively less influential.

2.4.7 Perceived Impact

The perceived impact of charitable deeds plays an important role in shaping giving behavior (Duncan, 2004; Zagefka et al., 2012). Many studies have demonstrated that people give when they expect their donations to make an impact (e.g., Cryder, Loewenstein, & Scheines, 2013; Cryder, Loewenstein, & Seltman, 2013; Esterzon et al., 2023; Fuchs et al., 2020; Gneezy et al., 2014; Touré-Tillery & Fishbach, 2017; Waites et al., 2023). For example, Karlan and List (2007) demonstrated that people tend to donate more money when their contributions are matched by an external entity. This may stem from the fact that this matching system amplifies the perceived impact of their contribution. Additionally, research on the "proportion dominance" effect (Bartels, 2006; Fetherstonhaugh et al., 1997; Jenni & Loewenstein, 1997) showed that individuals prefer to support a charitable intervention that benefits a large (vs. small) fraction of recipients even when it means helping fewer recipients overall. This is because aiding a small portion of a large group in need (e.g., 230 of the 920 people) may be perceived as a "drop in the bucket", while aiding a large portion of a small group in need (e.g., 225 of the 300 people) feels more impactful.

Our systematic review of the literature identified 30 articles, with 14 focusing on individual donation decisions. Among these, 4 provide a formal definition of perceived impact. Our text analysis produced a mean score of 3.15, thus we argue that perceived impact is more characteristic of cognition-based motives than affect-based ones. Consequently, we propose that perceived impact plays a more influential role in the amount individuals choose to donate. The relationship between donation outcome and perceived impact further supports our premise. The perceived impact of a donation is characterized as one's belief that their actions will lead to desired outcomes (Bandura, 1977; Sharma & Morwitz, 2016). In the domain of charitable giving, the desired outcome is tied to the amount of aid provided to recipients, which, in turn, depends on the magnitude of the donation. Simply put, larger donations enable greater aid to beneficiaries, getting charity closer to reaching its objective, and ultimately heightening donor's sense of perceived impact. Therefore, we suggest that a desire to create an impact primarily influences the donation amount decision.

2.4.8 Identity-signaling

Individuals' decisions do not occur in a vacuum; instead, they communicate information about themselves to others (Belk, 1988; Berger & Heath, 2007). As such, deciding to be charitable conveys information about one's identity, including values and preferences, to others. Accordingly, prior work has demonstrated that supporting a charitable cause is a signaling behavior aimed to impress other people through displaying desirable personality traits, such as generosity and fairness (Andreoni & Bernheim, 2009), altruism rather than selfishness (Ariely et al., 2009), and trustworthiness (Fehrler & Przepiorka, 2013). These signaling benefits can be reaped in the presence of others who observe one's decision to donate (Andreoni & Bernheim, 2009; Ariely et al., 2009). Identity-signaling is even more influential when the audience is familiar with the donor, such as the local community. For example, people donate more to a charity when it uses an open basket, where personal contribution is more visible to neighbors, than when it uses a closed basket (Soetevent, 2005).

In our systematic literature review, we identified 46 papers, 11 of which examine individual donation decisions. Notably, none of these articles provide a definition of identity-signaling. Therefore, we expanded our investigation to include all 46 papers, incorporating those that do not specifically focus on individual donation decisions. We located 7 definitions of identity-signaling. The text analysis yielded a mean score of 3.29, thus we argue that identity-signaling is more closely associated with cognitive motives than affective ones. Accordingly, we propose that the motivation to signal information about oneself to others is more influential on the decision of how much to donate rather than whether to donate.

2.4.9 Social Status/Prestige

The pursuit of social status, often manifested as a drive to gain respect, recognition, or attention from others, is a central force shaping human behavior (Anderson et al., 2015; Bourdieu, 1984; Dubois & Ordabayeva, 2015; Kumru & Vesterlund, 2010; Magee & Galinsky, 2008; Maslow, 1943; Ridgeway & Correll, 2006). Following previous research, we use status and prestige interchangeably to refer to a person's position in a social hierarchy (Anderson et al., 2015). People may give to a charity to signal their social status. For example, by supporting a charitable cause, a person can signal to others that he or she is wealthy (Glazer & Konrad, 1996; Griskevicius et al., 2007). The amount of donation also functions as a way to elevate one's status and prestige (Hardy & Van Vugt, 2006). For instance, people are motivated to give more money when their gifts are publicly recognized, as opposed to remaining anonymous, to elevate their prestige (Harbaugh, 1998a; 1998b).

Our literature review identified 231 studies, with 23 specifically examining individual donation decisions. Among these, 4 articles provide a definition of social status. Through text analysis, we obtained a mean score of 3.50, thus we argue that social status is grounded more in a cognitive motive than an affective one. Therefore, we propose that the desire to acquire or enhance social status mainly influences the decision regarding the donated amount. The well-established link between social status and one's economic resources further supports our premise. Individuals' economic resources are used to infer their social standing (e.g., Anderson et al., 2015; Darley & Gross, 1983), suggesting that people with higher incomes are often perceived to have a higher status. In consumption contexts, this is reflected in preferences for conspicuous consumption and high-end products, both of which require significant financial resources, as a means to signal and elevate social rank (e.g., Griskevicius et al., 2007; Han et al., 2010, Ordabayeva & Chandon, 2011; Veblen, 1899). For example, employees in competitive companies tend to choose an upscale restaurant over an ordinary one to meet their colleagues (Ordabayeva & Chandon, 2011). Similarly, in the domain of charitable giving, having economic resources may be reflected in the size of donations, serving as a means to signal and elevate social rank. This discussion further suggests that status consideration is relatively more influential when deciding how much to donate.

2.4.10 Thank-you Gifts

Thank-you gifts refer to low-value, non-monetary offerings given to people on the condition that they contribute to the charity (e.g., pen, coffee mug, tote bag; Chao, 2017; Eckel et al., 2016; Newman & Shen, 2012). Numerous studies showed that providing people with gifts could increase donation rates (e.g., Briers et al., 2006; Eckel et al., 2016; Holmes et al., 2002; Shang & Croson, 2006). For example, Briers et al. (2006) found that participants were more likely to donate when staples were offered in exchange for donating. Thank-you gifts can also take the form of recognition gifts which depend on the donors' contribution amount (e.g., Alpizar et al., 2008; Falk, 2007; Yin et al., 2020).

In our systematic review, we identified 8 papers, 7 of which study the individual donation behavior. Among them, 2 provide a definition of thank-you gifts. The results of our text analysis revealed a mean score of 3.5, hence we argue that thank-you gifts are more characteristic of a cognitive motive than an affective one. Consequently, we propose that donors are more likely to consider them when deciding the amount they would like to donate. However, we should note that the effect of thank-you gifts also depends on the incentive structure underlying the gift. While gifts tied to the contribution amount would naturally influence donation amount decisions, gifts that are conditional merely on donating could also impact the first stage decision of whether to donate, despite the relatively cognitive nature of this motive.

2.4.11 Image Concerns

Impression management theory proposes that individuals are driven to create a positive impression in others' eyes and portray themselves in a favorable manner (Baumeister, 1982; Leary & Kowalski, 1990; Satow, 1975). Accordingly, when people's public image concerns are accentuated, it can positively influence their charitable giving behavior (e..g, Bénabou & Tirole, 2006; Lacetera & Macis, 2010; Lee et al., 2020; Meyer & Tripodi, 2021; Sanchez & Kull, 2022; Soetevent, 2011; von Siemens, 2020; White & Peloza, 2009). For example, White and Peloza (2009) showed that when people are more concerned about their public image, individuals are more likely to behave altruistically when presented with other-benefit (vs. self-benefit) appeals. The authors reasoned that individuals' motivation to manage the impression others have of them (measured with items such as "Because I care about how positively others view me", "Because I want to make myself look good to others") is the reason underlying this effect. In a similar vein, monetary incentives significantly decrease the effort participants put into helping a charity in a public (vs. private) setting, as they do not want to be perceived as motivated by extrinsic incentives in their good deeds (Ariely et al., 2009). These findings suggest that when impression management concerns are activated, people may choose to donate to present themselves in a more altruistic as opposed to egoistic light.

In our systematic literature review, we found 16 articles, 6 of which examine individual donation decisions. Of these, only one offers a formal definition of image concerns, therefore we expanded our analysis to include all 16 articles, including those that do not specifically focus on individual donation decisions. We located 3 additional definitions of image concerns. Through our text analysis, we obtained a mean score of 3.75, hence we posit that image concerns are more reflective of a cognitive motive than an affective one. As a result, we argue that image concerns are a key factor influencing the second decision of how much to give. Further supporting this premise, prior work has demonstrated that the desire to maintain a positive public image may motivate people to give more. In the absence of legitimizing small donations with phrases such as ‘‘even a penny will help’’ or ‘‘even a dollar will help’’, many potential donors who cannot give large amounts may hesitate to contribute smaller sums. This stems from concerns about how their donation amount will be perceived by others, as they may fear being perceived as “cheap” for giving a lesser amount (Brockner et al., 1984; Cialdini & Schroeder, 1976; Reingen, 1978; Strahilevitz, 1999). Supporting this notion, Chuan and Samek (2014) found that individuals who did not make large contributions were less willing to write a personalized message to the beneficiary. This finding suggests that individuals may perceive lower contributions as potentially damaging to their social image, and that when they anticipate social scrutiny, they may prefer to avoid being linked to smaller donations. Taken together, these findings further highlight that image concerns play a more influential role in determining the amount people choose to donate.

2.4.12 Self-signaling

Individuals are motivated to maintain a favorable mental representation of themselves, which propels them to act strategically to maintain a positive view of who they are (i.e., self-signaling; Prelec & Bodner, 2003). Choosing to donate reveals information about individuals’ traits and values to themselves (Gneezy, Gneezy, et al., 2012; Savary & Goldsmith, 2020; Savary et al., 2015; Savary et al., 2020). For example, participants are more likely to donate when the donation amount is framed in comparison to the price of a hedonic product rather than a utilitarian product. This stems from individuals’ desire to avoid negative self-perceptions, such as being selfish, associated with spending money for indulgence (Savary et al., 2015). Further, people tend to be involved in donations that involve higher monetary cost (Gneezy, Imas, et al., 2012), require greater mental effort (Dhar & Wertenbroch, 2012; Savary et al., 2015), involve physical exertion (Olivola & Shafir, 2011), or are linked to a desirable identity, such as "being a donor" (Aaker & Akutsu, 2009), as they provide greater self-signaling utility.

Our systematic review identified 48 articles, 16 of which investigate individual donation behavior. Of these, 6 provide a definition of self-signaling. Based on our text analysis of these definitions, which generated a mean score of 3.83, we argue that self-signaling is rooted more in cognitive motivation than in affective motivation. Therefore, we propose that self-signaling is a factor that primarily motivates the decision of how much to donate.

2.4.13 Objective Financial Cost and Opportunity Cost

A donation decision involves a financial expense, as it requires the sacrifice of monetary resources. Prior work has shown that individuals are more inclined to give when financial costs are perceived to be lower (e.g., De Bruyn & Prokopec, 2013; Gourville, 1998; Rubaltelli & Agnoli, 2012; Sussman et al., 2015), and donation levels reduce with rising costs (Dovidio et al., 1991; Rubaltelli & Agnoli, 2012). For example, people tend to donate more when a donation is outlined as an exceptional expense (e.g. “only once a year”) versus an ordinary expense (e.g. “held annually”; Sussman et al., 2015), or when it is presented as a series of smaller and more granular expenses (85 cents per day) as opposed to a large lump sum expense (e.g. $300 per year; Gourville, 1998).

Beyond monetary costs, donating also involves opportunity costs—the benefits forgone by choosing to allocate funds to giving instead of other uses (Moche et al., 2020; Rick, 2018). Considering opportunity costs often decreases the likelihood of using a resource toward a focal purchase thereby increasing the value of outside options (Spiller, 2011). Since donation decisions involve a tradeoff between allocating financial resources to benefit others and to benefit oneself, consideration of opportunity costs in this context is particularly impeding. For instance, Moche et al. (2020) demonstrated that people donated significantly less money when they were prompted to consider alternative ways to use the donated money (e.g., “Save the money to spend on whatever you want”).

Our systematic review identified only one article regarding objective financial cost, which examines individual donation behavior, though it did not offer a definition. Despite the lack of data input for our text analysis, the concept that objective financial cost increases with the amount of donation is relatively straightforward and forms the foundation of our proposition that considerations of objective financial cost will be more relevant in the second stage of the donation decision process.

Our search for opportunity cost yielded 268 papers, with 10 examining individual donation decisions. Of these, 4 provide a formal definition of opportunity cost. Following a text analysis that resulted in a mean score of 5.50 for opportunity cost, we argue that it is more characteristic of cognition-based motives than affect-based ones. Based on this and a similar line of reasoning regarding objective financial cost, we propose that opportunity cost plays a more determining role when deciding the donation amount.

2.4.14 Tax Reductions

Benefiting from tax deductions for charitable contributions have been identified as another motivator for giving. Konrath and Handy (2018) found tax benefits as a unique driver for giving in their scale designed to capture different motivations for donation. Examples of items in the scale include statements such as “Donating to charity helps me save on my income taxes,” and “Giving money to charities enables me to reduce my income taxes”. Tax exemptions provided to donors effectively reduce the monetary costs of giving, thus tax incentives positively influence the donation amounts (Cermak et al., 1994; Dawson, 1988; Peloza & Steel, 2005). For example, payroll giving in the United Kingdom is motivated by receiving tax benefits (Romney-Alexander, 2002). Furthermore, prior work documented the negative association between the tax cost of donating and charities’ revenues (Duquette, 2016). In particular, the author demonstrated that a one percent raise in the tax cost of giving to a nonprofit results in a decline in amounts received by approximately four percent.

In our systematic literature review, we identified 4 articles, none of which focus on individual donation decisions. As a result, we broadened our search to encompass studies that were not centered on donation behavior. However, this search yielded no definitions. While we lack empirical evidence in this context to support our premise, the relationship between tax reductions and donation amounts is intuitive, as the level of tax reductions increase in proportion to the donation amount. Put simply, the greater the donation amount, the more significant the potential tax benefits, which can create a financial incentive for donors and influence their financial capacity to give. Thus, we propose that tax incentives largely affect the donors’ decision when deciding how much to donate.

2.5 When do Donors Rely on Affective versus Cognitive Processing?

The first key proposition emerging from our conceptualization is that individuals primarily rely on feelings and emotions when deciding whether to donate, while they tend to engage in more cognitive processing when determining how much to give. A related second proposition is that individuals are more likely to agree to donate when appeals target affective motives, while they are inclined to contribute a higher amount when appeals target cognitive motives. This conceptualization suggests that the type of motive targeted in charity appeals should depend on the processing mode of the potential donors to increase the effectiveness of the appeal. In other words, nonprofit organizations need to consider whether donors rely on feelings and emotions or reasoning and deliberation at the time of their decision-making, as this will guide the design of the appeal. As such, it is crucial to identify the situational or contextual factors that can influence the relative weight of affective and cognitive processing in individuals' decision-making. To facilitate this, we identify moderators related to the donor, context, and recipient that charitable organizations can leverage in their appeals.

2.5.1 Donor-related Moderators

Past Giving Experience to the Charity/Cause

Donors vary depending on their prior experience with giving to a particular charity or a cause—whether they are a first-time or repeat donor. Previous research has shown that these two groups are driven by different motivations when making donation decisions (e.g., Anik et al., 2014; Levontin et al., 2025; Shlefer & Kogut, 2021). We propose that an individual's prior donation experience plays an important role in determining whether their decision is driven by affect or cognition. Specifically, we suggest that first-time donors, with their lack of prior giving experience with the charity or cause, may be more prone to relying on feelings, whereas repeat donors, who have previously contributed, are more likely to employ reason-based decision-making processes. Two lines of research support our premise. First, in the context of consumer behavior, consumers' decision-making processes may differ when they encounter rare (vs. frequent) consumption situations (Cheng et al., 2024). The authors argue that consumers typically consider relying on deliberation and reasons (vs. feelings and emotions) as the normative approach to decision-making. However, rare or one-time events present a unique opportunity to deviate from this norm. Therefore, during infrequent or rare events, consumers are more likely to make decisions based on emotional reactions rather than cognitive deliberation. Second, Faraji-Rad and Pham (2017) has demonstrated that a psychological state of uncertainty increases the reliance on affective inputs in judgments and decisions. Given that first-time donors may experience greater uncertainty about a charitable cause or organization, they may be more inclined to base their decisions on emotions rather than cognitive deliberation. Formally:

Proposition 3: First-time donors rely more on affect, whereas repeat donors rely more on cognition in their donation decisions.

Proximity to the Recipient and the Charitable Cause

Recipients of donations, whether individuals or organizations, can be characterized by their spatial and psychological distance from donors. Spatial distance refers to the physical or geographical proximity between beneficiary and benefactor, regardless of the psychological distance, such as supporting a local community versus people in a foreign country. Psychological distance, on the other hand, refers to the subjective sense of closeness or attachment a donor feels toward a recipient, which can manifest in different forms, including social and temporal distance (Maglio, 2020). Social distance reflects the degree of social connection or intimacy donors feel toward recipients (Cavanaugh et al., 2015; Loewenstein & Small, 2007; Small & Simonsohn, 2008), whereas temporal distance refers to how soon they feel like the recipient will benefit from their donation, such as helping children immediately versus next year.

Previous research has demonstrated that temporal proximity influences the extent to which people rely on cognitive or affective processing. Chang and Pham (2013) found that consumers rely more on affect in making decisions with more immediate outcomes compared to those with distant outcomes. For instance, participants were more likely to prefer an affectively superior apartment when choosing for the near future rather than the distant future. This effect occurs because emotions are perceived as more informative when the decision's outcome is imminent. Similarly, social distance also influences the reliance on affect versus cognition. Research suggests that affective feelings play a stronger role in decisions made for oneself than in those made on behalf of others (Pronin et al., 2008; Scott & Williams, 2023). This pattern may also extend to physical distance. Studies indicate that merely priming individuals with physical distance can diminish the impact of affect on their judgments (Williams &

Bargh, 2008). Additionally, emotional involvement tends to decrease as physical distance increases (Bratfisch, 1969; Stanley, 1968). Drawing from this past work, we propose that:

Proposition 4: People rely more on affective processing than cognitive one when the perceived distance to the recipient—whether temporal, social or physical—is reduced.

Not only does proximity to the recipient influence the relative weight of feelings versus reason in decision-making, but proximity to the charitable cause also plays a crucial role. Proximity to the cause refers to the degree to which individuals perceive a cause as personally relevant (Grau & Folse, 2007). This relevance can arise from personal or vicarious experiences, such as having a relative with Alzheimer's (Small & Simonsohn, 2008), or alignment with one's self-concept, such as environmentally conscious individuals feeling a stronger connection to green initiatives (Grau & Folse, 2007). Moreover, proximity to the cause influences social distance from the recipient. For instance, individuals with personal experience of a misfortune may develop a sense of closeness not only to a specific victim but also to others facing similar hardships (Small & Simonsohn, 2008). Building on this prior research, we propose that:

Proposition 5: People rely more on affective processing than cognitive one when the perceived distance to the charitable cause is reduced.

2.5.2 Recipient-related Moderators

Vividness

Vividness with which recipients are characterized influences the relative weight of affective versus cognitive processing. Specifically, donors are more likely to rely on affect-based decision-making when the recipient or the cause is presented vividly (Epstein, 1994; Slovic, 2007). In contrast, the cognitive, deliberative system is more likely to be engaged when the target is general and abstract.

Vividness of a recipient can be characterized by the extent to which the depiction is concrete and rich in imagery (Cryder et al., 2013). One way to enhance vividness is by framing donation appeals around a specific individual in need (e.g., a child with limited access to clean water) rather than a charitable organization (e.g., UNICEF). For example, Ein-Gar and Levontin (2013) found that the likelihood of donating to help a single person (specific target condition) is mediated by empathy toward that individual. In contrast, when donations are solicited for an organization (abstract target condition), empathy does not mediate donation likelihood. These findings suggest that affective responses are more easily triggered when donors are presented with a single, identifiable recipient rather than an impersonal organization. Another way to increase the vividness of a recipient is by providing individuating information (Kogut & Ritov, 2005; Small et al., 2013). Research on the identifiable victim effect demonstrates that people are more likely to donate when recipients are depicted as specific individuals rather than as part of a statistical group, as this elicits greater emotional distress (Kogut & Ritov, 2005) and heightened sympathy (Small et al., 2013). In another research, Small and Loewenstein (2003) found that people tend to donate more when beneficiaries had already been determined (identifiable condition) versus when they will be determined later (unidentifiable condition). This effect occurs because determined victims evoke greater sympathy than indeterminate ones, which potentially is driven by the vividness of recipients. In summary, we propose that:

Proposition 6: People rely more on affective processing than cognitive one when the recipient is portrayed as a vivid, identifiable target.

2.5.3 Contextual Moderators

Solicited versus Unsolicited Donation Context

Solicitation is defined as being requested to make a donation. When individuals are solicited for a donation, they often experience a heightened sense of time constraint, as they must respond to the request in the moment. In contrast, when individuals consider donating on their own, they have greater control over the timing of their decision, reducing perceived time pressure. Therefore, it is reasonable to argue that consumers feel greater time pressure when solicited to donate compared to when they independently contemplate giving. Previous research suggests that experiencing time constraints increases the reliance on affect in decision-making. For example, Siemer and Reisenzein (1998) showed that heightened time pressure makes individuals more likely to rely on their mood when making judgments. Similarly, the framing effect—driven by quick, intuitive processing—becomes more pronounced when individuals face greater pressure to make rapid decisions (Guo et al., 2017). Building on this past work, we propose that:

Proposition 7: People rely more on affective processing in solicited donation contexts, whereas they rely more on cognitive processing in unsolicited donation contexts.

