

The Primal Fundraiser: Game Theory and The Natural Origins of Effective Fundraising

The Fundraising Myth & Science Series: Book III

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ISBN: 979-8-54-723139-1

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The Fundraising Myth & Science Series

Book I: **The Storytelling Fundraiser:** The Brain,
Behavioral Economics, and Fundraising Story

Book II: **The Epic Fundraiser:** Myth, Psychology,
and the Universal Hero Story in Fundraising

Book III: **The Primal Fundraiser:** Game Theory
and the Natural Origins of Effective
Fundraising

Book IV: **The Socratic Fundraiser:** Using
Questions to Advance the Donor's Story

PROFESSOR RUSSELL JAMES

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INTRODUCTION:

THE MATRYOSHKA DOLL

This series started with *The Storytelling Fundraiser*. That introduced fundraising and the science of story. Next was *The Epic Fundraiser*. That focused on a specific story: the monomyth. Now we begin *The Primal Fundraiser*. This explores the natural origins of philanthropy.

These three topics are like a Russian nesting doll. Each doll contains a smaller doll hidden inside it.

The first part was the surface doll. It focused on story words and simple experiments. The results were objective. The science was “hard” science.

Inside that doll was another. It took a turn to the subconscious. It explored myth: the universal hero’s journey. It explored psychology: Jung’s hero archetype.

But inside that doll is yet another. (Don't worry! It's the last doll. The final book focuses only on practical applications.)

Into the rabbit hole

The attraction to the hero's journey is deep and primal. It connects with myth and psychology. But the attraction goes further. It taps into the natural origins of mankind.

Professor Jim Dillon writes,

“Given the pervasive presence of the primal vision monomyth across culture and time, it is reasonable to conclude that there are powerful structuring forces within the human psyche that incline it to cast the meaning of human existence, suffering, and healing in these three-part primal vision terms.”¹

The hero archetype, like other archetypes, originates in natural selection. Carl Jung explains that an archetype is,

“An inherited mode of functioning, corresponding to the inborn way in which the chick emerges from the egg, the bird builds its nest, a certain kind of wasp stings the motor

¹ Dillon, J. J. (2010). The primal vision: The psychological effects of creation myth. *Journal of Humanistic Psychology*, 50(4), 495-513. p. 507.

ganglion of the caterpillar, and eels find their way to the Bermudas.”²

The reason that the archetype is universal is that it’s genetic.³ The study of naturally selected behavior is called ethology. Psychiatrist Anthony Stevens writes,

“Ethology and Jungian psychology can be viewed as two sides of the same coin ... it is as if ethologists have been engaged in an extraverted exploration of the archetype.”⁴

Or, as Jung describes,

“All those factors, therefore, that were essential to our near and remote ancestors will also be essential to us, for they are embedded in the inherited organic system.”⁵

The following chapters explore these natural origins. These origins underlie philanthropy in general. But they also underlie the donor’s hero story in particular.

² Jung, C. (1953-1978). On the nature of the psyche. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume XVIII, para. 1228.

³ “Jung maps the psyche as a spectrum, with the archetype at the ultraviolet end and the instinct at the infrared end.... Imagine a line running through the psyche and connecting instinct and spirit at either end of it. This line is attached to archetype on one end and to instinct at the other.” Stein, M. (1998). *Jung's map of the soul*. Open Court. Ch. 4.

⁴ Stevens, A. (2001). *Jung: A very short introduction*. [Kindle Edition]. Oxford University Press. p. 52.

⁵ Jung, C. (1953-1978). On the nature of the psyche. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume VIII, para. 717.

Why jump in?

Look. I get it. This type of theoretical inquiry feels far removed from everyday fundraising.⁶ But this isn't just about academic theory. It's about effective fundraising. It may be down the rabbit hole. But it's still about being a better fundraiser tomorrow than you were yesterday.

This book can help in two ways. First, it gives you the “secret code” for philanthropic behavior. This is different than just learning a few fundraising tips and tricks. A tactic may have worked for someone else. Understanding the “why” beneath the “how” does more. It shows when a tactic will or won't work for you. It shows what to expect in any new scenario.

Once you understand the rules of the game, new is not scary. New causes, new messages, new donors, or new media aren't a problem. The underlying principals still apply. The “how” may change. The “why” stays the same.⁷

Second, it deepens understanding and confidence in effective strategies. It shows triangulation. Each book takes a dramatically different approach. But these different approaches

⁶ This relates to a fundamental reason why academic researchers and practitioners often fail to communicate. Academics tend to focus on the “Why?” questions. Practitioners tend to focus on the “How?” questions.

⁷ More formally, a deductive, theory-based approach can add to inductive, experience-based findings. A deductive theory (ideally one supported by past observations and experiences) can be used to predict future outcomes using new techniques in new scenarios.

don't lead to different conclusions. Instead, they converge.

The “one big thing” in fundraising remains the same: Advance the donor's hero story. Gaining deeper knowledge fits this same story. It matches the fundraiser's role as the hero's guiding sage.

What's ahead?

The hero's journey is an attractive story. (See Book II in this series: *The Epic Fundraiser*.) It also contains the steps for identity enhancement. That journey progresses through,⁸

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

These same steps also create the ideal donor experience. Further, each step connects to natural origins. This book explores those connections. The

⁸ Joseph Campbell uses a three-step circular illustration with this description: “A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man.”

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.

I label these steps as follows:

The beginning point of “the world of common day” is “**original identity**.”

“Venturing forth into a region of supernatural wonder” is “**challenge**.”

“Fabulous forces are there encountered and a decisive victory is won” is “**victory**.”

“The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man” is “**enhanced identity**.”

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I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

following chapters match this sequence of steps. Each chapter title gives the topic. Each subtitle gives the emotional statement we want donors to feel.

Step 1: Connect with original identity

1. Primal fundraising and subjective similarity:
I'm like them!
2. Primal fundraising and reciprocal alliances:
I'm with them!
3. Primal fundraising and capacity for reciprocity:
I'm with them because they're important to me!
4. Relationship is the foundation of primal fundraising:
I'm with them because we're partners!
5. Primal fundraising leads with a gift:
I'm with them because I'm important to them!

Steps 2 & 3: Present a challenge that wins a victory

6. Impact, gratitude, and reciprocity in primal fundraising:
I can make a difference!
7. Heroic donation displays in primal fundraising:

I can be your hero, baby!

8. The heroic donation audience in primal fundraising:

I need a hero!

Step 4: Deliver an enhanced identity

9. Primal fundraising delivers practical value with external identity:

This is totally worth it!

10. The power of community in primal fundraising:

I'm not just giving, I'm sharing!

11. Social norms in primal fundraising:

People like me make gifts like this!

12. Primal fundraising delivers transcendent value with internal identity:

I believe in this!

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**PRIMAL FUNDRAISING AND SUBJECTIVE
SIMILARITY:
I'M LIKE THEM!**

Story works

In fundraising, story is powerful. Story works better than formal descriptions. Story works better than facts and figures. Simply, story works better than non-story.

But for an effective fundraising story, we need something more. It's not enough to tell a story. We need to tell *the donor's* story.

The donor's story works

A compelling ask includes,

Challenge
 $\nearrow \quad \searrow$
Identity ← Victory

When does a story become *the donor's* story? This happens when the donor *identifies* with its characters and values. Fundraising starts with identity. Donors identify with characters they feel are *like* them.

Screenwriter Robert McKee explains it this way:

“Empathetic means ‘like me.’”¹

In brain research, donations involve taking another's perspective.² They also involve empathy for the other's situation.³ Both steps are easier when donors feel the other person is *like* them.

This feeling of similarity is powerful in fundraising. To understand why, we need to go back. Way back. All the way back to natural origins.

Natural origins

In 1964, W. D. Hamilton presented a genetic model for giving.⁴ Giving doesn't help the donor. But it can help the donor's genes. Giving is genetically helpful when,

My Cost < (Their Benefit X Our Similarity).

¹ McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting*. ReganBooks. p. 141.

² Hare, T. A., Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making incorporate input from regions involved in social cognition. *Journal of Neuroscience*, 30(2), 583-590.

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⁴ Hamilton, W. D. (1964). The genetical evolution of social behaviour. II. *Journal of Theoretical Biology*, 7(1), 17-52.

The math is easy. More benefit means more giving. Thus, need or impact matters. But so does similarity.

This simple model matches some findings. Similarity in

- Behavior
- Location, or
- Appearance

correlates with genetic similarity.⁵ Sharing these factors also increases cooperation and altruistic sharing.⁶

People often give more to those who are like them in some way. In experiments, giving increases when the donor and recipient share

- Political views
- Religious views
- Sports-team loyalty, or even
- Music preferences.⁷

⁵ Rushton, J. P. (1989). Genetic similarity, human altruism, and group selection. *Behavioral and Brain Sciences*, 12(3), 503-518.

⁶ *Id.*

⁷ Ben-Ner, A., McCall, B. P., Stephane, M., & Wang, H. (2009). Identity and in-group/out-group differentiation in work and giving behaviors: Experimental evidence. *Journal of Economic Behavior & Organization*, 72(1), 153-170.

Similarity is subjective

Hamilton's math is simple. But people are complex. A specific similarity with another is an objective fact. But its importance is not objective. Its importance is subjective.

Not every similarity counts. It must trigger a feeling that the other person is "like me." It must trigger *identification*. Important similarities are *identity-defining* similarities.

Suppose a giver and receiver share a likeness. They might both be Catholic. Or from Ohio. Or Hispanic. If a donor *identifies* with the factor, emphasizing it will help. Otherwise, it won't. That's why some similarities matter and others don't.

In one experiment, people could donate to rebuild after a hurricane.⁸ But different people saw different photos of damage. The victims in the photos were white, or black, or obscured. Which pictures worked better? It depended.

Potential donors were asked, "How close do you feel to your ethnic or racial group?" Those answering, "very close" or "close," gave more when the pictured victims *matched* their own race. For those answering, "not very close" or "not close at all," the result reversed. They gave more when the victims *did not match* their own race.

© 2006-2009 Fong, C. M., & Luttmer, E. F. (2009). What determines giving to Hurricane Katrina victims? Experimental evidence on racial group loyalty. *American Economic Journal: Applied Economics*, 1(2), 64-87.

Race mattered. But identity determined how it mattered. *Objective* similarity mattered. But *subjective* feelings determined how it mattered.⁹

Similarity with charities

Similarities with a beneficiary can make a difference. But in fundraising, the donor doesn't give directly to a beneficiary. The donor gives to a charity.

This creates another chance for shared identity. The donor can still identify with a beneficiary. But he can also identify with the charity and its agents.¹⁰

For example, a donor might give to famine relief through his church. But he might never have given directly to a famine relief charity. The famine

⁹ See also, Carboni, J. L., & Eikenberry, A. M. (2021). Do giving circles democratize philanthropy? Donor identity and giving to historically marginalized groups. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 32, 247-256. p. 247. ("Findings show giving circle members and those not in giving circles are both more likely to give to a shared identity group – related to race, gender, and gender identity – leading to bonding social capital. However, giving circle members are more likely than those not in giving circles to give to groups that do not share their identity, suggesting giving circles also encourage bridging social capital.")

¹⁰ One study of donors to a Division I athletic department found that organizational identification mediated the effects of other marketing programs on donations. The researchers explained,

"... this study found that fans who were satisfied with [the athletic department's philanthropic Corporate Social Responsibility] initiatives on an athletic department website were more likely to be identified with the athletic department. In turn, a fan's identification with the athletic department affected his or her online donation intentions to the athletic department." (p. 610)

Hwang, G., Kim, L. A., & Inoue, Y. (2020). Corporate social responsibility and college sports fans' online donations. *International Journal of Sports Marketing and Sponsorship*, 21(4), 597-616.

victims might be identical. The impact might be identical. But the charity is different. Sharing identity with the charity can motivate a gift.

A donor can also identify with the fundraiser. Sharing similarities can help. In experiments, people are more compliant if the requester shares

- The same birthday
- Fingerprint similarities, or
- The same first name.¹¹

One study examined 27 years of major gift proposals at a major research university.¹² When female major gift prospects were solicited by female fundraisers, they

- Were more likely to give,
- Gave larger amounts, and
- Were more likely to make subsequent gifts.

Another study looked at a university's fundraising phone calls. Alumni were more likely to give to student callers who shared their same

- Field of study¹³

¹¹ Burger, J. M., Messian, N., Patel, S., del Prado, A., & Anderson, C. (2004). What a coincidence! The effects of incidental similarity on compliance. *Personality and Social Psychology Bulletin*, 30(1), 35-43.

¹² Adams, C. C. (2017). *Gender congruence and philanthropic behavior: A critical quantitative approach to charitable giving practices*. [Dissertation]. University of Missouri-Columbia.

<https://mospace.umsystem.edu/xmlui/handle/10355/62238>

¹³ Bekkers, R. (2010). George gives to geology Jane: The name letter effect and incidental similarity cues in fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, 15(2), 172-180.

- First name, or even
- First letter of their first name.¹⁴

This also happened when the alumnus's name started with the same letter as *the university's* name.

Another study found a similar result. It asked for donations for an education project. If the project was led by a teacher with the donor's first name, giving doubled.¹⁵

The importance of name matching might seem odd. But one's name is central to one's identity. In fundraising, identity-defining similarities are powerful.

Fundraising and subjective similarities

Identity-defining similarity makes giving attractive. Similarities can be shared with beneficiaries or charity personnel. But this shared identity is not fixed. A fundraiser can influence it. She¹⁶ can,

- Reference and remind donors of similarities.

¹⁴ This difference was 40.9% vs. 19.5%

¹⁵ Munz, K., Jung, M., & Alter, A. (2017). Charitable giving to teachers with the same name: An implicit egotism field experiment. *ACR North American Advances*, 45.

http://www.acrwebsite.org/volumes/v45/acr_vol45_1024370.pdf

¹⁶ As a convention for clarity and variety, throughout this series the donor/hero is referred to with "he/him/his" and the fundraiser/sage is referred to with "she/her/hers." Of course, any role can be played by any gender.

- Shape perceived similarities through Socratic inquiry.
- Build perceived similarities through donor experiences.
- Suggest giving options that match with identity-defining similarities.

Some similarities are obvious. But the real power comes from similarities that *matter* to the donor. These connect with the donor's identity-defining characteristics.

How can a fundraiser discover these? By listening. Powerful fundraising begins by asking questions and listening. Appreciative inquiry can uncover the donor's life story and values. These reveal the donor's identity-defining traits. They show the similarities *that matter* to the donor.

Armed with this information, the fundraiser can match the giving *challenge* with the donor's *identity*. A gift can support specific projects. It can help specific people. It can advance specific values. This can link the first two steps in the journey:

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

A fundraiser can uncover these identity-defining factors. But she can do more. She can influence them. Asking what's important to the donor changes attitudes. It highlights the importance of these issues. In experiments, asking donors about the

importance of causes or projects increases support.¹⁷ Asking donors to recall life story connections to a cause does the same.¹⁸ These Socratic processes change donor attitudes.

Donor experiences can also build shared identity. Events can create a sense of shared group membership. They can enhance feelings of similarity. Marketing, too, can emphasize shared identity. Any experience that makes the donor think, “I’m like them” is powerful.

Summary

Similarities matter. They matter for the beneficiary. They matter for the charity. Ultimately, helping people or organizations like “us” is compelling. But this “us” is not set in stone. The donor subjectively defines this “us” group. However the donor defines it, being part of “us” is powerful.

¹⁷ James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing*, 15(3), 393-411.

¹⁸ James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership*, 26(1), 73-89; James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011.

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2

PRIMAL FUNDRAISING AND RECIPROCAL ALLIANCES: I'M WITH THEM!

Effective fundraising starts with identity. Compelling fundraising story connects the donation story with *the donor's* story. When does a story become *the donor's* story? When the donor *identifies* with its characters and values.

In fundraising, identifying with others is powerful. It's what turns "them" into "us." It's what turns "giving" into "sharing." A donor identifies with others for two reasons:

1. I am *like* them.
2. I am *with* them.

The first reflects subjective similarity; the second, alliances. Both are rooted in natural origins.

Natural origins of giving: I am like them

Altruism means I give away something valuable to help another. Why would natural selection lead to this behavior? The first explanation is similarity: I am *like* them. This is the simple math from Hamilton.¹ I give if

$$\text{My Cost} < (\text{Their Benefit} \times \text{Our Similarity}).$$

This approach is simple. Most altruism in animals matches this model.

Natural origins of giving: I am with them

But what if we're not related? How could natural selection lead to altruism? I give up something valuable. It helps you, but it costs me. And you are not at all like me. In natural selection, this seems like a bad idea.

But now let's add a wrinkle. Suppose our world becomes better if we *both* act this way. This changes things. Altruism is still costly. But in the long run, it *could* benefit me. It could also benefit others similar to me. This opens the possibility for alliances. This opens the possibility for *reciprocal altruism*.

Let's play a game

We have a dilemma. Altruism costs the donor. But if everyone does it, everyone is better off.

¹ Hamilton, W. D. (1964). The genetical evolution of social behaviour. *Journal of Theoretical Biology*, 7(1), 17-52.

(Otherwise, altruism outside the family would never make sense.)

Biologists model this dilemma with a game.² Let's start with two players. My choice is this. I keep everything and get a larger reward. Or I give and get a smaller reward.

That's an easy choice. The answer is simple: Don't give. Now suppose my gift helps the other player more than it costs me. The answer is still simple: Don't give. With an unrelated player, changing the payoff doesn't matter.

Adding a new twist changes the game. Now, the other player also faces the same choice. If we *both* give, we *both* become better off. A simple trade now makes sense.

But a new problem changes the game once more. Suppose each must choose *before* knowing what the other player will do.

Here's an example. Both players face these payoffs:

² Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396; Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222; Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology*, 46(1), 35-57.

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|-------------------------------|-------------------------------|
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

If we both give, we both win. (We each get 2 points. The total is 4 points.) If I give and they don't, they win big, and I lose big. (I get 0 points. They get 3 points. The total is 3 points.) If neither gives, we both lose. (We each get 1 point. The total is only 2 points.)

This simple game captures the core issue.³ Reciprocal altruism is possible. It is beneficial. But it requires an alliance. It requires trust. Why? Because I must act *before* I know what the other player will do.

³ The tradeoff scenario is also called the prisoner's dilemma. Of course, reciprocity need not be altruistic. It can be simple mutualism. Suppose it takes two cavemen to bring down a woolly mammoth. If I (as a caveman) cooperate with the other person, I get a reward. If I don't, I won't. That's not altruism; that's mutualism. Altruism occurs when I lose something in order to benefit an unrelated other. The choice presented in the prisoner's dilemma isn't mutualism. The choice here is altruism because no matter what the other player does, I am personally better off if I don't give. But if we both give, we create additional shared benefit. This is the challenge of altruism. It costs me to behave altruistically. But the world becomes better for everyone if we all behave this way. For a detailed discussion of this game, see Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222.

The little game that could

This little game is powerful. Biologists use it to model reciprocal altruism across the natural world.⁴ Research finds reciprocal altruism in

- Vampire bats ⁵
- Vervet monkeys ⁶
- Sea bass ⁷
- Minnows ⁸
- Guppies ⁹
- Fig wasps,¹⁰ and
- Tree swallows.¹¹

It arises in “fungi, plants, fish, birds, rats, and primates.”¹² Giving is natural. Specifically, *reciprocal*

⁴ See Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396; Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222; Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology*, 46(1), 35-57.

⁵ Wilkinson, G. S. (1984). Reciprocal food sharing in the vampire bat. *Nature*, 308 (5955), 181.

⁶ Seyfarth, R. M., & Cheney, D. L. (1984). Grooming, alliances and reciprocal altruism in vervet monkeys. *Nature*, 308 (5959), 541-543.

⁷ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1394.

⁸ Milinski, M., Kulling, D., & Kettler, R. (1990). Tit for tat: Sticklebacks (*Gasterosteus aculeatus*) 'trusting' a cooperating partner. *Behavioral Ecology*, 1(1), 7-11.

⁹ Dugatkin, L. A., & Alfieri, M. (1992). Interpopulational differences in the use of the tit-for-tat strategy during predator inspection in the guppy, *Poecilia reticulata*. *Evolutionary Ecology*, 6(6), 519-526.

¹⁰ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1395.

¹¹ Lombardo, M. P. (1985). Mutual restraint in tree swallows: a test of the Tit for Tat model of reciprocity. *Science*, 227 (4692), 1363-1365.

¹² Carter, G., Chen, T., & Razik, I. (2020). The theory of reciprocal altruism. In T. Shackelford (Ed.), *The SAGE handbook of evolutionary psychology*. Sage.

giving is natural. The little game is powerful because it captures the underlying, *primal* donation decision.

But it can also model modern giving. Consider this situation. Suppose my neighborhood is raising money to refurbish its park. Four different outcomes match those in the game.

1. Everyone gives a lot. The park will be beautiful. Property values will go way up. Everyone will win.
2. I don't give, but everyone else still does. I come out even further ahead. Property values still go up, but it costs me nothing.
3. I give big, but others don't. I lose. It will cost me a lot, but improvements will be limited. Property values won't go up much.
4. Finally, if nobody gives, nobody benefits. Property values won't change.

These four outcomes match the game. The game models my modern donation tradeoffs. It turns out this little game is quite flexible. We'll see that, with small variations, it can model

- Impact

("Experiments demonstrate that fungi, plants, fish, birds, and rats can enforce mutual benefit by contingently altering their cooperative investments based on the cooperative returns, as predicted by the theory of reciprocal altruism."); See also, Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition*, 1(3), 368-386. p. 368. ("evidence shows that fungi, plants, fish, birds, rats, and primates enforce mutual benefit by contingently altering their cooperative investments based on the cooperative returns, just as predicted by the original reciprocity theory.")

- Gratitude
- Publicity
- Threat or opportunity
- Tax deductions
- Lead gifts
- Matching gifts
- New donor attrition
- Recipient similarity
- Prospect development
- Donor benefits
- Crisis appeals
- And more.

Winning strategies

It starts with a simple choice. Give or don't. But with many rounds and many players, the game gets complicated. Giving costs. Without reciprocity, it's never repaid. So, winning means predicting reciprocity. That's tricky. But it starts with an unbreakable natural law. It starts with this:

Giving must be seen by partners who are able and willing to reciprocate.

Without this, reciprocity is impossible. Without this, giving *always* loses. Observers must be *able and willing to reciprocate*. Thus, two factors encourage giving in the game:

1. Audience capacity.
This answers, “Are they *able* to reciprocate?”
2. Reciprocity signals.
This answers, “Are they *willing* to reciprocate?”

These are rules for the primal-giving game.
These are also rules for the modern fundraising game.
We’ll look at both in depth. But first, it’s important to recognize something.

That’s not how people think

OK, I get it. These games might be fun. But there’s a problem. Maybe you’ve sensed it already. You might be saying,

- “That’s not how people think!” or
- “Nobody plays this silly Sudoku game before donating.”

Fine. I’ll concede. This isn’t how people think. (Well, maybe professors do. But we don’t count as real people.) Here’s the thing. Natural selection isn’t based on what people *think*. It’s based on what they *do*.

It’s how they act

Can we predict where a cow will graze? Yes.
How? With a spatial lag regression model.
Specifically, one including elevation, slope, cover, and

distance from fence, roads, and water. Don't believe me? Read the academic paper.¹³

But is that how cows *think*? Are cows secretly doing calculus?¹⁴ Probably not. But cows *do* graze optimally. The ones who didn't died out long ago.

Optimizing behaviors replicate. Failing behaviors don't. A model that identifies optimizing behavior will predict actions. This is true even if it isn't "how" a creature thinks.¹⁵ Natural origins might not predict how people will *think*. They do predict how people will *act*.

The game predicts actions. But the game's math calculations are not *how* people think. Indeed, they shouldn't be. Slowly making such deliberative calculations is inefficient. Instead, these reactions are quick. They're embedded deep in fast, intuitive,

¹³ Sawalhah, M. N., Cibils, A. F., Hu, C., Cao, H., & Holechek, J. L. (2014). Animal-driven rotational grazing patterns on seasonally grazed New Mexico rangeland. *Rangeland Ecology & Management*, 67(6), 710-714.

¹⁴ Maybe Gary Larson was right!

<https://imgflip.com/memetemplate/173580524/Far-Side-Cows-Car>

¹⁵ "A key insight of evolutionary theory is that natural selection produces seemingly strategic behaviors that are economically rational, even if the mechanisms are different from those that facilitate human decision-making." Carter, G., Chen, T., & Razik, I. (2020). The theory of reciprocal altruism. In T. Shackelford (Ed.), *The SAGE handbook of evolutionary psychology*. Sage. The "calculated reciprocity error" is the idea that reciprocal altruism can't apply to simple creatures because it requires "an understanding of game payoffs and the ability to keep score, plan ahead, and delay gratification." But it doesn't. It requires only the behavior, not the understanding. Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition*, 1(3), 368-386.

emotional systems.¹⁶ Zoologist Gerald Carter explains,

“Calculated reciprocity in humans often appears ‘instinctive,’ subconscious, and context-specific. Rather than relying on strategic self-control, many human prosocial behaviors are fast, intuitive, and built into our basic emotions ... Reasoning through a logic puzzle is slow and difficult compared to the way insight is quickly gained about the same logical problem framed as a social exchange.”¹⁷

How people think is with social emotion, not math. But the math still predicts behavior. In each case, the game works. It matches experiments. It matches real-world donor behavior. It matches effective fundraising practice.

