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The Begging Game: On the Power of the Ask in Charitable Exchange
Mark Ratchford, Tulane University, USA
Ethan Pew, Stony Brook University, USA
Bart Victor, Vanderbilt University, USA

EXTENDED ABSTRACT

Much of charitable giving results from formal solicitations. However, asking has been largely ignored in the altruism and generosity literature, which relies heavily on the dictator and ultimatum games. Through the begging game (a variant of the dictator game) we offer insights on the role asking plays in charitable exchange.

An extensive literature in the social sciences describes a systematic variation from rational self-interest in which relatively resource rich individuals have been shown to give more than absolutely required to those with fewer resources. For example, in the two-player dictator game (Kahneman, Knetsch, and Thaler, 1986; Forsythe et al., 1994), a proposer (dictator) offers a split of an endowment to a recipient who is entirely passive. The recipient gets whatever the proposer offers to them and cannot reject or counter-propose the endowment. A purely rational dictator should propose nothing to the recipient. However, findings typically suggest the majority allocate at least some money to the passive recipient. Only about 40% keep the entire sum, while the average amount given (by the other 60%) is about 20% of the sum (Guala and Mittone, 2010), with modal allocations at 50% and zero (Fehr and Schmidt, 2006). Researchers have attempted to explain this tendency toward “irrational” giving by focusing on social and psychological influences such altruism, warm glow giving, social pressure (e.g., experimental observation), or some combination of those motivations (e.g., Andreoni, 1989, 1990; DellaVigna, List, and Malmendier, 2012; Schmitt, 2016). This stream of research has in turn spawned numerous normative models of the impact of “social preferences,” “interdependent preferences,” and “intention based reciprocity” on individual utility functions (Fehr and Schmidt, 2006).

In the present paper, we study the “power of the ask,” and find the mere act of asking for money shifts power to the solicitor. The findings across three studies suggest that while giving in response to a direct solicitation may in part be a function of the altruism of the giver, the ask request itself may prime an aversion to violating an implicit norm of fairness (Forsythe et al., 1994; Hoffman, McCabe, and Smith, 1996). Asking imposes a norm of equitable exchange via the amount requested so long as the request is not unreasonably high (more than half in our studies). We contend that violating this norm of equitable exchange bestows discomfort upon the recipient of the solicitation via felt social pressure. Hence the solicitation or “ask” can alter the nature of the exchange. Overall, this suggests that altruism may be a subordinate driver of economic transfers in the dictator and ultimatum games.

Study 1 (N=160) was conducted at a large university in the United States. Undergraduate students took part in this study in exchange for both course credit and reward-contingent monetary compensation of between $0 and $10. The protocols were identical to the BG as in Study 1. However, for this online study participants played against a computer with a pre-programmed decision strategy. On average askers requested $4.71 (SD=1.59) of the $10, with no significant effects of age, gender, income, or other demographics. In all, 51.3% of askers requested $5, while another 28.3% asked for $4. For those assigned to the owner condition, requests of $3 or less tended to be accepted (73.8% overall acceptance rate for offers in this range). In comparison, requests of $4 and $5 were substantially more likely to be rejected (42.3% acceptance rate for offers in this range).

More than half (52.5%) of “askers” requested $5 of the “owner’s” endowment. Those asks were accepted 61.9% of the time. Asking for $4 was accepted 75% of the time, and asking for $3 was accepted 80% of the time. In the DG conditions, dictators transferred $3.50 (SD=2.79) to the passive recipient, while keeping $6.50 of the $10 sum. This result is in line with the findings of prior DG experiments (e.g., Engel, 2011; Hoffman, McCabe, and Smith, 1996), albeit slightly more generous in giving than in prior studies. The more generous DG outcome is largely the result of three (of 40) “dictators” who transferred the entire $10 sum.

Study 2 (N=404) was conducted using an online panel. Participants completed this online study in exchange for reward-contingent monetary compensation of between $0 and $10. The average age of respondents was 51.9 (range 18 to 84), 52% were female, average income was just over $60,000 per year and 84.8% had at least some college education. Subjects were randomly assigned to one of two conditions, either owner or asker in the BG, with approximately 70% of incoming subjects randomly assigned to the “owner” condition. All participants received the same instructions and overview for the BG as in Study 1. However, for this online study participants played against a computer with a pre-programmed decision strategy. On average askers requested $4.71 (SD=1.59) of the owner’s $10, with no significant effects of age, gender, income, or other demographics. In all, 51.3% of askers requested $5, while another 28.3% asked for $4. For those assigned to the owner condition, requests of $3 or less tended to be accepted (73.8% overall acceptance rate for offers in this range). In comparison, requests of $4 and $5 were substantially more likely to be rejected (42.3% acceptance rate for offers in this range).

Study 3 (N=80) was conducted at a large university in the United States. Undergraduate students took part in this study in exchange for both course credit and reward-contingent monetary compensation of between $0 and $10. The protocols were identical to the BG condition in Study 1 with the exception that owners could transfer any amount to the asker. They were not bound by the binary “accept” or “reject” options that appeared in Study 1. In this study askers requested an average of $6.48 (SD=2.48), which is significantly greater than the average ask in Study 1 (M1=5.33; t(78)=2.2, p=.03) and Study 2 (M2=4.71; t(151)=5.17, p<.001). The average amount transferred was $3.03 (SD=1.98), which is directionally higher than the average of transfer in Study 1, but not significantly so (t(78)=1.65, p=.10).

REFERENCES