Public versus Private Donation Context

Another contextual factor that can influence the relative weight of affect and cognition is whether donation solicitations occur in private or public settings—that is the extent to which individuals perceive their decision as socially visible (Kulviwat et al., 2009). People may receive donation requests in public settings, such as being approached by fundraisers on the street (Andreoni et al., 2017; Trachtman et al., 2015), being asked to donate during checkout at a retail store (Hepworth et al., 2021), or in private settings (e.g., via direct mail, visiting charity website alone).

Public settings tend to heighten reputational concerns (Leary & Kowalski, 1990; Sperber & Baumard, 2012). In socially observable contexts, individuals are more likely to modify their behavior to create a good impression and portray themselves positively (White & Dahl, 2006; White & Peloza, 2009). To achieve this, they take into account the expectations and values of their audience (Leary & Kowalski, 1990). Thus, public solicitation can lead people to consider the way they are perceived by others (Baumeister, 1982) and thereby increasing the need to justify one's decision. Previous literature has also demonstrated that an increased need to justify decisions promotes more analytical and cognitive processing (Hagafors & Brehmer, 1983; Tetlock & Kim, 1987), as well as more elaborate and effortful decision-making processes (Chaiken, 1980; Huber & Seiser, 2001). Further, Simonson (1989) showed that cognitive-focused messages such as factual information are more persuasive when individuals strive to satisfy external expectations rather than their own internal standards.This suggests that when people are motivated by external expectations, they are more likely to engage in cognitive processing, making them more receptive to such appeals.

In contrast, in private settings, attention to the private self is likely to be heightened. For example, in such contexts, individuals tend to focus on self-benefits rather than other-benefits (Green & Peloza, 2014; White & Peloza, 2009). Further, when attention is directed inward, individuals are more likely to reference their own personal values, beliefs, and preferences when making decisions (Dijksterhuis & Van Knippenberg, 2000; Goukens et al., 2009). Another line of research indicates that focusing attention on oneself increases the tendency to rely on affect in judgment and decision-making

(Chang & Hung, 2018; Faraji-Rad & Pham, 2017; Mittal, 1988). For example, inducing self-focus—such as by placing individuals in front of a mirror—has been shown to increase the likelihood of choosing the affectively superior option in decision-making. Taken together, we propose that:

Proposition 8: People rely more on affective processing in private donation contexts, whereas they rely more on cognition processing in public donation contexts.

2.6 General Discussion

2.6.1 Theoretical Contributions

The main goal of this research is to identify donor motives that differentially influence the two stages of donation decisions—donation choice and donation amount—and, in doing so, to improve our understanding of individual donor motivations and the ability to develop practical strategies to leverage them. To achieve this, we developed a framework of donor motives under two distinct donation decision stages, contributing to the literature in three key ways.

First, we contribute to the literature on donation decision-making processes by examining it as a two-stage process—initial decision of whether to donate and subsequent decision of how much to donate. Indeed, although limited, empirical research has demonstrated that these two decisions are conceptually distinct and driven by different donor motives (e.g., Dickert et al., 2011; Fajardo et al., 2018). However, to the best of our knowledge, no existing review of donor behavior has systematically categorized motives according to these decision stages, implicitly assuming that theorized relationships among factors would be relevant for both stages. To address this gap, we acknowledge the multistage nature of donor decision-making and establish the theoretical distinctness of these two stages by identifying key differences between them. Specifically, we propose that affective processing plays a dominant role in the initial decision of whether to donate due to its primary position in the decision sequence and heightened self-focused attention at this stage. Additionally, existence of clear social norms dictating to give and reliance on intuitive responses at this stage further amplifies the role of affect. In contrast, we argue that cognitive processing becomes more prominent in determining the donation amount. This shift occurs because the decision is secondary, lacks clear social norms, and involves greater complexity and financial considerations.

Second, we contribute to the literature on donor motives by categorizing them as primarily affect-based or cognition-based. Having established the theoretical distinctions between the two stages of the donation decisions, we next identify the predominant motives at each stage. We compiled a comprehensive list of donor motives and systematically classify them as either affective—rooted in feelings and emotions—or cognitive—rooted in deliberation and reasoning. This classification also aligns with prior work suggesting that donation decisions are guided by either a cognitive, reason-based process or an affective, feeling-based process (e.g., Cryder et al., 2017; Loewenstein & Small, 2007; Rahal & Fiedler, 2022).

Finally, we introduce a set of donor-, context-, and recipient-related moderators that influence the relative weight of affect and cognition in donors' decision-making. A central tenet of our theorization is that the extent to which donors rely on affective versus cognitive processing varies across different stages of the donation decision. However, we argue that certain factors can shift this reliance, amplifying or attenuating the role of affect in donors' decisions. While prior research has demonstrated that the vividness of a recipient activates an affective processing mode (Loewenstein & Small, 2007; Small et al., 2013), we extend this work by identifying additional moderators that are particularly relevant to charitable giving. Specifically, we propose that donors are more likely to engage in affective (rather than cognitive) processing when they lack familiarity with the charitable organization or cause, feel a strong emotional connection to the cause or its beneficiaries, are directly solicited to contribute (as opposed to making a self-initiated donation), or are approached in a private (rather than public) setting. By highlighting these moderators, we offer a more nuanced understanding of how the interplay between affect and cognition shapes donation decisions across varying circumstances.

2.6.2 Practical Implications

This research offers valuable insights for organizations that seek and depend on individual donor contributions. Dictated by theoretical distinctions between donation choice and donation amount, we identify distinct motives that influence the two decision stages. Furthermore, we propose that appeals that target affective motives would be more influential in the first stage and appeals that target cognitive motives would be more persuasive in the second stage.

This insight is particularly useful for fundraisers for two reasons. First, it provides a roadmap to customize messages according to fundraising goals—some organizations prioritize increasing the number of donors, while others focus on maximizing total amount collected. For instance, petition campaigns often strive to broaden the pool of supporters rather than concentrate on receiving larger individual contributions. Even nonprofits aiming to increase donation amounts sometimes prioritize donation rate using appeals like "even a penny helps." In contrast, organizations raising funds for specific projects—such as a university seeking donations for a new building—may prioritize securing fewer but larger contributions. Our findings indicate that fundraisers should first determine their primary objective—attracting new donors or maximizing total funds—then tailor their messaging accordingly by leveraging the respective motivational appeal. Second, it offers a guideline to tailor messages according to donor segments. Arguably, the first-time donors are in the initial stage, contemplating whether to donate at all, while repeat donors have moved to the second stage, determining how much to donate. For new visitors to a charity's website, the initial message is critical in converting them into first-time donors. It's the first touchpoint where they evaluate their interest in supporting the cause. Our framework proposes that charities can target affective motives to encourage people to make a donation for the first time. On the other hand, the message guiding the amount to donate is more relevant to repeat donors who have already made the decision to support the cause. For instance, charities can craft their email appeals to existing donors by focusing on the cognitive motives.

Furthermore, we offer actionable insights for nonprofit organizations on tailoring their appeals to speak to affective or cognitive donor motives. A well-established finding in the persuasion literature is that persuasive power of a message increases when a key element of the appeal—such as its message, source, or setting—matches a characteristic of the target audience (Teeny et al., 2020). In our context, charities can adjust these elements to match with donors' affective or cognitive processing styles. For example, charities can refine the content of their messages by communicating either emotional benefits of giving (e.g., feeling moral satisfaction) or the material benefits of giving (e.g., tax incentives). Additionally, they can tailor the source of the message—using emotionally compelling testimonials from beneficiaries or expert endorsements with logical arguments. Finally, they can modify the setting or context where the message is delivered, such as incorporating videos to enhance vividness or using written messages. By using these elements to target donors' underlying motivations, charities can generate a match with the donors' processing mode and ultimately enhance the persuasiveness of their appeals.

Finally, it is crucial to understand the factors that can alter the relative weight of affective and cognitive processing changes, allowing nonprofits to determine when to target affective motives or cognitive motives in fundraising appeals. To facilitate this, we identify moderators—spanning donor-, context-, and recipient-related characteristics—that are both easily identifiable and adjustable. These moderators influence the degree to which donors engage in affective or cognitive processing. For example, donors tend to rely on a more affective mode when they are unfamiliar with the charity or the cause or when they are approached in a private setting. By recognizing these differences, charities can target donors' affective or cognitive movies in their appeals to match the respective processing mode of the recipient.

2.6.3 Limitations and Conclusion

We acknowledge the limitation of the current research. The sample used in our systematic literature review of donor motives was drawn exclusively from published research articles in top-tier marketing journals ranked 4* in the 2024 Academic Journal Guide by the Chartered Association of Business Schools (i.e., Journal of Consumer Research, Journal of Consumer Psychology, Journal of Marketing, Journal of Marketing Research, Journal of the Academy of Marketing Science, Marketing Science). While we argue that this approach provides a representative selection of definitions for donor motives from a marketing perspective, we recognize that it may have led to the omission of valuable insights from other disciplines. For instance, our review did not include articles from psychology and economics journals, and findings from book chapters or working papers, which may offer richer definitions than those published in top-tier marketing journals. Despite this limitation, we argue that the definitions we obtained remain broadly representative, as disciplines such as marketing, psychology, and economics often draw from and build upon one another in defining key constructs, leading to convergence in how donor motives are conceptualized.

In summary, we have identified distinct motives influencing each stage of the donation decision making process—deciding whether to donate any amount and determining the specific amount to donate. Our framework highlights the differential roles of affective and cognitive processing in these stages, providing a structure to the fragmented literature on donation decision making process. We anticipate that this framework will serve as a valuable tool for nonprofits and other organizations seeking financial support, helping them develop targeted strategies to increase both the likelihood of donation and the total donation amounts. Finally, we expect that this framework will assist researchers by offering a structured way to conceptualize the factors influencing donation frequency and donation amounts.

Chapter 3

THE IMPACT OF DONATION UTILIZATION ON RECURRING GIVING

3.1 Introduction

Many nonprofits largely rely on individual donations, accounting for almost 65% of charities' revenues in 2022 (Giving USA, 2023). Yet, this source of revenue is subject to fluctuations because of low donor retention rates. The 2022 Fundraising Effectiveness Survey Report documents that donor retention rate has been approximately 45% over the past five years. This implies that approximately half of the new donors stop giving after their first donation (Association for Fundraising Professional, 2023; Khodakarami et al., 2015; Kim et al., 2021). These low donor retention rates necessitate nonprofits to continually seek new donors, which is also challenging given that gaining new donors incurs costs that are almost tenfold higher than maintaining the support of existing ones (Kinetic Fundraising, 2022). Consequently, charities face a pressing and an expensive problem. An effective way to solve this problem is to increase recurring donations.

Charities differ in how they communicate recurring donation requests. Some charities do not explicitly mention in their appeals whether the donated funds will be allocated over time. For example, Feed the Children promotes monthly donations as an effective way to help people (Feed the Children, 2023). Similarly, the American Civil Liberties Union states that monthly donations will be used to respond to urgent threats (ACLU, 2023). However, some other charities explicitly communicate how donations are allocated across time. For instance, Feeding America emphasizes providing help each month in their donation appeals (Feeding America, 2023), and Care USA commits to providing help every day of the year (Care USA, 2023). These differences reflect an important decision charities face in developing effective appeals to increase repeat giving. Some may opt for messaging that implies *aggregated utilization* of donations, while others highlight the consistent provision of aid throughout the year—we refer to it as *segregated utilization*. To identify the prevalent approach among charities, we analyzed messages of the largest 100 nonprofits in the U.S., as listed in the Forbes' ranking of America's Top Charities for 2023 (Barrett, 2023). Our analysis revealed that 41 charities used a different message when requesting recurring donations compared to one-time donations. Among these, only 12 explicitly communicated segregated spending in their recurring donation appeals (see Table 1 in Appendix B for details). This suggests that the majority of nonprofits do not convey how donations are distributed over time.

The current research investigates which donation utilization type— aggregated or segregated—is more effective in increasing recurring donations. Specifically, we propose and demonstrate that a segregated donation utilization (i.e., a donation allocation strategy in which funds are used gradually over time) compared to aggregated donation utilization (i.e., a donation allocation strategy in which funds are used at one point in time) is more effective in garnering recurring giving. This effect occurs because donors infer greater commitment to the cause and, as a result, feel that they are making a bigger impact when the charity provides help in a segregated manner. This perception, in turn, increases donors' own willingness to commit and donate on a recurring basis.

The findings of this research contribute to the literature on charitable giving, which has primarily investigated one-time donations, by demonstrating that segregated (vs. aggregated) donation utilization elicits greater recurring donations. Moreover, they contribute to the research on perceived impact by showing that donors use a charity's commitment to the cause as a signal that it will make a greater impact. From a practical standpoint, this research provides a cost-effective method for charities aiming to increase repeat giving. Importantly, this messaging strategy not only motivates first-time donors to commit to recurring giving but also encourages one-time donors to convert to become recurring ones.

3.2. Aggregated versus Segregated Donation Utilization and Recurring Donations

Imagine two charities, each with a budget of $12,000 for the year 2026. The first charity chooses to allocate the entire amount in a single effort in December, providing all its aid at once. In contrast, the second charity adopts a more granular approach, spending $1,000 each month throughout the year. While both charities ultimately spend the same amount and deliver an equal total value of aid, they differ in how they structure their spending.

Past research on the numerosity heuristic shows that people use the numbers as a cue in judging product attributes, such as size or quantity, while overlooking other relevant contextual information (Bagchi & Davis, 2016; Nayak & Prabhala, 2001; Pelham et al., 1994). Pandelaere et al. (2011) have shown that the same product is perceived to contain more energy when its content is expressed in kilojoules (kJ) instead of kilocalories (Cal; 1 Cal = 4.2 kJ). Similarly, U.S. consumers tend to perceive a cost as greater when it is presented in a currency with a higher numerical value—such as the Malaysian Ringgit (where US$1 equals 4 Ringgits)—as opposed to a currency with a lower numerical value, like the Bahraini Dinar (where US$1 equals 0.4 Dinars; Raghubir & Srivastava, 2002; Wertenbroch et al., 2007). In line with this, people typically tend to favor aggregated benefits (Burson et al., 2009; Goldstein et al., 2016). For instance, individuals were more likely to view a retirement income as sufficient—and thus showed reduced motivation to save—when the amount was framed as a lump sum (e.g., $100,000 in total over retirement) rather than as regular monthly payments (e.g., $500 per month over retirement; Goldstein et al., 2016). Together, this line of research suggests that people may be more inclined to make a recurring donation when the charity utilizes donations in an aggregated (vs. segregated) manner, as they tend to disproportionately rely on numerical cues when evaluating the aid.

However, the factors individuals value change when they make a recurring donation. People may care less about the overall size of the help provided and more about the relationship they develop with the charity that is typically guided by the norm of reciprocity. In their social and economic interactions, individuals often seek balance and fairness and reciprocate the positive or negative behavior of others with similar responses (Gouldner, 1960; Houston & Gassenheimer, 1987). This notion of reciprocity is particularly endorsed as a norm for continuous interactions (Fisher et al., 2015; Kanagaretnam et al., 2015). In such cases, individuals assess the value of their interpersonal interactions by weighing the perceived benefits and costs, which in turn guide their decisions and behaviors within the relationship (Andersson & Pearson, 1999; Deng et al., 2021; Homans, 1961; Morales, 2005). For example, Axelrod (2006) contends that two parties are motivated to maintain a relationship only when reciprocated actions are observed. Similarly, people are more likely to commit to sustained support for a charitable cause and engage in an ongoing relationship through recurring donations when they perceive that the nonprofit is equally committed to the cause. We propose that segregated (vs. aggregated) donation utilization signals greater commitment to the cause. By allocating recurring donations in smaller, distinct portions rather than as a single lump sum, the charity provides help more frequently, reinforcing the perception of ongoing dedication. Therefore, we predict:

> **H1:** People are more likely to make a recurring donation when the charity employs segregated (vs. aggregated) donation utilization.

3.3. The Role of Perceived Charity Commitment

We propose a serial mediation underlying the positive effect of segregated donation utilization. Specifically, the frequent provision of help leads donors to perceive that the charity is more committed to the cause, which subsequently enhances their perception of making a greater impact.

We propose that segregated donation utilization first influences the perceived charity commitment. Prior research has documented that people use frequency information as a heuristic to infer the goal commitment (Bem, 1972). For instance, consumers perceive someone who goes to gym more frequently as more committed to pursuing a healthy lifestyle (Zhang et al., 2007). Similarly, a company is perceived to be more committed to its goal when it makes a gradual transition in reducing chemical waste (cutting 400 lbs. each year to reach 2,200 lbs./year) compared to making a rapid reduction in the first year (reducing it to 2,200 lbs. in the first year; Jago & Laurin, 2018). In the context of prosocial giving, people perceive someone who donates to the charity more frequently as more prosocially committed than those who donate once, even when the total amount given is the same (Schaumberg & Lin, 2025). Similarly, in the domain of corporate social responsibility, the frequency of donations serves as a signal regarding the firm's commitment toward meeting philanthropic objectives (Jin & He, 2018). For instance, participants generated more commitment-related thoughts regarding the firm when it donated \$300,000 on 15 separate instances than when it made a one-time donation of \$4,500,000. In summary, these findings suggest that people may be more likely to infer greater commitment to the cause from the charity when the charity utilized donations in a segregated (rather than aggregated) manner.

We then predict that perceived charity commitment is positively linked to the feeling of making an impact. In the following section, we discuss how commitment influences perceived impact.

3.4. Charity's Commitment to the Cause and Perceived Impact

People have a greater tendency to be charitable when they believe their contributions will make a difference (Cryder et al., 2013b; Duncan, 2004; Touré-Tillery & Fishbach, 2017). One way to enhance this perceived impact is through segregated (rather than aggregated) donation utilization, which signals greater commitment from the charity. When a charity is perceived as highly committed to its cause, donors are more inclined to believe their contributions will be used toward the charitable mission, as a result, are more likely to create an impact. This perception of commitment often stems from observable effort made by the organization (Bigman & Tamir, 2016; Celniker et al., 2023). For example, people perceive a food company as making a greater effort, hence being more committed to food safety when it implements gradual rather than rapid changes (Jago & Laurin, 2018).

At the same time, past research has also documented a positive link between effort and perceptions of efficacy—that is, the belief that an individual or a product can produce desired outcomes (Bandura, 1977; Cutright & Samper, 2014; Kramer et al., 2012; Norton et al., 2012). Specifically, effortful processes often enhance consumers' perceived value and sense of competence (e.g., Bendapudi & Leone, 2003; Cutright & Samper, 2014; Mochon et al., 2012). For example, individuals who succeed at a task that requires effort feel a greater sense of efficacy compared to those who succeed at a task that is relatively easy (Schunk, 1983). Other research has shown the link between effort and positive evaluation of the outcomes (Kruger et al., 2004; Morales, 2005). For instance, people often use the amount of time and effort invested in producing art or clothing as an input to judge its value and quality (Kruger et al., 2004). Similarly, when customers perceive the service provider as exerting greater effort, they tend to value the service more and respond more positively, such as willing to pay more or preferring those providers (Buell & Norton, 2011; Buell et al., 2017; Morales, 2005).

Research suggesting that people perceive effort as a signal of greater efficacy, coupled with the evidence that effort is highly valued, drives our hypothesis that greater effort—and, by extension, greater commitment by the charity—enhances the perception of making a greater impact. Thus, we predict a serial mediation effect of segregated donation utilization and recurring donation intentions, such that:

H2: There is a serial mediation effect of segregated donation utilization on recurring donations, such that segregated donation utilization increases (a) perceived charity commitment, which in turn increases (b) perceived impact, and ultimately leads to (c) increased recurring donations.

3.5 Overview of Studies

We test our hypotheses across four studies (N = 1,505) and find the positive impact of segregated (vs. aggregated) donation utilization on the likelihood of making a recurring donation. We replicate this effect across different types of donation use. In studies 1A and 1B, we manipulate what is being distributed over time: either to provide time-based aid (e.g., spending time with recipients; study 1A) or tangible goods (e.g., providing computers; study 1B). In studies 2A and 2B, we manipulate who receives the aid over time. This demonstrates the versatility of using segregated donation utilization — whether in terms of what is delivered or to whom — as a strategy to increase recurring donations. In all studies except for study 2B, we find support for the proposed underlying serial mediation model: segregated donation utilization increases perceived charity commitment, which enhances perceived impact and ultimately increases recurring donations.

3.6 Study 1A: Segregated vs. Aggregated Donation Utilization for Time-Based Aid

The aim of the study 1A is to test our hypothesis by manipulating the format in which the charity spends time with the recipients—either in a single session (aggregated) or across multiple sessions over time (segregated).

3.6.1 Method

Participants

Following our preregistration, we planned to recruit a total of 600 participants with three interim analyses (André & Reinholtz, 2024). While the first two interim analyses showed no significant differences between the aggregated and segregated conditions, the third one revealed a significant difference between the two. We aim to recruit 450 participants from Connect, and a total of 430 participants signed up for the study (M_{age} = 38.85, 58.3% female).