It's how they act even when it doesn't make sense

But wait a second. Often donors aren't expecting any actual reciprocity or returned favors. And they certainly know the beneficiaries aren't

¹⁶ Rand, D. G. (2016). Cooperation, fast and slow: Meta-analytic evidence for a theory of social heuristics and self-interested deliberation. *Psychological Science* 27(9), 1192-1206; Rand, D. G., Peysakhovich, A., Kraft-Todd, G. T., et al. (2014). Social heuristics shape intuitive cooperation. *Nature Communications*, 5(3677), 1-12.

¹⁷ Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition*, 1(3), 368-386.

related to them. So, why are reciprocity and similarity signals still important?

Giving behavior didn't develop in the modern world. It developed in a smaller, more communal world. In that world, reciprocity was real. Responding to reciprocity signals could even impact survival.

In the modern world, things may be different. These ancient signals may no longer make sense logically. But the power of the signal remains. It remains because it's hard wired. Changing the environment doesn't change the power of the signal.

An example from biology illustrates this. In the 1940s, a biologist was working with herring-gull chicks.¹⁸ Chicks begged for food by pecking on a parent's beak. Noticing a red dot on the beaks, he painted this on a flat stick. The chicks pecked at the red dot on the stick.

But then things got weird. He made a striped metal rod with even stronger contrast. The chicks went for it. They loved it so much, they ignored the parent's natural markings.¹⁹

Here's another example. The female fritillary butterfly's fluttering wings attract males for mating.

¹⁸ Tinbergen, N., & Perdeck, A. C. (1951). On the stimulus situation releasing the begging response in the newly hatched Herring Gull chick (*Larus argentatus argentatus* Pont.). *Behaviour*, 3(1), 1-39.

¹⁹ *Id.* p. 35.

In nature, faster fluttering shows better health and a more attractive mate. But in the lab, a rotating cylinder creates super-fast fluttering. It turns out, male butterflies prefer the high-speed cylinder to *actual* female butterflies.²⁰

These “supernormal” stimuli are odd examples.²¹ But they show an underlying idea. Preferences develop in the original natural setting. But they continue even after the setting changes.²² They continue even if they no longer make sense.

Prehistoric man had no international relief charities or institutional advancement offices. But the giving signals selected in prehistory still matter

²⁰ Magnus, D. (1958). Experimentelle Untersuchungen zur Bionomie und Ethologie des Kaisermantels *Argynnis paphia* L.(Lep. Nymph.) I. Über optische Auslöser von Anfliegereaktionen und ihre Bedeutung für das Sichfinden der Geschlechter. *Zeitschrift für Tierpsychologie*, 15(4), 397-426.

²¹ Staddon, J. E. R. (1975). A note on the evolutionary significance of "supernormal" stimuli. *The American Naturalist*, 109(969), 541-545. For an example in humans, see Morris, P. H., White, J., Morrison, E. R., & Fisher, K. (2013). High heels as supernormal stimuli: How wearing high heels affects judgements of female attractiveness. *Evolution and Human Behavior*, 34(3), 176-181.

²² This is known as the concept of ecological rationality.

“Importantly, the mind was designed by the average consequences of natural selection in ancestral environments, and so it is not necessarily guided by information about the prospective profitability of a potential relationship that is actuarially rational in the present ... But the mind's mechanisms may be ecologically rational. In an ecologically rational mind, psychological mechanisms are triggered by the presence of cues associated with ancestral challenges and opportunities.” (Citations omitted.)

Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019).

© 2006-2019 The Ecological Rationality of Helping
The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior*, 40(1), 34-45. p. 35.

today.²³ They still matter, even if they no longer make sense.

The signals still matter

Instead of birds and butterflies, let's look at people. In the game, the unbreakable natural law of giving starts with,

"Giving must be seen ..."

Gift visibility works. But here's where it gets weird. It works *even if it isn't real*. Just posting a picture of watching eyes nearby increases donations.²⁴

The results get even more extreme. One experiment put three dots on fundraising appeal letters for a public library.²⁵ The three dots were arranged either as a "pyramid,"

²³ "For example, humans treat one-shot economic games as if they might be repeated, which makes sense given that most social interactions in the human ancestral environment would be repeated (Delton et al., 2011)." Carter, G., Chen, T., & Razik, I. (2020). The theory of reciprocal altruism. In T. Shackelford (Ed.), *The SAGE handbook of evolutionary psychology*. Sage.

Citing to,

Delton, A. W., Krasnow, M. M., Cosmides, L., & Tooby, J. (2011). Evolution of direct reciprocity under uncertainty can explain human generosity in one-shot encounters. *Proceedings of the National Academy of Sciences*, 108(32), 13335-13340.

²⁴ Bateson, M., Nettle D., & Roberts, G. (2006). Cues of being watched enhance cooperation in a real-world setting. *Biology Letters*, 2, 412-414; Haley, K. J. & Fessler, D.M.T. (2005). Nobody's watching? Subtle cues affect generosity in an anonymous economic game. *Evolution and Human Behavior*, 26, 245-256.

²⁵ Krupka, E. A., & Croson, R. F. (2016). The differential impact of social norms cues on charitable contributions. *Journal of Economic Behavior and Organization*, 128, 149-158



or as “eyespot”:



Letters with “eyespot” generated *more than three times* the donations of those with a “pyramid.”²⁶ Of course, this isn’t logical. But it is predictable. The ancient signals still drive behavior. The do so even when they no longer make sense. When we flip that switch, we get a response.

Conclusion

The primal-giving game matters. This *little* game shows when reciprocal altruism works. It shows when it works in the *big* game of survival.

In prehistory, we won that game by paying attention to these signals. The modern world is different. But playing the modern fundraising game still requires paying attention to these ancient signals. Next, we’ll explore one of those signals.

²⁶ *Id.* p. 154. t. 1.

3

PRIMAL FUNDRAISING AND CAPACITY FOR RECIPROCITY:

**I'M WITH THEM BECAUSE THEY'RE IMPORTANT TO
ME!**

It starts with a question

In nature, sustainable giving to unrelated others does occur. But it happens only with reciprocal alliances. These alliances start by answering a question:

Who is *able* and *willing* to return a favor?

Predicting who is *able* involves many factors:

- Who is likely to have a shared future with me? (Who is near me? Who is stable?)
- Who has strength (or other valuable resources) to share?
- Who can observe my giving?

Answering these gets complex. But biologists often model these using a simple game.¹

The primal-giving game

The game is this. Two unrelated players both face these same payoffs.

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|-------------------------------|-------------------------------|
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

Each must choose to give, or not, before knowing what the other will do. The game has an unbreakable law. It is this:

Giving must be seen by partners who are *able* and *willing* to reciprocate.

Without this, reciprocal altruism fails. Giving costs. Thus, if a gift's audience can't reciprocate, giving always loses. As capacity to reciprocate grows, so can giving.

One-round game

Suppose there is only one round of this game. In that case, giving would break the first law. My giving is never seen by a partner with capacity to

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¹ Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222.

Giving is possible. But *reciprocity* is not. In this scenario, we have no future together. The right play is simple. Don't give. Ever. Without reciprocity, giving always loses.

The game must have more than one round. Otherwise, giving never makes sense. What if the game had multiple rounds, but no one could tell if I gave or not? Again, giving would break the first law. If other players never see my gifts, they can't respond to them. They can't reciprocate. Without reciprocity, giving always loses.

Now suppose my giving is visible, but only to the other player. Reciprocity is possible, but only if I encounter *this* player again. What if we will never meet again? Giving would break the first law. We have no shared future. This player has no capacity for reciprocity. Without reciprocity, giving always loses.²

² “With two individuals destined never to meet again, the only strategy that can be called a solution to the game is to defect always despite the seemingly paradoxical outcome that both do worse than they could have had they cooperated.” Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1391.

Capacity for reciprocity in the game

In this game, the audience's capacity to reciprocate is simple. It's just the number of future game meetings. If I'll meet them in 0 future games, they can't reciprocate. If I'll meet them in 1 future game, they can. If I'll meet them in 10 future games, they can reciprocate 10 times more.

Chance fits in the game, too. If there's a 1% chance I'll meet them in 1 more game, I probably don't care. But if there's a 10% chance I'll meet them in 100 more games, I probably should care.

Capacity for reciprocity in nature: Strangers vs. neighbors

In nature, reciprocal altruism starts with the same question: Do we have a shared future? (In other words, will we play future reciprocal games?) The formal idea is this:

“The shadow of the future makes it ecologically rational for organisms to cooperate, rather than cheat or exploit each other. In part, this is because an act of defection now lowers the probability of receiving a stream of benefits in the future if one's partner responds to defection in kind.”³

³ Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019).

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The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior*, 40(1), 34-45. p. 35.

In the game, this “shadow of the future” is simple. It’s the expected number of future interactions. In nature, this number is high for neighbors and low for strangers. Researchers explain,

“There are two quite different kinds of interaction: those in neighboring territories where the probability of interaction is high, and strangers whose probability of future interaction is low.”⁴

Neighbors have a shared future. Strangers usually don’t. Among neighbors, the capacity to reciprocate is high. Among strangers, it is low. Animals will form reciprocal alliances with neighbors. They’ll do so even with competing neighbors. But they won’t do this with strangers.⁵

One example of mutual sharing happens in the ocean. Small cleaner fish will eat parasites off larger fish. The larger fish don’t eat the cleaners, although they could. Both sides benefit. But this doesn’t happen everywhere. It happens only when there are stable neighborhoods. Researchers explain,

“Aquatic cleaner mutualisms occur in coastal and reef situations where animals live in fixed home ranges or territories. They seem to be

⁴ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1395.

See, e.g., Getty, T. (1987). Dear enemies and the prisoner's dilemma: Why should territorial neighbors form defensive coalitions? *American Zoologist*, 27(2), 327-336.

unknown in the free-mixing circumstances of the open sea.”⁶

Some places – such as the open ocean – have no neighborhoods. Without stable neighbors, repeated interactions are rare. Without this shared future, reciprocal helping disappears.

In nature, sustainable giving starts with a shared future. This requires stable neighbors. For example, ants have many reciprocal relationships with other species. Ant colonies stay in one place. In contrast, honeybees don’t have such relationships.⁷ Honeybee colonies often relocate.

Reciprocal altruism starts with this question: Do we have a shared future? With unstable neighbors, expected future meetings decline. With unstable neighbors, reciprocal altruism fails.⁸

Charity strangers

So, what do games, fish, ants, and bees have to do with fundraising? In each case, sustainable giving starts by answering, “Do we have a shared future?”

⁶ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1394

⁷ *Id.* p. 1394; Wilson, E. O. (1971). *The insect societies*. Bellknap.

⁸ Examples of inter-species cooperation must be based exclusively on reciprocity, as similarity is impossible. However, the importance of neighborhoods increases even more for intra-species cooperation because neighbors tend to also have a higher probability of genetic relatedness. See Eshel, I., Samuelson, L., & Shaked, A. (1998). Altruists, egoists, and hooligans in a local interaction model. *American Economic Review*, 88(1), 157-179.

Stable neighbors have a future together. Passing strangers don't.

Some charities see the big “open ocean” of generic prospects. They think success lies there. They like their own story. So, their thought is this:

“Just throw our message as far and wide as possible! The potential is unlimited!”⁹

This sounds good. And, yes, the charity can “reach” many prospects. But it reaches them *as a stranger*.

Approaching another as a stranger doesn't encourage sharing. (Nature says, “Strangers make bad partners.”) Thus, this “open ocean” approach isn't initially rewarding. Professor Adrian Sargeant explains,

“It typically costs nonprofits two to three times as much to recruit a donor than they will give by way of a first donation.”¹⁰

Nevertheless, this strategy can eventually work. But it works only if the charity then becomes a stable,

⁹ Or, as Greg Warner calls it, the “spray and pray” method. See Warner, G. (2018). *Engagement fundraising: How to raise more money for less in the 21st century*. MarketSmart.

¹⁰ Steinberg, R., & Morris, D. (2010). Ratio discrimination in charity fundraising: The inappropriate use of cost ratios has harmful side-effects. *Voluntary Sector Review*, 1(1), 77-95. p. 86.

Citing to,

Sargeant, A. (2008). *Donor retention: What do we know and what can we do about it?* Association of Fundraising Professionals,

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www.afpnet.com/content_documents/Donor_Retention_What_Do_We_Know.pdf

reciprocal neighbor. The charity must create a shared future with the donor. In the game, this means ongoing reciprocal interactions.

Charity neighbors

Call it engagement. Call it relationship. Call it community. These are all good social-emotional words. But in the game, they simplify to one thing. These are the expected number of future reciprocal interactions. Increase this and giving makes sense. Eliminate this and it doesn't.

How can a charity increase future reciprocal interactions? There are many ways. Maybe it's building a mutually supportive community of board members. Maybe it's creating compelling volunteer activities. Maybe it's hosting attractive gatherings.

But let's start simple. Want to succeed in fundraising? Go see donors.¹¹ Bring a gift. Neighbors do that. Good ones do it regularly.

It sounds simple. But it's rare because it's hard work. Staying in the office is easier. Pontificating about branding style guides is more fun. But answer this: "What works in the primal-giving game?"

The game isn't about marketing corporate-speak. Instead, it depends on a number. It depends on the expected number of future reciprocal

¹¹ For an excellent description of this concept see, Tumolo, J. (2017). *Go see people: Grow your fundraising program*. Independently published.

interactions. This starts with a simple question: “Do we have a shared future together?”

Charity neighbors and strangers in legacy giving

“Go see donors?” Really? Is that it? No. But it starts there. Many charities fail to take this first step, even with potentially large donors.

Consider legacy giving. The estate gift is normally, by far, the largest gift a donor will ever make.¹² And yet, charities often react to learning of such a planned gift – by disappearing.

Modern campaign metrics use a “count it and forget it” approach. A charity learns it is in the donor’s will. So, it declares victory, and then disappears. Fundraisers receive no credit for maintaining the relationship. The neighborly visits stop. This changes the answer to, “Do we have a shared future?” It changes the expected number of future reciprocal interactions. What happens then? The gift goes away.¹³

¹² Decedents in 2007 with estates of under \$2 million, \$2<\$5 million, \$5<\$10 million, \$10<\$50 million, \$50<\$100 million, and \$100 million+, produced estate gifts averaging 3.5 times, 20 times, 25 times, 28 times, 50 times, and 103 times, respectively, their average annual giving in the last five years prior to death.

Steuerle, C. E., Bourne, J., Ovalle, J., Raub, B., Newcomb, J., & Steele, E. (2018). *Patterns of giving by the wealthy*. Urban Institute. Table 4. https://www.urban.org/sites/default/files/publication/99018/patterns_of_giving_by_the_wealthy_2.pdf.

¹³ For data on the end-of-life instability of charitable estate components, see James, R. N., Hill, J., & Baker, C. (2015). The timing of final charitable bequest decisions. *International Journal of Nonprofit and Voluntary Sector Marketing*, 20(3), 277-283.

One study looked at decedents from several large charities' legacy societies.¹⁴ What happened during their last two years of life? About one in four received no communications from the charities. Among these people, half removed their gifts. But for those who got at least one communication, fewer than a quarter removed their gifts.

This seems obvious, right? Stay connected to your donors. But even among these large charities, it often didn't happen. And when it didn't, the gifts went away.

Neighbor strength and stability in nature

Reciprocal altruism works best with a strong, stable neighbor. In the game, sharing with a player who is about to leave makes no sense. This changes the answer to the question, "Do we have a shared future?" In nature, weakness or sickness usually ends reciprocal cooperation.

Researchers explain,

"The ability to monitor cues for the likelihood of continued interaction is helpful as an indication of when reciprocal cooperation is or is not stable.... Illness in one partner leading to reduced viability would be one detectable sign

¹⁴ Wishart, R., & James, R. N., III. (2021). The final outcome of charitable bequest gift intentions: Findings and implications for legacy fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, 26(4), e1703.

of declining [future interactions]. Both animals in a partnership would then be expected to become less cooperative.”¹⁵

This occurs even at the microscopic level. In a “microbiome mutiny,” formerly helpful bacteria become harmful when a host becomes seriously ill.¹⁶ The strategy makes sense. A partner who is likely to expire can’t offer long-term reciprocity. Reciprocal altruism no longer works.

In the game and in nature, sharing works best with a strong, stable partner. This is true for people, too. In experiments, people are more likely to share with a high-status player.¹⁷ Even in primitive tribes, high-status members receive more gifts of food.¹⁸

¹⁵ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1395.

¹⁶ Rózsa, L., Apari, P., & Müller, V. (2015). The microbiome mutiny hypothesis: can our microbiome turn against us when we are old or seriously ill? *Biology Direct*, 10(1), 1-9.

¹⁷ Ball, S., & Eckel, C. C. (1998). The economic value of status. *The Journal of Socio-Economics*, 27(4), 495-497. They’re also more likely to join a high-status person in supporting a cause. See, Ebeling, F., Feldhaus, C., & Fendrich, J. (2017). A field experiment on the impact of a prior donor’s social status on subsequent charitable giving. *Journal of Economic Psychology*, 61, 124-133.

¹⁸ Hames, R. (2017). Reciprocal altruism in Yanomamö food exchange. In L. Cronk, N. Chagnon, & W. Irons (Eds.), *Adaptation and human behavior: An anthropological perspective* (pp. 397-416). Routledge. (“Research in hierarchical societies (Betzig 1988; Bird and Bird 1997) clearly shows that high-status households receive disproportionately more and give disproportionately less in food exchanges.”)

Citing to,

Betzig, L. (1988). Redistribution: Equity or exploitation. In L. Betzig, M. B. Mulder & P. Turke (Eds.), *Human reproductive behavior: A Darwinian perspective* (pp. 49-63). Cambridge University Press;

Bird, R. L. B., & Bird, D. W. (1997). Delayed reciprocity and tolerated theft: The behavioral ecology of food-sharing strategies. *Current Anthropology*, 38(1), 49-78.

Charity strength and stability in fundraising

For real world fundraising, the results are similar. Donors give more to strong, stable charities.¹⁹ Studies using financial data from thousands of charities confirm this. One reports that fundraising success is predicted by a charity's

“Ability to continue to operate and provide charitable services in the event of changed economic circumstances.”²⁰

Another concludes,

“Donors want to know whether the organization can continue to operate in the future.”²¹

But wait. Shouldn't large donations go to the neediest organizations? Nature says no. Nature says share with the strongest, most stable partners.

Do large donations go to the neediest organizations? Of course not. More than two-thirds of all donations over \$1 million go to universities that

¹⁹ Trussel, J. M., & Parsons, L. M. (2007). Financial reporting factors affecting donations to charitable organizations. *Advances in Accounting*, 23, 263-285; Parsons, L. M., & Trussel, J. M. (2008). Fundamental analysis of not-for-profit financial statements: An examination of financial vulnerability measures. *Research in Government and Nonprofit Accounting*, 12, 35-56.

²⁰ Parsons, L. M., & Trussel, J. M. (2008). Fundamental analysis of not-for-profit financial statements: An examination of financial vulnerability measures. *Research in Government and Nonprofit Accounting*, 12, 35-56. p. 35. (Also see p. 52, “Our results suggest that contributions are positively associated with a charitable organization’s ability to continue to operate ...”)

²¹ Trussel, J. M., & Parsons, L. M. (2007). Financial reporting factors affecting donations to charitable organizations. *Advances in Accounting*, 23, 263-285. p. 268.

hold large endowments or foundations that *are* large endowments.²² In 2019, nine of the ten largest charitable gifts went to such groups.²³

Stability is particularly important for estate gifts. Death reminders increase giving to a charity when it is described as making a “lasting” – rather than an “immediate” – impact.²⁴ Among those with estates over \$5 million, 78% of charitable dollars go to permanent foundations.²⁵ Over a quarter of all charitable bequests to education go to just 35 of the wealthiest, oldest, and most stable private schools.²⁶ As in nature, strength and stability attract giving.

Showing charity strength and stability

Strong, stable charities attract major gifts. If you have it, emphasize it. Be careful though. This isn’t just about, “Aren’t we so great?” It’s still about *the donor*. It’s about answering, “Do we have a shared

²² See, e.g., Coutts and Co. (2015). *Coutts million pound donors report*. <http://philanthropy.coutts.com/en/reports/2015/united-states/findings.html> and <http://philanthropy.coutts.com/en/reports/2015/united-kingdom/findings.html>

²³ Yakowicz, W. (2019, Dec. 29). The biggest philanthropic gifts of 2019. *Forbes*. <https://www.forbes.com/sites/willyakowicz/2020/12/29/the-top-10-philanthropic-gifts-of-2019>

²⁴ Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It’s only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science*, 23(7), 704-709.

²⁵ Raub, B. G., & Newcomb, J. (2011, Summer). Federal estate tax returns filed for 2007 decedents. *Statistics of Income Bulletin*, 31, 188-191.

<https://www.irs.gov/pub/irs-soi/11essumbulestatereturns.pdf> (among decedents in 2007 with estates of \$5 million and above, 78% of charitable dollars went to private foundations).

²⁶ Fleischer, M. P. (2007). Charitable contributions in an ideal estate tax. *Tax Law Review*, 60, 263-321. p. 303.

future together?” Strength and stability messages can help. They help when they show that, “Donors can make a lasting impact here.” They help when they show that, “We can have a long future together.”

But what if the charity is new? In experiments, just using permanence language to describe impact can help.²⁷ Also, when a charity doesn’t have permanence, it can sometimes borrow it.

It can borrow it from other supporters. A community of wealthy and committed donors has strength and stability, even if the charity is new. Strong, stable supporters encourage giving by others. Research experiments show this. People are more likely to donate after seeing a high-status player give than after seeing a low-status player give.²⁸

A charity can even borrow permanence from other organizations. In experiments, the chance to endow a permanent fund can dramatically increase donations.²⁹ Even a new or unstable charity can offer this. It can create a fund held by a strong community foundation.

²⁷ Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It’s only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science*, 23(7), 704-709.

²⁸ Kumru, C. S., & Vesterlund, L. (2010). The effect of status on charitable giving. *Journal of Public Economic Theory*, 12(4), 709-735.

²⁹ James, R. W., III. (2019). Encouraging repeated memorial donations to a scholarship fund: An experimental test of permanence goals and anniversary acknowledgements. *Philanthropy & Education*, 2(2), 1-28.

Conclusion

In the game, giving depends on a question: “Will we play future reciprocal games?” In other words, “Do we have a shared future?” In nature, and in fundraising, the same question applies.

There are many ways to show, “Yes, we have a shared future.” There are many ways to build community. There are many ways to be a strong, stable neighbor. Pick your favorite. But the underlying game still matters. When a charity wins the primal-giving game, it wins the fundraising game.

PROFESSOR RUSSELL JAMES

4

RELATIONSHIP IS THE FOUNDATION OF PRIMAL FUNDRAISING:

I'M WITH THEM BECAUSE WE'RE PARTNERS!

In nature, giving to unrelated others can be sustainable. But it requires some form of reciprocity. This need not be immediate. It need not be proportional. It can be a different size or type. It can occur much later. But it starts by answering a question:

Who is *able* and *willing* to return a favor?

Answering this simple question can get complex.

Able and willing


As seen in the last chapter, predicting who is *able* involves many factors:

- Who is likely to have a shared future with me? (Who is near me? Who is stable?)
- Who has strength (or other valuable resources) to share?

- Who can observe my giving?

Predicting who is *willing* is even more complicated. In real life, people use signals to predict the type of relationship. The relationship then defines reciprocity expectations.

Answering “What will this person do?” starts with “Who is this person to me?” Is the person a loved one, friend, neighbor, stranger, or enemy? This defines reciprocity expectations. In a scale, it might look like this:



| | |
|--|---|
| <p><i>Helpful reciprocity</i></p> | <p>Loved one (<i>lover, spouse, close family</i>) Friend Teammate Colleague Neighbor Community member</p> |
| <p><i>Transactional reciprocity</i></p> | <p>Customer Merchant Stranger</p> |
| <p><i>Harmful reciprocity</i></p> | <p>Competitor Enemy</p> |

Relationship signals are reciprocity signals. Move up this scale and sharing increases.¹ Move

¹ In experiments, giving to family members always exceeds giving to non-family members. At each level as the relationship becomes more tenuous – friend, group member, outsider, competitor – giving falls. Ben-Ner, A., & Kramer, A. (2011). Personality and altruism in the dictator game: Relationship to giving to kin, collaborators, competitors, and neutrals. *Personality and Individual Differences*, 51(3), 216-221; Scaggs, S. A., Fulk, K. S., Glass, D., &

down and sharing decreases. Then it disappears. Then it turns to warfare.

Relationship and giving

Effective fundraising builds higher, “helpful reciprocity” relationships. These relationships build trust.² They support giving. This is nothing new in fundraising advice. The emphasis on love and passion led Dr. Beth Breeze to comment that,

Ziker, J. P. (2017). Framing charitable solicitations in a behavioral experiment: Cues derived from evolutionary theory of cooperation and economic anthropology. In M. Li, & D. P. Tracer (Eds.), *Interdisciplinary Perspectives on Fairness, Equity, and Justice* (pp. 153-178). Springer.

