

The 35th International Seminar on Experiments and Surveys in Economics and Related Social Sciences

Date: 15:20-16:00 Tuesday, January 26, 2010

Speaker: Noboru Hidano (Tokyo Tech) with Satoshi Ogiso (Tokyo Tech)

Title: Does warm glow exist in a complete crowding out situation? A real payment experiment

Venue: W9 Building, 6th floor, Room #626, Ookayama campus, Tokyo Institute of Technology

Abstract: Although there are many studies arguing the existence of warm glow giving in field and lab experiments, little is known how people behave in a complete crowding out situation. Crumpler and Grossman (2008) recently showed that in a real payment donation where the amount the designated charity will receive is preset, i.e. any contribution by participants crowds out dollar-for-dollar giving by the proctor, they donated 20 percent of their endowments and 57 percent of them made donation. The reasons why they donate and how they behave if the number of donors increase that corresponds to the reality are, however, still unknown. We conduct an experiment to explore a reason why they donate and to test the effects of number of donors in complete crowding out situation. We find that the participants donate 41 percent of their endowment and 82 percent made donation in Crumpler and Grossman context and in the situation when we give the frame that participants should acknowledge number of donor, despite the fact that the complete crowding out context is kept exactly same, share of endowment increases as to 48 percent and 89 percent participants made donation. It is shown that the guilty feeling toward a proctor is correlated with the amount of donation only in the first context.

Moderator: Noboru Hidano