Design and Procedure

Participants were randomly assigned to one of two conditions: aggregated or segregated. First, all participants read a brief appeal promoting donations to Bright Path for Kids, a fictitious nonprofit organization that supports children in the areas of health and education. They were instructed to imagine that they had decided to donate to the organization. Next, participants were informed that two months had passed since they made their donation. They read that their previous donation had been used to provide educational materials for children in need, and that the charity had since launched a new initiative to engage more directly with vulnerable children. As part of this initiative, the charity planned to dedicate a total of 12 hours to spending time with these children.

Participants in the aggregated condition read that the charity would meet with the children once during the year, spending all 12 hours in a single session. In contrast, those in the segregated condition read that the charity would meet with the children once a month throughout the year, spending 1 hour per session. Participants also viewed a visual representation of the charity's planned engagement. In the aggregated condition, the visual showed a single 12-hour session on December 15. In the segregated condition, the visual depicted 1-hour sessions occurring in the middle of each month.

Following this, participants reported their likelihood of upgrading their donation to a monthly recurring donation for one year (1 = "Not likely"; 7 = "Very likely"). We also included several additional measures for exploratory purposes: perceived impact (To what extent do you believe donating to the charity will have impact?; 1= "Not at all", 7= "Very much"; Cryder et al., 2013), vividness (How easy or difficult is it for you to imagine how your donation will be used by the charity?; 1= "Very easy", 7= "Very difficult"), commitment (How committed do you believe the charity is to this cause?; 1= "Not at all committed", 7= "Very committed"), effort (How much effort do you believe the charity exerts in providing help?; 1= "No effort at all", 7= "A great deal of effort"), lasting impact (To what extent do you believe donating to the charity will have long-term impact?"; 1= "Not at all", 7= "Very much"; Waites et al., 2023). Finally, as a manipulation check, participants were asked, "Based on the message you read on the previous page, to what extent do you think that the support provided by the charity is spread across time?" (1 = "Not at all", 7 = "Very much").

3.6.2 Results

Manipulation Check

Participants in the segregated condition believed that support provided by the charity is more spread across time than those in the aggregated condition ($M_{\text{Segregated}}$ = 5.62, SD = 1.39 vs. $M_{\text{Aggregated}}$ = 3.54, SD = 2.23 ; $F(1, 428) = 140.23$, $p < .001$, $\eta_p^2 = .25$).

Likelihood to Upgrade

Consistent with our hypothesis, participants in the segregated condition reported higher likelihood of upgrading to a monthly recurring donation than those in the aggregate condition ($M_{\text{Segregated}}$ = 3.40, SD = 1.66 vs. $M_{\text{Aggregated}}$ = 2.85, SD = 1.75 ; $F(1, 428) = 11.14$, $p < .001$, $\eta_p^2 = .03$).

Exploratory Factor Analysis of Process Measures

To examine whether perceived impact, vividness, commitment, effort, and lasting impact reflect distinct latent dimensions, we conducted an exploratory factor analysis with varimax rotation on the five corresponding items. Three separate factors emerged with eigenvalues greater than 0.3, explaining 91.2% of the variance. One factor loaded the vividness item, one factor loaded impact and lasting impact items, and one factor loaded commitment and effort items. Therefore, we averaged perceived impact and lasting impact items to form an impact index (referred to as such hereafter) and averaged the commitment and effort items to create a commitment index (referred to as such hereafter). Table 2 in Appendix B presents the factor loadings.

Impact Index, Commitment Index and Vividness

Participants in the segregated condition reported higher impact ($M_{\text{Segregated}}$ = 4.43, SD = 1.49) than those in the aggregated condition ($M_{\text{Aggregated}}$ = 3.86, SD = 1.56 ; $F(1, 428) = 14.75$, $p < .001$, $\eta_p^2 = .03$). Similarly, charity's commitment to the cause was higher in the segregated condition ($M_{\text{Segregated}}$ = 4.83, SD = 1.42 vs. $M_{\text{Aggregated}}$ = 4.25, SD = 1.56 ; $F(1, 428) = 16.06$, $p < .001$, $\eta_p^2 = .04$). However, no significant differences were found in perceived vividness between the two conditions ($M_{\text{Segregated}}$ = 3.85, SD = 1.62 vs. $M_{\text{Aggregated}}$ = 4.05, SD = 1.72 ; $F(1, 428) = 1.55$, $p = .21$, $\eta_p^2 = .004$).

Serial Mediation Analysis

A serial mediation analysis (Process Model 6; Hayes, 2018), with the likelihood of upgrading to recurring donation as the dependent variable, benefit framing as the independent variable, commitment index and impact index as serial mediators revealed a significant indirect effect (indirect effect = .36, SE= .10, 95% CI= [.17, .55]). The segregated (vs. aggregated) benefit framing increased commitment perceptions, which increased perceived impact and likelihood of upgrade. There was no significant effect for the reversed sequence of the mediators (indirect effect = -.01, SE= .04, 95% CI= [−.08; .06]).

3.6.3 Discussion

Study 1A provides initial evidence for the positive effect of segregated donation utilization on impact and commitment perceptions, and recurring donation intentions. Specifically, when a charity is described as spending time with recipients in a segregated (vs. aggregated) manner, people perceive the charity as more committed to the cause. This heightened perception of commitment, in turn, enhances the perceived impact of their donation, ultimately increasing the likelihood of upgrading to a monthly recurring donation.

3.7. Study 1B: Segregated vs. Aggregated Donation Utilization for Tangible Aid

3.7.1 Method

Participants

We followed the same pre-registered design as in the previous study, collecting data in three waves up to 600 participants with three interim analyses. We found a significant difference between the aggregated and segregated conditions in the third interim analysis. Per our preregistration, we dropped 33 participants whose geolocations or IP addresses appeared more than twice. Thus, our final sample included 416 participants (M_{age} = 38.58, 63.9% female).

Design and Procedure

Study 1B followed the same procedure as study 1A. Participants read a donation appeal from Bright Path for Kids, imagined they had previously donated, and learned that two months later, the charity launched a new initiative to support children. Specifically, the aid consisted of providing 35 computers in total: in the aggregated condition, all 35 computers were distributed in December, while in the segregated condition, 5 computers were distributed each month from June to December. Participants then indicated their likelihood of upgrading to a monthly recurring donation for the next seven months, followed by the same process measures used in study 1A (perceived impact, vividness, commitment, effort, lasting impact) and a manipulation check assessing how spread out they perceived the support to be.

3.7.2 Results

Manipulation Check

In line with our prediction, the support is perceived to be more spread across time in the segregated condition compared to the aggregated condition ($M_{\text{Segregated}} = 5.69$, SD = 1.18 vs. $M_{\text{Aggregated}} = 4.31$, SD = 1.20 ; $F(1, 414) = 75.27$, $p < .001$, $\eta_p^2 = .15$).

Likelihood to Upgrade

Consistent with our hypothesis 1, participants in the segregated condition were more likely to upgrade to a monthly recurring donation for the next seven months than their counterparts in the aggregate condition ($M_{\text{Segregated}} = 3.84$, SD = 1.74 vs. $M_{\text{Aggregated}} = 3.38$, SD = 1.73 ; $F(1, 414) = 7.24$, $p = .007$, $\eta_p^2 = .02$).

Exploratory Factor Analysis of Process Measures

Exploratory factor analysis with varimax rotation on the five relevant items revealed three distinct factors, each with eigenvalues greater than 0.4, explaining the 88.5% of the variance. One factor is the vividness item, another loaded the impact and lasting impact items, and the third loaded the commitment and effort items. Thus, we created an impact index by combining the perceived impact and lasting impact items, and a commitment index by combining the commitment and effort items. Table 3 in Appendix B presents the factor loadings.

Impact Index, Commitment Index and Vividness

Participants in the segregated (vs. aggregated) condition perceived the charity as having a greater impact ($M_{\text{Segregated}} = 5.47$, SD = 1.12 vs. $M_{\text{Aggregated}} = 5.15$, SD = 1.43;

$F(1, 414) = 6.35$, $p = .01$, $\eta_p^2 = .02$), and as being more committed to its cause ($M_{\text{Segregated}} = 5.59$, SD = 1.06 vs. $M_{\text{Aggregated}} = 5.15$, SD = 1.33; $F(1, 414) = 13.47$, $p < .001$, $\eta_p^2 = .03$). In contrast, there is no significant difference in vividness between the two ($M_{\text{Segregated}} = 2.71$, SD = 1.66 vs. $M_{\text{Aggregated}} = 2.61$, SD = 1.62; $F(1, 414) = 0.41$, $p = .52$, $\eta_p^2 = .001$).

Serial Mediation Analysis

A serial mediation analysis (Process Model 6; Hayes, 2018), with the likelihood of upgrading to recurring donation as the dependent variable, benefit framing as the independent variable, commitment index and impact index as serial mediators revealed a significant indirect effect (indirect effect = .20, SE= .06, 95% CI= [.09, .33]). The result of reversing the order of the serial mediators was not significant (indirect effect = .02, SE= .02, 95% CI= [-.01; .08]).

3.7.3 Discussion

The results of study 1B further demonstrate the positive effect of segregating the utilization of donations on recurring donation intentions for a different aid type operating through increased perceptions of the charity's commitment and the donation's impact. Importantly, the aid in this study consisted of computers—a relatively durable product that does not represent an ongoing need.

Next, studies 2A and 2B aim to conceptually replicate the findings of studies 1A and 1B, focusing on who receives the aid over time. Study 2A employs the same design as the previous two studies, while study 2B introduces a subtler manipulation of the donation utilization and measures the dependent variable as a choice between a one-time or a monthly recurring donation, mirroring real-life charitable giving decisions.

3.8. Study 2A: Segregated vs. Aggregated Donation Utilization for Recipients

3.8.1 Method

Participants

Consistent with the previous study's pre-registered design, we set to collect data up to a maximum of 600 with three waves. A significant difference between the aggregated and segregated conditions emerged in the third interim analysis. As specified in our preregistration, we excluded 25 participants whose geolocations or IP addresses appeared more than twice. This resulted in a final sample of 421 participants (M_{age} = 37.79, 51.1% female).

Design and Procedure

Study 2A followed a procedure similar to the previous two studies, with the primary difference being a focus on who receives the aid. All participants read a donation appeal from Bright Path for Kids and imagined they had previously contributed. They were then told that two months had passed since their donation, and that the charity had launched a new initiative to provide meal kits to 1,200 children. In the aggregated condition, the charity provides meal kits to 1,200 children in one go this year, accompanied by a visual showing that all 1,200 children were helped on December 15. In contrast, in the segregated condition, the charity provides meals to 100 children each month, with visuals depicting 100 children being helped in the middle of each month. Participants then reported their likelihood of upgrading to a monthly recurring donation, followed by the same exploratory measures used in study 1A (perceived impact, vividness, commitment, effort, lasting impact) and a manipulation check assessing how spread out they perceived the support to be.

3.8.2 Results

Manipulation Check

Support provided by the charity was perceived to be more spread across time in the segregated condition compared to the aggregated condition ($M_{Segregated}$ = 5.79, SD = 1.30 vs. $M_{Aggregated}$ = 3.42, SD = 2.19 ; $F(1, 419) = 184.76$, $p < .001$, $\eta_p^2 = .31$).

Likelihood to Upgrade

Participants in the segregated condition were more likely to upgrade to a monthly recurring donation than those in the aggregate condition ($M_{Segregated}$ = 3.87, SD = 1.77 vs. $M_{Aggregated}$ = 3.44, SD = 1.72 ; $F(1, 419) = 6.44$, $p = .012$, $\eta_p^2 = .02$).

Exploratory Factor Analysis of Process Measures

Similar to study 1, we conducted an exploratory factor analysis using varimax rotation on the five related items. This analysis revealed three separate factors with eigenvalues exceeding 0.4, explaining the 89.7% of the variance. One factor corresponded to the vividness item, another factor loaded impact and lasting impact items, and the third factor loaded the commitment and effort items. Based on these results, we combined the perceived impact and lasting impact items into an impact index and combined the commitment and effort items into a commitment index. Table 4 in Appendix B presents the factor loadings.

Impact Index, Commitment Index and Vividness.

Compared to participants in the aggregated condition, those in the segregated condition perceived the charity as making a bigger impact ($M_{\text{Segregated}}$ = 5.26, SD = 1.35 vs. $M_{\text{Aggregated}}$ = 4.49, SD = 1.45; $F(1, 419) = 31.97$, $p < .001$, $\eta_p^2 = .07$), and being more committed to the cause ($M_{\text{Segregated}}$ = 5.64, SD = 1.16 vs. $M_{\text{Aggregated}}$ = 4.75, SD = 1.40; $F(1, 419) = 50.54$, $p < .001$, $\eta_p^2 = .11$). However, participants in the aggregated condition reported that the use of their donation seemed more vivid ($M_{\text{Aggregated}}$ = 3.66, SD = 1.64) than those in the segregated condition ($M_{\text{Segregated}}$ = 2.70, SD = 1.58; $F(1, 428) = 37.02$, $p < .001$, $\eta_p^2 = .08$).

Serial Mediation Analysis

A serial mediation analysis (Process Model 6; Hayes, 2018), with the likelihood of upgrading to recurring donation as the dependent variable, benefit framing as the independent variable, commitment index and impact index as serial mediators revealed a significant indirect effect (indirect effect = .42, SE= .07, 95% CI= [.28, .57]). The result of switching the order of the serial mediators was also significant (indirect effect = .07, SE= .04, 95% CI= [.003; .16]).

3.8.3 Discussion

Study 2A provides further evidence that when a charity provides aid in a segregated manner (i.e., helping a smaller number of recipients throughout the year) rather than an aggregated manner (i.e., helping a larger number of recipients all at once), people perceive the charity as more committed to the cause and believe their donation will have a greater impact. These perceptions, in turn, increase the likelihood of upgrading a one-time donation to a monthly recurring donation.

3.9. Study 2B: Segregated vs. Aggregated Donation Utilization for Recipients

Study 2B aims to replicate hypothesis 1 with two modifications. First, we employ a subtler manipulation of segregated versus aggregated donation utilization—in this case, the visual that illustrates the timing of the charity's aid is omitted, so participants do not receive explicit visual cues about when help is provided. Second, we use a different operationalization of recurring donation intentions. Unlike previous studies, where participants first imagined having donated and then indicated whether they would upgrade to a monthly recurring donation, in this study participants choose directly among three options: making a one-time donation, a monthly recurring donation, or no donation.

3.9.1 Method

Participants

Two hundred and ninety-six participants recruited from Connect completed the experiment in exchange for a small payment. Following our preregistration, we excluded 56 of them who failed the attention check question which asked participants to correctly recall how the charity provides help to its recipients. This left us with a final sample of 238 participants (M_{age} = 40.87, 51.3% female).

Design and Procedure

Participants were randomly assigned to aggregated or segregated conditions. In the aggregated [segregated] condition, participants read:

> "Global Change is a nonprofit organization that provides educational materials for students in need. Your donations will be used to provide help for 120 students in a single effort within this year [10 students each month throughout this year (120 students in total)]."

Then, participants indicated whether they would make a one-time or monthly recurring donation or choose not to donate. This constituted our main dependent variable.

Participants also indicated the one-time or monthly recurring donation amount they would like to donate. Finally, participants were asked to indicate how frequently they believed the charity would utilize the donations it received, using a seven-point Likert scale (1= “Once a year”, 2= “Twice a year”, 3= “Three times a year”, 4= “Five times a year”, 5= “Seven times a year”, 6= “Nine times a year”, 7= “Twelve times a year (each month)”).

3.9.2 Results

Manipulation Check

Participants in the segregated condition believed that the charity utilizes its donations more frequently than those in the aggregated condition ($M_{\text{Segregated}}$ = 5.86, SD = 2.11 vs. $M_{\text{Aggregated}}$ = 3.34, SD = 2.65 ; $F(1, 236) = 61.60$, $p < .001$, $\eta_p^2 = .21$).

Donation Choice

We conducted a chi-square test of whether the experimental conditions differ in the proportion of participants who choose to make a one-time donation or monthly recurring donation.. Specifically, while 19.2% (19/99) of participants chose to make a monthly recurring donation in the segregated condition, only 7.9% (11/139) of participants chose to make a recurring donation in the aggregated condition ($\chi^2(2)$ = 6.68, p = .01). Further, the percentage of participants deciding to donate one-time was significantly higher in the aggregated (57.6%, 80/139) versus segregated condition (42.4%, 42/99; $\chi^2(2)$ = 5.30, p = .02). This suggests that the effect of the segregated donation utilization is specific to recurring donations.

Donation Amounts

We analyzed the total donation amounts for each frequency of monthly recurring donation. Specifically, we calculated the total amount of donations by multiplying the donation amount participants indicated in the study by 1 for those who chose to make a one-time donation. For those who selected to make a monthly recurring donation, we calculated the total amount for each frequency of monthly donation from 2 to 12. We then log-transformed total donation amounts for each frequency since distributions significantly deviated from normal (Kolmogorov– Smirnov test $ps < .001$). An ANOVA predicting total donation amount showed that the donation amount did not significantly differ across two conditions for each frequency (*ps* > .1; see Table 5 in Appendix B for details).

3.9.3 Discussion

The results of study 2B are important for two reasons. First, they demonstrate that segregating the donation utilization is effective not only in encouraging existing one-time donors to upgrade to a recurring donation (studies 1A, 1B and 2A), but also in motivating first-time donors to commit to recurring giving. In this study, participants were not asked to imagine having already made a donation. Instead, they read an appeal from a charity requesting a donation—an approach that closely mirrors real-world fundraising practices. Second, the findings show that while segregated donation utilization increases the likelihood of recurring donations, it does not significantly affect the likelihood of making a one-time donation—indicating the unique effectiveness of this utilization approach in promoting repeat giving.

3.10 General Discussion

3.10.1 Theoretical Contributions

Our findings offer three theoretical contributions to the existing literature. First, we contribute to the work on charitable giving. Prior research in this domain has primarily focused on one-time donations, identifying numerous factors that positively influence such decisions, including warm-glow, sympathy, the desire to conform to norms, perceived impact, and the pursuit of social status (e.g., Andreoni, 1990; Duncan, 2004; Frey & Meier, 2004; Glazer & Konrad, 1996; Loewenstein & Small, 2007; Touré-Tillery & Fishbach, 2017). While some of these factors may also play a role in motivating recurring donations, one-time and recurring donations are inherently guided by different processes, and therefore likely require distinct drivers (Joireman et al., 2020; Levontin et al., 2025; Shlefer & Kogut, 2021). In this research, we distinguish one-time and recurring donation behaviors by identifying an antecedent uniquely relevant to recurring giving: segregating (vs. aggregating) donation utilization results in greater recurring giving—an effect that does not extend to one-time giving (study 2B).

Second, we contribute to research on the role of impact on donation decisions. Previous work has extensively demonstrated that perceived impact is one of the key drivers of the donor decisions (e.g., Esterzon et al., 2023; Fuchs et al., 2020; Karlan &

List, 2007). Existing research has identified numerous factors that can influence perceived impact. For example, donating feels more impactful when recipients are geographically closer to the donor (Touré-Tillery & Fishbach, 2017), when the charity is close to reaching their end goals (Cryder et al., 2013b), and when donors have the option to designate how their contributions are used (Fuchs et al., 2020). We extend this line of research by demonstrating that donating to a charity that is perceived as more committed to the cause leads donors to feel that their donation is making a greater impact.

Third, our findings have implications for research on the impact of reciprocity on prosocial behavior. Nonprofits often aim to evoke feelings of reciprocity to boost donations. For example, charities include small, nonmonetary gifts, such as pens or tote bags, with their donation requests to elicit a sense of obligation to reciprocate through giving (Briers et al., 2006; Chao, 2017; Eckel et al., 2016; Newman & Shen, 2012). Our findings suggest that the norm of reciprocity may operate bidirectionally—donors may also expect something in return from the charity in the context of repeated interactions, such as recurring donations. Specifically, donors seek to see the charity's commitment to the cause, and communicating this commitment has been shown to enhance repeat giving.

3.10.2 Practical Implications

Retaining donors over time is a pressing issue for nonprofits (Giving USA, 2024; Levontin et al., 2025). The failure to secure recurring donors leads to a loss of regular income stream and incurs costs to acquire new donors—costs that typically exceed those associated with maintaining existing ones (Anik et al., 2014). As a result, nonprofits strive to increase the number of recurring donors. Limited work in this area has studied recurring donations in the context of building and sustaining donor relationships (Naskren & Siebelt, 2011; Sargeant & Woodliffe, 2011). In doing so, they often draw on insights from the customer relationship management literature, which has identified drivers of customer retention (e.g., Lemon et al., 2002; Nitzan & Libai, 2011). For example, trust in the charity's ability to fulfill its mission and donor satisfaction have been identified as key drivers of donor loyalty and retention (Naskren & Siebelt, 2011; Sargeant & Lee, 2004; Sargeant & Woodliffe, 2007). However, these findings suggest that this donor-nonprofit relationship can be formed over time, which requires a significant investment from the charity's side. Further, motivating first-time donors to become recurring ones is particularly challenging, as they have yet to develop the level of trust or satisfaction necessary to maintain the relationship with the charity. We develop a message style in order to help charities to motivate first-time donors to make a recurring donation and also convert one-time donors to recurring ones in a cost-effective manner.