² The relationship between trust in a charity and willingness to donate is well established in research. See, e.g., Alhidari, I. S., Veludo-de-Oliveira, T. M., Yousafzai, S. Y., & Yani-de-Soriano, M. (2018). Modeling the effect of multidimensional trust on individual monetary donations to charitable organizations. *Nonprofit and Voluntary Sector Quarterly*, 47(3), 623-644, p. 623. (“Data were collected in Saudi Arabia ... Individuals’ trust in charitable organizations affects both the intention to donate and future monetary donation behavior.”); Chapman, C. M., Hornsey, M. J., & Gillespie, N. (2021). To what extent is trust a prerequisite for charitable giving? A systematic review and meta-analysis. *Nonprofit and Voluntary Sector Quarterly*, 08997640211003250; Hager, M. A., & Hedberg, E. C. (2016). Institutional trust, sector confidence, and charitable giving. *Journal of Nonprofit & Public Sector Marketing*, 28(2), 164-184; Küchler, L., Hertel, G., & Thielsch, M. T. (2020, September). Are you willing to donate? relationship between perceived website design, trust and donation decisions online. In *Proceedings of the Conference on Mensch und Computer* (pp. 223-227); Middleton, G. H., & Lee, H. T. (2020). Non-profit organization’s innovative donor management-the identification of salient factors that drive donor loyalty. *Asia Pacific Journal of Innovation and Entrepreneurship*. 14(1), 93-106; Sargeant, A., & Lee, S. (2004). Trust and relationship commitment in the United Kingdom voluntary sector: Determinants of donor behavior. *Psychology & Marketing*, 21(8), 613-635; Taniguchi, H., & Marshall, G. A. (2014). The effects of social trust and institutional trust on formal volunteering and charitable giving in Japan. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(1), 150-175.

“The ‘how to fundraise’ literature risks being classified as romance if computers ever displace librarians.”³

It’s not a shocking new idea. “Relationship” works. The fundraising books agree. But there’s a problem. As Dr. Breeze explains,

“Telling fundraisers to ‘build relationships’ (Burnett, 2002; Burk, 2003), to ‘love’ their donors (Pitman, 2007), and to treat the process ‘like a romantic courtship’ (Green et al., 2007, p. 121) is of limited value without insights or examples of precisely how this can be achieved.”⁴

So, what exactly do we do? And what do we not do?

Let’s start with what *not* to do. Sustainable fundraising requires relationships of *helpful* reciprocity. We can ruin these relationships by

1. Acting with *no* reciprocity or
2. Acting with *transactional* reciprocity.

³ Breeze, B. (2017). *The new fundraisers*. Policy Press. p. 100

⁴ *Id.* p. 118. *Citing to,*

Burk, P. (2003). *Donor-centered fundraising*. Burk and Associates Ltd.

Burnett, K. (1992/2002). *Relationship fundraising* (2nd ed.). Jossey-Bass.

Green, F., McDonald, B., & van Herpt, J. (2007). *Iceberg philanthropy:*

Unlocking extraordinary gifts from ordinary donors. The FLA Group.

Pitman, M. (2007). *Ask without fear: A simple guide to connecting donors with what matters to them most*. Standish and Wade Publishing.

No reciprocity means no giving

Giving to unrelated others does happen in nature. It can even include giving to those of other species. But these all start with some form of reciprocity. This reciprocity need not be similar in

- Amount
- Kind, or
- Timing.

It can be

- Smaller
- Different, or
- Much, much later.

These are no problem. But without *some kind* of reciprocity, giving always loses. In nature, giving outside the family without *any* reciprocity is deadly. It's an *unnatural* act.

When a charity asks donors to give without any signals of reciprocity, it's asking donors to perform an *unnatural* act. It might have clever advertising. It might have a detailed marketing plan. But underneath it all, it's sending primal messages. It's saying,

- "We're not here to help you!"
- "We're not partners!"
- "Sharing with us is foolish!"

No marketing plan can overcome those underlying signals.

Transactional reciprocity excludes generosity

The next step above no reciprocity is *transactional* reciprocity. This fits merchant/customer norms. Exchanges are brief and “strictly contingent.” Any trade must immediately benefit both sides.

Such relationships can be beneficial. But here’s the problem for fundraising. Transactional relationships *don’t include generosity*.

Transactional behavior in anthropology

Across human cultures, whenever a relationship becomes transactional – or “strictly contingent” – giving stops. Anthropologist Raymond Hames explains,

“Ethnographers studying people as diverse as foragers (Mauss, 1967) and Irish smallholders (Arensberg, 1959) have long noted that attempts to [strictly] balance exchanges are tantamount to ending ... relationships.”⁵

⁵ Hames, R. (2017). Reciprocal altruism in Yanomamö food exchange. In L. Cronk, N. Chagnon, & W. Irons (Eds.), *Adaptation and human behavior: An anthropological perspective* (pp. 397-416). Routledge. p. 411.

Citing to,

Arensberg, C. M. (1959). *The Irish countryman: An anthropological study*. P.

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Smith,
Mauss, M. (1967). *Essai sur le don. The gift: Forms and functions of exchange in archaic societies*. Norton. (This is a translation of the 1923 essay)

This isn't just for people. Zoologist Gerald Carter explains,

“Similar to humans, nonhuman primates cooperate in a more contingent manner with less bonded partners.”⁶

Following *transactional* norms signals a *strictly contingent* relationship. It signals the absence of a sharing or helping relationship. It kills generosity.

Transactional behavior in the movies

What's so bad about being transactional? The classic 1960 movie *The Apartment* gives an example. A cheating husband is trying to restart an affair with a younger woman. The following scene shows how much of a heel he is. He leaves his family on Christmas Eve to meet her for a rendezvous. He says,

“I have a present for you. I didn't quite know what to get you -- anyway, it's a little awkward for me, shopping -- so, here's a hundred dollars -- go out and buy yourself something.”
She starts crying, begins to take off her coat and says, “Okay ... as long as it's paid for ...”⁷

⁶ Carter, G. (2015). *Cooperation and social bonds in common vampire bats*.

© 2006-2015 Ph.D. dissertation, University of Maryland, College Park, MD. p. 23.

⁷ Wilder, B. & Diamond, I. A. L. (1960). *The apartment*. [Movie script].

<https://www.dailyscript.com/scripts/apartment.html>

It's a cringe-worthy Hollywood moment. His behavior is "transactional." The relationship drops from "lovers" to "merchant selling goods."

Making a relationship transactional isn't just a problem in anthropology or Hollywood romance. It's a problem for charities.

Transactional behavior in charities

I often share research findings with nonprofit groups. Once, I was talking about which words and phrases work best with donors. A frustrated manager interrupted, "But I just want their money. Can't I tell them that?"

Of course, that doesn't work. Try selling *anything* with this line. Suppose you walk into a business. On the wall in bold lettering is their motto:

"We just want your money."

How would you feel?

No business would be this foolish. So how do charity administrators go so wrong? It's an issue of worldview. From their perspective, their "relationship" with donors is this:

"We're great!"

"Therefore, people should give us things."

"Because we deserve it. (Because we're so great!)"

“Our part in a relationship? Just keep being our fantastic selves!”

“And, oh yes, keep reminding people how wonderful we really are.”

Have you ever known someone like this? How would you like to be in a relationship with them? If you found yourself in that relationship, how long would you stay? Why do you think donor retention is so low?

In this worldview, donors are just an ATM. Helping an ATM makes no sense. It only reduces transactional efficiency.

The cheating husband in *The Apartment* explains,

“Go out and buy yourself something. They have some nice alligator bags at Bergdorf’s.”

His “present” is efficient. Transactional norms are efficient. But they contradict sharing relationships. Ultimately, they destroy generosity.

One research study analyzed key factors underlying successful major gift “asks.”⁸ The secret? It started with this:

“First, they are made within relationships of trust rather than as a result of a transactional approach.”

© 2006-2018 Brezze, B., & Jollymore, G. (2017). Understanding solicitation: Beyond the binary variable of being asked or not being asked. *International Journal of Nonprofit and Voluntary Sector Marketing*, 22(4), e1607.

Tiny signals

Even small signals in word choice make a difference. Leading with formal, technical, financial, and contract terms sends a signal. It signals an arms-length, market, strictly contingent relationship. It signals a transactional relationship. In experiments (reviewed in other chapters⁹), these signals consistently reduce generosity.

Small signals can hurt. But they can also help. They can reflect a helpful relationship. They can even reflect love. In one experiment, solicitors for a muscular dystrophy charity changed the phrase on their T-shirts. Changing from “DONATING = HELPING” to “LOVING = HELPING,” increased donations by more than half.¹⁰

An experiment for African famine relief placed donation boxes in 14 bakeries. Changing the headline on the box from either “DONATING = HELPING” or no headline to “DONATING = LOVING,” nearly doubled donations.¹¹

⁹ See Chapter 10. Using family words not formal words in fundraising story and Chapter 4. Math problems in fundraising story: Motivations & barriers in Book I of this series, *The Storytelling Fundraiser: The Brain, Behavioral Economics, and Fundraising Story*.

¹⁰ Guéguen, N., Jacob, C., & Charles-Sire, V. (2011). The effect of the word “loving” on compliance to a fundraising request: Evidence from a French field study. *International Journal of Nonprofit and Voluntary Sector Marketing*, 16(4), 371-380.

¹¹ Guéguen, N., & Lamy, L. (2011). The effect of the word “love” on compliance to a request for humanitarian aid: An evaluation in a field setting. *Social Influence*, 6(4), 249-258.

An experiment for a children's charity changed the shape of the donation box. Changing the box from either round or square to heart-shaped nearly doubled donations.¹²

One massive experiment involved 540,000 Alaska residents in a statewide giving campaign. A third received postcards beginning a donation request with "Make Alaska better for everyone." These had no impact on giving. Another third instead received postcards beginning with, "Warm your heart." These people were 6.6% more likely to give. They also gave 23% more money.¹³

Signals, even small ones, indicate the relationship. The relationship defines giving norms. Signaling transactional relationships undermines generosity. Signaling emotional relationships supports generosity.

Let's get practical

We've looked at relationship concepts. We've looked at what *not* to do. But how precisely do we *build* these relationships? In the next chapter, we'll look at several practical examples. We'll see how it's actually done in the real world. And we'll see how one simple strategy underlies it all.

¹² Guéguen, N., Jacob, C., & Charles-Sire, V. (2011). Helping with all your heart: The effect of cardioids cue on compliance to a request for humanitarian aid. *Social Marketing Quarterly*, 17(4), 2-11.

¹³ List, J. A., Murphy, J. J., Price, M. K., & James, A. G. (2021). An experimental test of fundraising appeals targeting donor and recipient benefits. *Nature Human Behaviour*, 5, 1339-1348.

PROFESSOR RUSSELL JAMES

THE PRIMAL FUNDRAISER

PRIMAL FUNDRAISING LEADS WITH A GIFT: I'M WITH THEM BECAUSE I'M IMPORTANT TO THEM!

Lead with a gift: The primal-giving game

Biologists model sustainable giving in nature with a game.¹ This primal-giving game models reciprocal altruism.²

What's the best strategy in this game? To answer this question one professor held an international computer gaming tournament. With many rounds and many players, strategies got complicated. How complicated? He explains,

¹ This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|-------------------------------|-------------------------------|
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

where each must choose before knowing what the other will do.

² Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222.

“An example is one which on each move models the behavior of the other player as a Markov process, and then uses Bayesian inference to select what seems the best choice for the long run.”³

So, what worked? When – as in nature – winners replicate and losers don’t, this complexity disappeared. One strategy always won. Lead with a gift, then act reciprocally.⁴

This result attracted a lot of attention. So, another, much larger tournament was held. The winner? Same answer. Every alternative – no matter how complex – eventually lost to this simple strategy.

Another version of the game added a twist. It allowed for miscommunication. Sometimes sharing was reported as not sharing. In this version, a new winning strategy emerged. Lead with *two* gifts, then act reciprocally.⁵ To play the game yourself, go to <https://ncase.me/trust/>

Lead with a gift: Back to relationships

So, how does game theory apply to real-world fundraising? Start with this:

³ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1393.

⁴ *Id.*

⁵ This “generous tit-for-tat” offsets the problem of accidents or miscommunications that might otherwise create a negative reciprocity tailspin. Nowak, M. A., & Sigmund, K. (1992). Tit for tat in heterogeneous populations. *Nature*, 355(6357), 250-253.

1. Go see donors.
2. Bring a gift.

When bringing a gift, make sure it's a good one. What does that mean? A good gift signals a “helpful reciprocity” relationship. These relationships are personal. They encourage generosity. Transactional relationships are different. They aren't personal. They don't include generosity.

A good gift says several things:

- This is not transactional.
- This is personal.
- I care enough to know what you like.
- I want to make you happy.

Not all gifts are good. Cash rarely works. It's transactional, not personal. In experiments, cash benefits can actually reduce giving.⁶

A “gift” given as an explicit trade is not a gift. It's a transaction. In experiments, these strictly contingent “gifts” can also reduce giving.⁷

⁶ For an example where cash payments reduce charitable behavior, see Ariely, D., Bracha, A., & Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American Economic Review*, 99(1), 544-55. For an example where the promise of cash payments reduce guilt and increase satisfaction for those who *don't* support the charity see Giebelhausen, M., Chun, H. H., Cronin Jr, J. J., & Hult, G. T. M. (2016). Adjusting the warm-glow thermostat: How incentivizing participation in voluntary green programs moderates their impact on service satisfaction. *Journal of Marketing*, 80(4), 56-71.

⁷ Newman, G. E., & Cain, D. M. (2014). Tainted altruism: When doing some good is evaluated as worse than doing no good at all. *Psychological Science*,

A financially costly gift can be risky. It can send financial or transactional signals. It can trigger unwanted feelings of financial obligation. For charities, it can also feel wasteful.

But a gift can be valuable without feeling costly. This is because in a social context, “cost” means *extra* cost. Consider the same gift with different “extra” cost.

- Social gift: “I own a condo on Padre Island. It’s empty during spring break. You can use it as my gift to you.”
- Awkward gift: “I went on Airbnb and rented a condo for you on Padre Island during spring break. You can use it as my gift to you.”

The gift value is identical. But in one case, it feels uncomfortable. In the other, it doesn’t. The difference is the extra cost.

Lead with a gift: A simple fundraising example

Games and theory are fine. But let’s get practical. What actually *works* in fundraising? When I first became a college president, I wanted to know the answer. I started by looking at schools with our same religious affiliation. Usually age, endowment,

25(3), 648-655; Zlatev, J. J., & Miller, D. T. (2016). Selfishly benevolent or benevolently selfish? When self-interest undermines versus promotes prosocial behavior. *Organizational Behavior and Human Decision Processes*, 137, 112-122.

alumni, and tuition predict contributions.⁸ And this was true for our schools, too. Except for one.

One small school was raising money out of all proportion to its size. It had only one or two frontline fundraisers. Although located in rural Tennessee, it received major gifts from across the country. I had to find out why. So, I went there to see what was going on.

The long-time fundraiser explained his unique approach. He had a disabling condition. Sometimes, he had “bad days” when he couldn’t work. There was no way to predict when this would strike. So, he couldn’t do the one thing that all other fundraisers do. He couldn’t reliably keep appointments.

Here was his solution. He would fly to a location with a list of donors in the area. He would drive to the first house. He would knock on the door. If the donor was home, he would hold out his card, introduce himself and say,

“Since I was in the area visiting other friends of the school, the president asked if I would drop off this small gift to thank you for your years of support.”

If the donor was busy, this took no more than a minute of their day. But here’s the reality: He was *always* invited in.

⁸ See, e.g., Terry, N., & Macy, A. (2007). Determinants of alumni giving rates. *Journal of Economics and Economic Education Research*, 8(3), 3-17.

During the visit, he learned about the donor's history with the school. He updated them on the latest happenings. Because this was a religious school, he would ask about their lives and ask to pray with them. The meeting ended by leaving behind a request "from the president" to consider a specific gift. But this always came with an explanation that no decision should be made on that day.

These little meetings became more powerful because he returned every year. He knew their lives, their families, their connections, and their charitable passions. If the donor wasn't home, he would simply leave the gift with a personal, handwritten note.

He explained to me,

"I see more donors than any five fundraisers I know. The reason is simple. No dead time. If a meeting runs long or short or the donor isn't home, it doesn't matter. As soon as it's done, I drive to the next home."

Harold Seymour recounts another "old school" example of door knocking. American Cancer Society canvassers began,

"Good afternoon! I have here your copy of cancer's 'Seven Danger Signals.' May I come in?"⁹

The point isn't that these are universal solutions for fundraising.¹⁰ The point is that these achieved,

1. Go see donors.
2. Bring a gift.

And they worked.

Game theory: Able and willing to reciprocate

This strategy matches the game. First, consider the previous chapter on capacity for reciprocity.¹¹ Do personal visits change the “predicted frequency of future meetings?” Yes.

Mentioning other friends of the school in the area fits, too. How can a charity in rural Tennessee become a “neighbor” to a donor in California? It visits. It visits every year. It reminds donors that other community members are nearby as well.

Next, consider reciprocity signals. The visit leads with a gift. The gift is delivered personally. It's presented as not financially costly. (“I was already in the area visiting others.”)

The visit emphasizes personal connections. It includes appreciative inquiry and listening. Every

¹⁰ He shared a story how one school with a similar religious affiliation in Malibu, California explained that such a strategy wouldn't work with their high-net-worth donors. He said, “I didn't want to argue, but I looked at their list of top donors, and a third of them were people I had been visiting this way for years.”

¹¹ See Chapter 3. Primal fundraising and capacity for reciprocity: I'm with them because they're important to me!

piece signals a personal, social relationship. Although a gift request is left behind, the response is purposely postponed. This prevents any transactional ending to the visit. It keeps things social.

Lead with a gift: A big fundraising example

So, that's cute. But maybe what works for a tiny little religious school doesn't apply to you? OK. How about a big prestigious university? NYU went from near bankruptcy, raising only about \$20 million per year, to completing the nation's first billion-dollar campaign. Naomi Levine explains how it happened in her book.¹²

In it, she describes her process of working with a prospect. The purpose of the first meeting, usually a breakfast, was to ask for their advice on some university policy. The conversation would uncover their connections or interest with different university programs. The goal was to schedule a campus visit.

At this campus visit, the prospect would

- Take a tour
- Have lunch with the president, and
- Visit with faculty in areas of interest.

The next goal was to then involve them in some aspect of the university. Levine explains,

“If there was going to be a concert or film festival at the Tisch School of the Arts, we would invite them to that. If there was a seminar at the Law School, we would invite them to that. If we had an advisory committee on filmmaking, we would, if appropriate, invite them to sit on that committee.”

This all took place well before any donation request. She explains,

“The quicker you ask, the less money you will receive.”

Game theory: Willing to reciprocate

Consider how this series of experiences builds the right relationship.

- The charity signals that the donor is valued. (We need your advice.)
- It leads with social gifts. (Have lunch at our place. Take a tour. Meet the president.)
- It follows with a personally meaningful experience. (The lecture, concert, or advisory committee is carefully selected to match their interests.) This gift shows, “We care enough to know what you like.”

This process repeatedly signals a helpful reciprocity social relationship.

- The prospect *gives* socially. (He gives advice and participates.)

- He *receives* socially. (He receives honor, events, meals, and experiences.)
- This sharing exchange is always non-transactional.
- The gifts are not presented as financially costly. (The *extra* cost of inviting this person to an event is minimal.¹³)
- The process is far removed from any financial donation request.

Game theory: Able to reciprocate

Giving in the primal game has an unbreakable law:

Giving must be seen by partners who are able and willing to reciprocate.

The previous social signals help build relationship. They suggest a *willingness* to reciprocate. What about the *ability* to reciprocate? The tour and experiences help here as well. They display the university's attractive features.

But reciprocity goes further. It can come not only from the nonprofit, but also from a supporting community. How does this work? At these meetings with prospects, the fundraiser rarely went alone. Levine explains,

¹³ Note that leading with a gift is still costly. The lunches, tours, meetings, and events cost money. Even when the "extra" cost is small, the total cost is still substantial. So, just like in the game, if the prospect never gives back financially the charity definitely loses.

“if a person was in real estate, we would discuss what real estate person should meet with him. If he was in insurance or finance, we would think of people who we felt were his peers and someone that he would respect. During the twenty years that Larry Tisch [billionaire owner of CBS television] was chairman, he joined most of those meetings.”

Notice how the process created a supportive audience with enormous capacity. This wasn't just the wealthy charity itself – displayed during the tour. It was also important professional “neighbors.” It was even a recognized billionaire. All of these pieces work together to signal ability and willingness for reciprocity.

What's the point?

These stories show practical examples of strategies that worked. Some worked for small charities. Others worked for large ones.

The point isn't that any approach is the universal solution for fundraising. The point is that the primal game matches reality. Sending signals that giving will “be seen by partners who are able and willing to reciprocate” works. Leading with a gift is a great signal of reciprocity. And it works.

Postscript: Special events

A practical application of the game

Understanding the primal-giving game provides guidance. It can help answer practical questions. Let's look at a contentious one: Are special events a good idea in fundraising?

Some people love them. Some people loathe them. So, who's right? The first problem is definitions. There are two types of "fundraising" events. An event can "lead with a gift." Or it can "lead with a transaction."

Special events: Leading with a gift

A personal invitation to an attractive event can be effective – if it's a gift. It can signal a social, "helpful reciprocity" relationship – if it's a gift. It can connect a donor with meaningful parts of the charity. It can provide recognition, honor, and gratitude after a donation. It can build a donor community that supports future donations. It can do these things – if it's a gift.

These events aren't transactional. They are a gift to attendees. (The cost is paid by the charity or a donor.) Because they aren't profitable, these events *can't be* the end goal. And that's a good thing. This shows that the important work is not just the event. The important work is the whole fundraising process.

Special events: Leading with a transaction

Transactional events are different. They charge fees, provide a service, and generate revenue. They can make a profit. The profit can help the charity.

Transactional events are easy to sell. The event timing creates a deadline. This helps motivate sales requests. People with no idea how to fundraise can sell event tickets or table sponsorships. These are just consumer products with a charitable hue.

Administrators like these events. They provide an immediate quid-pro-quo return. And that's the problem. Even when these "work," they work only *transactionally*. Just a bit more income than cost is a "success." One group of researchers noted,

"Special events are generally accepted to be the least cost-effective way for nonprofits to raise revenue."¹⁴

Compared to actual fundraising, special event sales are inefficient. Some accounting professors have even found charities that hide these inefficient numbers.¹⁵ Charities move these barely profitable events into separate entities. This protects the charity's own efficiency ratings.

Transactional events vs. social relationships

¹⁴ Krawczyk, K., Wooddell, M., & Dias, A. (2017). Charitable giving in arts and culture nonprofits: The impact of organizational characteristics. *Nonprofit and Voluntary Sector Quarterly*, 46(4), 817-836. p. 828. table 2.

¹⁵ Neely, D. G., & Tinkelman, D. P. (2013). A case study in the net reporting of special event revenues and costs. *Journal of Governmental & Nonprofit Accounting*, 3(1), 1-19.

But don't such events lead to great relationships and later donations? Not really. Instead, they signal a completed, transactional relationship.¹⁶ Think about it. Suppose a new work colleague says to you,

"The wife and I are hosting a big New Year's Eve party. We'll have great food and drinks and even a local band! We would love to have you come."

How do you feel? What does this signal about your relationship? Then he adds,

"Tickets are \$75. You can buy in advance or pay at the door."

Now, how do you feel? How does this change the signal about your relationship?

Research supports this feeling about transactional events. One study used in-depth qualitative interviews. It examined a "successful and well-run" money-making charity event. It found that the event,

"Had little effect on participant's relationship with the charity."¹⁷

¹⁶ This also risks blunting the donation impulse by providing a marginally-beneficial, transactional option that apparently fulfills the reciprocity obligation.

¹⁷ Woolf, J., Heere, B., & Walker, M. (2013). Do charity sport events function as "brandfests" in the development of brand community? *Journal of Sport Management*, 27(2), 95-107. pp. 95 & 104.

Another study looked at over 10,000 nonprofit tax returns. It found that increasing revenue from special events had almost no impact on later donations.¹⁸ In fact, increasing operations revenue (people paying for the nonprofit's services) actually worked better. This created more than twice as much donations growth as increasing special events revenue did.

These transactional events don't help fundraising. There's another problem. They have a hidden cost. They can strain staff resources. Worse, they can be an attractive distraction for fundraisers.

Event work is urgent. (People are coming!) And it's relatively easy. (Don't believe me? Advertise for an entry-level "event coordinator" or "fundraiser" with identical pay. Compare the response.) But urgent and easy doesn't mean it's important. It doesn't mean it helps with real fundraising.

And the answer is ... it depends

This mixed reality of special events matches theory and research. It also matches the wisdom of experience. As Naomi Levine explains, her feelings could be negative:

“Most special events, especially dinners and galas, were not cost effective In addition, the details of any dinner or gala are

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¹⁸ Krawczyk, K., Wooddell, M., & Dias, A. (2017). Charitable giving in arts and culture nonprofits: The impact of organizational characteristics. *Nonprofit and Voluntary Sector Quarterly*, 46(4), 817-836. p. 828. Table 2.

tremendous and also require a great deal of staff time.”¹⁹

Or they could be neutral:

“[If] the event is used as a way of soliciting gifts prior to the dinner, or if the dinner is sponsored by an organization or person, then it might be viewed as worth the amount of time, effort, and costs involved.”²⁰

Or they could be very positive. This happened with an award dinner recognizing top donors because,

“Donors enjoy such rewards and deserve it.”²¹

These mixed feelings match the game. “Sold” events signal a transactional relationship. They produce, at best, small, *transactional* wins. “Gifted” events signal a personal, helpful relationship. They can deliver recognition and gratitude. This can produce *transformational* wins.

Conclusion

Leading with a transaction can be a way to earn an immediate profit. But it’s *not* a good way to encourage generosity. Leading with a gift won’t earn an immediate profit. But it is a great way to encourage generosity.

¹⁹ Levine, N. B. (2019). *From bankruptcy to billions: Fundraising the Naomi Levine way*. Independently published. p. 53.

²⁰ *Id.* p. 53.

²¹ *Id.* p. 41.

This winning first step is the same in the game and in the real world. Leading with a gift works.²² In both the primal-giving game and in modern fundraising, the answer is the same:

1. Go see donors.
2. Bring a gift!

²² The strategy of “leading with a gift” is by no means limited to fundraising. A crass application is covered in the movie *Tin Men* about siding salesmen in the 1960s. The great salesman, Bill Babowsky, explains,

“You want to get in good with people ... you want to win their confidence? Good thing to try ... get a five dollar bill, take it out when the guy's not looking, drop it on the ground. Ask the guy if he dropped his bill ... Right away this guy is thinking you must be one hell of a nice guy ... you're in. You've got him for whatever you want now.”

THE PRIMAL FUNDRAISER

6

IMPACT, GRATITUDE, AND RECIPROCITY IN PRIMAL FUNDRAISING: I CAN MAKE A DIFFERENCE!

The “one big thing” in fundraising is this:
Advance the donor’s hero story. The previous book in
this series explored this in detail.

The universal hero story (monomyth)
progresses through four steps:

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

The compelling donation experience includes
these same steps. It starts by connecting with
identity. This can come from the following:

1. I am like them. (This is subjective similarity.)
2. I am with them. (This is reciprocal alliances.)

Biologists model reciprocal altruism with a game.¹ This primal-giving game can include simple alliances. But the game can do more. It can also include challenge and victory. It can include enhanced identity. It can include similarity and even heroism. But all this requires “leveling up” the simple game.

Impact

In the simplest primal-giving game, impact is fixed. And it’s identical. Two unrelated players face the same payoffs. Each must choose before knowing what the other will do. However, payback is possible because players can meet again. The payoffs are these:

| | <i>They don’t give</i> | <i>They give</i> |
|--------------|-------------------------------|-------------------------------|
| I give | I get 0 points; they get 3 | We each get 2 points |
| I don’t give | We each get 1 point | I get 3 points; they get 0 |

Giving is costly. But it helps the other player more than it costs. If I give 1 point, the other player gains 2.

¹ Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222.

Now suppose the impact of my gift changes.
The payoffs might instead become these:

| | <i>They don't give</i> | <i>They give</i> |
|--------------|---------------------------------------|---------------------------------------|
| I give | I get 0 points; they get 23 | I get 2 points; they get 22 |
| I don't give | We each get 1 point | I get 3 points; they get 0 |

Now, my gift has a higher impact. If I give 1 point, the other player gets 22 points. This might come from low cost. (The gift costs me \$1. But a matching grant means the recipient gets \$22.) Or it might come from high need. (The recipient's benefit from \$1 is 22 times my benefit from \$1). How might this change alter gameplay?

Impact and gratitude

Impact is great. But in the game, or in nature, why would unrelated players even care? Let's go back to the first law. In the primal game, giving has an unbreakable law:

Giving must be seen by partners who are *able* and *willing* to reciprocate.

Impact matters because it can lead to gratitude.
Gratitude matters because it can lead to reciprocity.

Impact →

Gratitude →

Willingness to return a favor

A person expressing gratitude sends a signal. Gratitude signals their view of

- The impact of the gift
- The value of the relationship, and
- Their willingness to reciprocate.

This gameplay matches experimental research. Increasing impact works in donation experiments.² Expressing gratitude does, too.³ Both work by supporting *reciprocal* social relationships.⁴

² See, e.g., Shehu, E., Clement, M., Winterich, K., & Langmaack, A. C. (2017). "You saved a life": How past donation use increases donor reactivation via impact and warm glow. In A. Gneezy, V. Griskevicius, and P. Williams (Eds.), *NA - Advances in Consumer Research* (Vol. 45). Association for Consumer Research, p. 270-275. p. 272.

http://www.acrwebsite.org/volumes/v45/acr_vol45_1024372.pdf ("past donation use increases the perceived donation impact, then induces warm glow which translates into a higher intention to donate in future")

³ See, e.g., Andreoni, J., & Serra-Garcia, M. (2021). The pledging puzzle: How can revocable promises increase charitable giving? *Management Science*, 67(10), 5969-6627, p. 5969 ("If expressions of gratitude are then targeted to individuals who select into pledges, renegeing can be significantly reduced and contributions significantly increased.") Or, for pro-social behaviors more generally, see the review in McCullough, M. E., Kilpatrick, S. D., Emmons, R. A., & Larson, D. B. (2001). Is gratitude a moral affect? *Psychological Bulletin*, 127, 249-266.

⁴ Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019). The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior*, 40(1), 34-45.

See also, Grant, A. M., & Gino, F. (2010). A little thanks goes a long way: Explaining why gratitude expressions motivate prosocial behavior. *Journal of Personality and Social Psychology*, 98(6), 946-955.

Impact encourages giving. Now consider the opposite. Suppose my gift has no impact. Payoffs become these:

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|--------------------------------------|--------------------------------------|
| <i>I give</i> | I get 0 points; they get 1 | I get 2 points; they get 0 |
| <i>I don't give</i> | I get 1 point; they get 1 | I get 3 points; they get 0 |

Now, there is *no* reason to expect gratitude. My gift makes no impact. It does nothing to justify reciprocity. This gift makes no sense.

The hidden impact problem

What if I'm not sure of the other player's payoff? I see the payoffs as these:

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|--------------------------------------|--------------------------------------|
| <i>I give</i> | I get 0 points; they get ? | I get 2 points; they get ? |
| <i>I don't give</i> | I get 1 point; they get ? | I get 3 points; they get ? |

Should I give or not? It's hard to know. There isn't enough information. But with multiple rounds, I could test with a small gift.

Suppose I make a test gift and get silence. This signals no impact. It signals no willingness for reciprocity. Playing this game with this player makes **no sense**.

Suppose I make a test gift and get a report of impact and a meaningful expression of gratitude. I've learned something about the other player's payoff. I've also received a reciprocity signal. Playing this game with this player does make sense.

The pro forma response

Not every response is meaningful. A “thank you” *can* be powerful.⁵ But only if it signals gameplay. In the game, expressing desire for a social, helpful-reciprocity relationship is meaningful. Why? Because it signals gameplay. Not all gift responses do this.

Suppose I get a receipt that's just stamped “thank you.” Or maybe only months later a “thank you” call comes. But it's not from the charity. It's from an outside telemarketing firm. The caller says things like,

- “This call may be monitored or recorded for quality assurance,” and
- “If you have any questions regarding your donation, please call member services.”

Do these signal a social, helpful-reciprocity relationship? Probably not.⁶ Do these reveal

⁵ Andreoni, J., & Serra-Garcia, M. (2021). The pledging puzzle: How can revocable promises increase charitable giving? *Management Science*, 67(10), 5969-6627.

⁶ Suppose to save time a newlywed couple hired a telemarketing firm to contact each person who gave a wedding gift. The hired telemarketer says, “thank you for your wedding gift.” Technically speaking, this would qualify as a “thank you” or “donor acknowledgement.” However, it certainly does not

express either impact of the gift or a willingness for a helpful reciprocity social relationship. The intuitive understanding of the inappropriateness of such a

information about my gift's impact? Probably not. These don't work in the game. So, it's no surprise that testing finds they don't work in real-world fundraising, either.⁷

The new donor problem

The hidden impact problem in the game often matches the new donor experience. They get a request. But they aren't sure about the outcomes. So, they make a test gift.

How well do charities manage this hidden impact problem? Not well. About 70% of first-time donors to a charity never give to that charity again.⁸ The game suggests why they are failing. Authentic signals of gift impact and gratitude work. Silence doesn't.

"thank you" in this social context also applies to the social context of a charitable giving relationship.

⁷ An experiment tested this type of "worst case" scenario, where the calls from an outside telemarketing firm were made 5-7 months after the donation and included variations of these phrases. Although donations were still higher among those who actually received the calls than those who didn't, the overall effect for being on the list of those who were at risk of potentially being contacted in the experiment was not statistically significant. See, Samek, A. & Longfield, C. (2019, April 13). *Do thank-you calls increase charitable giving? Expert forecasts and field experimental evidence*. Available at SSRN: <https://ssrn.com/abstract=3371327>

⁸ <https://bloomerang.co/retention> ("Over 70% of people that we recruit into organizations never come back and make another gift, so we're caught on this treadmill where we have to spend lots of money on acquisition which most nonprofits lose money on anyway, just to stand still." Professor Adrian Sargeant); See also Lewis, B., Miller, B., & Williams, C. (2019, March 5). *2019 fundraising effectiveness survey report*. (Reporting 20% retention of new donors in the first 12 months.)

How well does game theory match reality? In one large study, lapsed donors explained why they quit giving. The top three reasons related to the charity were these:

- “I feel that other causes are more deserving.”
[Impact]
- They “did not acknowledge my support.”
[Gratitude]
- They “did not inform me how my money had been used.”⁹ [Impact]

In the primal game, impact is important. Gratitude is important. Without these, game strategy says, “Play with someone else.” In fundraising, the same rules apply.

Impact vs. reciprocity: The false gratitude problem

Gratitude reflects willingness to return a favor. Unless. Unless the signal is false. Suppose the other player expresses gratitude. But later, when they could easily return a favor, they don’t. The reciprocity signal was fake. Gratitude signaled future game play. But it was a false signal.

That’s how the game works. What about the real world? What happens when reciprocity fails?

⁹ Sargeant, A. (2001). Managing donor defection: Why should donors stop giving? *New Directions for Philanthropic Fundraising*, 2001(32), 59-74. p. 64.

© 2006-2009, Table 4.1: (I omit non-charity causes such as donor finances, death, relocation, or inability to remember making the initial gift. However, this last reason may also relate to charity’s lack of impact reporting or gratitude expression.)

One study of over half a million donations to a public university gave an answer.¹⁰ If the university failed to admit a donor's child, the donor quit giving.

Logically, this shouldn't have happened. Donors knew that donations were not part of the admissions process. But the emotion is hard to overcome. The university had a chance to help, and it didn't. The relationship is broken. Only a fool gives to a player who won't return a favor.

Impact vs. reciprocity: The charity crisis problem

The game is about predicting ability and willingness to return a favor. Impact can help by signaling higher *willingness* to return a favor. Unless. Unless it also signals lower *ability* to return a favor.

A charity may find that an organizational crisis appeal "works." The charity is in trouble. The need is desperate. The gift will make a big impact. The appeal raises quick cash.

But this also cannibalizes the future large gift. It signals that the charity is unstable. This is now a less trustworthy player. They might leave the game anytime. Stable charities attract major gifts. Unstable charities don't.

¹⁰ See, Meer, J., & Rosen, H. S. (2009). Altruism and the child cycle of alumni donations. *American Economic Journal: Economic Policy*, 1(1), 258-286.

The conflict disappears if the crisis is not an *organizational* crisis. A stable charity can appeal on behalf of others in need. This doesn't suggest that the charity is at risk. This is a crisis. But it's not an organizational crisis.

The conflict also disappears if the charity faces an opportunity rather than a crisis. The gift still makes a big impact. But the charity isn't signaling instability.

Impact vs. reciprocity: Weird results

Impact is important. But in the game, it's important only as a reciprocity signal. Understanding this helps to explain some weird results.

In experiments, describing another player as needy increases giving to them.¹¹ Unless. Unless the other player had already shared money with the potential donor in a previous round. In that case, donors still give a lot. But they give the same, regardless of need.¹² The researchers explained,

“When the stranger is very willing to sacrifice [to help the potential donor], their need does not appear to matter.”¹³

¹¹ “In the low need condition, the stranger is living a normal, happy life. In the high need condition, the stranger has experienced costly medical difficulties recently that are making completing school difficult.” Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019). The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior*, 40(1), 34-45. p. 42.

¹² *Id.* p. 40. Figure 2.

¹³ *Id.* p. 40.

Need can signal reciprocity willingness. But actual reciprocity behavior makes the signal redundant. The signal no longer matters.

Impact vs. reciprocity: Matching gift vs. lead gift

Reciprocity signals also help to explain the unusual power of lead gifts. The simple primal-giving game matches funding for a shared project, such as a neighborhood park. The project benefits the group. But there's always a temptation not to give, hoping that others will take care of it.

How can a donor make a large gift in a way that encourages others to give, too? One approach is to promise a “matching” gift. A donor commits that for every dollar another donor gives, he will match it with his own gift. The impact of the other donor's gift is doubled. This works.¹⁴

A different approach is to make a lead gift. A donor simply announces his large gift to help fund the project. Here's the weird thing. This also works.¹⁵

¹⁴ Eckel, C. C., & Grossman, P. J. (2003). Rebate versus matching: Does how we subsidize charitable contributions matter? *Journal of Public Economics*, 87(3-4), 681-701; Eckel, C. C., & Grossman, P. J. (2006). Subsidizing charitable giving with rebates or matching: Further laboratory evidence. *Southern Economic Journal*, 72(4), 794-807; Eckel, C. C., & Grossman, P. J. (2008). Subsidizing charitable contributions: a natural field experiment comparing matching and rebate subsidies. *Experimental Economics*, 11(3), 234-252; Karlan, D., List, J. A., & Shafir, E. (2011). Small matches and charitable giving: Evidence from a natural field experiment. *Journal of Public Economics*, 95(5-6), 344-350.

¹⁵ Ebeling, P., Feldhaus, C., & Fendrich, J. (2017). A field experiment on the impact of a prior donor's social status on subsequent charitable giving. *Journal of Economic Psychology*, 61, 124-133; Kubo, T., Shoji, Y., Tsuge, T., & Kuriyama,

In fact, an announcement of a lead gift works *better* than an announcement of a matching gift of the same size. This is true in both real-world fundraising and lab experiments.¹⁶

What's going on?

The promise of a match can help. But it creates no reciprocity obligation. It's contingent. It says, "If you don't give, I won't either."

The lead gift is different. I lead with a gift that helps you (or something you care about). I give, hoping for your response. If you don't give, you violate reciprocity norms. I gave; you left me holding the bag. Everyone can see that you are a bad partner.

The promise of a match helps. But it sends a contingent signal. A lead gift helps more. It sends a stronger signal.

K. (2018). Voluntary contributions to hiking trail maintenance: Evidence from a field experiment in a national park, Japan. *Ecological Economics*, 144, 124-128.

¹⁶ Epperson, R., & Reif, C. (2019). Matching subsidies and voluntary contributions: A review. *Journal of Economic Surveys*, 33(5), 1578-1601; Huck, S., & Rasul, I. (2011). Matched fundraising: Evidence from a natural field experiment. *Journal of Public Economics*, 95(5-6), 351-362; Huck, S., Rasul, I., & Shephard, A. (2015). Comparing charitable fundraising schemes: Evidence from a natural field experiment and a structural model. *American Economic Journal: Economic Policy*, 7(2), 326-69; Rondeau, D., & List, J. A. (2008).

Matching and challenge gifts to charity: Evidence from laboratory and natural field experiments. *Experimental Economics*, 11(3), 253-267.

Adding similarity to the game

So far, the game has included only *unrelated* players. In that version, I care about the other player only to the extent that it affects me. Things change if I feel that the other player is *like* me.

This returns us to Hamilton’s simple math.¹⁷ I give when

$$My\ Cost < (Their\ Benefit \times Our\ Similarity).$$

In the original game, both players faced these payoffs.

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|----------------------------|----------------------------|
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

Now, suppose I treat the other player as a brother. This equates to 50% similarity. Based on Hamilton’s genetic math, I now count 50% of their benefit. My payoffs change to these:

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¹⁷ Hamilton, W. D. (1964). The genetical evolution of social behaviour. II. *Journal of Theoretical Biology*, 7(1), 17-52.

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|--|--|
| <i>I give</i> | I get 1.5 points (my 0 + 50% of their 3); they get 3 | I get 3 points (my 2 + 50% of their 2); they get 2 |
| <i>I don't give</i> | I get 1.5 points (my 1 + 50% of their 1); they get 1 | I get 3 points (my 3 + 50% of their 0); they get 0 |

Before, giving was costly for me. Now, it's not. But it still makes the world a better place. More giving still means more total points. Adding similarity makes giving more attractive.

It also makes impact more important. With unrelated players, impact is important only indirectly. It affects the game only through reciprocity. But with related players, it also has a direct effect. It directly benefits someone who is like me.

Conclusion

Compelling fundraising story starts with identity. It starts by identifying with another. Identifying with others can come from two sources:

1. I am like them. (This is subjective similarity.)
2. I am with them. (This is reciprocal alliances.)

In natural selection, giving has the same two origins: similarity and reciprocal alliances. The expanded game models both.

We've taken a deep dive into natural selection principles. We've come back with story principles. The biologist's game and the storyteller's game start at the same place. They both start with identity.

But for *transformational* gifts we need to “level up” the game once more. It's time to move beyond the natural origins of the donation. It's time to explore the natural origins of the *heroic* donation. The next chapter looks at this.

HEROIC DONATION DISPLAYS IN PRIMAL FUNDRAISING:

I CAN BE YOUR HERO, BABY! ¹

Something's missing. You might have noticed. The last few chapters played the primal-giving game.² But they didn't focus on heroes. Now, it's time to get back to the "one big thing" in fundraising: Advance the donor's hero story.

The heroic donation is an ideal. It's an *extreme* form of philanthropy. The principles from the primal-giving game can still apply. But the game must change. It must become more extreme.

¹ Iglesias, E., Barry, P., & Taylor, M. (2001). Hero [Recorded by E. Iglesias]. On *Escape* [CD]. Interscope. (Chorus: "I can be your hero baby. I can kiss away the pain. I will stand by you forever. You can take my breath away.")

² This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

| | | <i>They don't give</i> | <i>They give</i> |
|---------------|---------------------|-------------------------------|-------------------------------|
| <i>I give</i> | <i>I don't give</i> | I get 0 points; they get 3 | We each get 2 points |
| | <i>I give</i> | We each get 1 point | I get 3 points; they get 0 |

where each must choose before knowing what the other will do.

Extreme outcomes

Suppose I am Player 1 with these payoffs:

| | | |
|------------------------|--|--|
| | <i>P2 doesn't give</i> | <i>P2 gives for the rest of his life</i> |
| <i>P1 gives</i> | P1 gets -100 points; P2 gets 25 | P1 gets -50 points; P2 gets 0 |
| <i>P1 doesn't give</i> | P1 gets 0 points; P2 gets $-\infty$ points | P1 gets 0 points; P2 gets $-\infty$ points |

My gift has a high impact. If I don't give, the other player gets $-\infty$ points. He dies. But my gift is costly.

Reciprocity is possible. But it can't justify the gift. Even with the other player's *lifetime* of return giving, my result is still negative. (Here, the gift costs 100 points. We might interact 25 more times. Each time he might benefit me 2 points. But 25×2 is only 50. 50 points is still less than the 100-point cost of the gift.)

In this game, there is only one rational move for me. Don't give.

A new problem

Now, suppose we each face 50/50 odds of being either Player 1 or Player 2. Still, if Player 1 acts **rationally, he won't give**. Whoever ends up as Player 2 will die.

Is there a better alternative? Yes. We could make a “mutual insurance” pact. We could both agree to give in a time of crisis. We could agree to support the other in an emergency, even if it were personally harmful. We would both survive.

Here’s the problem. No courts enforce these agreements. At the crisis point, giving is always a bad idea. Cheating is always the logical choice. This isn’t just a dilemma in the game. It’s a key issue in natural selection.

A new solution

In the primal world, survival often depended on a special type of reciprocity.³ This was not the *transactional* reciprocity of market exchange. This was *friendship* reciprocity. It was used only among close friends and family.

Friendship reciprocity was mutual insurance. In time of need, a friend would help. This happened even if the help could never be fully paid back. This reciprocity was *un-transactional*.

Transactional reciprocity was fine. If you were rich and times were good, it might be all you need. But if everything fell apart, only friendship insurance

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Tobey, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy*, 88, 119-144.

could save you. Professors John Tooby and Leda Cosmides explain,

“For hunter-gatherers, illness, injury, bad luck in foraging, or the inability to resist an attack by social antagonists would all have been frequent reversals of fortune with a major selective impact. The ability to attract assistance during such threatening reversals in welfare, where the absence of help might be deadly, may well have had far more significant selective consequences than the ability to cultivate social exchange relationships that promote marginal increases in returns during times when one is healthy, safe, and well fed.”⁴

Losing the transactional reciprocity game was annoying. Losing the friendship reciprocity game was deadly.

The problem with the solution

So, the solution is simple, right? Just have as many friendship insurance relationships as possible. No. That doesn’t work.

The first problem is cost. Friendship insurance is *mutual* insurance. Getting unconditional help in a crisis is great. But giving it is costly.

The second problem is trustworthiness. Friendship reciprocity with someone who was *able*

⁴ *Id.* p. 132.

and *willing* to deliver in a crisis was critical to survival. Friendship reciprocity with someone who – at the moment of crisis – *couldn't* or *wouldn't* deliver? That was costly and sometimes deadly.

Tooby and Cosmides explain,

“Although receiving the benefits of friendship reciprocity was critical, fulfilling the obligations of this mutual insurance was costly. Thus, maintaining successful friendships by projecting oneself – and accurately ascertaining a partner – as a valuable and “true” friend rather than a “fair weather” friend in advance of a crisis was an important and difficult task central to survival probability.”⁵

Separating powerful “true” friends from weak or “fair weather” friends meant life or death. But how could you tell the difference *in advance* of a crisis? And how could you convince others which kind of friend you would be in a crisis?

Heroism to the rescue

Heroism solves this problem. Heroism signals trustworthiness for a mutual insurance partner. In a crisis, a hero will save you. A hero is

- Able and willing
- To deliver transactionally unjustified protection

⁵ *Id.*

- In a time of crisis or need.

Heroism must be sacrificial. A sacrificial act signals *willingness* to protect in a crisis. It signals willingness without transactional justification.

If the act is not risky or costly, it doesn't do this. If it's self-interested or transactional, it sends the opposite signal. Sacrifice signals *willingness* to be a reliable friendship insurance partner.

Heroism must actually protect. Attempting, but failing, to protect another might signal willingness. But it doesn't signal *ability* to protect in a crisis. Only a *successful* protector displays true friendship insurance reliability.

Heroic philanthropy

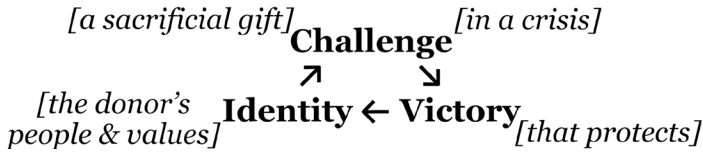
A hero displays sacrificial protection.⁶ A heroic donation is this:

a sacrificial gift that protects the donor's people or values in a crisis.

⁶ Philip Zimbardo, Professor Emeritus at Stanford and Founder/President of the Heroic Imagination Project, explains that heroes can be ordinary people "who engage in extraordinary actions to help others in need or in defending a moral cause, doing so aware of personal risk and loss, and without expectation of material gain for their action." Zimbardo, P. (2017). Foreword. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership*. Routledge. p. xxi.

Similarly, Franco, et al. (2011) define heroism as, "Heroism is the willingness to sacrifice or take risks on behalf of others or in defense of a moral cause." In Franco, Z. E., Blau, K., & Zimbardo, P. G. (2011). Heroism: A conceptual analysis and differentiation between heroic action and altruism. *Review of General Psychology*, 15(2), 99-113. p. 113.

It includes the hero's journey steps.



Heroic philanthropy in a crisis

Heroism signals trustworthiness as a friendship insurance partner. It shows reliability in a crisis. This is easy to demonstrate when there is real peril. But in a safe, modern world such extreme circumstances are rare.

What else can work? In some cases, philanthropy can. It can show the ability and willingness to deliver transactionally unjustified help and protection. In the right circumstances, it can do more. It can show this in an extreme or crisis setting.

Heroic philanthropy in experiments: Sacrifice

Suppose a charity could offer one of two ways to donate. One way is safe and easy. The other requires pain and effort. Logically, the first option will work better, right? Not necessarily.