This research also offers practical insights for different types of charities. Nonprofits may vary what they choose to emphasize in their messaging—such as the recipients of aid, or the type of aid provided. For example, Second Harvest Heartland highlights the type of aid they provide (e.g., “Your monthly gift of $30 can provide 1,080 meals per year.”; Second Harvest Heartland, 2025). In contrast, International Rescue Committee (e.g., “Make a monthly gift to help refugee families all year round”; International Rescue Committee, 2025) focuses on the beneficiaries who will receive the help. Other charities, such as Action for Children, work directly with children and young people, so they may choose to emphasize the time they spend with these individuals. Our findings show that segregating the components of the benefit—charity’s time investment, the recipients, the tangible aid—leads to higher recurring donation intentions compared to aggregating them. This insight can be used strategically by charities, depending on what aspect of their work they wish to highlight.

Chapter 4

IMPACT TIMING VERSUS MAGNITUDE: CONSUMER PERCEPTIONS OF NONPROFITS' RESOURCE ALLOCATION STRATEGIES

4.1 Introduction

Similar to other organizations, nonprofits must carefully plan their finances to achieve their mission (Stühlinger, 2022). This financial planning typically involves two critical decisions. First, nonprofits need to decide *where* to allocate their resources, that includes identifying which causes or recipient groups to support as well as distributing funds across fundraising activities and administrative operations. Second, nonprofits must determine *when* to utilize their resources. This temporal allocation entails deciding how to distribute funds across different time horizons—for example, whether to use resources immediately or reserve them for future initiatives. Prior research extensively explored the decision of where to allocate funds (e.g., Esterzon et al., 2023; Fuchs et al., 2020; Gneezy et al., 2014). However, the equally important question of when to allocate funds has received less attention, despite the fact that the timing of resource allocation is a critical consideration for many nonprofits.

In practice, nonprofits often choose not to spend all of the income they earn within the same year, intentionally reserving a portion for future use. For instance, charities in the United Kingdom retained an average of 6.5% of their income, indicating that these funds were intentionally not spent immediately (Charity Commission for England and Wales, 2024). Similarly, 63 of the largest 100 nonprofits in the United States, as listed in Forbes' 2023 America's Top Charities, retained an average of 11.4% of their revenue (Barrett. 2023; see Table 1 in Appendix C for details). This practice helps nonprofits build a buffer to mitigate fluctuations in their future donation streams and more effectively manage large lump-sum donations (Association for Fundraising Professional, 2023; Guardian, 2022).

While this future-focused approach is widely adopted in the for-profit sector, as it yields superior financial performance (Lumpkin & Brigham, 2011; Miller & Le Breton-Miller, 2005), such an approach may not be widely accepted for nonprofits. Indeed, there is an emerging debate on whether nonprofits should spend all their resources now or save some to help people in the future (Piper & McDonough, 2021). One side argues that future-focused thinking should not only be the norm for corporations but also for charities (MacAskill, 2022). Supporting this view, discussions within the effective altruism movement highlight the importance of allocating resources in a cost-effective manner to maximize the impact of each dollar donated (Singer, 2016). Further, effective altruists have recently advocated for a philosophy of “longtermism”, that encourages us to expand our moral circle to include not only those alive today but also the many generations yet to come (MacAskill, 2022). In line with this future-focused approach, nonprofits are also advised by independent organizations (e.g., Charity Commission for England and Wales, 2023; Charities Aid Foundation, 2024) to invest and grow their funds to further their charitable purposes in the future. In fact, many nonprofit organizations, such as Direct Relief, and UNICEF retain a portion of their resources and invest them (Direct Relief ,2023; UNICEF, 2023).

Yet, consumer perceptions of charities that allocate resources toward future benefits have not been systematically explored. Anecdotal evidence suggests donors often resist forward-looking financial strategies in the nonprofit sector. For instance, Children in Need received backlash after it was revealed that they invested a portion of their funds to maximize the impact for disadvantaged children rather than distributing them immediately (Glennie, 2014). Similarly, GiveWell faced criticism when it announced plans to withhold a portion of their existing funding until the following year to await more effective opportunities to allocate the money (Beasley, 2021). In another instance, St. Jude Children's Research Hospital was accused of “hoarding billions” after reserving its funds to create a buffer against potential declines in future donations (Armstrong & Gabrielson, 2021). One potential explanation for these backlashes is that charities may fail to clearly communicate the magnitude of the impact they seek to achieve by retaining and growing their resources. This lack of clarity can be particularly detrimental for nonprofits, as prior research highlights perceived impact as a key driver of donation decisions (Duncan, 2004; Fuchs et al., 2020; Gneezy et al., 2014; Touré-Tillery & Fishbach, 2017). This situation raises an important question: Would these negative perceptions persist if consumers were aware that retaining funds for future use leads to greater impact? At its core, this question reflects a classic intertemporal tradeoff faced by nonprofits: deciding whether to utilize resources to generate a smaller impact in the present, or to retain and grow those resources to create a larger impact in the future. In this research, we focus on this tradeoff decision and examine how it influences consumer perceptions of nonprofit organizations.

We argue that, when evaluating charities' intertemporal resource allocation decisions, consumers place greater importance on the timing of the impact rather than its magnitude. As a result, consumers perceive a charity that opts for larger, future benefits over smaller, immediate ones as less effective and less moral, subsequently reducing their support for the charity. Importantly, we propose a cost-effective intervention to help nonprofits in counteracting negative perceptions when employing such strategies. Specifically, we find that framing the delayed option as the more effective choice (Caviola et al., 2020a; 2020b) mitigates these negative judgments. We test these predictions across seven studies, employing hypothetical scenarios, an incentive-compatible design, and a field experiment on Facebook.

Our findings contribute to three main areas of research. First, we contribute to the growing body of research on impact philanthropy (Duncan, 2004). Impact has often been conceptualized as making a difference, perceived efficacy, or perceived utility (Aknin et al., 2013; Erlandsson et al., 2015; Sharma & Morwitz, 2016; Waites et al., 2023). However, much of the existing research has treated impact as a unidimensional construct. In contrast, we propose that perceived impact has two key dimensions: timing and magnitude. Further, we show that when consumers face a tradeoff between these two aspects, they tend to prioritize timing over magnitude. Second, we contribute to the research on nonprofit perceptions, which are shaped by nonprofits' practices. For example, people judge nonprofits as less moral when they use compliance tactics such as foot-in-the-door (Greitemeyer & Sagioglou, 2018) or pursue risky ventures (Gershon et al., 2021). We extend this line of research by demonstrating that nonprofits are viewed as less effective and less moral for pursuing larger, later impact over a smaller, sooner one. While a future-focused approach is often touted as a strategic choice for charities (MacAskill, 2022), we are the first, to our knowledge, to document that the response of consumers may not align with this advice. Third, we contribute to the work on intertemporal decisions in organizations. Existing literature shows the link between a future-focused mindset and positive outcomes for for-profits such as financial strength and growth (Le Breton-Miller & Miller, 2006; Lumpkin & Brigham, 2011). However, we show that choosing larger, later benefits leads to negative consumer perceptions for nonprofits, which potentially restrains their ability to realize these positive outcomes.

In addition to these theoretical contributions, our research has practical implications for nonprofits. Charities aim to maximize the impact of each dollar donated, and one approach to achieving this involves delaying immediate use of the funds in favor of investing and growing them for future needs. Yet, this strategy harms consumer perceptions of the charity's effectiveness and morality. Importantly for marketers, we demonstrate that presenting the delayed option as the effective choice can help reduce unfavorable perceptions. Thus, nonprofits can reap the benefits of retaining and growing funds like forprofits do, but they must take more care in communicating how such future-focused approaches increase their effectiveness.

4.2 Theoretical Background

A large body of research shows that people donate when they expect their contributions to make an impact (Cryder et al., 2013; Duncan, 2004; White et al., 2020; Touré-Tillery & Fishbach, 2017). For example, prior work on the "proportion dominance" effect (Fetherstonhaugh et al., 1997; Jenni & Loewenstein, 1997) demonstrates that people prefer to help a larger fraction of recipients, even when this results in helping fewer people overall. This occurs since helping a large percentage of a smaller group (e.g., 225 out of 300 people) seems more impactful than helping a small percentage of a large group in need (e.g., 230 out of 920 people). Similarly, people give more when their donations are matched by an external organization (Karlan & List, 2007), support charities with lower overhead costs (Gneezy et al., 2014), and are more likely to help people who are spatially closer to them (vs. farther away; Touré-Tillery & Fishbach, 2017). Further, donations increase when the charity is near (vs. far from) its end goals (Cryder et al., 2013) and when donors can choose the target of their contributions (Fuchs et al., 2020).

Two key components of impact likely shape consumers' donation decisions: timing and magnitude. Impact timing pertains to the point in time at which the impact occurs. For example, a charity could provide affordable housing to a family in need today versus at a later date, such as next month. On the other hand, impact magnitude refers to the size or scale of the impact, such as providing affordable housing to one family versus four families in need. Given that impact has been shown to be a strong predictor of donation decisions (Duncan, 2004), charities strive to maximize their impact. However, they must do so within the constraints of limited resources (Ferrell-Schweppenstedde, 2023). This often leads nonprofits to face a trade-off between two key dimensions of impact. For example, a charity might face a choice between using its resources to provide textbooks to 100 students this week or saving and growing those resources to provide textbooks to 110 students next month. This dilemma is an example of a classic intertemporal tradeoff, where opting to "provide textbooks to 100 students this week" results in a smaller but immediate impact, whereas choosing to "provide textbooks to 110 students next month" leads to a larger impact but with a delay.

Prior research shows a common tendency for individuals to favor smaller, immediate rewards over larger, delayed ones (for reviews, see Frederick et al., 2002, Malkoc & Zauberman, 2019; Urminsky & Zauberman, 2015). However, this pattern is reversed in organizational contexts, where for-profit companies are often expected to prioritize future returns over present ones (Beck & Seru, 2019). Similarly, in the nonprofit domain, if donors seek to maximize the impact of their contributions, as prior work suggests, they may view charities that opt for a larger, later impact in a more positive light and be more inclined to support them. However, we propose that consumers place greater weight on timing than on the magnitude of the impact. This focus on immediacy, in turn, influences how they evaluate nonprofits that prioritize larger, later impact, particularly in terms of morality and effectiveness.

4.2.1 Impact Magnitude and Nonprofit Perceptions

Not surprisingly, consumers tend to favor nonprofits that generate a larger impact over those that deliver a smaller one, viewing them as both more moral and more effective (Kahane et al., 2015; Singer, 2016). Utilitarianism, a prominent form of consequentialism, asserts that the morality of an action is defined solely by its consequences: An action is deemed morally good if it brings positive outcomes, and morally bad if it results in negative consequences (Everett et al., 2018). The goodness of an outcome is evaluated based on the amount of individual wellbeing; therefore, an act is considered morally right if it produces the greatest total amount of wellbeing (Bartels et al., 2015; Kahane et al., 2015). Further, effective altruism, a movement rooted in consequentialist (or "utilitarian") ethics, holds that charities that maximize overall good are the most effective ones (Caviola et al., 2020a; Singer, 2016). Together, these findings suggest that charities that provide a larger-scale impact—such as helping a greater number of individuals—are viewed as more moral and more effective compared to those providing a smaller-scale impact.

4.2.2 Impact Timing and Nonprofit Perceptions

Consumers also tend to evaluate charities that create an immediate impact more favorably than those delivering a delayed impact, perceiving them as both more moral and more effective (Crimston et al., 2016; Gupta et al., 2012). This preference may stem from how people grant varying levels of moral concern to different entities, forming what are known as moral circles—boundaries that separate entities that deserve moral consideration from those that do not (Crimston et al., 2016). Within these moral circles, individuals typically prioritize entities based on social proximity, placing closer entities, such as ingroup members, near the center and distant entities, like outgroup members, toward the periphery (Crimston et al., 2018). This creates a hierarchical structure of moral concern, where people are more likely to exhibit higher levels of moral consideration to those who are socially close to them. Building on the previous work showing that people interpret temporal and social distance in similar ways (Jones & Rachlin, 2006), we propose that this hierarchy of moral concern, shaped by social proximity, extends to temporal proximity as well. Specifically, consumers may view helping temporally close individuals as more morally praiseworthy.

Perceptions of effectiveness are also influenced by timeliness. Prior research shows that completing tasks in a timely manner leads to more favorable evaluations, while procrastination—the act of delaying or postponing tasks that ideally should be completed promptly—tends to carry negative connotations (Gupta et al., 2012). In workplace settings, procrastinators are often perceived as less effective in utilizing corporate resources, performing poorly, and reducing overall group efficacy (Dewitte & Lens, 2000; Felps et al., 2006; Ferrari, 2001; Gupta et al., 2012). Recently, Fang and Maglio (2024) demonstrate that the timing of work submission affects how people perceive both the quality of the work and the competence of the individual who submitted it. Specifically, people judge an employee who missed a deadline as less competent and therefore rate their work as lower in quality. Together, these findings suggest the importance of timely task completion in shaping judgments of effectiveness and competence. Accordingly, we propose that people perceive a nonprofit delivering an immediate impact—such as helping today rather than next month— as both more moral and more effective compared to one that delays its impact.

4.2.3 Tradeoff between Impact Timing and Impact Magnitude and Nonprofit Perceptions

So far, we have argued that individuals tend to perceive charities that prioritize larger impacts over smaller ones and immediate impacts over delayed ones as more moral and more effective. But what happens when these dimensions conflict—when there is a tradeoff between the magnitude and timing of impact? We propose that when consumers face a tradeoff between the timing and magnitude of impact, they tend to prioritize the timing. This greater focus on impact timing shapes consumers' evaluations of nonprofits, leading them to perceive nonprofits that prioritize a larger, later impact as both less effective and less moral.

Lay perceptions of how charities operate suggest a prioritization of impact timing over its magnitude. Nonprofit organizations are often associated with a commitment to providing immediate response, a perception likely shaped by their communications, where immediacy is a recurring theme. For example, Waites et al. (2023) analyzed the mission statements of the largest 100 charities in the U.S. and found that these organizations tend to characterize themselves as providers of immediate aid. Such messaging in charitable appeals may contribute to a widely held belief that charities should act without delay. To test the prevalence of this belief, we recruited participants from CloudResearch's Connect platform (N = 119, M_{age} = 38.39, 56.3% male). Participants were presented with a list of charitable causes (food security, education, health, animal welfare, disaster response, environment), and reported whether they believed each cause requires immediate action from the charity (1= "The required action does not need to be immediate", 7= "The required action needs to be immediate"). One-sample t-test with a test value of 4 (the scale midpoint) revealed that participants believed immediate action was necessary for every charitable cause evaluated: food security (M= 6.17, t (118)= 21.36, p < .001), education (M= 5.10, t (118)= 7.79, p < .001), health (M= 5.97, t (118)= 16.91, p < .001), animal welfare (M= 5.15, t (118)= 8.57, p < .001), disaster response (M= 6.26, t (118)= 19.59, p <.001) and environment (M= 5.23, t (118)= 8.61, p < .001). These findings suggest that people generally expect nonprofits to act promptly across a wide range of causes. This may lead individuals to place greater importance on the timing of the impact—how quickly aid is delivered—over its magnitude—how much aid is delivered.

Prior research on moral tradeoffs also supports our prediction. A wide body of work on moral dilemmas has examined responses to the trolley problem to explore the factors affecting moral judgment (Cushman et al., 2006; Foot, 1967; Gawronski et al., 2017; Thomson, 1985). In the "bystander" version of the trolley dilemma, a trolley with failed brakes is on course to kill five people on its current track, and participants are faced with the choice of flipping a switch to redirect the trolley to a sidetrack, where it would instead kill one person (Bartels et al., 2015; Foot, 1967). In the "footbridge" variant, five people are again at risk from an oncoming trolley, and participants decide whether to push a person onto the tracks to stop the trolley and save five people (Bartels et al., 2015; Thomson, 1985). The majority of participants find it acceptable to sacrifice one person to save five in the bystander case, whereas in the footbridge scenario, only a small proportion would deem such an action acceptable (Greene et al., 2001; Hauser et al., 2007). If people valued the scale of the outcome more than the process that leads to that outcome, they would choose to sacrifice one person to save five people in both versions of the dilemma, as this choice maximizes the aggregate good. However, these findings suggest that in moral dilemmas, people tend to focus more on how the good or the harm is done—the process—rather than on the amount of good or harm that results—the outcome. Further, people exhibit resistance toward outcome-focused decision processes in moral dilemmas (Dietvorst & Bartels, 2022) and instead adopt a deontological thinking style, which focus on the actions or processes themselves rather than their outcomes (Bartels et al., 2015). In the current research, the process refers to *timing* of the impact—whether it occurs immediately or at a later point. On the other hand, the outcome refers to the *magnitude* of the impact—the scale of benefits delivered, such as the number of individuals helped. Drawing from this distinction, we argue that people are more likely to prioritize timing over magnitude in moral tradeoff contexts.

Taken together, both lay expectations that charities should act promptly and individuals' tendency to focus on process over outcome in moral tradeoffs suggest that people place greater importance on the timing of impact than its magnitude when evaluating charities' intertemporal resource allocation decisions. This emphasis on timing leads to less favorable evaluations of nonprofit organizations that prioritize magnitude over timing in their decisions, particularly in terms of effectiveness and morality perceptions. Formally:

> **H1:** Consumers perceive a charity as less moral and less effective when it chooses to pursue a larger, later impact over a smaller, sooner one.

Further, we propose that perceptions of low morality and effectiveness in a charity reduce the likelihood of donations. Prior research has indicated that people are more likely to donate when the charity is perceived to be effective and moral (e.g., Berman et al., 2018; Gershan et al., 2021). Nonprofit organizations primarily operate within moral domains, as their missions often revolve around promoting or protecting individuals' resources, freedoms, or rights (Dietvorst & Bartels, 2022; Graham et al., 2011; Turiel, 1983). Accordingly, people hold normative preferences regarding what they believe a charity should do, which in turn influences their moral judgments about its practices (Xu, 2023). Not surprisingly, consumers are more likely to support a charity when it aligns with these normative principles, as they perceive it to be moral. For instance, when charities pursue risky ventures, perceptions of their morality tend to diminish, which in turn reduces donor support (Gershan et al., 2021). This link between moral acceptance and consumer support extends to other organizations operating within the moral domain. For example, consumers view it morally unacceptable when religious organizations, such as churches, adopt commercial marketing strategies (e.g., rebranding, advertising). This disapproval leads to a decreased willingness to join or support such organizations (McGraw et al., 2012). Similarly, when for-profit companies engage in corporate social responsibility activities, consumers tend to evaluate them through a moral lens. As the perceived morality of the organization increases, so does consumer support (Carroll, 2000; Ellemers & Chopova, 2021). Donors do value effectiveness as well. For example, Aaker et al. (2010) demonstrate that boosting the perceived competence of nonprofits increases consumers' willingness to support the organization. Further, effectiveness perceptions predict donors' likelihood to contribute to a charity when choosing from a set of options with similar charitable causes (e.g., choosing a cancer charity to support) as opposed to differentiated charitable causes (e.g., choosing to support malaria nets versus cancer research; Berman et al., 2018), or when deciding between helping family members versus strangers (Burum et al., 2020). Similarly, Caviol and Greene (2023) identify the nonprofit effectiveness as a driver of donation decisions. When given the choice to divide donations between a personally appealing charity and an expert-recommended, highly effective one, donors often choose to divide their contributions rather than prioritizing just one. As a result, we propose that perceptions of a nonprofit's morality and effectiveness, shaped by its intertemporal resource allocation decisions, will influence consumers' donation decisions. Formally:

H2: Consumers are less likely to donate to a charity when it chooses to pursue a larger, later impact over a smaller, sooner one.

H3: The effect of charities' intertemporal resource allocation on consumers' donation decisions is jointly mediated by perceptions of the charity's morality and effectiveness.

4.2.4 The Moderating Role of Need Urgency

Our conceptualization posits that when evaluating nonprofits' resource allocation decisions involving a tradeoff between timing and magnitude of the impact, consumers place greater weight on timing than on magnitude. We propose that perceived urgency of need moderates the extent to which timing is prioritized over magnitude. We define need urgency as the immediacy with which resources are required to prevent negative outcomes (Sharma et al., 2023; Vieites et al., 2022; Zhu et al., 2018). Urgent needs are thus characterized by a narrow window for resource allocation, where delayed action may result in adverse consequences.

In the previous section, we proposed that consumers generally associate nonprofits with addressing urgent needs that require prompt action. As detailed earlier, this assumption was supported with a pretest, which revealed that people generally believe charities should respond without delay across a wide range of causes. However, these findings also reveal variation in perceived urgency of different causes, with some causes being viewed as more urgent than others. We predict that when charitable causes are perceived as meeting more urgent needs, consumers are more likely to focus on the timing of the impact when evaluating nonprofits. As a result, if the nonprofit opts for a larger, later option as opposed to smaller, sooner one, it is perceived as less effective and less moral. In contrast, when charitable causes are viewed as addressing less urgent needs, the likelihood of focusing on timing diminishes. In such cases, the greater magnitude of the impact may mitigate negative responses to charities opting for the larger, later option, even if it results in delaying the impact. Formally:

H4: The effect of choosing larger, later (vs. smaller, sooner) impact on donation likelihood is attenuated when perceived need urgency is low.