In one study, people received money they could anonymously keep or share with a group.⁷ Any

© 2006-2020 by Holmboe, C. V., & Shafir, E. (2013). The martyrdom effect: When pain and effort increase prosocial contributions. *Journal of Behavioral Decision Making*, 26(1), 91-105.

donated funds were doubled. However, for some people, donating required a painful task. It required keeping both hands submerged in painfully frigid water for 60 seconds.

The result? Those in the painful donation situation gave significantly *more* money. They were more than *twice as likely* to donate *all* their money.

Mathematically this makes no sense. Adding pain to a donation should not result in *more* donations. But by the logic of heroism, this makes perfect sense. The painful contribution scenario created an opportunity for heroic donations. Giving everything matched the heroic opportunity. No surprise then, these 100% donations increased the most.

In another experiment, people could also donate to a charity and have their donation matched. For some, donating required attending a charity picnic. This was the “easy-enjoyable” condition. Others, instead, would have to complete a five-mile run. This was the “painful-effort” condition.

The result? People in the painful-effort condition offered to donate *three times as much* as those in the easy-enjoyable condition.⁸ Again, requiring painful effort for the donation increased giving.

⁸ *Id.* Experiment 4. In another test, Experiment 1, the average donation was nearly twice as much.

But there was a way to make this effect disappear. When experimenters offered both options *at the same time*, almost no one chose the painful-effort option. The researchers explained,

“The presence of an easy alternative for donating (the picnic) stripped away the meaningfulness of the painful-effortful contribution process (the 5-mile run).”⁹

When the painful-effort donation was *the only* way to give, it created the opportunity for a heroic donation. But when the painful effort became unnecessary, it was no longer heroic. It was pointless. It became meaningless.¹⁰ The opportunity for heroism vanished.

Heroic philanthropy in experiments: Protection

Heroism must be sacrificial. But it must also protect. It must defend from a threat. This is different than helping those who aren’t in peril. This difference shows up in experiments.

In one, donors would have their gift matched. For some, donating required attending a picnic. For others it required a 30-hour fast. When the cause was famine relief, the results were as before. Those

⁹ *Id.* p. 95.

¹⁰ The researchers statistically confirmed this meaningfulness explanation.

Those offered only the painful-effort option rated the contribution as significantly more meaningful than those in the easy-enjoyable condition. This meaningfulness difference largely explained the difference in willingness to contribute.

assigned to the painful-effort condition offered to donate *twice as much*.

However, this effect reversed when the cause changed. Instead of helping those in peril (famine relief) the cause was changed to building a park.¹¹ Now, donations were *lower* in the painful-effort condition. The heroism effect disappeared.

A park is nice. But it isn't protecting anyone from peril. It provides no potential for a great *victory*. A gift might still be sacrificial. But it isn't heroic.

In heroic philanthropy, the type of charitable project matters. Painful-effort giving didn't work well for a new park. But it worked great whenever the cause protected others in peril. It worked when the cause was

- Tsunami victims ¹²
- Hurricane Katrina victims ¹³
- Victims of war and genocide,¹⁴ or
- Starving children.¹⁵

A heroic gift displays both “sacrifice” and “protection.” Heroic philanthropy needs both parts. When the donation opportunity provides both parts

¹¹ Olivola, C. Y., & Shafir, E. (2013). The martyrdom effect: When pain and effort increase prosocial contributions. *Journal of Behavioral Decision Making*, 26(1), 91-105.

¹² *Id.* Experiment 1A

¹³ *Id.* Experiment 1B

¹⁴ *Id.* Experiment 4

¹⁵ *Id.* Experiment 5

(required sacrifice + protector role), donations are higher. When it is missing either part (pointless sacrifice or non-protector role), donations are lower.

Real world fundraising

Adding extreme circumstances to donations that protect others in peril works in the lab. But this isn't just a matter of lab experiments. It shows up in real world fundraising. The ice-bucket challenge raised more than \$115 million for the A.L.S. Association.¹⁶ World Vision's 30 Hour Famine – requiring extended fasting – has raised over \$170 million.¹⁷ Charity runs are ubiquitous.

But torturing your donors is *not* the point. (Unless you're into that. In that case, some fundraising events even require walking barefoot on burning coals or broken glass.¹⁸) The point is that the behavior gives insight into core donor motivations. Heroic donation opportunities can be compelling. But it helps to know why.

¹⁶ Rogers, K. (2016, July 27). The "Ice Bucket Challenge" helped scientists discover a new gene tied to A.L.S. *The New York Times*.
<https://www.nytimes.com/2016/07/28/health/the-ice-bucket-challenge-helped-scientists-discover-a-new-gene-tied-to-als.html>

¹⁷ World Vision. (2014, February 19). *World Vision 30 hour famine rallies youth nationwide to fight hunger this weekend*. [Website].
<https://www.worldvision.org/about-us/media-center/world-vision-30-hour-famine-rallies-youth-nationwide-fight-hunger-weekend>

¹⁸ Birks, B. (2006, October 25). Sedgley firewalk. *BBC*.
http://www.bbc.co.uk/blackcountry/content/articles/2006/10/24/fireandglas_s_feature.shtml

Haverhill News. (2004, October 21). Firewalkers blaze a trail for charity.
<http://www.haverhill-uk.com/news/firewalkers-blaze-a-trail-for-charity-1621.htm>

Knowing why shows the underlying rules.
Knowing the rules helps. It helps in small-gift lab
experiments. It helps in small-gift fundraising events.
The next chapter looks at how it helps in major,
transformational gifts.

**THE HEROIC DONATION AUDIENCE IN PRIMAL
FUNDRAISING:
I NEED A HERO! ¹**

Biologists model sustainable giving in nature with a simple game.² The heroic donation comes from an extreme version of this game.

¹ Steinman, J. (1983). Holding out for a hero [Recorded by B. Taylor]. On *Faster than the speed of night* [CD]. Columbia Records. (Chorus: "I need a hero. I'm holding out for a hero 'til the end of the night. He's gotta be strong. And he's gotta be fast. And he's gotta be fresh from the fight.")

² Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222.

This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

| | | |
|---------------------|-------------------------------|-------------------------------|
| | <i>They don't give</i> | <i>They give</i> |
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

where each must choose before knowing what the other will do.

The numbers game

In the extreme version, two players each risk becoming either Player 1 or 2. The payoffs are these:

| | | | |
|------------------------|--|--|--|
| | | <i>P2 doesn't give</i> | <i>P2 gives for the rest of his life</i> |
| <i>P1 gives</i> | | P1 gets -100 points; P2 gets 25 | P1 gets -50 points; P2 gets 0 |
| <i>P1 doesn't give</i> | | P1 gets 0 points; P2 gets $-\infty$ points | P1 gets 0 points; P2 gets $-\infty$ points |

Each player faces the chance either to save (Player 1) or be saved (Player 2). But saving the other player means taking an unrecoverable loss. If players choose rationally, Player 1 won't give. Player 2 will die. One of the players will be Player 2. So, one of them will die.

There is an alternative. Both players could agree to a “mutual insurance” pact. This is called friendship reciprocity.³ Both agree to deliver *transactionally unjustified* aid in a time of crisis. Both players would survive.

But there is a problem. At the time of need, there is no way to enforce the agreement. At the point of crisis, giving is irrational. It's a losing move. Thus, picking the right friend is both critical and difficult.

© 2006-2021 Copy Holdings LLC. All rights reserved.
 Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy*, 88, 119-144.

The simple game has an unbreakable law:

Giving must be seen by partners who are able and willing to reciprocate.

In the extreme game, the law still applies. But now, potential partners are those who are able and willing to save *in a crisis*. They are willing to do so even when it's sacrificial. Simple reciprocity no longer works. Only *friendship* reciprocity can help.

The natural game

The game models the natural world. In the natural world, friendship reciprocity relationships are critical to survival.⁴ But they are tricky.

The dilemma is this:

- Having a reliable friend is valuable. Having a fair-weather friend is not.
- Being a reliable friend is expensive. Being a fair-weather friend is not.

⁴ "Many nonhuman animals possess long-term cooperative social bonds that are functionally analogous to human friendships. Such long-term cooperative social bonds (henceforth – social bonds) are well described in chimpanzees and baboons (Seyfarth & Cheney, 2012), and there is also evidence for their existence in macaques, capuchin monkeys, elephants, feral horses, hyena, dolphins, bats, corvids, and mice (Braun & Bugnyar, 2012; Carter & Wilkinson, 2013c; Fraser & Bugnyar, 2012; Seyfarth & Cheney, 2012; Weidt, Hofmann, König, 2008; Weidt, Lindholm, & König, 2014). Field studies have demonstrated that strong social bonds provide clear fitness benefits (e.g., Cameron, Setsaas, & Linklater, 2009; Schülke, Bhagavatula, Vigilant, & Ostner, 2010; Silk et al., 2010)." Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition*, 1(3), 368-386. p. 374.

Picking a “fair-weather” friend means when the crisis comes, you die. Picking a loyal – but powerless – friend has the same result. Being a “fair-weather” friend isn’t costly. But actually saving a friend means taking a permanent loss.

This dilemma leads to strategies. It leads to natural rules for picking mutual insurance partners. Professors Tooby and Cosmides originated the evolutionary theory of friendship reciprocity.⁵ They write that the evolutionarily optimal selection of friends depends on the following:

1. “Number of friendship slots already filled.”
2. “Who emits positive externalities?”
3. “Who is good at reading your mind?”
4. “Who considers you irreplaceable?”
5. “Who wants the same things you want?”⁶

These factors reflect a close, mutually beneficial relationship. They show who is valuable to you. They show who is invested in you. They show who is *with* you.

⁵ Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy*, 88, 119-144.

⁶ *Id.* 136-137.

These factors also reflect emotional bonding. This bonding distinguishes a fair-weather friend from a reliable friend. At the moment of crisis,

- A fair-weather friend acts *rational*ly.
- A reliable friend acts *emotional*ly.

The fundraising game

A charity can structure giving opportunities to allow heroic displays.⁷ A donor can be seen to sacrificially protect his people or values. He can even do it in an extreme setting. This can signal reliability as a friendship insurance partner.

A charity can do more. It can build a community of powerful friends. This creates an ideal audience for a heroic display.

Even more, a charity can *act* as a reliable friend. It can *become* an ideal audience for a heroic display. But how? How can a charity *become* an attractive friend?

The answer starts with the evolutionarily optimal factors. These can also apply to the charity. Does the charity,

1. Fit with the donor's other charity relationships? ["Number of friendship slots already filled"]

⁷ See Chapter 7. Heroic donation displays in primal fundraising: I can be your hero, baby!

2. Provide access to valuable relationships or benefits? [“Emits positive externalities”]
3. Understand the donor’s values and preferences? [“Good at reading your mind”]
4. Value the donor personally? [“Considers you irreplaceable?”]
5. Share the donor’s goals and values? [“Wants the same things you want?”]⁸

Answer “no” to any of these questions, and a major gift is unlikely. Of course, these evolutionary theorists weren’t writing about major gifts fundraising. But the rules of the game still apply.

A simple example

One fundraiser for a law school shared this story.

“I heard that one of our donors was in the hospital. So, I stopped by just to visit. He joked about me hoping to collect on the estate gift. But you know, ever since that meeting, our relationship completely changed. He has been much more strongly connected to the school. That little visit made a huge impact.”⁹

⁸ Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy*, 88, 119-144. p. 136-137.

⁹ (2016, June 2). Personal communication. *ABA Law School Development Conference*, San Diego, CA.

Can visiting a donor in the hospital work? Theory says, “Yes.”¹⁰ Showing support *during a time of need* signals friendship insurance reliability.

In a primitive context, this timing is key. It is precisely when fair-weather friends will vanish. Anthropologists explain,

“Individuals who are sensitive to current probability payoffs have incentive to renege on exchange commitments to a disabled exchange partner when they are most in need ... prolonged injury or illness renders an individual incapable of reciprocating at a time when he or she is most in need of investment.”¹¹

Showing solidarity is nice. But showing solidarity during a time of need is more meaningful. It helps separate true friends from fair-weather friends.

A simple answer

Signals of helpful, social-emotional relationships encourage generosity. Signals of transactional relationships don't. We can see this in game theory. We can also see it in evolutionary theory.

¹⁰ “These ancient habits would induce modern humans to treat medical care as a way to show that you care. Medical care provided by our allies would reassure us of their concern.” Hanson, R. (2008). Showing that you care: The evolution of health altruism. *Medical Hypotheses*, 70(4), 724-742.

¹¹ Sugiyama, L. S., & Sugiyama, M. S. (2003). Social roles, prestige, and health risk. *Human Nature*, 14(2), 165-190. p. 168.

But a fundraiser can get the same answers without math or biology. Just ask, “What would a good friend do?”

This simple question is powerful.

Q: Should I actually visit donors?

A: What would a good friend do?

Q: Should I call?

A: What would a good friend do?

Q: Should I write a personal note?

A: What would a good friend do?

Q: It’s so cheap to just spam the donor’s inbox. Should I do that?

A: What would a good friend do?

What are successful major gifts fundraisers like? Theory predicts it. Research confirms it. They tend to excel at friendship-related skills.

Dr. Beth Breeze studied personal skills in fundraising.¹² Her three-year research project found the most important factors. These included,

¹² Pudelek, J. (2014, July 10). Eleven characteristics of successful fundraisers revealed at IoF National Convention. *Civil Society*.

- “High emotional intelligence”
- “An ability to read people”
- “A great memory for faces, names, and personal details”
- “A tendency to engage with people” even outside their job, and
- “A love of reading” particularly “popular psychology books.”

Experience confirms this, too. Naomi Levine led America’s first billion-dollar fundraising campaign. She describes the successful fundraisers behind it. They,

“Had to be ‘interesting well-read people’ so that donors would enjoy talking and relating to them, for fundraising is not primarily about ‘asking people for money’ ... It is the cultivation of people. It is developing relationships.”¹³

Time and behavior

Building charity friendship alliances takes time. CASE suggests donor cultivation of 2 or 3 years before making a major gift request.¹⁴ If this were just

<https://www.civilsociety.co.uk/news/eleven-characteristics-of-successful-fundraisers-revealed-at-iof-national-convention.html>

¹³ Levine, N. B. (2019). *From bankruptcy to billions: Fundraising the Naomi Levine way*. Independently published. p. 31.

¹⁴ CASE (Council for Advancement and Support of Education). (2013). *Fundraising fundamentals*. CASE.

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http://www.case.org/Publications_and_Products/Fundraising_Fundamentals_Intro/Fundraising_Fundamentals_section_7/Fundraising_Fundamentals_section_73.html

a transaction, such a time commitment would make no sense. No one needs 3 years to gather transactional data. But these major gifts are not simple economic transactions. Again, Levine explains,

“When you sit down with someone and try to develop a relationship, you can’t just say, Oh, Mrs. Jones, would you give me \$100 million? That’s not the way it works. It’s a slow process. The quicker you ask, the less you get. Developing relationships and trust often takes a long time.”¹⁵

Of course, developing such relationships is not just a matter of waiting for time to pass. The charity must actually *behave* as a friend. It must signal that it is able and willing to act as a *reliable* friend.

At the moment of crisis, cheating is the *rational* choice. Friendship reciprocity is a bet. It is a bet that a friend will behave *non-rationally*. Signaling a close, personal, emotional relationship builds friendship alliances. Signaling a dispassionate, formal, detached relationship kills them.

The heroic donation audience

The crucial relationship can be with the charity. But it can also be with other supporters. They can be

© 2006-2015 McCambridge, R.A. (2013, July 25). Naomi Levine: Insights from a master of fundraising. *Nonprofit Quarterly*. <https://nonprofitquarterly.org/insights-from-a-master-naomi-levine-on-the-fundamentals-of-fundraising/>

potentially valuable friends. They can be the key *audience* for the heroic gift. Levine explains,

“Fundraisers can’t go out on their own and raise the money. Who did I know? Did I know all the affluent people in New York City? Obviously not. The board gave me names. They made suggestions ... They were not going to give to me; obviously, they were going to give to people with whom they had a relationship. Peers are important. A board gives you such relationships.”¹⁶

High-capacity fellow donors make an ideal audience for heroic donation displays. Such an audience encourages transformational gifts.

The “one big thing”

The one big thing in fundraising is still the same: Advance the donor’s hero story. The natural origins of heroism, and the heroic donation, come from friendship reciprocity.

The heroic donation displays friendship insurance reliability. But this display is pointless without the right audience. It requires an audience of potentially valuable friends. It requires an audience with the ability and willingness to save in a crisis.

The charity can build this audience of reliable partners. It can also act as a reliable partner. This

¹⁶ *Id.*

creates an environment that supports the heroic donation. This helps to advance the donor's hero story.

Postscript: What about friends with benefits?

A hero is a sacrificial protector. A heroic gift demonstrates sacrificial protection. This signals attractiveness as a mutual insurance partner. Does this “attractiveness” extend to romantic partnerships?

In one experiment, women rated the attractiveness of different men. But they didn't get pictures. Instead, they got only behavioral descriptions of the men.¹⁷ The result? Women generally preferred altruists for friendships and long-term relationships. But that wasn't enough.

They reserved the highest attractiveness ratings for men showing *heroic* altruism. The ideal combination was “dependably brave and altruistic.”¹⁸ Consider this in terms of mutual insurance. Such men,

- Could be predicted (“dependably”)
- To deliver transactionally unjustified aid (“altruistic”)
- In a crisis (“brave”).

© 2006-2014 Kelly, S., & Dunbar, R. I. (2001). Who dares, wins. *Human Nature*, 12(2), 89-105.

¹⁸ *Id.* p. 102.

In the 80's, Bonnie Taylor sang, "I need a hero."¹⁹ Apparently, others share her feelings!

Men also seem to respond to this. In one experiment, heterosexual men donated twice as much to charity when observed by a woman rather than by a man.²⁰

Still, the best display is not just altruism but *heroic* altruism. Thus, reading a romantic scenario significantly increased men's willingness to engage in *heroic* helping. For example, they indicated greater willingness to run into a burning building to save a trapped victim.²¹ But they only insignificantly increased their willingness to engage in mundane helping. For example, it had little impact on their willingness to work at a homeless shelter.

Heroism displays friendship insurance reliability. This encourages all types of friendship reciprocity relationships, even romantic ones!

¹⁹ Steinman, J. (1983). Holding out for a hero [Recorded by B. Taylor]. On *Faster than the speed of night* [CD]. Columbia Records.

²⁰ Iredale, W., Van Vugt, M., & Dunbar, R. (2008). Showing off in humans: Male generosity as a mating signal. *Evolutionary Psychology*, 6(3), 386-392.

²¹ Griskevicius, V., Tybur, J. M., Sundie, J. M., Cialdini, R. B., Miller, G. F., & Kenrick, D. T. (2007). Blatant benevolence and conspicuous consumption: When romantic motives elicit strategic costly signals. *Journal of Personality and Social Psychology*, 93(1), 85-102.

PROFESSOR RUSSELL JAMES

**PRIMAL FUNDRAISING DELIVERS PRACTICAL VALUE
WITH EXTERNAL IDENTITY:
THIS IS TOTALLY WORTH IT!**

The noble dream

Small nonprofits have needs. Often, it's obvious. The furnishings are a bit ragged. The space is cramped. The conditions are spartan. But it's fine. All this just makes the great struggle faced by the heroic leaders more noble.

Besides, one day that big gift will come in. One day, a passing wealthy donor will recognize their plight and write a million-dollar check!

Look, I understand. It's fun to engage in magical thinking. People buy lottery tickets every day. And besides, the struggling nonprofit is doing good things; it *deserves* a big gift. This makes the fantasy particularly alluring. It feels almost plausible.

And yet, that gift never actually comes. Why not?

The crass reality

This administrator-hero story feels noble. But sometimes this can be a barrier to understanding. It makes it harder to see the obvious. So, let's consider something much less noble.

Suppose a friend asks for your help. Her brother runs a used car lot. But he's struggling. Perhaps you could stop in and give him some advice? So, you visit. The furnishings are a bit ragged. The space is cramped. The conditions are spartan.

The manager says, "Things are tight right now. But one day we'll make a million-dollar sale. Then things will change around here."

You respond, "Really? Wow! So, where is this million-dollar car?"

The manager hesitates.

"Million-dollar car? Well, we don't have one of those on the lot. But, you know, when that customer walks in with a million dollars to spend, we'll figure something out. This place will really take off when that happens."

You ask, "So, you're waiting for a million-dollar sale. But you don't have a million-dollar car to sell?"

He responds, “You know, you make a good point. Here, let me fix that.”

Taking a pen, he changes the sign on one of the cars to read \$1,000,000.

You say, “But that’s not a million-dollar car.”

“It is now,” laughs the manager.

You respond, “No, I mean it’s not *worth* a million dollars.”

He says, “It is to me. See? I wrote it down right there.”

You explain, “No, I mean it’s not worth a million dollars *to the customer*.”

There’s a pause.

You sigh and continue, “Look, I may not know much about your business. But you can’t expect a million-dollar sale if you don’t have a million-dollar car on the lot. And you can’t just stick that silly price tag on it. Even if *you* think it’s worth that much, that doesn’t help. It’s got to be worth that much *to the customer*.”

Back to fundraising

So, why hasn’t that small nonprofit received its million-dollar gift? Consider the same questions. Is

there a million-dollar “car” on the lot? Have they been showing that “car” to any potential buyers? For many small charities, the answer is, “No.” Certainly, if a donor walked in with a million dollars to spend, they would figure something out. But that’s not the same thing.

So, the answer is simple, right? Just slap on a different price tag. Next time, instead of asking for a thousand, just ask for a million instead. Now you are a major gifts fundraiser! Actually, no. That’s not how it works.

It’s fun to think, “One day that million-dollar gift will come in!” It’s harder to think, “One day we’ll *deliver value* to a donor *worth* a million-dollar gift.” That’s not fun or magical. That’s hard work.

Delivering value as a goal

Charities often don’t get a million-dollar gift because they aren’t trying. Maybe they’re trying to get that much cash. But they aren’t trying to deliver that much value. They aren’t trying to offer an experience worth a million dollars *to the donor*.

In fact, delivering value to the donor may not even make sense to them. It doesn’t fit into the administrator-hero story. In that worldview, donors are supposed to give because “we deserve it.” They’re not supposed to give because “we deliver value to them.”

In that worldview, here is the charity's value proposition:

Give us your money. We'll use it to accomplish our goals. Take it or leave it.

Donors, mostly, will leave it. Of course, small, social compliance gifts can still happen. A "pat-on-the-head" gift is possible. A small "isn't-that-nice-for-you?" gift still makes sense. But don't expect the transformational gift. That value proposition isn't going to compel any donor to make a major gift. It's not going to inspire sacrificial giving.

Let me be blunt. Is delivering a compelling donor experience a core competency of your charity? If not, then every other charity your donor gives to had better answer the same way. Otherwise, your organization will get left out.

Delivering value with heroism

The "one big thing" in fundraising is always the same: Advance the donor's hero story. Fundamentally, this is about delivering *value* to the donor. It is, in particular, about delivering *the kind of value* that only philanthropy can. This is the kind of value that consuming more stuff won't give. So, what does it mean to deliver value to a donor this way?

A hero story is a circular journey that results in an enhanced identity. The simplified steps are these: ¹

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

Or simply,

Challenge
↗ ↘
Identity ← **Victory**

This pattern also matches the steps for a heroic donation. A heroic donation is,

*A sacrificial gift that protects the donor's
people and values in a crisis*

This matches the story cycle.

¹ Joseph Campbell uses a three-step circular illustration with this description:
"A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.

I label these steps as follows:

The beginning point of "the world of common day" is "**original identity**."

"Venturing forth into a region of supernatural wonder" is "**challenge**."

"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."

"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."

I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

[a sacrificial gift] **Challenge** *[in a crisis]*
 ↗ ↘
[the donor's people & values] **Identity** ← **Victory** *[that protects]*

Delivering value: Enhanced identity

The ultimate result of a hero's journey is an enhanced identity. The ultimate result of a heroic gift is the same. This enhanced identity is both

- Internal (within the donor), and
- External (within the donor's community).

Let's start with the practical side. What does it mean to deliver *external* enhanced identity? We've already seen it in the primal game. The first law of sustainable giving in nature is this:

Giving must be seen by partners who are able and willing to reciprocate.

The greater the ability and willingness of the audience to reciprocate, the more value making the gift has. This value comes from enhancing the donor's external identity.

Call it reputation. Call it prestige. Whatever you call it, an enhanced public identity can be valuable. It's valuable *if* the audience is right. A heroic gift can deliver value by enhancing external identity. But this requires a heroic gift *audience*.

Delivering value: Audience

Creating a compelling gift audience rarely happens accidentally. Developing an audience of “partners who are able and willing to reciprocate” isn’t easy. It takes hard work.

And it’s hard work that happens only if the charity *wants* to deliver value to the donor. If donors are supposed to give “because we deserve it,” then doing this work doesn’t make sense. But if the goal is to deliver value to the donor, then it does.

How can the charity create this audience? It can start by *being* a good audience. A charity can act like a stable, reciprocal, reliable friend. It can deliver gratitude for a gift. It can confirm the donor’s enhanced identity.

Even more powerful, it can *build* a compelling audience. This means building a *community* of supporters.

The potential reciprocity from a single partner can be significant. This is called direct reciprocity:

You gave to me (or not) → I’ll return the favor (or not)

The potential for reciprocity becomes exponentially larger when a whole community is reciprocal. This is called indirect reciprocity:²

*I've seen you give to others (or not) → I'll
return the favor (or not)*

An audience increases giving

Anonymous donations can't improve the donor's *public* identity. In actual fundraising, they're also rare. Rare, as in 99% of gifts are *not* anonymous.³

In experiments, lowering visibility of the giving decision decreases donations.⁴ More visibility equals more giving.⁵ Oddly, this is true even if the feeling of visibility comes only from a picture of watching eyes.⁶

³ Glazer, A., & Konrad, K. A. (1996). A signaling explanation for charity. *The American Economic Review*, 86(4), 1019-1028. p. 1021. ("The data we collected show that anonymous donations are rare. ... The Pittsburgh Philharmonic received 2,240 donations from individuals in 1991. Only 29 (1.29 percent) were anonymous ... Of the 1,950 [donors to the Yale Law School Fund], only four are anonymous ... fewer than 1 percent of donations [to Harvard Law School] were anonymous. Similarly, in 1989-1990 Carnegie Mellon University received donations from 5,462 individuals. Only 14 (0.3 percent) were anonymous. Perusal of all reports by nonprofit organizations on file at the Pittsburgh Business Library found no institution with rates of anonymous donations higher than in these examples.") Even these "anonymous" gifts are often not anonymous to the recipient organization. They are only anonymous (i.e., not published) for outside observers.

⁴ Andreoni, J., & Petrie, R. (2004). Public goods experiments without confidentiality: A glimpse into fund-raising. *Journal of Public Economics*, 88(7-8), 1605-1623.

⁵ See, e.g., Butera, L., Metcalfe, R., Morrison, W., & Taubinsky, D. (2019). *Measuring the welfare effects of shame and pride*. National Bureau of Economic Research Working Paper Series. No. 25637. (Public recognition motivates charitable giving in experiments.); Lavertu, L., Marder, B., Erz, A., & Angell, R. (2020). The extended warming effect of social media: Examining whether the cognition of online audiences offline drives prosocial behavior in 'real life'. *Computers in Human Behavior*, 110, 106389.

⁶ Bateson, M., Nettle, D. & Roberts, G. (2006). Cues of being watched enhance cooperation in a real-world setting. *Biology Letters*, 2, 412-414; Haley, K. J., & Fessler, D. M. T. (2005). Nobody's watching? Subtle cues affect generosity in an anonymous economic game. *Evolution and Human Behavior*, 26, 245-256.

This can also happen with gifts in wills. In one historical example, testators were *actually* put on stage. Researchers compared different 17th-century Dutch towns. They explained,

“In Zwolle people approached the Bench of Aldermen, a civic institution, to make their last will, whereas in Leiden and Utrecht citizens went to private notaries.”⁷ In Zwolle they “were specifically asked to remember the poor.”⁸

Did this public stage make a difference? In Leiden and Utrecht just over 10% of wills included charitable gifts. At the same time in Zwolle, 76% of wills did so. Making the decision visible had a huge impact.

Audience matters. A supportive audience matters even more. Experiments show that encouragement from others, including other donors, increases giving.⁹ Encouragement to give is even

⁷ Meerkerk, E. V. N. (2012). The will to give: Charitable bequests, inter vivos gifts and community building in the Dutch Republic, c. 1600–1800. *Continuity and Change*, 27(2): 241-270. p. 253.

⁸ Teeuwen, D. (1985). *Generating generosity: Financing poor relief through charitable collections in Dutch towns, c. 1600-1800*. [Ph.D. Thesis]. Utrecht University. p. 61-62.

⁹ Caldwell, M. (1976). Communication and sex effects in a five-person prisoner's dilemma game. *Journal of Personality and Social Psychology*, 33, 273- 280; Caporael, L. R., Dawes, R. M., Orbell, J. M., & Van De Kragt, A. J. C. (1989). Selfishness examined: Cooperation in the absence of egoistic incentives. *Behavioral and Brain Sciences*, 12, 683-739.; Chen, X. P. (1996). The group-based binding pledge as a solution to public goods problems.

Organizational Behavior and Human Decision Processes, 66, 192-202; Dawes, R. M., Mactavish, J., & Shaklee, H. (1977). Behavior, communication, and assumptions about other people's behavior in a commons dilemma situation.

more powerful if it comes from group leaders, especially elected ones.¹⁰ An approving audience – in particular a high-status one – leads to more giving.

Making the audience optional lowers giving

Audience drives giving. But this doesn't mean people always want an audience. In fact, the opposite may be true.

In one lab experiment,¹¹ people got a \$10 bonus. They could share any of it with another player. This choice to share or not would be public. They first decided how much to share. Later, they got a chance to “opt out.” This meant they would get only \$9, not \$10. But this money *could not* be shared. The choice

Journal of Personality and Social Psychology, 35, 1-11; Issac, R. M., & Walker, J. (1988). Communication and free riding behavior: The voluntary contribution mechanism. *Economic Inquiry*, 26, 585-608; Ledyard, J. O. (1995). Public goods: A survey of experimental research. In J. H. Kagel & A. E. Roth (Eds.), *The handbook of experimental economics* (pp. 111-194). Princeton University Press; Liebrand, W. B. G. (1984). The effects of social motives, communication, and group size on behavior in an n-person multi-stage, mixed-motive game. *European Journal of Social Psychology*, 14, 239-264; Messick, D. M., & Brewer, M. B. (1983). Solving social dilemmas: A review. In L. Wheeler & P. Shaver (Eds.), *Review of personality and social psychology* (Vol. 4, pp. 11-44). Sage; Orbell, J. M., Van De Kragt, A. J. C., & Dawes, R. M. (1988). Explaining discussion-induced cooperation. *Journal of Personality and Social Psychology*, 54, 811-819; Parks, C. D., Henager, R. F., & Scamahorn, S. D. (1996). Trust reactions to messages of intent in social dilemmas. *Journal of Conflict Resolution*, 40, 134-151; Sally, D. (1995). Conversation and cooperation in social dilemmas: A meta-analysis of experiments from 1958 to 1992. *Rationality and Society*, 7, 58-92.

¹⁰ Levy, D. M., Padgitt, K., Peart, S. J., Houser, D., & Xiao, E. (2011). Leadership, cheap talk and really cheap talk. *Journal of Economic Behavior & Organization*, 77(1), 40-52.

¹¹ Dana, J., Cain, D. M., & Dawes, R. M. (2006). What you don't know won't hurt me: Costly (but quiet) exit in dictator games. *Organizational Behavior and Human Decision Processes*, 100(2), 193-201.

to “opt out” was also private. Other players would never know.

The result? 40% of those who *initially* chose to give, later opted out.¹² These players initially gave, but only because their choice was public. Why would they take \$9 instead of \$10? Or why wouldn't they take \$10, keep \$9, and share \$1? Because not giving, or giving only \$1, looks bad. It looks selfish.

This was a problem because the giving decision would be public. If the initial decision was private, things changed. Only 4%, not 40%, opted out of their initial (private) decision. But because the initial decision was private, giving also dropped by a third.¹³ Once again, having an audience led to more giving.

Giving changes status with the audience

Having an audience encourages giving. It also opens the possibility for indirect reciprocity. This can have real economic consequences. It also shows up in experiments.

One setup is this. Participants each get money. They then decide how much to share with the group.¹⁴

¹² *Id.* p. 199.

¹³ *Id.* p. 198.

¹⁴ This is also called a public goods game. Anything a player shares with the group is doubled. All group earnings are then divided equally among all players. Thus, with three or more players, the gift is costly, but everyone benefits if everyone gives. See, e.g., Hardy, C. L., & Van Vugt, M. (2006). Nice

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guys finish first: The competitive altruism hypothesis. *Personality and Social Psychology Bulletin*, 32(10), 1402-1413, 1405.

Later, they pick a group member as a partner or a leader.

Who do they pick? When they pick a partner, people usually pick the most generous player.¹⁵ When they pick a leader, the results are the same. When they predict who would earn the most money for the group, the answer is also the same. People prefer the most generous person.

In one experiment, people had to pick from two group members for a profitable venture. The researchers explained that people,

“Almost always chose to interact with the more generous member.”¹⁶

Giving affects others’ choices for partners and leaders. In the lab, a charitable reputation has economic benefits.

Status from giving can deliver cash value

Experiments in a lab are one thing. But what about the real world? Is it economically valuable to be seen as charitable? Of course.

Think about it. Why do corporations donate? These are pure profit-making machines. And yet, they

¹⁵ *Id.*

¹⁶ Barclay, P., & Willer, R. (2007). Partner choice creates competitive altruism in humans. *Proceedings of the Royal Society B: Biological Sciences*, 274(1610), 749-753. p. 752.

donate. Why? Because it works. Even for corporations, public identity is valuable.

Research confirms this. Corporate charitable giving predicts future revenue. For consumer firms, it predicts customer satisfaction.¹⁷ It boosts reputation for features important to

- Customers (for example, quality of products or services),
- Investors (for example, value as a long-term investment), and
- Partners (for example, capacity to innovate).¹⁸

Hollywood movies confirm this, too. Perhaps the most transparently self-interested character in modern film is the corporate raider, Gordon Gekko. In the 1987 film *Wall Street*, Gekko delivers his famous “Greed is good” speech. And yet, even this extreme character, says, “I just got on the board of the Bronx Zoo. It cost me a million.”¹⁹

Why would this selfish corporate raider character give a million dollars to a charity? Because it provides access to powerful friends. Because it

¹⁷ Lev, B., Petrovits, C., & Radhakrishnan, S. (2010). Is doing good good for you? How corporate charitable contributions enhance revenue growth. *Strategic Management Journal*, 31(2), 182-200.

¹⁸ Brammer, S., & Millington, A. (2005). Corporate reputation and philanthropy: An empirical analysis. *Journal of Business Ethics*, 61(1), 29-44.

¹⁹ Pressman, E. R. (Producer) & Stone, O. (Director). (1987). *Wall Street*. [Motion Picture]. U.S.: 20th Century Fox, at 29:26. In the original screenplay, this line was, “I just got on the Board of the Zoological Society, cost me a million.” Stanley Weiser, S. & Stone, O. (1987, April 1). *Wall Street*. [Screenplay]. http://www.dailyscript.com/scripts/wall_street.html

displays his resources. Because it signals shared values. Because membership is a greenhouse for reciprocal alliances. These all have substantial economic value.

The point isn't that your donors are soul-less corporations or greedy corporate raiders. The point is that charities *can* deliver *real value* to donors. Improving a donor's external (public) identity matters. It can have real-world, cash-money consequences.

Primal math in partner selection

Consider this strategic calculation. Suppose I have a mutually beneficial joint venture. It should benefit both me and my potential partner. Whom should I pick as a partner?

Philanthropy can help me decide. How? Consider the following. What if, through philanthropy, one potential partner displays financial strength? This might be helpful. If we get into a crisis, this partner apparently has the resources to get us out. That's a win for me.

What if his giving also supports our shared group? If he benefits, he'll probably help our shared group. I care about our group, so that's also a win for me.

Because we share group membership, I also have extra leverage. If my partner acts badly, I can

alert other group members to this. That's also a win for me. These are all reasons that make him the preferred choice. These are also reasons why *he* might prefer *me* as a partner. It's a win-win.

Fundraiser as builder of a heroic donation audience

A heroic donation is

a sacrificial gift that protects the donor's people or values in a crisis.

It shows both ability and willingness to protect in a time of need. This demonstrates friendship insurance reliability.²⁰ But to be valuable, this demonstration requires the right audience. The right audience must include desirable friendship insurance partners.

In the primal context, such powerful and supportive friends were critical. They meant the difference between life and death.²¹ In the modern world, the result is only slightly different. In a political conflict, they might be the difference between political life and death. In a liquidity crunch, they might be the difference between economic life and death.²²

²⁰ See Chapter 7. Heroic donation displays in primal fundraising: I can be your hero, baby!

²¹ Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy*, 88, 119-144.

²² Note that university endowments are themselves referred to as "shadow banks" and actually acted as a source of liquidity for major donors during the late 19th-century financial panics. Wray, L. R. (2016). Hyman Philip Minsky (1919–1996). In *Handbook on the History of Economic Analysis* (Volume I). Edward Elgar Publishing.

This is where the charity can function as a major gifts “greenhouse.” The charity can build the right audience and opportunities for transformational, heroic giving.

The first rule of fight club: Don’t talk about fight club

Reputational benefits for donors are real. They are motivational. But if these benefits are seen as *the reason* for the gift, it destroys the identity enhancement.

In experiments, giving a public financial payment for a charitable act doesn’t work. It actually *reduces* the charitable behavior.²³ One experiment found that direct benefits for giving did, at least, make *one* group feel better. They increased satisfaction and reduced guilt – for those who *didn’t* support the charity.²⁴ When giving appears motivated by benefits, it loses its value as a signal.

Delivering value to donors is powerful. But it must be done in the right way. This value can be real. But it must preserve the reputational benefits from making the gift. Giving can be advantageous. But it must still advance the donor’s hero story.

²³ Ariely, D., Bracha, A., & Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American Economic Review*, 99(1), 544-555.

²⁴ Giebelhausen, M., Chun, H. H., Cronin Jr, J. J., & Hult, G. T. M. (2016).

© 2006-2019 The Giving Institute. All rights reserved.
Adjusting the warm glow thermostat: How incentivizing participation in voluntary green programs moderates their impact on service satisfaction. *Journal of Marketing*, 80(4), 56-71.

Conclusion

Delivering practical value to a donor starts by building the right audience. It starts by building a community. This begins the move from giving to sharing. In the next chapter, we'll explore this difference in detail.

THE PRIMAL FUNDRAISER

**THE POWER OF COMMUNITY IN PRIMAL
FUNDRAISING:
I'M NOT JUST GIVING, I'M SHARING!**

Giving vs. sharing

Are we asking people to give? Or are we asking them to *share*? This might feel like a trivial choice of synonyms. It's not.

Giving can be “arms-length,” anonymous, and transactional. The giver and receiver are separated. The giver is higher. The receiver is lower. Giving helps “those people.”

Sharing is different. Sharing helps “us.” Each person is *both* giver and receiver. It's not equal. But it is reciprocal. It is mutual.

Sharing is *communal*. It means being part of a group, a partnership, a community. We can ask an outsider to give. But we can't ask an outsider to share.

Sharing is communal. This means several things:

- Sharing requires membership.
- Sharing is visible to the community.
- Sharing supports community goals.
- Sharing follows community norms.

Examples of giving vs. sharing

Suppose a church member donates for their new building. He's part of a community, the congregation. By donating, he joins with his fellow donors from this community. They're working together to fund the new building. He's also part of the community of beneficiaries. The congregation will use the new building. This gift is sharing.

Next, he gives to his local art museum. He spends time with other donors and art lovers at museum events. (He is part of a community of fellow donors and other supporters.) He enjoys the exhibitions. (He is part of a community of beneficiaries.) This gift is sharing.

Now suppose he donates for another building. He receives a request in the mail. The gift helps those in another country rebuild after an earthquake. This is giving, but it's not sharing. It isn't sharing because it isn't communal. He doesn't know any other donors. He doesn't know any beneficiaries. He is an outsider. This gift will likely be much smaller.

Without membership in the supported community, things are different. The donor is an outsider. A donation is no longer sharing. It's just giving. Remove the community and donations become smaller.

Principles from primal origins

Sharing is different because it is *communal*. This is also important in natural origins. Sustainable giving to unrelated others can occur in nature. Biologists model this with a game.¹ In the simple game, two players both face these payoffs:

| | <i>They don't give</i> | <i>They give</i> |
|---------------------|-------------------------------|-------------------------------|
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

Each must choose before knowing what the other will do. Giving is costly. But if both players give, the overall outcomes are better.

When players interact repeatedly, research shows the winning strategy. Lead with a gift, then act reciprocally.² But there's a problem. This strategy is a winning strategy. But it depends. It depends on the *community*.

¹ See, e.g., Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222; Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology*, 46(1), 35-57.

² Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1393.

Stable strategies

The game models nature. In nature, a winning strategy must be “evolutionarily stable.”³ In other words, if everyone follows the strategy, anyone else entering with a *different* strategy should fail.⁴

Consider how this applies in the game. Suppose everyone always gave no matter what. Everyone wins! This seems great. But it can’t last. It’s not “evolutionarily stable.”

If a “never give” player entered that world, he would win every time. In natural selection, “never give” players would then replicate. They would wipe out the “always give” players. Giving *without* “tit for tat” reciprocity is not stable.

In the game, an “always give” strategy is not stable. In contrast, reciprocal altruism is stable. You give first. This is altruism. Then, you do whatever that player did to you last time. This is *reciprocal* altruism. This world can become universally altruistic. Everyone shares with everyone else, except no one shares again with the non-sharers.

³ The “evolutionarily stable strategy” concept was first presented in Smith, J. M., & Price, G. R. (1973). The logic of animal conflict. *Nature*, 246(5427), 15-18. They note that it combines game theory and earlier work by W. D. Hamilton.

⁴ Roughly, an ESS [Evolutionarily Stable Strategy] is a strategy such that, if most of the members of a population adopt it, there is no “mutant” strategy that would give higher reproductive fitness.” *Id.* p. 15.

This world is stable. Suppose a “never give” player enters. That player wins round one but loses all repeated rounds. Meanwhile, the reciprocal altruism players will be sharing with *each other*. They will be getting further ahead of the “never give” player. In natural selection, the “never give” player disappears.

Reciprocal altruism is stable. An “always give” strategy is not. Oddly, charities often expect this *unnatural* “always give” behavior from donors. They keep asking donors to give without any signals of reciprocity. They never even try to deliver value to donors.

In the game, and in nature, reciprocal sharing can be stable and beneficial. Non-reciprocal giving can be deadly. Community can support mutual sharing. But this happens only if the community is reciprocal.

The dark side

Now let’s consider the dark side. Suppose the world is different. Now, it’s composed entirely of “never give” players. What happens to a new reciprocal altruism player? Every time he encounters a new player, he loses. Then he stops giving to that player. But he takes many losses the other players don’t. He finishes last.

This “never give” world is *also* stable. No new player can win against it.

Return of the altruists

Is this “never give” world permanently stuck? Not necessarily. The “never give” world is stable. No new player can win against it. But a new *community* of players can.⁵

Again, suppose everyone plays “never give.” Next, a new *cluster* of reciprocal altruists enters. Whenever possible, they interact with each other. Their *mutual* sharing pushes them ahead of the “never give” players.

Because they enter *as a community*, they will dominate the “never give” players. Game theory researchers explain,

“Altruists can survive in such a [‘never share’] world if they are grouped together, so that the benefits of altruism are enjoyed primarily by other Altruists, who then earn relatively high payoffs and are imitated.”⁶

Reciprocal altruists can win, even in a dark “never share” world. They can win, but only if they enter as a community.

The reverse process doesn’t work.
(Researchers explain, “The gear wheels of social

⁵ Axelrod, R. (1981). The emergence of cooperation among egoists. *American Political Science Review*, 75(2), 306-318.

⁶ Eshel, I., Samuelson, L., & Shaked, A. (1998). Altruists, egoists, and hooligans in a local interaction model. *American Economic Review*, 88(1), 157-179.

evolution have a ratchet.”)⁷ Once reciprocal altruism becomes dominant, a cluster of “never give” players can’t invade. Even if “never give” players entered as a community, it wouldn’t matter. Their community isn’t helpful. It’s non-cooperative. Community without sharing is useless.

The power of community: Indirect reciprocity

In the game, sustainable giving requires community. A single altruist, even a reciprocal one, is vulnerable. But a *community* of reciprocal altruists is strong and stable.

A sharing, reciprocal community does something else. It increases the consequences of the giving decision. So far, the game has been focused only on direct interactions between two players. This is called *direct* reciprocity. Simply put, this means

- You shared with me. Therefore, I share with you.
- You didn’t share with me. Therefore, I don’t share with you.

When giving is visible to a reciprocal community, this changes things. It allows *indirect* reciprocity.⁸ This means,

⁷ Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1394.

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⁸ Nowak, M. A., & Sigmund, K. (2005). Evolution of indirect reciprocity. *Nature*, 437(7063), 1291-1298.

- You shared with him. Therefore, I share with you.
- You didn't share with him. Therefore, I don't share with you.

Before, the reaction to a giving decision was limited. It was limited to one other player. That player might not be encountered again frequently. He might even leave or die.

But an enduring community can last forever. The payback from one player is limited. The potential payback from an entire community is exponentially larger.

Fundraiser as builder of community

The charity can serve as a greenhouse for this community building. Donors can build alliances with the charity and its supporters. Sometimes they can do this with the charity's beneficiaries, too. As these relationships arise, donors become part of a group. They move from giving to sharing. This is valuable because group members help each other.

The natural tendency to benefit group members arises repeatedly in experiments.⁹ It even happens when the other group members are randomly assigned and anonymous. Allowing future

⁹ A review of 212 experimental studies found a consistent increase in donations whenever the donor and recipient were placed in the same group. This worked even when participants were randomly assigned and anonymous. Balliet, D., Wu, J., & De Dreu, C. K. (2014). In-group favoritism in cooperation: a meta-analysis. *Psychological Bulletin*, 140(6), 1556-1581.

cooperation among group members makes the effect even stronger.¹⁰

It can start simple. Just using “group” language helps. In one experiment, calling a potential donor and recipient “a two-member group” increased donations by 15%.¹¹ Describing the gift as “dividing” funds among “a two-member group” increased donations by 29%.¹² The language of community and sharing is powerful.

Community support matters

One signal of indirect reciprocity is audience encouragement. In experiments, encouragement from others, such as other donors, increases giving. People are more likely to give when other players make approving statements or indicate that they also plan to give.¹³ This encouragement to give was even

¹⁰ See *Id.* (Allowing actual cooperation, e.g., future sharing, in experiment made group-member favoritism even stronger); Ben-Ner, A., & Kramer, A. (2011). Personality and altruism in the dictator game: Relationship to giving to kin, collaborators, competitors, and neutrals. *Personality and Individual Differences*, 51(3), 216-221. (This experiment measured willingness to donate to 74 types of recipients. The researchers classified some recipients as potential collaborators, potential competitors, or neutrals. Giving to neutrals was 50% greater than giving to potential competitors. Giving to potential collaborators was 37% higher than giving to neutrals.)

¹¹ Banerjee, P., & Chakravarty, S. (2014). Psychological ownership, group affiliation and other-regarding behaviour: Some evidence from dictator games. *Global Economics and Management Review*, 19(1-2), 3-15. (Giving changed from 137.3 Rupees to 157.6 Rupees.)

¹² *Id.* (Giving changed from 137.3 Rupees to 177.0 Rupees.)

¹³ Caldwell, M. (1976). Communication and sex effects in a five-person prisoner's dilemma game. *Journal of Personality and Social Psychology*, 33, 273-280; Caporael, L. R., Dawes, R. M., Orbell, J. M., & Van De Kragt, A. J. C.

(1989). Selfishness examined: Cooperation in the absence of egoistic incentives. *Behavioral and Brain Sciences*, 12, 683-739; Chen, X. P. (1996). The group-based binding pledge as a solution to public goods problems.

more powerful when it came from group leaders. This was especially true if the leaders were elected.¹⁴

One meta-analysis looked at over 100 experiments using variations of the primal-giving game. It found that giving increased whenever conversations between prospective donors were allowed.¹⁵ Even in the lab, building donor community through dialogue increases giving.

Encouragement from others works. But it is only a *signal* of future indirect reciprocity. If future behavior contradicts the signal, it becomes meaningless. Thus, in experiments, the effect of verbal encouragement fades or disappears when the

Organizational Behavior and Human Decision Processes, 66, 192-202; Dawes, R. M., Mactavish, J., & Shaklee, H. (1977). Behavior, communication, and assumptions about other people's behavior in a commons dilemma situation. *Journal of Personality and Social Psychology*, 35, 1-11; Issac, R. M., & Walker, J. (1988). Communication and free riding behavior: The voluntary contribution mechanism. *Economic Inquiry*, 26, 585-608; Ledyard, J. O. (1995). Public goods: A survey of experimental research. In J. H. Kagel & A. E. Roth (Eds.), *The handbook of experimental economics* (pp. 111-194). Princeton University Press; Liebrand, W. B. G. (1984). The effects of social motives, communication, and group size on behavior in an n-person multi-stage, mixed-motive game. *European Journal of Social Psychology*, 14, 239-264; Messick, D. M., & Brewer, M. B. (1983). Solving social dilemmas: A review. In L. Wheeler & P. Shaver (Eds.), *Review of personality and social psychology* (Vol. 4, pp. 11-44). Sage. Orbell, J. M., Van De Kragt, A. J. C., & Dawes, R. M. (1988). Explaining discussion-induced cooperation. *Journal of Personality and Social Psychology*, 54, 811-819; Parks, C. D., Henager, R. F., & Scamahorn, S. D. (1996). Trust reactions to messages of intent in social dilemmas. *Journal of Conflict Resolution*, 40, 134-151; Sally, D. (1995). Conversation and cooperation in social dilemmas: A meta-analysis of experiments from 1958 to 1992. *Rationality and Society*, 7, 58-92.