4.3. Overview of Studies

We test these four hypotheses across seven experiments (six pre-registered) and three supplemental studies. Using Facebook Ads A/B testing, study 1A tests whether consumers are less interested in donating to a charity that allocates its donations to create a larger, later impact compared to one that pursues smaller, sooner impact. Using an incentive-compatible design, study 1B investigates whether consumers donate less when the charity opts for a larger, delayed benefit relative to smaller, immediate one. Study 2 demonstrates that charities opting for larger, later impacts are perceived as less effective and less moral and supported less, with this effect occurring even when participants are informed about the portion of the budget that the charity allocates. Study 3 seeks to replicate the effect for both foundations and investments, documenting that the effect is not driven by the risk associated with investments and concerns about profit motives linked to investments. Study 4 shows that for-profit organizations are exempt from the negative judgements attached to pursuing larger, later benefits, indicating that the effect is specific to nonprofits. Study 5 explores the moderating role of need urgency such that the negative perceptions of charities opting for a larger, later impact are attenuated when the need is not urgent. Finally, Study 6 identifies an intervention to mitigate these negative judgments so that nonprofits can increase the magnitude of their impact through larger, later resource allocation without risking negative reactions from donors.

4.4. Study 1A: Field Study with a Nonprofit Organization

In study 1A, we partnered with a local nonprofit organization and implemented A/B testing (split test) via Facebook Ad Manager to compare the performance of two charity appeals showcasing resource allocation strategies aimed at achieving either a smaller, sooner or a larger, later impact, holding all other factors constant (Orazi & Johnston, 2020; Xu & Bolton, 2024). We predict that people are less interested in donating to a charity when it allocates its resources to create a larger, later impact (i.e., lower clickthrough rates) compared to a smaller, sooner impact.

4.4.1 Method

Participants

We allocated a budget of $50 per day per ad and ran the ads for three days (December 17, 2024 through December 19, 2024). In total, we garnered 36,302 impressions (i.e., number of times an ad was displayed) and used it as the total number of observations. To hold everything but the charity appeal constant, we used the following settings: objective: traffic, age: 18–65+; location: United States–within a 20-mile radius of the charity's location, language: English; all devices; optimization: link clicks (Rifkin et al., 2023).

Design and Procedure

We employed a two-group (smaller, sooner vs. larger, later) between-subjects design. We created a charity appeal featuring a resource allocation strategy that aimed to generate either a smaller, sooner or larger, later impact. Specifically, Facebook users in the smaller, sooner condition read “Every year, over 8,000 families in [name of local county] are in need of food. We use donations to provide food immediately", whereas those in the larger, later condition read "Every year, over 8,000 families in [name of local county] are in need of food. We invest some donations to provide more food in the future.". If users are interested in supporting the charity, they could click on the advertising that directed them to the charity’s donation page. Clickthrough rate (i.e., CTR; click per impressions) was the dependent variable.

4.4.2 Results

A chi-square analysis revealed that CTR was marginally lower when the charity allocates its resource to create a larger, later impact (CTR = 157/17,742 or 0.88%) compared to a smaller, sooner impact (CTR = 191/18,560 or 1.03%; $\chi^2(1) = 1.99$, p = .08; one-tailed).

4.4.3 Discussion

Findings of study 1A show that in the field, consumers are less interested in supporting a charity employing a resource allocation strategy that leads to a larger, later (vs. smaller, sooner) impact. However, we recognize that A/B testing on platforms such as Google Ads and Meta Ads employ algorithms, which could potentially result in misinterpretations of the causal effects, as consumers are not randomly assigned to the ads (Braun et al., 2023). We address this limitation of study 1A by using an incentive-compatible design in study 1B.

4.5. Study 1B: Incentive Compatible Donation Behavior

Study 1B has two goals. First, we examine how consumers perceive nonprofits when choosing larger, later (vs. smaller, sooner) benefits in an incentive compatible design. We expect that participants perceive nonprofits as less effective and less moral and subsequently donate less when selecting larger, later (vs. smaller, sooner) outcomes. Second, we explore a plausible alternative explanation for this reduction in support—participants may view charities delaying aid as less warm.

4.5.1 Method

Participants

We preregistered to recruit a minimum of 200 participants from a mid-sized European university. However, we could only obtain 176 undergraduate student participants. Of these, 29 failed the attention check, which required them to correctly recall the organization's decision. Our preregistration specified excluding participants who failed the attention check, but, because the final sample size fell below our minimum goal, we deviated from the pre-registered exclusion criteria and kept all participants for analysis (N = 176, M_{age} = 21.81, 65.3% male).

Design and Procedure

All participants first read about an opportunity to donate to Save the Children. Specifically, they read that 10 participants will be randomly selected to receive a bonus in local currency (approximately equivalent to $1.5) and that they have the opportunity to donate any portion of this money to the charity. Previous research has shown the effectiveness of similar incentive-compatible designs that are based on lotteries (Simpson et al., 2021). Participants completed a comprehension check to indicate that they correctly understood what will happen to their bonus based on their donation decision. Then, we randomly assigned participants to one of two conditions (decision: smaller-sooner vs. larger-later) in a between-subjects design. Participants were presented with a nonprofit description: "Save the Children is a charity that helps most vulnerable children living in poverty." Participants then read about how the charity manages its finances. Those in the smaller, sooner condition read "In managing their finances, the charity often chooses to use its donations to help children immediately" whereas those in the larger, later condition read "In managing their finances, the charity often chooses to invest a portion of its donations to help more children in the future". Additionally, all participants read "Recently, the charity had $10,000 and was deciding between two options for allocating this money: Use this money to help 10,000 children this month (Option 1) or Put this money in an investment fund to help 11,000 children in six months (Option 2)." Participants in the smaller, sooner condition read that the organization chose Option 1 and those in the larger, later condition read that the organization chose Option 2. Participants indicated how much of their potential bonus they will donate to the charity among eleven choices (i.e., approximately equivalent to \$0, \$0.15, \$0.30, \$0.45, \$0.60, \$0.75, \$0.90, \$1.05, \$1.20, \$1.35, \$1.50). Participants then evaluated the organization's effectiveness (effective, competent, efficient; 1 = strongly disagree; 7 = strongly agree; Aaker et al., 2010; α = .86) and morality with 7-point semantic differential items (unethical/ethical, immoral/moral, dishonest/honest, untrustworthy/trustworthy; Khan & Kalra, 2022; α = .93) in a counterbalanced order. Finally, participants rated their perceptions of the organization's warmth (warm, kind, and generous; Aaker et al., 2010; α = .91).

4.5.2 Results

Organization Support

We first log-transformed the donation amount since its distribution significantly deviated from normal distribution (Kolmogorov–Smirnov test statistic = .35, $p < .001$). A one-way analysis of variance (ANOVA) revealed that participants donated less money to the charity when it selected to pursue the larger, later benefits as opposed to smaller, sooner ones ($M_{\text{Larger-later}}$ = 1.49, SD = 0.33 vs. $M_{\text{Smaller-sooner}}$ = 1.62, SD = 0.16; $F(1, 174)$ = 11.78, $p < .001$, η_p^2 = .06), which resulted in an 8% reduction in the contribution amount.

Effectiveness, Morality, Warmth Perceptions

A one-way ANOVA revealed that the nonprofit organization was perceived as marginally less effective ($M_{\text{Larger-later}}$ = 4.84, SD = 1.02 vs. $M_{\text{Smaller-sooner}}$ = 5.11, SD = 1.00; $F(1, 174)$ = 3.12, p = .08, η_p^2 = .02), less moral ($M_{\text{Larger-later}}$ = 4.99, SD = 1.22 vs. $M_{\text{Smaller-sooner}}$ = 5.57, SD = 1.12; $F(1, 174)$ = 11.05, p = .001, η_p^2 = .06), and less warm ($M_{\text{Larger-later}}$ = 4.86, SD = 1.19 vs. $M_{\text{Smaller-sooner}}$ = 5.31, SD = 1.03; $F(1, 174)$ = 7.15, p = .008, η_p^2 = .04), when it chose larger, later (vs. smaller, sooner) benefits.

Mediation Analysis

We conducted mediation analysis (Hayes 2018, Model 4), where we included the organization's decision as the independent variable (smaller-sooner = -1, larger-later = 1), perceptions of effectiveness and morality as parallel mediators, and donation amount as the dependent variable. Due to the lower sample size, the statistical power for this analysis is lower, so we tested mediation at a confidence level of 90%. We observed a significant indirect effect through effectiveness (indirect effect = -.01, SE = .008, 90% CI [-0.02, -0.0004]), but not through morality (indirect effect = -.003, SE = .005, 90% CI [-0.01, 0.006]), though it is in the predicted direction. Next, we added perceived warmth to the parallel mediation model. The indirect effect of effectiveness remained significant (indirect effect = -.01, SE= .008, 90% CI [-0.03, -0.0004]), while morality (indirect effect = -.003, SE = .005, 90% CI [-0.01, 0.005]) and warmth (indirect effect = .001, SE = .005, 90% CI [-0.006, 0.01]) did not mediate the effect.

4.5.3 Discussion

The findings of study 1B demonstrate that consumers perceive nonprofits as less effective, less moral and less warm when they choose the larger, later (vs. smaller, sooner) impact. This choice results in an 8% reduction in donation amounts. We found that perceptions of effectiveness mediate this effect, while perceptions of morality do not significantly underlie this effect, although it is in the expected direction. This lack of significance may be attributed to the study's low statistical power due to the small sample size. We acknowledge this limitation and address it in subsequent studies by recruiting larger samples to have greater power for detecting the mediation effect. Finally, we show that the reduction in the donation amount for charities choosing the larger, delayed option is not driven by diminished perceptions of warmth.

4.6. Study 2: When The Percentage of Allocated Budget Is Provided

In studies 1A and 1B, we demonstrate that consumers show less support for a charity when it allocates resources toward a larger, later benefit compared to a smaller, sooner one. A plausible explanation for this reduction in support is that consumers might mistakenly perceive the allocated budget as representing the charity's entire financial resources such that consumers perceive the charity as having no immediate impact. To explore this possibility, in study 2, participants are informed about the percentage of the budget being allocated to the decision in the scenario. Specifically, we inform participants that the allocated amount represents 10% of the charity's annual budget—reflecting the average percentage of annual budgets retained by the 100 largest charities in the United States for future use. We predict that consumers will continue to demonstrate lower likelihood of donating to the charity that prioritizes larger, later outcomes over smaller, sooner ones regardless of the presence of budget information.

4.6.1 Method

Participants

We recruited participants from Connect via CloudResearch. Following Pre-Registered Interim Analysis Design (PRIAD; André & Reinholtz, 2024), we pre-registered to collect up to 1,000 observations and perform 3 interim analyses. We stopped data collection when the *p*-value was lower than 0.0042. Our final sample consisted of 499 participants (M_{age} = 38.99, 55.3% female).

Design and Procedure

The study employed a 2 (budget information: absent vs. present) X 2 (decision: smaller-sooner vs. larger-later) between-subjects design. Participants first read the nonprofit description, “The Water Bridge is a charity that provides clean, safe water to those in need. The charity has $10,000 and they are looking for ways to allocate this money”. In the budget-present condition, participants learnt that $10,000 constitutes 10% of the charity's annual budget, whereas, in the budget-absent condition, participants were not provided with this information. They then read that The Water Bridge could use $10,000 either to provide clean, safe water to 10,000 people this year (Option 1) or put it in an investment fund for a year to provide clean, safe water to 12,000 people next year (Option 2). Participants were told that the charity chose either Option 1 or Option 2. We then asked participants their likelihood of financially supporting the organization using a two-item measure, “How interested are you in donating to Water Bridge?” (1= Not at all interested, 7= Very interested), “How likely are you to donate to Water Bridge?” (1= Not at all likely, 7 = Very likely). Then, participants evaluated the organization’s effectiveness (α = .95) and morality (α = .97) using the same items as in in study 1B in a counterbalanced order. Finally, as a manipulation check, we asked participants to indicate what percentage of the charity's total budget they think the $10,000 is, using a slider scale ranging from 1 to 100.

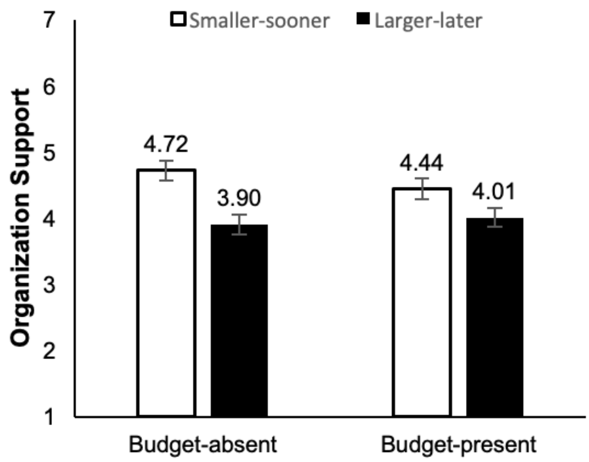
4.6.2 Results

Manipulation Check

Participants in the budget-absent condition believed that \$10,000 was a higher proportion of charity's annual budget than those in the budget-present condition ($M_{\text{Budget-absent}}$ = 48.09, SD = 32.78 vs. $M_{\text{Budget-present}}$ = 24.68, SD = 25.73; $F(1, 497) = 78.88$, $p < .001$, $\eta_p^2 = .14$).

Organization Support

A two-way ANOVA revealed a main effect of organization's decision such that participants were less likely to support the charity when it chose larger, later ($M_{\text{Larger-later}}$ = 3.96, SD = 1.70) compared to smaller, sooner outcome ($M_{\text{Smaller-sooner}}$ = 4.59, SD = 1.64; $F(1, 495) = 17.27$, $p < .001$, $\eta_p^2 = .03$). The main effect of budget information ($F(1, 495) = 0.31$, $p = .58$), and the two-way interaction were not significant ($F(1, 495) = 1.62$, $p = .20$; see Figure 4.1).



Note: Error bars represent standard errors of the mean.

Figure 4.1: Effect of organization's decision and budget information on organization support.

Effectiveness Perceptions

A two-way ANOVA showed a significant main effect of the organization's decision. Specifically, participants view the charity as less effective when it chose larger, later ($M_{\text{Larger-later}}$ = 4.91, SD = 1.43) relative to smaller, sooner option ($M_{\text{Smaller-sooner}}$

= 5.47, SD = 1.12; $F(1, 495) = 23.38$, $p < .001$, $\eta_p^2 = .05$). Results also revealed a non-significant main effect of budget information ($F(1, 495) = 0.15$, $p = .70$), and a non-significant two-way interaction ($F(1, 495) = 0.34$, $p = .56$).

Morality Perceptions

A two-way ANOVA revealed a significant main effect of the organization's decision. The charity that opted for the larger, later outcome were perceived as less moral ($M_{\text{Larger-later}} = 5.21$, SD = 1.42) compared to the charity that chose the smaller, sooner one ($M_{\text{Smaller-sooner}} = 5.96$, SD = 0.96; $F(1, 495) = 46.63$, $p < .001$, $\eta_p^2 = .09$). Further, there was a non-significant main effect of budget information ($F(1, 495) = 0.02$, $p = .90$), and a non-significant two-way interaction ($F(1, 495) = 0.64$, $p = .42$).

Mediation Analysis

We conducted mediation analysis (Model 4), where we included the organization's decision as the independent variable (smaller-sooner = -1, larger-later = 1), perceptions of effectiveness and morality as parallel mediators, and organization support as the dependent variable. We found significant indirect effects of both effectiveness and morality perceptions on organizational support. Opting for larger, later outcomes led to a negative indirect effect on organizational support via both effectiveness (indirect effect = -.19, SE = .04, 95% CI [-0.28, -0.11]) and morality perceptions (indirect effect = -.07, SE = .03, 95% CI [-0.14, -0.02]).

4.6.3 Discussion

In this study, we show that consumers are less likely to donate to a nonprofit and perceive it less effective and less moral when it prioritizes larger, delayed outcomes over smaller, immediate ones, even when the allocated budget constitutes only a small proportion of the charity’s annual resources. Notably, this proportion reflects the industry average among nonprofits. These findings suggest that consumers may not evaluate nonprofits based on the fraction of the budget allocated to the larger, later option but rather on the mere fact that the nonprofit chooses to retain their funds for future use rather than distributing them immediately.

4.7. Study 3: When Nonprofits Do Not Take on Risk from Investments

The goal of study 3 is to examine three alternative explanations for why nonprofits are penalized when they choose larger benefits in the future over smaller ones in the present. First, negative judgments might stem from the risk associated with using investments as a tool to obtain the larger, later gains. Second, the idea of "investing" donations could evoke a profit-driven motive, which conflicts with perceived goals of charities. Third, donors might respond negatively to a nonprofit's decision to pursue a larger, delayed impact, as it may conflict with their preferences about how they would like their own donations to be used, creating a mismatch between donor preferences and nonprofit practices. To examine these possibilities, in study 3, we manipulate the source of the funding growth, presenting a scenario where the increase comes either from charity investing their own funds (similar to study 1B) or receiving funds from a foundation. Specifically, in the foundation condition, participants read that a foundation offers the charity two funding options: receiving $10,000 now or $15,000 next year. This condition reduces uncertainty, avoids potential concerns about profit motives linked to investments, and eliminates donors' preferences for the use of their own contributions. Nevertheless, we expect that, regardless of the source of money growth, consumers will still be less supportive of the nonprofit when it opts for the larger, later impact compared to the smaller, sooner ones.

4.7.1 Method

Participants

Three hundred forty-seven undergraduate students from a mid-sized European university participated in this study in exchange for a course credit. Following our pre-registration, 56 participants who failed our attention check question asking them to recall the organization's decision correctly were omitted from the sample. So, our final sample consisted of 291 participants (M_{age} = 21.58, 65.3% female).

Design and Procedure

We employed a 2 (decision: smaller-sooner vs. larger-later) X 2 (source of money growth: investment vs. foundation) between-subjects design. In all conditions, participants read about a charity that provides food to those in need. In the investment condition, the nonprofit organization has \$10,000 and faces a tradeoff: They could either use it to help 10,000 people this year (Option 1) or put it in an investment fund for a year and receive \$15,000 next year to help 15,000 people next year (Option 2). In the foundation condition, the nonprofit has two funding offers by a foundation: They could either receive \$10,000 immediately to help 10,000 people this year (Option 1) or wait and receive \$15,000 next year to help 15,000 people next year (Option 2). Participants read that the organization chose either Option 1 or Option 2. Participants then indicated their likelihood of donating to this charity using the 2-item scale from study 2. Then, participants rated the organization's effectiveness (α = .83) and morality (α = .92) using the same items as in study 1B in a counterbalanced order. Finally, as a manipulation check, we asked participants, "Based on the scenario, how certain do you think it is that the charity will receive \$15,000 next year from investment [foundation]?" (1= Not certain at all, 7 = Very certain).

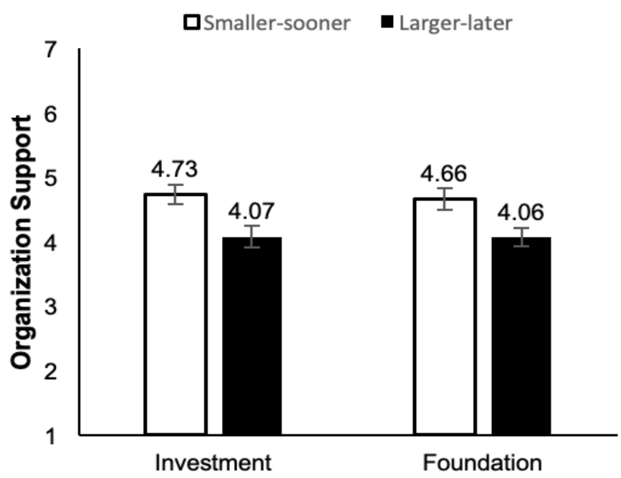
4.7.2 Results

Manipulation Check

Participants in the foundation condition perceived the charity receiving \$15,000 next year as more certain than those in the investment condition ($M_{\text{Investment}}$ = 3.75, SD = 1.68 vs. $M_{\text{Foundation}}$ = 4.07, SD = 1.40; $F(1, 289) = 3.01$, $p = .08$, $\eta_p^2 = .01$).

Organization Support

A two-way ANOVA with the organization's decision, source of money growth and their interaction as independent variables, and organization support as the dependent variable revealed a significant main effect of organization's decision. Participants were less likely to support the charity when it chose the larger, later ($M_{\text{Larger-later}}$ = 4.06, SD = 1.34) compared to the smaller, sooner option ($M_{\text{Smaller-sooner}}$ = 4.70, SD = 1.27; $F(1, 287) = 16.56$, $p < .001$, $\eta_p^2 = .06$). The results revealed a non-significant main effect of source of money growth ($F(1, 287) = 0.06$, $p = .82$), and a non-significant two-way interaction ($F(1, 287) = 0.03$, $p = .86$, see Figure 4.2).



Note: Error bars represent standard errors of the mean.

Figure 4.2: Effect of organization's decision and source of money growth on organization support.

Effectiveness Perceptions

A two-way ANOVA revealed a significant main effect of the organization's decision. Participants viewed the charity as less effective when it opted for the larger, later ($M_{\text{Larger-later}}$ = 4.45, SD = 1.09) compared to the smaller, sooner benefit ($M_{\text{Smaller-sooner}}$= 4.75, SD = 1.04; $F(1, 287) = 6.11$, $p = .01$, $\eta_p^2 = .02$). Further, we found a non-significant main effect of the source of money growth ($F(1, 287) = 0.24$, $p = .62$), and a non-significant two-way interaction ($F(1, 287) = 0.01$, $p = .91$).