¹⁴ Levy, D. M., Padgitt, K., Peart, S. J., Houser, D., & Xiao, E. (2011). Leadership, cheap talk and really cheap talk. *Journal of Economic Behavior & Organization*, 77(1), 40-52.

¹⁵ Sally, D. (1995). Conversation and cooperation in social dilemmas: A meta-analysis of experiments from 1958 to 1992. *Rationality and Society*, 7(1), 58-92.

primal-giving game is repeated. Over time, giving depends upon the actual experience resulting from the gift.¹⁶ In the same way, a charity's words and phrases can encourage an initial gift. But if the donor's resulting experience wasn't worth the gift, he's unlikely to do it again.

Enhanced identity

"Sharing" delivers more value to the donor than just "giving." It delivers more indirect reciprocity. It does this through shared membership in a community. But sharing also delivers a higher level of enhanced identity.

Identity comes, at least in part, from group affiliations. It comes from communities. Effective sharing enhances

- The donor's community
- The donor's connection with that community, and
- The donor's standing in that community.

Consider these benefits in terms of the universal hero story. The story's ending is this: The hero returns to a place of beginning with a gift to improve that world. This is not merely giving. This is

¹⁶ See, Bracht, J., & Feltovich, N. (2009). Whatever you say, your reputation precedes you: Observation and cheap talk in the trust game. *Journal of Public Economics*, 93(9-10), 1036-1044; Wilson, R. K., & Sell, J. (1997). "Liar, liar ..." Cheap talk and reputation in repeated public goods settings. *Journal of Conflict Resolution*, 41(5), 695-717.

sharing. The hero's original world is a source of his original identity. The concluding gift enhances

- The hero's original world
- The hero's re-connection with that original world, and
- The hero's standing in that original world.

The universal hero story (monomyth) is the story of enhanced identity. It's a story, ultimately, not just of giving, but of sharing.

Billions

These story elements are powerful. Their power goes beyond just games and experiments. It goes beyond just small gift decisions.

One study analyzed the letters accompanying 187 billionaires' "giving pledge" commitments.¹⁷ These were pledges to give at least half of their wealth to charity. Most letters included two elements.

First, they included an origin story. The letters referenced family upbringing as the source motivating generosity. The donors' giving stories started with

¹⁷ Schmitz, H. P., Mitchell, G. E., & McCollim, E. M. (2021). How billionaires explain their philanthropy: A mixed-method analysis of the giving pledge letters. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 32, 512-523. p. 512. ("The majority of letters express a social-normative rationale, consisting of two prevailing explanations: An expressed gratitude and desire to "give back" (1) and references to family upbringing as a socializing force (2)")

their original identities. (In the monomyth, this is the original world.)

Second, they referenced a desire not to give, but to “give back.” Giving back is different than giving. It is a circular process. It is a form of sharing. Giving back requires a community. (In the monomyth, the hero returns to the original world with a gift.)

The idea of sharing is powerful. It’s powerful in the lab. It’s powerful in gifts of small amounts. And it’s powerful with gifts of billions.

Next step

Moving from giving to sharing requires community. Building that community can be an important part of fundraising. But community doesn’t spontaneously produce donations.

Fundraising still requires asking. To harness the power of community, that ask must be communal. It must be visible to the community. It must benefit the community or the community’s goals. It must follow the community’s norms. The next chapter looks at this.

THE PRIMAL FUNDRAISER

**SOCIAL NORMS IN PRIMAL FUNDRAISING:
PEOPLE LIKE ME MAKE GIFTS LIKE THIS!**

Verba docent, exempla trahunt.

“Words teach people, examples compel them.”

- Latin proverb¹

It’s simple. We want the donor to say, “Yes.”
But how? How do we create the conditions that
encourage that “Yes.”? Let’s look at theory,
experiment, and practice.

¹ Latin proverb. It has been attributed to, among many, Right Reverend Alfred A. Curtis, D. D., in 1886 as quoted in Nuns, V., & Wilmington, D. (1913). *Life and Characteristics of Right Reverend Alfred A. Curtis, DD: Second Bishop of Wilmington*. P.J. Kenedy & Sons. p. 104

Theory: The primal-giving game

The primal-giving game models the natural origins of giving.² In the game, sustainable giving depends on community norms.³

- In a reciprocal, sharing community, giving makes sense. Others become more likely to share with givers in the future. Givers benefit from their enhanced public reputation. Giving is a winning move.
- In a non-sharing or non-reciprocal community, giving does not make sense. Others do not become more likely to share. Givers get no benefit from their public reputation. Giving is a losing move.

The right move depends on which world we are in. How can we tell the difference? It's complicated.

² This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

| | | |
|---------------------|-------------------------------|-------------------------------|
| | <i>They don't give</i> | <i>They give</i> |
| <i>I give</i> | I get 0 points; they get 3 | We each get 2 points |
| <i>I don't give</i> | We each get 1 point | I get 3 points; they get 0 |

where each must choose before knowing what the other will do.

See the progression of this approach to modeling the natural origins of giving in the following:

Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology*, 46(1), 35-57;

Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396.;

Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Evolution and Sociobiology*, 9(2-4), 211-222.

³ See Chapter 10. The power of community in primal fundraising: I'm not just giving, I'm sharing!

In real life, there are many possible games and communities. People may be reciprocal in some, but not in others. Some gifts may help reputation, while others won't.

We could try to test every alternative. But choosing wrong is costly. The smarter play is this: Follow the examples of others *in your community*. Examples are powerful. But examples of people *like me* are even more powerful. The key question is, "What do people *like me* do?" The answer shows the community norm. The community norm dictates the right move.

Theory: The monomyth

Showing that "people like me make gifts like this" matches the primal-giving game. It also matches the universal hero story (monomyth).⁴ It does so by linking the challenge with the full story cycle. That cycle is,

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

⁴ These parallel conclusions are not accidental. The monomyth originates in the Jungian hero archetype. Jung explains that an archetype is "an inherited mode of functioning, corresponding to the inborn way in which the chick emerges from the egg, the bird builds its nest, a certain kind of wasp stings the motor ganglion of the caterpillar, and eels find their way to the Bermudas." Jung, C. (1953-1978). In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume XVIII, para. 1228.

Another commentator explains, "ethology and Jungian psychology can be viewed as two sides of the same coin: it is as if ethologists have been engaged in an extraverted exploration of the archetype." Stevens, A. (2001). *Jung: A very short introduction*. Oxford University Press. p. 52.

Showing that “people like me make gifts like this” connects

- *Original identity → Challenge*

Who is “like me?” The answer is personal. It’s subjective. But whatever the answer is, it reveals my identity.⁵ If others *like me* accept a challenge, it links the challenge to my identity. It shows that I am *the type of person* who accepts challenges like this. I am the type of person who makes gifts like this.

- *Challenge → Victory*

These other people also gave. They must have thought it was a good idea. They must have thought their gift would make a difference. That makes it easier for me to believe the same thing. It makes it easier to believe in the hope of victory. This helps link the challenge to a victory.

- *Victory → Enhanced Identity*

These other people gave. They must have thought that the promised victory was important. This means two things. First, the victory likely benefits our shared group. Our group is a key source of my identity. Thus, the victory enhances this source of my identity.

⁵ See Chapter 1. Primal fundraising and subjective similarity: I’m like them!

Second, other group members will likely appreciate my efforts to achieve this victory. (After all, it was important enough to compel them to give, too.) This appreciation for my gift solidifies my standing within the group.

The gift helps my group. And it helps my standing within the group. Both of these help link the victory to an enhanced identity.

We want the donor to say, “Yes.” That “yes” comes in response to a challenge. The effective challenge is part of the full story cycle. It must be rooted in the donor’s original identity. It must promise a victory that delivers an enhanced identity.

Showing that “people like me make gifts like this” helps. It helps link the challenge with the full story cycle. It helps make the challenge more compelling. It helps the donor move to a “yes.” It works. It works not only in games and myth. It also works in experiments.

Experimental results: Other people

Others’ examples can influence any type of helping. In experiments, they influence giving.⁶ They

⁶ Cason, T. N., & Mui, V. L. (1998). Social influence in the sequential dictator game. *Journal of Mathematical Psychology*, 42(2-3), 248-265; Ebeling, F., Feldhaus, C., & Fendrich, J. (2017). A field experiment on the impact of a prior donor’s social status on subsequent charitable giving. *Journal of Economic Psychology*, 61, 124-133; Frey, B. S., & Meier, S. (2004). Social comparisons and pro-social behavior: Testing “conditional cooperation” in a field experiment. *American Economic Review*, 94(5), 1717-1722; Herzog, P. S., & Yang, S. (2018). Social networks and charitable giving: Trusting, doing, asking, and alter primacy. *Nonprofit and Voluntary Sector Quarterly*, 47(2), 376-394;

also influence volunteering.⁷ They even influence stopping to help a person with car troubles.⁸

Others' charitable examples can make donating feel like the normal, expected, or default option. Such defaults can influence behavior. For example, describing a gift as an opt-out, rather than an opt-in, increases giving.⁹

Others' examples can be powerful. But this power increases when the examples are "like me." If other people "make gifts like this," that's informative. If people *like me* "make gifts like this," that's *compelling*.

One experiment in a law firm found a dramatic result. Mentioning, "Many of our customers like to

Lieber, E. M., & Skimmyhorn, W. (2018). Peer effects in financial decision-making. *Journal of Public Economics*, 163, 37-59; Sasaki, S. (2018). *Group size and conformity in charitable giving: Evidence from a donation-based crowdfunding platform in Japan*.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2972403

⁷ Chen, Y., Harper, F. M., Konstan, J., & Li, S. X. (2010). Social comparisons and contributions to online communities: A field experiment on movielens. *American Economic Review*, 100(4), 1358-1398.

⁸ Bryan, J. H., & Test, M. A. (1967). Models and helping: Naturalistic studies in aiding behavior. *Journal of Personality and Social Psychology*, 6(4), 400-407.

⁹ Nelson, K. M., Partelow, S., & Schlüter, A. (2019). Nudging tourists to donate for conservation: Experimental evidence on soliciting voluntary contributions for coastal management. *Journal of Environmental Management*, 237, 30-43. (The opt-in condition was, "I agree to the \$X recommended contribution to Lili Eco trust to ... offset my environmental impact." Giving propensity was 55% with the lower suggested amount or 48% with the higher suggested amount. The opt-out condition was, "I do not agree to the \$X recommended contribution to Lili Eco trust to ... offset my environmental impact." Giving propensity was 75% with the lower suggested amount or 61% with the higher suggested amount.)

leave a gift to charity in their will,” more than tripled the share of people who chose to do so themselves.¹⁰

The story of Sara: People like me

In one experiment, I compared the effects of two messages.¹¹ One described how “you” could use a charitable gift annuity. The other was identical, except it described how “Sara” had used a charitable gift annuity. This message worked better. People were more interested in making the gift after reading about Sara.

And then things got more interesting. In another test, I used identical language but also showed a picture of Sara. And the results *got worse*. The example became less persuasive. To learn more, I next tested three more pictures:

- Younger Sara
- Middle-aged Sara, and
- Older Sara.

¹⁰ Cabinet Office. (2013). *Applying behavioural insights to charitable giving*. Cabinet Office – Behavioral Insights Team, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/203286/BIT_Charitable_Giving_Paper.pdf ; For another test of this phrase component, see also, James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011.

¹¹ James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance*, 18(1), 65-73.

The result? If the picture was close in age to the subject, it made the example *more* persuasive. If not, it made the example *less* persuasive.

But further analysis revealed that this result actually *wasn't* about age. It was about identity. Statistically, age mattered *only* when it changed the answer to this question:

“How much do you identify with Sara? She is [a lot / somewhat / a little bit / not really / not at all] like me.”

If Sara was “like me,” her example was powerful. Otherwise, it wasn't.

Experimental results: People like me

“People *like me* make gifts like this.” It's a powerful fundraising message. Other experiments show this same result.

One experiment used a public radio station pledge drive.¹² New members calling in were told,

- “We had another member; he [or she] contributed \$240.”
- This example gift was larger than the typical gift.
- The use of “he” or “she” alternated randomly.

¹² Shang, J., Reed, A., & Croson, R. (2008). Identity congruency effects on donations. *Journal of Marketing Research*, 45(3), 351-361.

What happened? When the “he” or “she” matched the caller’s gender, average gifts were a third larger than when it didn’t. A single letter “s” made a big difference!

In another experiment,¹³ students at a Swedish university were asked for a donation. They were randomly told the following:

- Group 1 was told nothing else.
- Group 2 was told that 73% of university students *in Sweden* made the gift when asked.
- Group 3 was told that 73% of university students *at their university* made the gift when asked.

In the first group, 44% donated. In the second, 60% did. In the third, 79% did. As the example became more *like* the donor, giving increased.

Another experiment used students at an Italian university.¹⁴ They were told, “On average, Italians [or Germans] donate €70 to support this project.”¹⁵ When the example was Italian, donations were nearly

¹³ Agerström, J., Carlsson, R., Nicklasson, L., & Guntell, L. (2016). Using descriptive social norms to increase charitable giving: The power of local norms. *Journal of Economic Psychology*, 52, 147-153.

¹⁴ Hysenbelli, D., Rubaltelli, E., & Rumiati, R. (2013). Others' opinions count, but not all of them: Anchoring to ingroup versus outgroup members' behavior in charitable giving. *Judgment & Decision Making*, 8(6), 678-690. (Participants were entered into a drawing to win €100 less any amount they had chosen in advance to donate to the charitable cause if they won the drawing.)

¹⁵ *Id.* p. 683

50% greater than when it was German.¹⁶ Again, giving by “people like me” was more influential.

This isn’t just about age, or gender, or nationality. It’s about *identity*. Researchers call this the “identity congruency effect.”¹⁷ When “people like me make gifts like this,” the examples are powerful.

More results: People like me

These same types of results show up in many experiments with giving¹⁸ or volunteering.¹⁹ One lab experiment reported,

“Peer effects are positive, with subjects’ donations increasing in those of labmates and

¹⁶ *Id.* p. 684. Figure 3, HA condition.

¹⁷ Shang, J., Reed, A., & Croson, R. (2008). Identity congruency effects on donations. *Journal of Marketing Research*, 45(3), 351-361.

¹⁸ Bennett, C. M., Kim, H., & Loken, B. (2013). Corporate sponsorships may hurt nonprofits: Understanding their effects on charitable giving. *Journal of Consumer Psychology*, 23(3), 288-300. (Learning of corporate sponsorship can reduce willingness to donate unless the donor has a high level of identification with the company. The authors write, “Therefore, unless prospective donors feel sufficiently attached to corporate donors (so as to create similarity or identification with the donor, which can instill the belief that helping is the norm), publicizing corporate sponsors can have a negative effect, resulting in decreased willingness to support a nonprofit among prospective individual donors.” p. 290.); Drouvelis, M., & Marx, B. M. (2021). Dimensions of donation preferences: the structure of peer and income effects. *Experimental Economics*, 24(1), 274-302. p. 276; Herzog, P. S., Harris, C. T., Morimoto, S. A., & Peifer, J. L. (2019). Understanding the social science effect: An intervention in life course generosity. *American Behavioral Scientist*, 63(14), 1885-1909; Tian, Y., & Konrath, S. (2021). The effects of similarity on charitable giving in donor–donor dyads: A systematic literature review. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 32, 316-339. p. 316; Zhang, J., & Xie, H. (2019). Hierarchy leadership and social distance in charitable giving. *Southern Economic Journal*, 86(2), 433-458.

¹⁹ Fishbach, A., Henderson, M. D., & Koo, M. (2011). Pursuing goals with others: Group identification and motivation resulting from things done versus things left undone. *Journal of Experimental Psychology: General*, 140(3), 520-534.

past subjects. However, subjects did not respond to ... gifts by an anonymous donor.”²⁰

This also arose in an experiment with professors.²¹ Results showed that professors’ giving was influenced by another’s initial donation amount. But not always. This happened only when the initial donor was revealed to be a member of their own department (peer) or their department chair (leader). Without this information, there was no significant response.

Another study found that showing people data on how their giving compared with others of their same age, education, and region increased their subsequent charitable giving.²²

A meta-analysis found a similar result. It reported,

“This systematic literature review (35 eligible studies) investigates how individuals’ charitable giving is affected by the giving of others. It [proposes] a new mechanism of decision making in charitable giving through

²⁰ Drouvelis, M., & Marx, B. M. (2021). Dimensions of donation preferences: the structure of peer and income effects. *Experimental Economics*, 24(1), 274-302. p. 276.

²¹ Zhang, J., & Xie, H. (2019). Hierarchy leadership and social distance in charitable giving. *Southern Economic Journal*, 86(2), 433-458.

²² Herzog, P. S., Harris, C. T., Morimoto, S. A., & Peifer, J. L. (2019). Understanding the social science effect: An intervention in life course generosity. *American Behavioral Scientist*, 63(14), 1885-1909.

an important psychological construct: similarity.”²³

If other people give, that’s interesting. If people *like me* give, that’s powerful.

Experimental results: ... make gifts like this

A socially relevant example creates a social norm.²⁴ This tends to pull giving towards two points:

1. Giving at the norm.
2. Not giving at all.

²³ Tian, Y., & Konrath, S. (2021). The effects of similarity on charitable giving in donor–donor dyads: A systematic literature review. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 32, 316-339. p. 316.

²⁴ In general, as people’s expectations that others are giving grows, so does their own giving. For example, one study used real donation data on a large crowdfunding platform in Japan. The researchers report, “We find a donor likely imitates the donation amount that many others have selected ... The likelihood increases when more of the others have given the similar amount ... This result supports the notion that a donor’s conformity behavior is more likely to occur when a greater proportion of other donors give a similar amount.” Sasaki, S. (2019). Majority size and conformity behavior in charitable giving: Field evidence from a donation-based crowdfunding platform in Japan. *Journal of Economic Psychology*, 70, 36-51.

Similarly, in another study, the answer to the question “How interested do you think others are in giving to women’s and girls’ causes?” largely predicted the person’s own intentions to give to these causes. Mesch, D., Dwyer, P., Sherrin, S., Osili, U., Bergdoll, J., Pactor, A., & Ackerman, J. (2018). *Encouraging giving to women's and girls' causes: The role of social norms*. IUPUI Women’s Philanthropy Institute. Figure 1.

<https://scholarworks.iupui.edu/handle/1805/17949>

However, a social norm does not have to reflect *majority* behavior. A person can identify with a smaller group, rather than the majority. For example, in the previous study this phrase reduced giving to these causes: “Less than half of donors give to women’s and girls’ charities.” But the negative impact disappeared when adding, “but the number of donors is getting bigger and bigger each year.” This addition made the non-majority behavior more attractive.

Why does this happen? Giving costs. But giving *less* than the norm still violates the norm. Thus, giving too little doesn't help reputation. But it still costs something. So, it's a costly failure. It's a bad decision.

Giving *more* than the norm could be acceptable. But the extra cost might be pointless. So, the best options likely narrow to just two: giving at the norm or not giving at all.

These offsetting effects show up in experiments. For example, seeding a transparent donation box with large bills generates fewer, but larger, gifts. Seeding it with coins generates more, but smaller, gifts.²⁵ Mentioning a large gift by another in an appeal letter raises average gift size. But it lowers the likelihood of giving.²⁶

One UK study asked people to donate from a £10 payment. Adding this phrase,

“Did you know that other participants gave £5 and they said that participants such as yourself should give £5?”²⁷

²⁵ Martin, R., & Randal, J. (2008). How is donation behaviour affected by the donations of others? *Journal of Economic Behavior & Organization*, 67(1), 228-238.

²⁶ Jackson, K. (2016). The effect of social information on giving from lapsed donors: Evidence from a field experiment. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 920-940.

²⁷ van Teunenbroek, C., Bekkers, R., & Beersma, B. (2021). They ought to do it too: Understanding effects of social information on donation behavior and mood. *International Review on Public and Nonprofit Marketing*, 18(2), 229-253. p. 231.

had offsetting effects. It increased the share of people giving £5.²⁸ But it also increased the share who gave nothing.²⁹ The likelihood of giving amounts other than £5 fell. Again, the social norm pushed giving towards two points: Giving at the norm or not giving at all.

For fundraising, the ideal example is a stretch gift. In one experiment, a phone-a-thon for a public radio station referenced another's gift. If the example was a bit larger than the donor's last gift, it tended to increase the donation. If smaller, it tended to decrease the donation.³⁰

Examples from major gifts

These experiments show the power of others' examples in small gift decisions. But major gifts are rare. They're harder to test. Yet, the same answer emerges.

How can we persuade an ultra-high-net-worth donor to give? By sharing examples of other "people like me." Josh Birkholz explains,

"You need to be branded as the type of place that [other] ultra-high-net-worth donors give to. How do we do that? One of the key ways is to really go beyond just showing what your

²⁸ *Id.* p. 240. Table 3. (The share of participants giving £5 was 26% in the control group and 37% in the group exposed to the message.)

²⁹ *Id.* (The share of participants giving nothing was 61% in the control group and 68% in the group exposed to the message.)

³⁰ Croson, R., & Shang, J. Y. (2008). The impact of downward social information on contribution decisions. *Experimental Economics*, 11(3), 221-233.

organization's impact on the world is, but to actually demonstrate *how specific donors have made a big impact* on the world. [emphasis added]"³¹

The key information isn't just about the charity. It's about others who are like the donor. It's about showing that "people like me make gifts like this."

Similarly, a study of ultra-high-net-worth donors found, "nearly 60% report collaborating with other funders."³² In his interviews with mega gift donors, Jerald Panas shares,

"People enjoy being part of 'the club,' being associated with prominent men and women who are giving to the same cause,' he says. And my interviewing bears this out. Very few donors enjoy the independent route ..." ³³

Examples from people *like me* work. But what if we don't already have mega donors to use as examples? There are still ways to provide aspirational examples.

³¹ Birkholz, J. (2019). *BWF live fundraising show: 2019 – 12 things for consideration*. [Video]. 34:00, <https://m.facebook.com/BentzWhaleyFlessner/videos/bwf-live-fundraising-show-2019-twelve-things-for-considerationjosh-birkholz-prin/279456562721405/>

³² Tripp, K. D. & Cardone, R. (2017). *Going beyond giving: Perspectives on the philanthropic practices of high and ultra-high net worth donors*. The Philanthropy Workshop. p. 12. <https://www.ncfp.org/wp-content/uploads/2017/11/Going-Beyond-Giving.pdf>

³³ Panas, J. (2005). *Mega gifts: Who gives them, who gets them* (2nd ed.). Emerson & Church Publishers. p. 34.

As president of Connecticut College, Claire Gaudiani massively expanded fundraising success. (The college's endowment more than quadrupled.) Her approach? Sharing donor stories from American history. She recommends,

“Show how the vision of a major donor can transform an institution (Mary Garrett at Johns Hopkins) or an entire city (Ken Dayton in Minneapolis).”³⁴

But she shares these stories in a special way. She begins them with a phrase like, “You know, you remind me of [insert historical name].” The donor responds with, “Who is that?” She then shares the story of a donor whose gifts made a major impact.³⁵ Because of this introduction, this isn't just an example. For the donor, it becomes an example of someone “like me.”³⁶

³⁴ Gaudiani, C. (2012). *How to use the greater good*. [Website]. <http://www.clairegaudiani.com/Writings/Pages/HowToUseGreaterGood.aspx> now archive only at <https://web.archive.org/web/20170923063952/http://www.clairegaudiani.com/Writings/Pages/HowToUseGreaterGood.aspx> Her book, *The Greater Good*, is a collection of heroically-framed donor stories from American history. She recommends that fundraisers' use the book in this way:

“Need a GREAT STORY to illustrate your message about the importance of philanthropy? Tell a group of volunteers/smaller donors about the success of the Mother's March of Dimes or the creation of Provident Hospital. Show how the vision of a major donor can transform an institution (Mary Garrett at Johns Hopkins) or an entire city (Ken Dayton in Minneapolis). Demonstrate how risk-taking is essential for real social and economic progress (Guggenheim support to the aviation industry). Connect your philanthropic effort with the American entrepreneurial spirit (John Winthrop's Sermon on the “Arabella”)”

³⁵ Author's notes from Gaudiani, C. (2018, October 17). *Luncheon keynote*.

[Presentation]. Charitable Gift Planners Conference, Las Vegas, NV.

³⁶ One study finds this identification with such “moral and civic virtue exemplars,” to be a powerful predictor of pro-social action (giving and

Conclusion

“People like me make gifts like this.” It’s a powerful message.

- It works in the primal-giving game. (It reveals a reciprocal, sharing community norm.)
- It works in the universal hero story cycle. (It connects the challenge to the donor’s original identity. It validates the promise of a victory. It shows that the victory will deliver an enhanced identity.)
- It works in lab experiments.
- It works in field experiments.
- It works in simple gifts.
- It works in complex planned gifts.
- It works in bequest gifts.
- It works in small dollar gifts.
- It works in major gifts.

And most importantly, it works for people like you. :-)

volunteering) among adolescents as well. The researchers explain, “adolescents who have made a habit of social action (having participated in the previous 12 months and intending to participate again in future) are more likely to ... identify themselves more closely with moral and civic virtue exemplars, and say that other people who know them also think they are more like the moral and civic virtue exemplars”. Taylor-Collins, E., Harrison, T., Thoma, S. J., & Moller, F. (2019). A habit of social action: Understanding the factors associated with adolescents who have made a habit of helping others. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 30(1), 98-114. p. 109.