Morality Perceptions

A two-way ANOVA showed a significant main effect of the organization's decision. Participants perceived the charity as less moral when it selected the larger, later ($M_{\text{Larger-later}}$ = 4.77, SD = 1.18) compared to the smaller, sooner benefit ($M_{\text{Smaller-sooner}}$= 5.50, SD = 1.14; $F(1, 287) = 28.49$, $p < .001$, $\eta_p^2 = .09$). There was no significant main effect of the source of money growth ($F(1, 287) = 0.03$, $p = .85$), and no significant two-way interaction ($F(1, 287) = 1.02$, $p = .31$).

Mediation Analysis

We conducted mediation analysis (Model 4), where we included the organization's decision as the independent variable (smaller-sooner = -1, larger-later = 1), effectiveness and morality perceptions as parallel mediators, and organization support as the dependent variable. We observed significant indirect effects of both effectiveness and morality perceptions on organizational support. Specifically, choosing larger, later outcomes leads the nonprofit organization to be perceived as less effective (indirect effect = -.08, SE= .04, 95% CI [-0.16, -0.02]) and less moral (indirect effect = -.09, SE= .04, 95% CI [-0.17, -0.03]), which in turn reduces the donation likelihood.

4.7.3 Discussion

The findings of study 3 are noteworthy for several reasons. First, they demonstrate that consumers' negative judgment of nonprofits opting for larger, delayed benefits cannot be solely rooted in concerns about uncertainty associated with the future outcomes. Even when such uncertainty is mitigated—when a third-party foundation guarantees funding for the charity rather than the charity relying on investment returns—the charity still faces reduced consumer support. Second, it shows that consumers' penalization of nonprofits for pursuing larger, later impact cannot be merely attributed to profit-driven motives associated with investments. Even when the nonprofit does not allocate donor funds to revenue-generating activities such as investments, consumers remain less likely to support the organization. Further, it shows that consumers' unfavorable reaction to nonprofits choosing larger, delayed outcomes cannot arise only because they prefer their contributions to be used for smaller, immediate outcomes. Even when the nonprofit does not use donors' money in creating larger, later benefits, consumers are still less supportive of the charity. Additionally, one could argue that consumers' negative reactions toward nonprofits choosing larger, delayed outcomes occur because donors simply do not trust them. Donors may perceive that the charity is sitting on its donations and delaying the provision of aid. Alternatively, they might suspect that the funds are not being spent immediately and could be redirected toward overhead costs instead during that time. However, in the foundation condition of this study, the charity choosing the larger, later option would only receive the foundation's funding in the following year. These findings thus demonstrate that charities are penalized for prioritizing a larger, later impact, even when they would not have funds "sitting idle" or available for overhead expenses during the waiting period.

4.8. Study 4: Nonprofit Versus For-Profit Organizations

In study 4, we aim to demonstrate that while nonprofits face negative judgments when opting for larger, delayed benefits over smaller, immediate ones, for-profits are spared from such judgments. For-profit companies are commonly used as a benchmark for nonprofits when evaluating the adoption of similar organizational practices (Gershon et al., 2021; Greitemeyer & Sagioglou ,2018; Xu, 2022). Pertaining to current research, for-profit companies often engage in intertemporal tradeoffs when allocating resources (Reilly et al., 2016). In such tradeoffs, they are typically encouraged to retain and grow resources, as this approach is associated with financial strength and growth (Le Breton-Miller & Miller, 2006; Lumpkin & Brigham, 2011). In this study, participants read about either a nonprofit or for-profit organization that chooses to allocate their resources to create a smaller, sooner or larger, later impact and evaluate the organization's morality and effectiveness. We predict that for-profit companies are not penalized when prioritizing larger outcomes in the future versus smaller ones in the present, however nonprofits are evaluated as less effective and less moral for an identical decision.

4.8.1 Method

Participants

We recruited 606 participants via CloudResearch's Connect platform. Following our pre-registration, we excluded 61 participants for having geolocations occurring more than twice, and 37 participants who failed the attention check question, which asked them to correctly recall the organization's decision. Thus, we have a final sample of 508 participants (M_{age} = 39.3, 49.8% female).

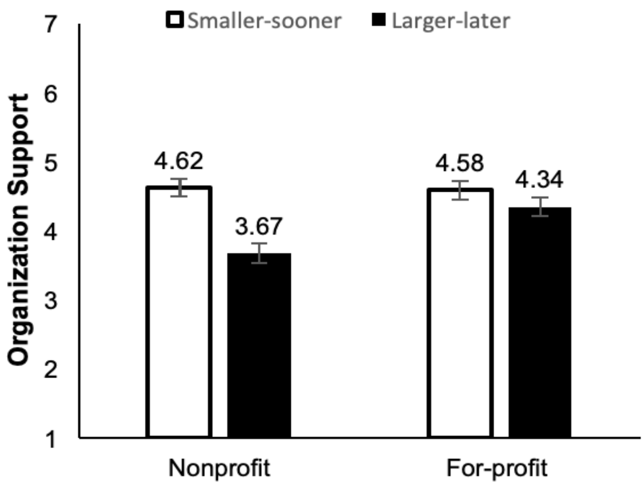
Design and Procedure

We used a 2 (organization: nonprofit vs. for-profit) X 2 (decision: smaller-sooner vs. larger-later) between-subjects design. First, participants in the nonprofit condition read, "NutriServe is a charity that provides food to those in need", whereas those in the for-profit condition read, "NutriServe is a for-profit food manufacturing company". Participants then read, "The charity [company] has $10,000 and they are looking for ways to allocate this money. And, they are deciding between two options: Use this money to provide [produce] 10,000 packages of breakfast cereals to recipients [for customers] this year (Option 1), Put this money in an investment fund for a year to provide [produce] 15,000 packages of breakfast cereals to recipients [for customers] next year (Option 2)". Participants read that the organization chose either Option 1 or Option 2. We then measured participants' likelihood of financially supporting that organization. In the nonprofit [for-profit] condition, they answered the questions, "How likely are you to donate to [purchase from] NutriServe? (1= Not at all likely, 7= Very likely), How interested are you in donating to [purchasing from] NutriServe? (1= Not at all interested, 7= Very interested)". Finally, participants evaluated the organization in terms of effectiveness ($\alpha = .95$) and morality ($\alpha = .97$) using the same items as in study 1B in a counterbalanced order.

4.8.2 Results

Organization Support

We ran a two-way ANOVA including organization's decision, organization type, and their interaction on organization support. This revealed a main effect of the decision ($F(1, 504) = 19.75, p < .001$), and a main effect of organization type ($F(1, 504) = 5.48, p = .02$). Importantly, we also observed an interaction between decision and organization type ($F(1, 504) = 7.12, p = .008$; see Figure 4.3). In the nonprofit condition, participants were less likely to support the organization when it opted for the larger-later benefits ($M_{\text{Larger-later}} = 3.67$, SD = 1.73) relative to smaller-sooner benefits ($M_{\text{Smaller-sooner}} = 4.62$, SD = 1.74; $F(1, 504) = 24.37, p < .001, \eta_p^2 = .05$). In the for-profit condition, however, there was a non-significant difference in the organization support based on decision ($M_{\text{Larger-later}} = 4.34$, SD = 1.28 vs. $M_{\text{Smaller-sooner}} = 4.58$, SD = 1.28; $F(1, 504) = 1.64, p = .20, \eta_p^2 = .003$).



Note: Error bars represent standard errors of the mean.

Figure 4.3: Effect of organization's decision and organization type on organization support.

Effectiveness Perceptions

A two-way ANOVA on the effectiveness perceptions revealed a non-significant main effect of the organization's decision ($F(1, 504) = 1.81$, $p = .18$) and a non-significant main effect of organization type ($F(1, 504) = 0.82$, $p = .37$). Importantly, there was a significant two-way interaction ($F(1, 504) = 9.43$, $p = .002$). Participants perceived the nonprofit organization as less effective when they chose the larger-later benefits ($M_{\text{Larger-later}} = 4.84$, SD = 1.67) versus smaller-sooner ones ($M_{\text{Smaller-sooner}} = 5.36$, SD = 1.23; $F(1, 504) = 9.40$, $p = .002$, $\eta_p^2 = .02$), however, in the for-profit condition, the effectiveness perceptions did not differ based on the decision ($M_{\text{Larger-later}} = 5.31$, SD = 1.14 vs. $M_{\text{Smaller-sooner}} = 5.11$, SD = 1.22; $F(1, 504) = 1.55$, $p = .21$, $\eta_p^2 = .003$).

Morality Perceptions

A two-way ANOVA on perceptions of morality showed a significant main effect of organization’s decision ($F(1, 504) = 17.93$, $p < .001$), a significant main effect of organization type ($F(1, 504) = 8.87$, $p = .003$), and a significant two-way interaction ($F(1, 504) = 8.78$, $p = .003$). Specifically, participants rated the nonprofit organization as less moral when it opted for larger-later benefits ($M_{\text{Larger-later}} = 5.10$, SD = 1.53) compared to smaller-sooner benefits ($M_{\text{Smaller-sooner}} = 5.88$, SD = 1.00; $F(1, 504) = 24.95$, $p < .001$, $\eta_p^2 = .05$). In contrast, morality of for-profit organizations did not differ based on the decision ($M_{\text{Larger-later}}$ = 5.09, SD = 1.14 vs. $M_{\text{Smaller-sooner}}$= 5.23, SD = 1.19; $F(1, 504)$ = 0.84, p = .36, η_p^2 = .002).

Moderated Mediation

We conducted moderated mediation analysis (Model 8) where the organization's decision was the independent variable (smaller-sooner= -1, larger-later= 1), organization type was the moderator (nonprofit= -1, for-profit= 1), perceptions of effectiveness and morality were parallel mediators, and organization support was the dependent variable. The indirect effect was significant for both effectiveness and morality. For effectiveness perceptions, the index of moderated mediation was significant (Index = .14, SE = .05, 95% CI [0.05, .24]). Mediation through effectiveness occurred for the nonprofit organization (indirect effect = -.10, SE = .04, 95% CI [-0.18, -0.03]), but did not occur for the for-profit organization (indirect effect = .04, SE = .03, 95% CI [-0.02, 0.09]. For morality perceptions, the index of moderated mediation was also significant (Index = .12, SE = .05, 95% CI [0.04, .22]). The morality perceptions revealed a significant indirect effect for the nonprofit organization (indirect effect = -.15, SE = .04, 95% CI [-0.24, -0.08]), but not for the for-profit organization (indirect effect = -.03, SE = .03, 95% CI [-0.08, 0.03].

4.8.3 Discussion

This study demonstrates that the previously established tendency to judge organizations more harshly for prioritizing larger, later over smaller, sooner outcomes applies to nonprofits but not to for-profit organizations. Importantly, the findings also suggest that consumers' penalization of nonprofits for choosing larger, delayed benefits cannot be entirely attributed to an extension of their individual myopia into the nonprofit context. A large body of research has shown that individuals often favor immediate, smaller rewards over later, larger ones, reflecting a tendency to prioritize the present over the future (e.g., Malkoc & Zauberman, 2019; Urminsky & Zauberman, 2015). Based on this, one might argue that the consumers' harsher judgments of nonprofits opting for larger, delayed benefits stem from their own myopic preferences. However, these findings show that consumers do not simply project their myopic tendencies onto nonprofits, as this penalization pattern does not extend to for-profit organizations.

Having established the robustness of the effect, we next test the moderating role of perceived need urgency. Our theorization posits that consumers place greater emphasis on the timing of impact over its magnitude. As a result, they are less likely to support a nonprofit and view it as less effective and less moral when the organization favors larger, later outcomes over smaller, sooner ones. We predict that this focus on timing—and the resulting penalization—will be attenuated when the nonprofit is perceived as addressing less urgent needs that do not require immediate resource allocation. Study 5 tests this prediction.

4.9. *Study 5: Moderating Role of Need Urgency*

The goal of study 5 is to test the moderating role of need urgency. Specifically, we manipulate need urgency by using a nonprofit organization focused on food security that provides either immediate aid or self-sufficient aid (Waites et al., 2023). We propose that a nonprofit organization is perceived to meet more urgent needs when it provides immediate aid (e.g., food) compared to aid that helps recipients become self-sufficient (e.g., vegetable seeds to promote self-sufficiency; Waites et al., 2023).

4.9.1 Method

Participants

A total of 602 participants completed this study on Connect via CloudResearch. We excluded 33 participants who failed the attention check question, which asked them to correctly recall the organization's decision. Thus, we have a final sample of 569 participants (M_{age} = 38.3, 55.5% female).

Design and Procedure

The study used 2 (need urgency: low vs. high) X 2 (decision: smaller-sooner vs. larger-later) between-subjects design. Participants first read one of the nonprofit descriptions. Participants in the low [high] urgency condition read that "NutriServe is a charity that provides vegetable seeds and farming education so that people become self-sufficient and produce their own food [provides food so that people do not go hungry]. In the low [high] urgency condition, participants then read that "The charity has $10,000 and they are looking for ways to allocate this money. And, they are deciding between two options: Use this money to provide vegetable seeds and farming education [food] to 10,000 people this year (Option 1), Put this money in an investment fund for a year to provide vegetable seeds and farming education [food] to 15,000 people next year (Option 2)". They were told that the nonprofit chose either Option 1 or Option 2. Participants then reported their likelihood of donating to this charity with two items from study 2. Next, participants rated the organization's effectiveness (α = .95) and morality (α = .97) using the same items as in study 1B in a counterbalanced order. Finally, as a manipulation check participants responded to the following question "To what extent do you think that the need that this charity is addressing is urgent?" (1= Not urgent at all, 7= Extremely urgent).

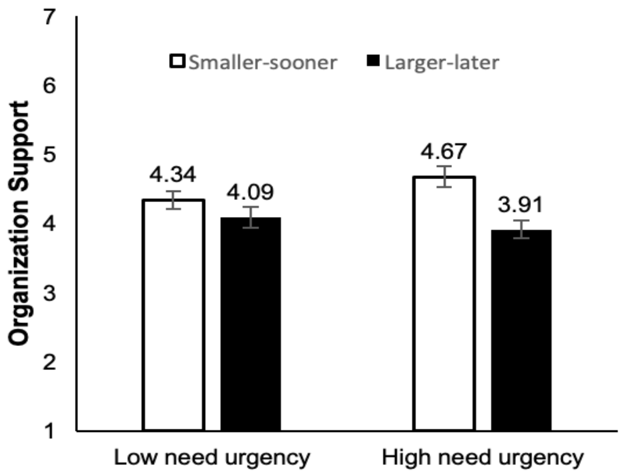
4.9.2 Results

Manipulation Check

Participants perceived the charity offering self-sufficient aid as addressing less urgent needs compared to the charity providing immediate aid ($M_{\text{Self-sufficient aid}}$ = 4.88, SD = 1.56 vs. $M_{\text{Immediate aid}}$= 5.59, SD = 1.77; $F(1, 567) = 25.75$, $p < .001$, $\eta_p^2 = .04$).

Organization Support

A two-way ANOVA revealed a significant main effect of organization's decision ($F(1, 565) = 13.55$, $p < .001$), a non-significant main effect of need urgency ($F(1, 565) = 0.34$, $p = .56$), and a marginally significant two-way interaction ($F(1, 565) = 3.34$, $p = .07$; see Figure 4.4). When the charity provides immediate aid—in the high urgency condition—participants were less likely to donate to the charity when it chose larger, later option ($M_{\text{Larger-later}}$ = 3.91, SD = 1.65) relative to smaller, sooner one ($M_{\text{Smaller-sooner}}$= 4.67, SD = 1.60; $F(1, 565) = 15.08$, $p < .001$, $\eta_p^2 = .03$). The negative effect of selecting larger, later benefits on donation likelihood was not present when the charity provides self-sufficient aid—in the low urgency condition ($M_{\text{Larger-later}}$ = 4.09, SD = 1.63 vs. $M_{\text{Smaller-sooner}}$= 4.34, SD = 1.66; $F(1, 565) = 1.73$, $p = .19$, $\eta_p^2 = .003$).



Note: Error bars represent standard errors of the mean.

Figure 4.4: Effect of organization's decision and need urgency on organization support.

Effectiveness Perceptions

A two-way ANOVA revealed a significant main effect of organization's decision (F(1, 565) = 18.35, p < .001), non-significant main effect of need urgency (F(1, 565) = 1.43, p = .23), and a significant two-way interaction (F(1, 565) = 7.38, p = .007). Participants in the high urgency condition rated the organization as less effective when they chose larger, later outcomes ($M_{\text{Larger-later}}$ = 4.70, SD = 1.39) versus smaller, sooner ones ($M_{\text{Smaller-sooner}}$ = 5.48, SD = 1.24; F(1, 565) = 24.37, p < .001, η_p^2 = .04). In the low urgency condition, this effect was no longer observed ($M_{\text{Larger-later}}$ = 5.14, SD = 1.42 vs. $M_{\text{Smaller-sooner}}$= 5.31, SD = 1.21; F(1, 565) = 1.23, p = .27, η_p^2 = .002).

Morality Perceptions

A two-way ANOVA showed a significant main effect of organization's decision (F(1, 565) = 62.73, p < .001), and non-significant main effect of need urgency (F(1, 565) = 1.77, p = .18). These effects were qualified by a significant interaction (F(1, 565) = 10.16, p = .002). Specifically, in the high urgency condition, participants perceived the organization as less moral when it chose larger, later benefits ($M_{\text{Larger-later}}$ = 5.07, SD = 1.36) compared to when it chose smaller, sooner ones ($M_{\text{Smaller-sooner}}$= 6.18, SD = 0.94; F(1, 565) = 61.33, p< .001, η_p^2 = .10). In the low urgency condition, this effect also existed, though it was weaker ($M_{\text{Larger-later}}$ = 5.52, SD = 1.35 vs. $M_{\text{Smaller-sooner}}$= 6.00, SD = 1.02; F(1, 565) = 11.27, p< .001, η_p^2 = .02).

Moderated Mediation

We conducted moderated mediation analysis (Model 8) where the organization's decision (smaller-sooner= -1, larger-later= 1) was the independent variable, need urgency (low urgency= -1, high urgency= 1) was the moderator, perceptions of effectiveness and morality were parallel mediators, and organization support was the dependent variable. We observed a significant indirect effect of both effectiveness and morality perceptions on organization support. The index of moderated mediation was significant for effectiveness perceptions (indirect effect = -.19, SE= .08, 95% CI [-0.34, -0.05]). Specifically, choosing larger, later outcomes exhibited a negative indirect effect on organization support through effectiveness in high urgency condition (indirect effect = -.25, SE = .05, 95% CI [-0.36, -0.15]), but not in low urgency condition (indirect effect = -.06, SE= .05, 95% CI [-0.16, 0.04]). The index of moderated mediation was also significant for morality perceptions (indirect effect = -.08, SE= .03, 95% CI [-0.15, -0.02]). The indirect effect of morality perceptions was significant for both low urgency (indirect effect = -.06, SE= .02, 95% CI [-0.11, -0.02]) and high urgency conditions (indirect effect = -.13, SE= .04, 95% CI [-0.22, -0.06]).

4.9.3 Discussion

These findings provide evidence for the moderating effect of need urgency. We demonstrate that when a nonprofit is perceived to address less urgent needs—such as providing vegetable seeds to promote self-sufficiency—the negative judgments attached to prioritizing larger, later outcomes over smaller, sooner ones were attenuated. Specifically, consumers were equally likely to donate to the nonprofit and viewed it as equally effective, regardless of whether it chose a larger, later benefit or a smaller, sooner one. While the nonprofit was still perceived as less moral when it opted for a larger, later benefit, this effect was significantly weaker compared to nonprofits addressing more urgent needs making the same choice.

4.10. Study 6: When The Larger-Later Option Is Framed as The More Effective Choice

In study 6, we test an intervention designed to mitigate the negative judgments nonprofits face when prioritizing larger, delayed outcomes over smaller, immediate ones. We predict that shifting consumers' focus to the magnitude of impact—by framing the larger, later option as the more effective choice compared to smaller, sooner option—will attenuate negative consumer perceptions towards nonprofits choosing larger, later benefits.

4.10.1 Method

Participants

We recruited 600 participants from Connect via CloudResearch. In our preregistration, we planned to exclude participants who failed the attention check and those who had geolocations occurring more than twice. In our previous studies, these criteria resulted in approximately 15% exclusions. However, in this study it resulted in excluding nearly 35% of the sample. Given this, we deviated from the pre-registered exclusion criteria and kept all participants for analysis (N = 600, M_{age} = 36.24, 49.5% male).

Design and Procedure

This study employed a 2 (effectiveness of larger-later: control vs. effective choice) X 2 (decision: smaller-sooner vs. larger-later) between-subjects design. All participants read that "NutriServe is a charity that provides food to those in need. The charity has $10,000 and they are looking for ways to allocate this money. And, they are deciding between two options: Use this money to provide 10,000 packages of breakfast cereals to recipients this year (Option 1), Put this money in an investment fund for a year to provide 15,000 packages of breakfast cereals to recipients next year (Option 2)". Participants were told that the nonprofit chose either Option 1 or Option 2. Then, we manipulated the perceived effectiveness of the larger, later option. In the effective condition, participants read that "A food aid expert pointed out that Option 2 is the more effective choice. Effectiveness refers to the amount of good that can be achieved per dollar you donate. Option 2 helps a greater number of people with your donation compared to Option 1." In the control condition, participants were not provided this information. Participants then reported their likelihood of donating to this charity using the 2-item scale from study 2. Finally, participants rated the organization's effectiveness (α = .95) with items used in study 1B, which served as a manipulation check for the effectiveness intervention.

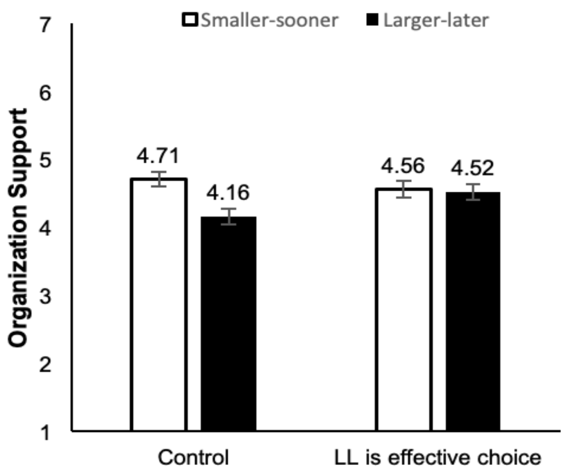
4.10.2 Results

Manipulation Check

A two-way ANOVA on the composite measure of effectiveness showed a non-significant main effect of organization's decision ($F(1, 596) = 2.11$, $p = .15$), a non-significant main effect of larger, later framing ($F(1, 596) = 2.65$, $p = .10$), and a significant two-way interaction ($F(1, 596) = 6.60$, $p = .01$). In the control condition, we replicated our previous findings. The nonprofit was perceived as less effective when it selected larger, later outcomes ($M_{\text{Larger-later}} = 5.10$, SD = 1.46) compared to smaller, sooner ones ($M_{\text{Smaller-sooner}} = 5.55$, SD = 1.28; $F(1, 596) = 8.03$, $p = .005$, $\eta_p^2 = .01$). However, when we framed the larger, later option as the more effective choice, participants rated the organization as equally effective, regardless of the decision made ($M_{\text{Larger-later}} = 5.20$, SD = 1.43 vs. $M_{\text{Smaller-sooner}} = 5.08$, SD = 1.31; $F(1, 596) = 0.63$, $p = .43$, $\eta_p^2 = .001$).

Organization Support

A two-way ANOVA revealed a significant main effect of the organization's decision ($F(1, 596) = 4.71$, $p = .03$) and a non-significant main effect of larger, later framing ($F(1, 596) = 0.64$, $p = .42$). Importantly, we found a marginally significant two-way interaction ($F(1, 596) = 3.45$, $p = .06$; see Figure 4.5). In the control condition, we replicated our previous findings. Participants were less likely to donate to the charity which opted for larger, later outcomes ($M_{\text{Larger-later}} = 4.16$, SD = 1.65) over smaller, sooner ones ($M_{\text{Smaller-sooner}} = 4.71$, SD = 1.71; $F(1, 596) = 8.05$, $p = .005$, $\eta_p^2 = .01$). In contrast, when the larger, later option was framed as the more effective choice, there was no significant difference in the likelihood of donation based on the organization's decision ($M_{\text{Larger-later}} = 4.52$, SD = 1.66 vs. $M_{\text{Smaller-sooner}} = 4.56$, SD = 1.54; $F(1, 596) = 0.05$, $p = .82$, $\eta_p^2 = 0$).



Note: Error bars represent standard errors of the mean.

Figure 4.5: Effect of organization's decision and larger-later framing on organization support.

4.10.3 Discussion

In this study, we examine an intervention aimed at alleviating the adverse judgments towards nonprofits for prioritizing a larger, delayed impact over a smaller, immediate one. Our findings demonstrate that when the larger, later option is framed as a more effective choice compared to the smaller, sooner alternative, consumers exhibit an equal likelihood of donating to the charity, regardless of the decision made by the organization.

4.11. General Discussion

Nonprofits often decide when to allocate their funds—whether to use them immediately or reserve them for future projects. Operating within limited resources, this resource allocation decision creates a tradeoff between the timing and magnitude of impact: creating smaller, immediate impacts or larger, delayed ones. We focus on this tradeoff and examine how consumers perceive nonprofits that prioritize larger, later impacts over smaller, sooner ones. We propose that consumers tend to place greater importance on the timing of impact rather than its magnitude. Across seven experiments, including hypothetical and incentive-compatible studies, and a Facebook field experiment, we find that consumers view a nonprofit that prioritizes larger, future benefits over smaller, immediate ones as less effective and less moral, leading to reduced support for the charity. This effect holds even when the allocated budget reflects industry average (study 2) and the charity is not investing funds (study 3). Notably, consumers do not penalize for-profits making identical decisions (study 4). In line with our theorizing, this penalization is mitigated when the need is perceived as less urgent (study 5). Importantly, we demonstrate an intervention to help nonprofits adopt future-focused strategies while minimizing negative perceptions (study 6).

4.11.1 Theoretical Contributions

This research makes three theoretical contributions. First, it advances our understanding of the role of perceived impact in charitable giving. While prior work shows that donors are motivated by the belief that their contributions will make a positive difference, impact has often been treated as a unidimensional construct (Cryder et al., 2013; Erlandsson et al., 2015; Fuchs et al., 2020). In contrast, this research distinguishes between two key components of impact: impact timing and impact magnitude. Notably, we find that consumers prioritize the timing over magnitude of impact when these dimensions are in conflict, offering a more nuanced perspective on how perceived impact shapes charitable giving decisions.

Second, it contributes to the literature on nonprofit perceptions. Prior studies show that consumers hold stereotypical judgements toward organizations based on their mission, perceiving nonprofits as warmer but as less competent than for-profits (Aaker et al., 2010). Consumers also apply stricter moral standards to nonprofits, condemning practices like compliance tactics (Greitemeyer & Sagioglou, 2018) or pursuing risky ventures (Gershon et al., 2021) more harshly than when for-profits use them. We extend this prior work by examining perceptions of a previously unexamined practice: choosing larger impact in the future versus smaller impact in the present.

Finally, we contribute to the research on intertemporal decisions in organizations. Managers often face intertemporal tradeoffs when allocating resources, and prior work shows that resisting “short-termism” have positive outcomes for forprofits such as superior financial performance (Le Breton-Miller & Miller, 2006; Miller & Le Breton-Miller, 2005). In line with this body of work, study 4 reveals that for-profits are not penalized in terms of effectiveness or morality when prioritizing larger, delayed rewards over smaller, immediate ones. In contrast, we show that adopting such an approach leads to negative consumer perceptions for nonprofits, potentially undermining their ability to reap these positive outcomes.

4.11.2 Managerial and Practical Implications

Our findings also provide insights for nonprofits seeking to maximize the impact of every dollar donated (Kinni, 2017). One strategy aligned with this goal is retaining and growing funds for future projects rather than using them immediately. This approach can help nonprofits buffer against fluctuations in donations and manage large lump-sum donations more effectively (Clolery, 2024; Guardian, 2022). However, our findings show that consumers perceive charities adopting this approach as less effective and moral, reducing donation likelihood. To counteract this, we propose an intervention that frames the larger, later option as more effective—emphasizing that it achieves greater good per dollar donated. This approach shifts consumer focus from the timing to the magnitude of the impact, reducing negative perceptions and decreased support. Further, we show that charities are judged negatively even when allocating 10% of their annual budget—the industry average— for greater future impact. Though not examined empirically, presenting the 10% figure as a common practice among peer charities may help consumers perceive a resource allocation to create a larger, delayed impact as a normative practice and view it in a more positive light. Overall, charities need to continue to allocate some resources for future impact, but our findings provide insight on how to effectively communicate such allocations to maintain positive evaluations and donation support.

4.11.3 Limitations and Future Research

We acknowledge limitations of the current research and outline avenues for future research. First, we proposed that people perceive a charity prioritizing larger, delayed benefits as less moral than one focusing on smaller, immediate benefits, as helping those temporally closer ones is considered more moral. As such, one could argue that expanding consumers' view of a charity's moral responsibility to include both current and future people in need may mitigate the effect. To test this, we conducted an additional pre-registered study (N = 494) with a 2x2 design (decision [smaller-sooner vs. larger-later] and moral obligation [control vs. forward-thinking]) where participants in the forward-thinking condition read that experts say charities are morally responsible for considering future recipients' needs. However, this intervention was not successful in mitigating the negative perceptions surrounding larger-later impact, as the results revealed only a significant effect of the organization's decision on donation likelihood (p = .001) and morality perceptions (p < .001). Specifically, participants were less likely to donate to the charity and perceived it as less moral when it chose the larger, later compared to smaller, sooner benefit despite the forward-thinking morality intervention emphasizing the moral importance of helping people in the future. One potential explanation is the incongruence between the basis of morality judgments and the type of persuasion used to change them. Prior research indicates that persuasion attempts are more effective when the basis of an attitude aligns with the type of persuasive message (Fabrigar & Petty, 1999). For example, affective (vs. cognitive) persuasion is more successful at changing attitudes rooted in affect. Given that people tend to rely on intuitive, "gut" feelings when forming morality perceptions (Campbell, 2007; Campbell & Winterich, 2018), and the expert opinion-based news article in the study represents a cognitive persuasive message, this mismatch may explain why we did not observe a shift in morality judgments and donation behavior.

We also note that our focal mechanisms of effectiveness and morality are similar to competence and warmth (Aaker et al., 2010). Indeed, our measures of effectiveness are identical to those of competence, so we do not expect them to differ. However, we focus on effectiveness to highlight the idea that, although the effective altruism movement suggests that larger future benefits may be more effective in magnitude, they are perceived less favorably by consumers. Our morality measure is distinct but correlated with warmth. We focus on morality because we examine the moral tradeoff between impact timing and magnitude and thus expect morality judgments to be more important determinants of consumers' donation decisions than warmth. While warmth is likely one of multiple other mechanisms at play, our findings in study 1B suggest that warmth is not the primary driver of the effect, supporting our focus on morality.

Donors often make decisions that involve both temporal distance (e.g., helping this year vs. next year) and social distance (e.g., helping near vs. distant ones). Prior work has shown that consumers exhibit lower present bias when deciding for socially distant others (Kim et al., 2013) such that participants exhibited a stronger preference for a larger, later outcome when deciding on behalf of a stranger rather than a close friend (Kim et al., 2013). Drawing from these findings, one might argue that consumers may exhibit less negative judgments toward nonprofits choosing larger, later versus smaller, sooner benefits if the charity helps distant (vs. close) recipients, which could be examined in future research.

While nonprofits are increasingly adopting a future-focused approach to maximize their impact, consumer perceptions of charities that prioritize future benefits over present ones remain unexplored. In this research, we aimed to advance our understanding of how consumers respond to this strategy and, importantly, we identify the circumstances under which it can be well received by consumers.

Chapter 5

CONCLUSIONS

The ability of nonprofit organizations to fulfill their missions is fundamentally tied to the strength of their financial planning. This dissertation examines the two core components of nonprofit financial planning—donation collection and donation allocation—through three essays that provide both theoretical contributions and practical guidance for nonprofits. The first essay explores differential factors that motivate individuals to be more willing to donate and to contribute more dollar amounts. The second essay investigates another aspect of the donation collection process—how frequently donors give—and how to encourage first-time donors to become recurring contributors, as well as how to convert one-time donors into recurring ones. Finally, the third essay shifts focus to the allocation of donations, examining how nonprofit organizations' intertemporal resource allocation decisions influence donor behavior. This chapter synthesizes the main findings across these three essays.

In the first essay, we examine the donation decision as a two-stage process: individuals first decide whether to donate, and then, how much to donate. We outline key characteristics that distinguish these stages and argue that individuals rely more on affective processing in the first stage and more on cognitive processing in the second stage. Building on the research on the positive impact of psychological matching on persuasion, we propose that affective motives are more effective in motivating people to agree to donate, whereas cognitive motives are more influential in encouraging people to give more. To categorize a broad range of donor motives as affective or cognitive, we first conducted a systematic literature review to gather definitions of donor motives. These motives were then classified using a Generative AI-based text analysis. The results of the text analysis suggest that motives such as personal distress, sympathy, warm glow, pain of paying, social pressure, belongingness, anticipatory guilt are rooted more in affective motivation than in cognitive one. In contrast, motives such as perceived impact, identity-signaling, social status, thank-you gifts, image concerns, social- signaling, opportunity cost, and tax reductions are more characteristic of cognition-based motives than affect-based ones. Finally, we identify donor-related, recipient-related and contextual moderators that can influence the relative reliance on affective and cognitive processing. Specifically, we propose that affective processing tends to dominate when (i) individuals are first-time (vs. repeat) donors, (ii) the perceived distance to the recipient—whether temporal, social or physical—is reduced, (iii) the charitable cause feels closer, (iv) the recipient is portrayed as a vivid, identifiable target, (v) the donation is solicited (vs. unsolicited), and (vi) the donation context is private (vs. public). Overall, this essay delineates distinct motives influencing each stage of the donation decision making process and offers actionable insights for nonprofits seeking to increase both donation likelihood and donation amounts.

In the second essay, we examine how to motivate individuals to commit to becoming recurring donors—a pressing issue for nonprofits. We propose and demonstrate that people are more likely to become recurring donors when the charity utilizes donations over time (i.e., in a segregated manner) rather than all at once (i.e., aggregated). This effect arises because donors perceive the charity as more committed to the cause when it employs a segregated utilization approach. Unlike one-time donations, recurring donations require a greater level of commitment from donors, which in turn leads them to expect a similar level of commitment from the charity. By signaling a consistent effort to helping those in need, the charity fosters a sense of reciprocal responsibility and is perceived as more committed. This perceived commitment enhances the donor's sense of impact and increases their intention to give on a recurring basis. Notably, the effect occurs whether the segregation occurs in terms of what is delivered over time (e.g., time-based aid, tangible goods) or in terms of who receives the aid across time. Importantly, this approach is effective both in encouraging first-time donors to commit and in converting one-time donors into ongoing supporters.

Once funds are collected, nonprofits face a critical set of allocation decisions. They must determine which causes or recipient groups to support, how to distribute resources across programmatic, fundraising, and administrative needs, and importantly, when to deploy the funds—immediately or reserved for future use. The third essay in this dissertation focuses on this latter dimension of allocation: the timing of donation allocation. Movements such as Effective Altruism and organizations like the Charities Aid Foundation encourage nonprofits to allocate their funds in the most cost-effective way possible, with the goal of maximizing the impact of each donated dollar. In pursuit of this goal, nonprofits may choose to retain and grow donations to achieve a larger-later impact, rather than spending them immediately for a smaller-sooner impact. However, this essay shows that such a strategy can provoke backlash from donors. We argue that donors tend to prioritize the timing of impact over its magnitude. As a result, when a charity opts to delay aid in favor of creating a larger future impact, it is perceived as less effective and less moral than one that provides immediate, smaller-scale impact. These negative perceptions ultimately reduce donor support for the organization. Finally, we identify circumstances under which it can be well received by consumers, such as the need is perceived to be less urgent and the larger, later option is described as more effective.

Overall, this dissertation contributes to literature on charitable giving by offering a holistic examination of the dual pillars of nonprofit financial planning: donation collection and donation allocation. The findings provide practical insights that can help nonprofits improve their fundraising efforts. Specifically, the essays offer guidance for increasing donation likelihood, maximizing total contributions, and fostering recurring giving behavior. In addition, they shed light on how nonprofits should communicate their resource management—particularly the timing of donation allocation. Given the growing financial pressures faced by nonprofit organizations, including declining donor engagement and rising demand for services, these insights are especially timely.

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APPENDIX A: CHAPTER 2

Table 1: Dataset articles and definitions of donor motives.

Donor motive	Article title	Author	Definition
warm glow	Donations to Charity as Purchase Incentives: How Well They Work May Depend on What You Are Trying to Sell	Strahilevitz & Myers (1998)	pleasurable emotional experiences
warm glow	To Profit or Not to Profit? The Role of Greed Perceptions in Consumer Support for Social Ventures	Lee, Bolton, & Winterich (2017)	the positive affect one anticipates experiencing from helping others
warm glow	Warm Glow or Cold, Hard Cash? Social Identity Effects on Consumer Choice for Donation versus Discount Promotions	Winterich & Barone (2011)	the moral satisfaction people feel as a result of charitable giving
warm glow	Willingness to Pay for Cause-Related Marketing: The Impact of Donation Amount and Moderating Effects	Koschate-Fischer, Stefan, & Hoyer (2012)	the benefits derived from making the individual feel better about him-or herself
warm glow	When should the Ask be a Nudge? The Effect of Default Amounts on Charitable Donations	Goswami & Urminsky (2016)	feeling good about oneself for having donated
warm glow	Teach a Man to Fish: The Use of Autonomous Aid in Eliciting Donations	Waites, Farmer, Hasford, & Welden (2023)	the positive feelings or moral satisfaction people feel from prosocial actions (i.e., charitable giving), resulting in the inference that they are a good and/or an unselfish person
warm glow	Adjusting the Warm-Glow Thermostat: How Incentivizing Participation in Voluntary Green Programs Moderates Their Impact on Service Satisfaction	Giebelhausen, Chun, Cronin, & Hult (2016)	the emotional benefit they receive
warm glow	Cause Marketing Effectiveness and the Moderating Role of Price Discounts	Andrews, Luo, Fang, & Aspara (2014)	feeling good

warm glow	When Does Recognition Increase Charitable Behavior? Toward a Moral Identity-Based Model	Winterich, Mittal, & Aquino (2013)	internal gratification, or the positive feeling
warm glow	Can supporting a cause decrease donations and happiness? The cause marketing paradox	Krishna (2011)	feeling rewarded
warm glow	Communal and exchange relationship perceptions as separate constructs and their role in motivations to donate	Johnson & Grimm (2010)	the positive feelings associated with doing good and helping others
warm glow	The give and take of cause-related marketing: purchasing cause-related products licenses consumer indulgence	Chang & Chu (2020)	the positive feeling about oneself resulting from the inference that one is a good, unselfish person
warm glow	Cause marketing and customer profitability	Ballings, McCullough, & Bharadwaj (2018)	good feeling that results from helping others
warm glow	The impact of direct marketing appeals on charitable marketing effectiveness	Smith & Berger (1996)	positive affect
warm glow	Product and Pricing Decisions in Crowdfunding	Hu, Li, & Shi (2015)	positive utility from spending more money to support a project
self-signaling	You Will Not Remember This: How Memory Efficacy Influences Virtuous Behavior	Touré-Tillery & Kouchaki (2021)	behave virtuously in an effort to present themselves to themselves in a favorable light
self-signaling	Giving against the Odds: When Tempting Alternatives Increase Willingness to Donate	Savary, Goldsmith, & Dhar (2015)	utility by signaling information about their own traits to themselves.
self-signaling	I Will Be Green for Us: When Consumers Compensate for Their Partners' Unsustainable Behavior	Cakanlar, Nikolova, & Nenkov (2023)	make prosocial choices to signal information to themselves about their own values and identities
self-signaling	Exalted Purchases or Tainted Donations? Self-signaling and the Evaluation of Charitable Incentives	Savary, Li, & Newman (2020)	make choices in order to signal information to themselves about their own values and traits

self-signaling	Self-Signaling and Prosocial Behavior: A Cause Marketing Experiment	Dubé, Luo, & Fang (2017)	Self-signaling arises when the individual can influence her own self-beliefs through her actions and thus manipulate her ego utility.
self-signaling	The Good-on-Paper Effect: How the Decision Context Influences Virtuous Behavior	Touré-Tillery & Wang (2022)	send positive signals to the self (and others) about a person's traits and values and hence boost the self-concept
identity-signaling	When Posting About Products on Social Media Backfires: The Negative Effects of Consumer Identity Signaling on Product Interest	Grewal, Stephen, & Coleman (2019)	1. communicate something about themselves 2. appropriate the symbolic value
identity-signaling	The Social Utility of Feature Creep	Thompson & Norton (2011)	signal to themselves and others their beliefs, attitudes, and social identities
identity-signaling	Evolution of Consumption: A Psychological Ownership Framework	Morewedge, Monga, Palmatier, Shu, & Small (2021)	signal authentic and desired identities
identity-signaling	The self and the brand	Kirmani (2009)	1. conveying unobservable attributes through observable behavior 2. to convey some aspects of his identity
identity-signaling	Why did I eat that? Perspectives on food decision making and dietary restraint	Bublitz, Peracchio, & Block (2010)	to "communicate the self-concept to others"
belongingness	Conspicuous Consumption versus Charitable Behavior in Response to Social Exclusion: A Differential Needs Explanation	Lee & Shrum (2012)	a desire to form and maintain positive interpersonal relationships
belongingness	Understanding the Bond of Identification: An Investigation of its Correlates among Art Museum Members	Bhattacharya, Rao, & Glynn (1995)	1. a person identifies with that group 2. the individual defines him or herself in terms of the organization(s) of which he or she is a member
belongingness	Speaking to the heart: Social exclusion and reliance on feelings versus reasons in persuasion	Lu & Sinha (2017)	fundamental needs to belong and to develop and maintain social bonds

thank-you gifts	In Pursuit of Good Karma: When Charitable Appeals to Do Right Go Wrong	Kulow & Kramer (2016)	incentives as a thank-you gift conditional upon donations
thank-you gifts	Exalted Purchases or Tainted Donations? Self-signaling and the Evaluation of Charitable Incentives	Savary & Li (2020)	small thank-you gifts, such as a tote bag, pen, or coffee mug, that are given in exchange for donating
personal distress	Nostalgia: The Gift That Keeps on Giving	Zhou, Wildschut, Sedikides, Shi, & Feng (2012)	self-oriented emotional response to the plight of another person and includes feeling upset, perturbed, distressed, or troubled.
personal distress	Development and validation of scales to measure attitudes influencing monetary donations to charitable organizations	Webb, Green, & Brashear (2000)	sadness, anxiety elicited by observing another's suffering
sympathy	Social Class Shapes Donation Allocation Preferences	Vieites, Goldszmidt, & Andrade (2022)	an emotional concern for another’s well-being
sympathy	Friends of Victims: Personal Experience and Prosocial Behavior	Small & Simonsohn (2008)	“emotional concern for others”
sympathy	Charities Can Increase the Effectiveness of Donation Appeals by Using a Morally Congruent Positive Emotion	Goenka & van Osselaer (2019)	a blend of sadness and love
sympathy	The Face of Need: Facial Emotion Expression on Charity Advertisements	Small & Verrochi (2009)	emotional concern for the welfare of another person
sympathy	Negative Reviews, Positive Impact: Consumer Empathetic Responding to Unfair Word of Mouth	Allard, Dunn, & White (2020)	the comprehension of another’s emotional state that is accompanied by feelings of concern or sorrow
sympathy	Public Service Advertisements: Emotions and Empathy Guide Prosocial Behavior	Bagozzi & Moore (1994)	the heightened awareness of the suffering of another person as something to be alleviated
sympathy	Do Sympathy Biases Induce Charitable Giving? The Effects of Advertising Content	Sudhir, Roy, & Cherian (2016)	the particular emotional response triggered by another person’s misfortune
anticipatory guilt	Guilt Dynamics: Consequences of	Duke & Amir (2019)	cognitive awareness that one will feel guilty in the future,

	Temporally Separating Decisions and Actions		which arises during the decision-making process
anticipatory guilt	Affording Disposal Control: The Effect of Circular Take-Back Programs on Psychological Ownership and Valuation	Tari & Trudel (2024)	anticipated negative association
anticipatory guilt	The odd-ending price justification effect: the influence of price-endings on hedonic and utilitarian consumption	Choi, Li, Rangan, Chatterjee, & Singh (2014)	feel a need to justify decision to buy a hedonic product and feel guilty if they cannot.
social pressure	Interactive Impact of Informational and Normative Influence on Donations	Latour & Manrai (1989)	normative pressure
social pressure	Self-Donations and Charitable Contributions in Online Crowdfunding: An Empirical Analysis	Liu, Gao, & Rao (2025)	influenced by the actions of others, especially within one's ingroup
image concerns	The Motivating Role of Dissociative Out-Groups in Encouraging Positive Consumer Behaviors	White, Simpson, & Argo (2014)	concerns about the image being projected to others by the self
image concerns	Self-Benefit versus Other-Benefit Marketing Appeals: Their Effectiveness in Generating Charitable Support	White & Peloza (2009)	the degree to which a person is motivated to present a positive self-image to others
image concerns	Sales Performance Rankings: Examining the Impact of the Type of Information Displayed on Sales Force Outcomes	Ahearne, Pourmasoudi, Atefi, & Lam (2025)	self-presentation motivation
image concerns	Self-Image Motives and Consumer Behavior: How Sacrosanct Self-Beliefs Sway Preferences in the Marketplace	Dunning (2008)	people regulate their views of the world to affirm an image they want to have about themselves
perceived impact	Teach a Man to Fish: The Use of Autonomous Aid in Eliciting Donations	Waites, Farmer, Hasford, & Welden (2023)	make a difference
perceived impact	Prosocial Goal Pursuit in Crowdfunding: Evidence from Kickstarter	Dai & Zhang (2019)	perceive their donations to be more effective

perceived impact	Leveraging Creativity in Charity Marketing: The Impact of Engaging in Creative Activities on Subsequent Donation Behavior	Xu, Mehta, & Dahl (2022)	belief that one's actions are more efficacious, thus creating a heightened expectancy of positive outcomes
perceived impact	Enhancing Donor Agency to Improve Charitable Giving: Strategies and Heterogeneity	Esterzon, Lemmens, & Van den Bergh (2023)	perception that a financial gift is more effective
social status	Obligatory Publicity Increases Charitable Acts	Yang & Hsee (2022)	higher social status—which confers other social advantages via direct or indirect reciprocation
social status	Crowdfunding as a Market-Fostering Gift System	Maciel & Weinberger (2024)	Immaterial value to giver
social status	Gift or Donation? Increase the Effectiveness of Charitable Solicitation Through Framing Charitable Giving as a Gift	Wang, Wang, & Jiang (2023)	a higher position in a social hierarchy
social status	A Study of Bidding Behavior in Voluntary-Pay Philanthropic Auctions	Haruvy & Popkowski Leszczyc (2018)	conditionally higher conferred benefits
pain of paying	"Paper or Plastic?": How We Pay Influences Post-Transaction Connection	Shah, Eisenkraft, Bettman, & Chartrand (2016)	the negative affective reaction that consumers experience when parting with their money
pain of paying	When cash costs you: The pain of holding coins over banknotes	Zenkić, Mead, & Millet (2023)	negative emotion experienced at the point of parting with money
pain of paying	Would You Like to Round Up and Donate the Difference? Roundup Requests Reduce the Perceived Pain of Donating	Kelting, Robinson, & Lutz (2018)	the negative affect they feel when they part with their money
opportunity cost	Hitting the Target but Missing the Point: How Donors Use Cost Information	Lewis & Small (2024)	forgone consumption (relative to donating the amount they would otherwise prefer).
opportunity cost	The Closing-the-Gap Effect: Joint Evaluation Leads Donors to Help Charities Farther from Their Goal	Habib, Hardisty, White, & Kim (2025)	there is likely another, needier charity to which they could donate

opportunity cost	A Study of Bidding Behavior in Voluntary-Pay Philanthropic Auctions	Haruvy & Popkowski Leszczyc (2018)	the opportunity cost being an alternative for obtaining the same item.
opportunity cost	The Dirty Underbelly of Prosocial Behavior: Reconceptualizing Greater Good as an Ecosystem with Unintended Consequences	Labroo & Goldsmith (2021)	choosing one alternative means forgoing other alternatives

Table 2: Total number of definitions per journal.

Journal Title	CABS* Ranking	Original search result (Research Articles)	Research articles that studied each motive in the context of donor behavior	Research articles that defined the donor motive
Journal of Consumer Research	4*	136	80	14
Journal of Marketing Research	4*	231	40	14
Journal of Marketing	4*	262	35	16
Journal of Consumer Psychology	4*	247	45	11
Journal of the Academy of Marketing Science	4*	27	10	5
Marketing Science	4*	178	12	4
Total Articles		**1,081**	**222**	**64**

*Chartered Association of Business Schools' Academic Journal Guide Ranking

APPENDIX B: CHAPTER 3

Table 1: Top 100 charities in the U.S. that use segregated donation utilization.

Rank	Charity	(1) Does the charity have a specific message for requesting recurring donations?	(2) Charity's recurring donation request message	(3) Does the message involve segregated donation utilization?
1	Feeding America	Yes	To help provide as many meals as possible each month	Yes
2	United Way Worldwide	No		
3	St. Jude Children's Research Hospital	Yes	A tax-deductible monthly gift provides steady, lifesaving funds.	No
4	Salvation Army	No		
5	Direct Relief	No		
6	Good 360	No		
7	Goodwill Industries International	No		
8	YMCA of the USA	No		
9	Habitat for Humanity International	Yes	Your monthly support makes a big impact. Donating monthly means Habitat has dependable funding to rely on and can spend less time and energy on future appeals.	No
10	Americares	No		
11	Boys & Girls Clubs of America	Yes	Your automatic gift on the same day each month helps you manage your giving. Change your support anytime. It's a flexible way to make an ongoing difference.	No
12	Compassion International	No		
13	Catholic Charities USA	No		
14	Samaritan's Purse	Yes	Giving monthly is a convenient way to support our work on a regular basis. You can	No

			make a recurring gift to any of our projects—just select a monthly giving option in your cart as you check out.	
15	Nature Conservancy	Yes	Make your gift monthly and protect nature year-round!	Yes
16	World Vision	Yes	£15 can provide toys for a children's centre. £10 can provide a child with emergency food for a month. £5 can provide a warm blanket to a child just arrived at a refugee settlement.	No
17	Food for the Poor	No		
18	American National Red Cross	No		
19	MAP International	Yes	The most effective way to support the cause	No
20	Step Up for Students	Yes	The most effective way to support the cause	No
21	Mayo Clinic	No		
22	American Cancer Society	Yes	Upgrade to become a monthly donor and make a continuous impact.	Yes
23	Task Force for Global Health	No		
24	Mount Sinai Health Systems	No		
25	Lutheran Services in America	No		
26	Doctors Without Borders USA	No		
27	Cru	No		
28	Memorial Sloan Kettering Cancer Center	No		
29	Feed the Children	Yes	The most effective way to support the cause	No
30	Planned Parenthood Federation of America	Yes	Consider giving monthly to support our year-round work. Your monthly gift will be MATCHED for the first three months.	Yes

31	American Heart Association	Yes	Your monthly support today helps create the breakthroughs that will help save you and the ones you love!	No
32	Catholic Relief Services	Yes	As little as 40¢ a day can make a difference. When you give monthly, you bring immediate and long-term support to people in need around the world. By committing a monthly gift to your sisters and brothers around the world, you'll be at the forefront of giving comfort and aid to families affected by disasters.	No
33	Easter Seals	Yes	Your Monthly Donation Provides Support for Children and Adults with Disabilities.	No
34	HealthWell Foundation	Yes	Giving a monthly gift is an easy way to continue your support of the HealthWell Foundation. For just $10 dollars a month you can make a positive difference in patients' lives.	No
35	United States Fund for UNICEF	Yes	Make a Difference Every Day — Give Monthly. Make your first monthly gift to start sending urgently needed support today!	Yes
36	Dana-Farber Cancer Institute	No		
37	Shriners Hospitals for Children	No		
38	CARE USA	No		
39	Cross International	No		
40	Midwest Food Bank	No		
41	Leukemia & Lymphoma Society	No		
42	Entertainment Industry Foundation	Yes	The most effective way to support the cause	No

43	Convoy of Hope	No		
44	Save the Children Federation	No		
45	American Civil Liberties Union and Foundation	Yes	A monthly gift helps us respond to urgent threats and plan ahead.	No
46	World Wildlife Fund	Yes	Thanks for making a lasting difference for nature. Giving monthly is an easy, efficient, and effective way to protect the planet. Giving monthly is an easy, effective way to be a hero for nature 365 days a year!	Yes
47	Catholic Medical Mission Board	Yes	2X Match: DOUBLE your first three monthly gifts!	No
48	International Rescue Committee	Yes	Make a monthly gift to help refugee families all year round.	Yes
49	Smithsonian Institution	No		
50	Christian Broadcasting Network & Operation Blessing	No		
51	Environmental Defense Fund	Yes	Triple your impact for a year when you start an automatic monthly gift! Monthly gifts are matched for the first 12 months	No
52	Alzheimer's Association	Yes	The most effective way to support the cause	No
53	Marine Toys for Tots Foundation	No		
54	American Kidney Fund	Yes	Start a monthly gift today to begin changing lives	No
55	Michael J. Fox Foundation for Parkinson's Research	Yes	As a monthly donor you can contribute toward research through an easy, automated monthly gift. Thank you for helping push promising research forward!	No
56	Rotary Foundation of Rotary International	No		

57	City Harvest	No		
58	Wounded Warrior Project	Yes	You'll make the most impact for our wounded warriors when you support them with a monthly gift. As a monthly donor of $19 or more, you will receive a Wounded Warrior Project® fleece blanket.	No
59	Matthew 25: Ministries	Yes	The most effective way to support the cause	No
60	Young Life	No		
61	Patient Access Network Foundation	Yes	The most effective way to support the cause	No
62	Food Bank of Central and Eastern North Carolina	Yes	Become a Sustainer. $60 will provide 300 nutritious meals every month.	Yes
63	The Assistance Fund	Yes	With a commitment of $25 per month – just 0.83 cents per day – you can change lives.	No
64	City of Hope	No		
65	Cedars-Sinai Health System	No		
66	Heart to Heart International	No		
67	Humane Society of the United States	Yes	Save all animals year-round!	Yes
68	American Society for the Prevention of Cruelty to Animals	Yes	Becoming a Guardian is the easiest, most efficient way to fight cruelty and make a difference for animals all year long.	Yes
69	Houston Food Bank	Yes	Become a Faithful Friend with your automatic monthly gift to help provide food all year long. $50 will help provide 150 meals every month	Yes
70	American Jewish Joint Distribution Committee	No		
71	Carter Center	No		

72	Boston Children's Hospital	Yes	Give monthly to cure more kids. Give monthly—it's the simplest way to help more kids!	No
73	El Pasoans Fighting Hunger	No		
74	Disabled American Veterans	No		
75	St. Mary's Food Bank Alliance	No		
76	UJA/Federation of New York	No		
77	Special Olympics	Yes	You can transform a life for as little as $15 a month	No
78	Educational Media Foundation	No		
79	Wycliffe Bible Translators	No		
80	Covenant House	Yes	Make a bigger impact with a monthly gift	No
81	Delivering Good	No		
82	Scholarship America	No		
83	Population Services International	No		
84	Combined Jewish Philanthrophies	No		
85	International Fellowship of Christians and Jews	Yes	$75 will help provide urgent emergency care for 2 Jewish people every month.	Yes
86	Natural Resources Defense Council	Yes	Make it monthly + your first three gifts will be matched, up to $100K.	No
87	North Texas Food Bank	No		
88	ChildFund International	No		
89	PATH	No		
90	Jewish Federation of Metropolitan Chicago	No		
91	Father Flanagan's Boys' Home	Yes	Give Monthly, Save More Lives.	No
92	Public Broadcasting Service	No		
93	San Antonio Food Bank	No		

94	Second Harvest Heartland	Yes	Your monthly gift of $30 can provide 1,080 meals per year.	No
95	United Service Organizations	No		
96	The Arc of the United States	No		
97	New York-Presbyterian Hospital	No		
98	Feeding Tampa Bay	No		
99	Northern Illinois Food Bank	No		
100	JDRF International	No		

Table 2: Factor loading for process measures in study 1A.

Dimensions	**Factor 1 (67.2%)**	**Factor 2 (16.4%)**	**Factor 3 (7.7%)**
Commitment	**0.84**	0.35	-0.19
Effort	**0.88**	0.35	-0.11
Impact	0.36	**0.88**	-0.18
Lasting impact	0.60	**0.69**	-0.12
Vividness	-0.15	-0.15	**0.98**

Notes: Extraction method: principal component analysis with Varimax rotation. Dominant loadings for each item are in boldface.

Table 3: Factor loading for process measures in study 1B.

Dimensions	**Factor 1 (63.2%)**	**Factor 2 (16.1%)**	**Factor 3 (9.2%)**
Commitment	0.41	**0.77**	-0.18
Effort	0.32	**0.87**	-0.12
Impact	**0.84**	0.37	-0.17
Lasting impact	**0.87**	0.34	-0.12
Vividness	-0.15	-0.15	**0.98**

Notes: Extraction method: principal component analysis with Varimax rotation. Dominant loadings for each item are in boldface.

Table 4: Factor loading for process measures in study 2A.

Dimensions	**Factor 1 (63.9%)**	**Factor 2 (16.3%)**	**Factor 3 (9.4%)**
Commitment	**0.78**	0.41	-0.28
Effort	**0.90**	0.31	-0.10
Impact	0.47	**0.76**	-0.13
Lasting impact	0.28	**0.90**	-0.13
Vividness	-0.17	-0.13	**0.97**

Notes: Extraction method: principal component analysis with Varimax rotation. Dominant loadings for each item are in boldface.

Table 5: Donation amounts for each frequency in aggregated and segregated conditions in study 2B.

Donation frequency for monthly recurring donation	**Log of total donation amount in the aggregated condition**	**Log of total donation amount in the segregated condition**	***p*-value**
1	.85 (.69)	.80 (.69)	.59
2	.87 (.71)	.85 (.73)	.85
3	.89 (.73)	.89 (.77)	.99
4	.90 (.75)	.91 (.80)	.89
5	.90 (.76)	.93 (.81)	.81
6	.91 (.77)	.94 (.83)	.75
7	.91 (.78)	.96 (.85)	.70
8	.92 (.79)	.97 (.86)	.66
9	.92 (.80)	.98 (.88)	.63
10	.93 (.80)	.99 (.89)	.60
11	.93 (.81)	.99 (.90)	.57
12	.93 (.81)	1.00 (.91)	.55

APPENDIX C: CHAPTER 4

The table below displays the percentage of revenue that each charity reserves for future use. For each charity, we used the 'Total Revenue' and 'Total Expense' figures listed on Forbes (Barrett, 2023). The percentage was then calculated by dividing the surplus by the total revenue.

Table 1: Top 100 charities in the U.S. that retain their income.

Rank	Charity	(1) Is charity reserving funds for the future?	(2) Percentage of revenues reserved for the future
1	Feeding America	Yes	0.30%
2	Good 360	Yes	0.70%
3	United Way Worldwide	No	
4	St. Jude Children's Research Hospital	Yes	28.06%
5	Direct Relief	Yes	8.61%
6	Salvation Army	No	
7	Habitat for Humanity International	Yes	23.79%
8	Goodwill Industries International	Yes	8.07%
9	Americares	No	
10	Samaritan's Purse	Yes	23.62%
11	YMCA of the USA	Yes	9.43%
12	Boys & Girls Clubs of America	Yes	17.04%
13	Compassion International	No	
14	American National Red Cross	Yes	9.76%
15	United States Fund for UNICEF	Yes	5.36%
16	World Vision	Yes	5.00%
17	Nature Conservancy	Yes	36.66%
18	The Arc of the United States	Yes	5.31%

19	Lutheran Services in America	Yes	2.65%
20	Mount Sinai Health Systems	No	
21	Planned Parenthood Federation of America	Yes	10.16%
22	Doctors Without Borders USA	Yes	2.69%
23	HealthWell Foundation	Yes	0.48%
24	Catholic Relief Services	Yes	1.50%
25	American Cancer Society	No	
26	Task Force for Global Health	Yes	0.14%
27	International Rescue Committee	Yes	7.64%
28	Cru	No	
29	MAP International	No	
30	CARE USA	Yes	8.01%
31	American Heart Association	Yes	12.15%
32	Shriners Hospitals for Children	No	
33	Mayo Clinic	Yes	12.29%
34	Save the Children Federation	Yes	0.18%
35	Convoy of Hope	Yes	40.43%
36	Dana-Farber Cancer Institute	Yes	4.07%
37	Easter Seals	Yes	4.24%
38	Food for the Poor	No	
39	Catholic Medical Mission Board	Yes	10.65%
40	Memorial Sloan Kettering Cancer Center	No	
41	Make-A-Wish Foundation of America	Yes	5.16%
42	Wounded Warrior Project	No	
43	Alzheimer's Association	No	
44	Midwest Food Bank	Yes	0.69%

45	Cedars-Sinai Health System	Yes	22.99%
46	Entertainment Industry Foundation	No	
47	Leukemia & Lymphoma Society	No	
48	American Civil Liberties Union and Foundation	Yes	17.70%
49	Feed the Children	No	
50	Cross Catholic Outreach	Yes	3.13%
51	Marine Toys for Tots Foundation	No	
52	World Wildlife Fund	No	
53	Rotary Foundation of Rotary International	No	
54	Matthew 25: Ministries	Yes	17.84%
55	Young Life	Yes	2.76%
56	Michael J. Fox Foundation for Parkinson's Research	Yes	6.63%
57	American Society for the Prevention of Cruelty to Animals	No	
58	United Negro College Fund	Yes	51.14%
59	Christian Broadcasting Network & Operation Blessing	Yes	0.54%
60	American Jewish Joint Distribution Committee	No	
61	American Kidney Fund	Yes	7.33%
62	Providence St. Joseph Health	Yes	1.81%
63	Combined Jewish Philanthrophies	No	
64	Houston Food Bank	Yes	7.53%
65	Boston Children's Hospital	Yes	2.56%
66	Barack Obama Foundation	Yes	80.65%
67	Environmental Defense Fund	No	
68	Public Broadcasting Service	Yes	0.92%

69	Carter Center	No	
70	The Assistance Fund	Yes	5.61%
71	Second Harvest of Silicon Valley	Yes	8.50%
72	Disabled American Veterans	No	
73	Heart to Heart International	Yes	1.06%
74	Patient Access Network Foundation	No	
75	Society of St. Vincent de Paul	Yes	13.65%
76	Special Olympics	Yes	14.67%
77	UJA/Federation of New York	No	
78	El Pasoans Fighting Hunger	No	
79	Cleveland Clinic Foundation	Yes	14.69%
80	Jewish Federation of Metropolitan Chicago	No	
81	Metropolitan Museum of Art	Yes	3.07%
82	International Fellowship of Christians and Jews	No	
83	ChildFund International	No	
84	Scholarship America	Yes	3.57%
85	City of Hope	Yes	1.68%
86	Educational Media Foundation	Yes	21.60%
87	City Harvest	No	
88	PATH	No	
89	North Texas Food Bank	Yes	4.61%
90	Smithsonian Institution	Yes	6.40%
91	Mercy Ships	Yes	19.32%
92	Food Bank of Central and Eastern North Carolina	Yes	2.34%
93	Conservation International Foundation	Yes	20.00%
94	Father Flanagan's Boys' Home	No	

95	JDRF International	Yes	16.84%
96	Second Harvest Heartland	No	
97	Covenant House	Yes	23.62%
98	Wycliffe Bible Translators	Yes	5.67%
99	Humane Society of the United States	No	
100	St. Mary's Food Bank Alliance	No	