THE PRIMAL FUNDRAISER

**DELIVERING TRANSCENDENT VALUE IN PRIMAL
FUNDRAISING:
I BELIEVE IN THIS!**

Effective fundraising can deliver real value to donors. For example, it can enhance public reputation. This external identity has tangible economic value.¹

But fundraising can do more. It can also deliver transcendent value. This comes from a private, internal identity. It comes from a moral identity. Moral identity reflects how well one's life matches one's ideal values.²

Primal origins: Morality as a gift

An internal moral identity may seem intangible. It may feel far removed from the rational

¹ See Chapter 9. Primal fundraising delivers practical value with external identity: This is totally worth it!

² For an economic model of this concept where people act as their own audience in a social-signaling model, see Bénabou, R., & Tirole, J. (2006). Incentives and prosocial behavior. *American Economic Review*, 96(5), 1652-1678.

world of natural selection and game theory. But it does connect. How? It connects in this way. Morality is a code of conduct. More precisely, it's a pro-social code.³ Pro-social actions benefit the group. Thus, acting morally is like a gift to the group.

This gift may be simply an individual helpful act.

But it can help the group in another way. It can support a shared pro-social code.⁴ The code dictates that group members help each other. This mutual concern makes the group stronger. Thus, supporting a pro-social code makes the group stronger. It acts like a gift to the group.

This support can even include punishing code violators. The punisher incurs cost in order to enforce a code. But the code benefits the group. Thus, costly punishment can be a form of pro-social action.⁵ (In

³ "Morality refers to a code of conduct that individuals and groups adopt as normative to govern themselves.... Moral behaviors can be classified into two broad categories: prosocial and antisocial. Prosocial behaviors are actions that benefit others.... Antisocial behaviors are defined as actions that contradict social norms, laws, and rules." Carlo, G., Christ, C., Liable, D., & Gulseven, Z. (2016). An evolving and developing field of study: Prosocial morality from a biological, cultural, and developmental perspective. In T. Shackelford & R. Hansen (Eds.), *Evolutionary psychology series: The evolution of morality*. Springer. p. 55-56.

⁴ Gintis, H. (2000). Strong reciprocity and human sociality. *Journal of Theoretical Biology*, 206(2), 169-179.

⁵ See, e.g., Fehr, E., & Fischbacher, U. (2004). Third-party punishment and social norms. *Evolution and Human Behavior*, 25(2), 63-87; Fehr, E., & Gächter, S. (2000). Cooperation and punishment in public goods experiments. *American Economic Review*, 90(4), 980-994; Fehr, E. & Gächter, S. (2002). Altruistic punishment in humans, *Nature*, 415(6868), 137-140.

As with other types of gifts, costly punishment also increases when the act become more visible to others. See, Kurzban, R., DeScioli, P., & O'Brien, E. (2007). Audience effects on moralistic punishment. *Evolution and Human Behavior*, 28(2), 75-84.

the primal-giving game, this is called indirect reciprocity.⁶ A world of indirect reciprocity strongly encourages sharing.)

The reinforcement may be positive or negative. But the effect is similar: Supporting a pro-social code acts like a gift to the group.

Primal origins of moral identity: Similarity

When are such gifts to the group a good idea? It might depend on one's similarity with the shared group. In Hamilton's simple math,⁷ a gift is genetically helpful when

$$\text{My Cost} < (\text{Their Benefit} \times \text{Our Similarity}).$$

The trade-off weighs the cost of support against the benefit to the group. The value of this group benefit depends on genetic similarity with the group members. However, the natural origins of code support go beyond this simple math.

Primal origins of moral identity: Alliances

If people aren't related, Hamilton's math doesn't work. Yet, sustainable giving is still possible. It is possible through reciprocal altruism. Biologists

⁶ See the discussions of indirect reciprocity in chapters 9 "Primal fundraising delivers practical value with external identity: This is totally worth it!" and 10 "The power of community in primal fundraising: I'm not just giving, I'm sharing!"

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⁷ Hamilton, W. D. (1964). The genetical evolution of social behaviour. II. *Journal of Theoretical Biology*, 7(1), 17-52.

model this using the primal-giving game.⁸ In the game, each player can give to the other. A gift helps the other player more than it costs. But both players must decide to give or not before knowing what the other will do.

When behavior is hidden, reciprocity is not possible. (We can't respond to an action that we can't see.) Without reciprocity, *not* sharing is the only logical move. That's why visibility is so important. If sharing is invisible, no one shares.

This choice is individually rational. But everyone ends up worse off because no one shares. Is there a way around this problem? Is there a way that leads to reciprocal sharing even when it is invisible?

There is. Suppose a group of players adopted an internal moral code:

When playing with fellow group members, they would act *as if* they were being watched.

Each player would give up rational opportunities to cheat fellow group members. They would share with each other, even when their actions were hidden.

The result? This "moral code" group would succeed. It would outperform other groups.⁹ Being

⁸ Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology*, 9(2-4), 211-222.

⁹ Bazzan, A. L., Bordini, R. H., & Campbell, J. A. (2002). Evolution of agents with moral sentiments in an iterated prisoner's dilemma exercise. In S. D. Parsons, P. Gyntrasiewicz & M. Wooldridge (Eds.), *Game theory and decision theory in agent-based systems* (pp. 43-64). Springer; Gintis, H. (2000). Strong reciprocity and human sociality. *Journal of Theoretical Biology*, 206(2), 169-179.

part of this group would be more valuable than being part of a purely rational self-interested group. In natural selection, being part of a strong, mutually cooperative group is an ideal scenario.

Thus, playing the game *as if* one is being watched – even when actions are hidden – can be a superior strategy for the group. This gameplay matches the desire for *internal* moral identity. It means one's private actions match one's ideal public values. It means acting the same whether the actions are hidden or not.

Primal origins of moral identity: Alliance problems

This “moral code” group would outperform others. It works. But there's a problem. It works only if other group members actually follow the code. To be stable, these groups must exclude cheaters. They must exclude those who claim they will follow the pro-social values, but then don't. But how is this possible if cheating is hidden?

One solution is to use a visible substitute for the hidden action. Group members can express their commitment to following the pro-social code using costly signals. In religious groups, a costly signal might be a special diet or dress. It can also be a gift or sacrifice such as burning valuable goods.¹⁰

© 2006-2014 CFC-Held. Discussion of this game-theoretic model, see Iannaccone, L. R. (1998). Introduction to the economics of religion. *Journal of Economic Literature*, 36(3), 1465-1495.

Increasing group member monitoring also helps. Over time, an accumulation of costly signals – including unknowingly observed behavior – means something. It predicts the person will consistently follow the moral code in the future. A group of such similarly committed people is strong. It excludes those who aren't internally committed to the group's moral code. It excludes cheaters.

These game-theory concepts lead to practical suggestions. For example, maintaining a long history of commitment to a code is a particularly valuable signal. Thus, reminders of one's historical commitment to such values encourage continued support for the values.

Following the moral code is also strategic if other group members support these values. Rejecting such values risks being subjected to costly punishment. It risks exclusion from the cooperative group. Thus, reminders that other group members support these values can also increase support for the values.

Even when hidden, supporting the moral code can still make sense. It makes sense because it helps other group members. Moral values are pro-social.

But helping the group can also help the individual. Being part of a strong, mutually cooperative group is valuable. (In natural selection, such alliances can be key to survival.) Thus,

reminders of how such moral values benefit one's group can encourage support for the values.

Story origins of moral identity

Primal game theory explains the power of supporting a pro-social moral code. But what about practical reality? What about fundraising?

Fundraising can match the game. Giving can support a pro-social moral code. It can enhance the donor's internal moral identity. How? The steps are already familiar.

The "one big thing" in fundraising is to advance the donor's hero story. The hero story (monomyth) cycle is,¹¹

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

¹¹Joseph Campbell uses a three-step circular illustration with this description:

"A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.

I label these steps as follows:

The beginning point of "the world of common day" is "**original identity**."

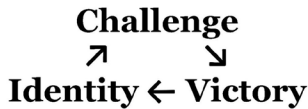
"Venturing forth into a region of supernatural wonder" is "**challenge**."

"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."

"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."

I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

Or, as a loop,



Previous chapters show how this cycle can enhance external, public identity.¹² These same steps can also enhance an internal, private, moral identity. They can move the donor from his original moral identity to an enhanced moral identity. In both cases, the process starts with the donor's original identity.

Original identity: Reminders

Most giving supports some moral value. It might be faith or compassion. It might be freedom or education. The options are endless. But when does such giving enhance the donor's internal moral identity? It depends.

The first question is this: How much are these values part of the donor's ideal moral identity? If the values don't matter, the gift won't help. If the values do matter, then the gift can help. It can help the donor's life match his ideal values. Thus, the value of the gift depends on the importance of the supported values.

¹² See Chapter 9. Primal fundraising delivers practical value with external

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identity. This is totally worth it!; Chapter 10. The power of community in primal fundraising: I'm not just giving, I'm sharing!; Chapter 11. Social norms in primal fundraising: People like me make gifts like this!

But this importance can be fluid. Reminders can influence it. This shows up in experiments using religious reminders. In one, showing people the words

- Spirit
- Divine
- God
- Sacred, and
- Prophet

more than doubled gifts to others.¹³ In another, organ donations increased if the solicitor wore a Christian cross.¹⁴ Another found a “Sunday effect”: Religious people were more likely to support charity, but only if they had visited their place of worship on that day.¹⁵ In another, mindfulness meditation more than doubled gifts to the United Way.¹⁶ Thus, spiritual reminders encourage donations.

But this is not just about religious values. The right setting or reminder can strengthen a connection

¹³ Shariff, A. F., & Norenzayan, A. (2007). God is watching you: Priming God concepts increases prosocial behavior in an anonymous economic game. *Psychological Science*, 18(9), 803-809. Experiment 1.

¹⁴ Guéguen, N., Bougeard-Delfosse, C., & Jacob, C. (2015). The positive effect of the mere presence of a religious symbol on compliance with an organ donation request. *Social Marketing Quarterly*, 21(2), 92-99.

¹⁵ Malhotra, D. (2010). “Sunday Effect” on pro-social behavior. *Judgment and Decision Making*, 5(2), 138-143.

¹⁶ “Subjects who underwent the meditation treatment donated at a 2.61 times higher rate than the control ($p = 0.005$), after controlling for socio-demographics.” Iwamoto, S. K., Alexander, M., Torres, M., Irwin, M. R., Christakis, N. A., & Nishi, A. (2020). Mindfulness meditation activates altruism. *Scientific Reports*, 10(1), 1-7. p. 1.

with any values. In experiments, reminders make moral values more mentally accessible.¹⁷ They bring the values to the top of the mind. This, in turn, increases actions that match those values.¹⁸

Reminders strengthen the importance of the moral value. A gift that supports that moral value then becomes more attractive.¹⁹ The reminder helps link the gift with the donor's ideal moral identity. This connection makes the rest of the story more compelling. It makes the gift more attractive.

Original identity: Socratic inquiry

Reminding people about desired values underlying a gift works. But even more powerful is getting *them* to talk about it.

¹⁷ Glasman, L. R., & Albarracin, D. (2006). Forming attitudes that predict future behavior: A meta-analysis of the attitude-behavior relation. *Psychological Bulletin*, 132(5), 778-822.

¹⁸ *Id.* In another example, a reminder to “be grateful for what you have” increased the tendency to make donations and increased the size of those donations. Paramita, W., Septianto, F., & Tjiptono, F. (2020). The distinct effects of gratitude and pride on donation choice and amount. *Journal of Retailing and Consumer Services*, 53, 101972, 1-10. p. 4.

¹⁹ In one study, the reminder “Be proud of what you can do” (pride motive) increased donations only if the donations would be publicly acknowledged and recognized. Without this recognition, the highlighted value (pride) didn’t match the gift. Paramita, W., Septianto, F., & Tjiptono, F. (2020). The distinct effects of gratitude and pride on donation choice and amount. *Journal of Retailing and Consumer Services*, 53, 101972, 1-10. p. 4.

Another study investigated charitable giving motivations for donors at 13 large Dutch nonprofits that account for nearly a third of total donations in the country. The researchers found that “donating to a specific nonprofit depends on the congruency between the nonprofit values of the organization and the individual donor’s nonprofit values.” van Dijk, M., Van Herk, H., & Prins, R. (2019). Choosing your charity: The importance of value congruence in two-stage donation choices. *Journal of Business Research*, 105, 283-292.

In experiments, people who first describe their connection with a value act differently. They become more likely to act according to that value.²⁰

Expressing such an opinion once works. Expressing it multiple times in different ways works even better. This repetition increases commitment to the belief.²¹ It increases actions that match the belief.²²

This also works in fundraising. Getting people to express their opinion about the importance of the underlying cause or values works.²³ In experiments, this increases

- Current gifts
- Future gift intentions, and
- Charitable bequest intentions.

²⁰ Glasman, L. R., & Albarracín, D. (2006). Forming attitudes that predict future behavior: A meta-analysis of the attitude-behavior relation. *Psychological Bulletin*, 132(5), 778-822.

²¹ Descheemaeker, M., Spruy, A., Faxio, R. H., & Hermans, D. (2017). On the generalization of attitude accessibility after repeated attitude expression. *European Journal of Social Psychology*, 47, 97-104; Holland, R. W., Verplanken, B., & van Knippenberg, A. (2003). From repetition to conviction: Attitude accessibility as a determinant of attitude certainty. *Journal of Experimental Social Psychology*, 39(6), 594-601.

²² Downing, J. W., Judd, C. M., & Brauer, M. (1992). Effects of repeated expressions on attitude extremity. *Journal of Personality and Social Psychology*, 63(1), 17-29.

²³ Capraro, V., Jagfeld, G., Klein, R., Mul, M., & van de Pol, I. (2019). Increasing altruistic and cooperative behaviour with simple moral nudges. *Scientific Reports*, 9(1), 1-11; James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing*, 15(3), 393-411; Kessler, J. B., Milkman, K. L., & Zhang, C. Y. (2019). Getting the rich and powerful to give. *Management Science*, 65(9), 4049-4062.

It works in experiments for charities in

- Higher education
- Environmental conservation
- Cancer research
- Animal welfare
- International relief, and
- Youth programs.

Answering questions about the importance of underlying values or causes works. It works by highlighting the internal importance of those values. And the more times people do it, the more impact it has.²⁴

Original identity: Donor's story

The right setting can provide values reminders. Socratic inquiry can do the same. Either way, focusing on values can increase giving. If.

Such reminders work only *if* the moral value is part of the donor's ideal moral identity. If it isn't, then this won't work. The gift might advance *some* moral value. But it doesn't advance *the donor's* moral value. Thus, the gift won't be compelling.

To be compelling, the challenge must be rooted in the donor's desired moral identity. Otherwise,

© 2006-2024, CMC Holdings, LLC. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing*, 15(3), 393-411.

neither meeting the challenge nor winning the victory will enhance the donor's identity. A compelling gift requires each part of the story cycle. It requires identity, challenge, and victory.

For example, suppose religious faith is *not* part of a donor's identity. Then a gift that supports that value won't help. It won't enhance the donor's internal, moral identity. It won't be compelling.

Different values work for different people. One experiment tested a gender difference.²⁵ It pointed to findings that women "consider relationships to be more central to their sense of self."²⁶ It tested reminders of five relationship-centered moral traits: compassionate, kind, caring, friendly, and helpful. These reminders increased giving for women, but not for men.²⁷ The researchers suggested that a different set of moral traits might work better for men.²⁸

The "one big thing" in fundraising remains the same: Advance the donor's hero story. This means

²⁵ Shang, J., Reed, A., Sargeant, A., & Carpenter, K. (2020). Marketplace donations: the role of moral identity discrepancy and gender. *Journal of Marketing Research*, 57(2), 375-393.

²⁶ *Id.* p. 377.

²⁷ *Id.* p. 379. (New or renewing members of a public radio station called in during a pledge drive. Before being asked, "How much would you like to pledge today?" some were told, "Thank you for becoming/being a [station name] member." Others were told "Thank you for becoming/being a [moral trait 1] and [moral trait 2] [station name] member." Using the five listed traits increased average gift size by 21.3% for women. But it made no significant impact for men.)

²⁸ *Id.* p. 390. ("If women's relationship concerns enabled us to shrink their moral identity discrepancy through relationship building activities, is it possible that we could shrink men's moral identity discrepancy through authority-building or fairness-restoration activities because of their need to be the agent to uphold moral values?")

advancing *the donor's* story. A story about values that aren't part of the donor's identity isn't *the donor's* story. A gift that advances those values won't help. It won't advance *this* donor's story.

Challenge: External threat

A story about values central to the donor's identity is *the donor's* story. But it's not yet a hero story. The hero story cycle *starts* with original identity. It can start by connecting to values that are part of this identity. It can start by highlighting the importance of these identity connections. But to advance the story, this identity must then connect to a challenge.

A compelling challenge responds to a threat or opportunity. A threat to one's moral values can be external or internal. An external threat arises when an outside force attacks the moral value.

An external threat is common in political cause fundraising. One experiment added an external threat to a political appeal letter. Doing so nearly doubled the share of people making gifts.²⁹ The added phrases included,

- “Powerful members of Congress are working hard to [take away rights from women].”

²⁹ Miller, J. M., & Krosnick, J. A. (2004). Threat as a motivator of political activism: A field experiment. *Political Psychology*, 25(4), 507-523. p. 513.

(Donation rate for direct mail appeals rose from .23% in the control letter to .43% in the threat letter.)

- “These threats are real!”³⁰

Other experiments show similar results for threats related to issues in

- Gun control
- The environment, and
- Abortion.³¹

Showing that an opposing political candidate is ahead in fundraising also provides a threat. And it also increases donations.³² In another example, online donations to the ACLU were typically about \$5 million per year. Then President Trump took office. These donations shot up to over \$120 million per year.³³

Most hero stories involve responding to an external threat. In fundraising, external threats can make a huge impact. They can help create a more heroic giving opportunity.

³⁰ *Id.* at p. 520.

³¹ Miller, J. M., Krosnick, J. A., Holbrook A. L., Tahk, A., & Dionne, A. (2016). The impact of policy change threat on financial contributions to interest groups. In J. A. Krosnic, I. C. Chiang, & T. Stark (Eds.), *Explorations in Political Psychology*. Psychology Press.

³² Schwam-Baird, M. (2016). *Essays on the motivations and behavior of individual political donors*. [Doctoral dissertation]. Columbia University, New York.

³³ See Reints, R. (2018, July 5). The ACLU’s membership has surged and it’s putting its new resources to use. *Fortune*.

<http://fortune.com/2018/07/05/aclu-membership-growth/>

Challenge: Internal threat

A challenge to moral values can be external. But it can also be internal. An internal threat suggests a gap between,

- *Desired* internal moral identity, and
- *Actual* internal moral identity.

This gap motivates action to fix the problem. It motivates action to improve internal moral identity. A gift can help do this. Thus, highlighting this gap can motivate a related gift.

Some experiments create this kind of internal threat. The threat highlights a gap between desired and actual moral identity. This increases guilt. But it also increases donations. In experiments, this happens after

- Writing about one's own greediness or selfishness,³⁴
- Making an accidental unfair split of money,³⁵
- Using a counterfeit luxury product,³⁶ or

³⁴ Sachdeva, S., Iliev, R., & Medin, D. L. (2009). Sinning saints and saintly sinners the paradox of moral self-regulation. *Psychological Science*, 20(4), 523-528.

³⁵ Ohtsubo, Y. & Watanabe, E. (2013). Unintentional unfair behavior promotes charitable donation. *Letters on Evolutionary Behavioral Science*, 4(1), 1-4.

³⁶ Chen, J., John, D., Wang, Y., & Carufel, C. (2017). Prosocial consequences of counterfeits: using counterfeit luxury goods can lead to prosocial behavior.

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In A. Gneezy, V. Griskevicius, and P. Williams (Eds.), *NA - Advances in Consumer Research* (Vol. 45). Association for Consumer Research. p. 68-69.
https://www.acrwebsite.org/volumes/v45/acr_vol45_1024798.pdf

- Failing at a task that could have helped another.³⁷

These situations create a gap between desired and actual internal moral identity. A gift helps close that gap. Thus, creating the gap motivates the gift.

In another example, combining a charitable gift with a product can sometimes increase sales. But not always. It works if the product creates guilt.³⁸ For example, it works for a hot fudge sundae. It works for chocolate truffles. But it doesn't work for laundry detergent. It doesn't work for a spiral notebook.

Again, the concept is the same. If consuming the product creates a gap between desired and actual identity, the gap can motivate a gift. If the product doesn't create a gap, it doesn't motivate a gift.

Challenging one's loyalty to an important value can also create a threat. It implies that there is a gap between desired and actual moral identity. For example, mentioning a resented stereotype that a group is un-generous does this. In experiments,

³⁷ Darlington, R. B. & Macker, C. E. (1966). Displacement of guilt-produced altruistic behavior. *Journal of Personality and Social Psychology*, 4(4), 442-443.

³⁸ Strahilevitz, M., & Myers, J. G. (1998). Donations to charity as purchase incentives: How well they work may depend on what you are trying to sell. *Journal of Consumer Research*, 24(4), 434-446.

In another example of a potentially "guilt-inducing" sale, Kaylen Ward, the "naked philanthropist," offered to send nude pictures of herself to anyone who donated \$10 to fundraisers for Australian wildfires. She raised a reported \$700,000 in four days. See Rosen, M. (2020, January 7). *What can you learn*

© 2006-2020 from "The Naked Philanthropist?" [Blog].

<https://michaelrosensays.wordpress.com/2020/01/07/what-can-you-learn-from-the-naked-philanthropist/>

doing this causes group members to give more.³⁹ Highlighting the alleged gap motivates the giving.

Promising victory

The effective challenge responds to a threat. But it must also promise a victory. This victory can address the threat to the donor's values. For example, the previous appeal letter threat that nearly doubled giving also included the phrase,

“But we can stop them if we work together.”⁴⁰

That threat to the moral value was external. It was from an outside force. Thus, victory comes from defeating that outside force.

A victory over an internal threat is also possible. The gift can reduce the gap between actual and desired internal moral identity.⁴¹ Giving can fix the problem. It can prove commitment to the supported values.

³⁹ Hopkins, N., Reicher, S., Harrison, K., Cassidy, C., Bull, R., & Levine, M. (2007). Helping to improve the group stereotype: On the strategic dimension of prosocial behavior. *Personality and Social Psychology Bulletin*, 33(6), 776-788.

⁴⁰ Miller, J. M., & Krosnick, J. A. (2004). Threat as a motivator of political activism: A field experiment. *Political Psychology*, 25(4), 507-523. p. 520.

⁴¹ Shang, J., Reed, A., Sargeant, A., & Carpenter, K. (2020). Marketplace donations: The role of moral identity discrepancy and gender. *Journal of Marketing Research*, 57(2), 375-393.

Promising the donor's victory

Not all victories are compelling. The compelling victory must be tied to *the donor's* identity. It must also be *the donor's* victory.

This is where charities often go wrong. Their natural tendency is to claim the victory as theirs. The victory enhances *their own* identity. (This matches the administrator-hero story.)

But this is not as compelling for the donor. This victory is not tied to *the donor's* actions. It doesn't enhance *the donor's* identity.

In an experiment, one e-mail focused on the charity as the actor. For example, it stated,

“The fashion industry has let these women down, but [the charity] won't.”⁴²

Another version added the donor as an actor. It instead stated,

“The fashion industry has let these women down, but you and [the charity] won't.”

The odds of people clicking on the link to learn more were 27% higher for the second message. When *the donor* delivers the victory, it enhances *the donor's* identity. This makes giving more attractive.

⁴² *Id.* p. 382.

The second message increased the odds of responding even more, by 40%, among women. Why? In that case, the challenge connected to both

- The donor's original identity (female), and
- The donor's enhanced identity (the hero who delivers victory).

Connecting to more of the story cycle makes the request more compelling.

Delivering victory: External threat

A challenge is more effective when it *promises* victory leading to an enhanced identity. But how does the charity actually *deliver* on this promise?

If the moral challenge is external, the goal is to resist the *external* foe. Victory comes from the *impact* of the gift. The charity can confirm this impact. It can confirm this victory. How?

- It can report the gift's impact.
- It can express gratitude for the gift's impact.
- It can encourage others to express gratitude for the gift's impact.
- It can publicize the gift's impact.

Confirming the victory makes the next challenge more compelling. The hope of "Yes, you can!" is compelling. But it fades unless followed by, "Yes, you did!"

Delivering victory: Internal threat

If the moral challenge is internal, the goal is different. The goal is to reduce the identity gap. Victory moves *actual* internal moral identity towards *desired* moral identity.⁴³

Confirming the gift's impact can help here, too. It can show that the donor is an effective, successful, victorious, and valuable member of the community.

But internal victory can come even without impact. The victory comes simply from the making of the gift. It can verify that the donor is generous, faithful, committed, and sacrificial.

The gift itself may even be destroyed. Such offerings are described in the Iliad,⁴⁴ the Odyssey,⁴⁵ and the Pentateuch.⁴⁶ The act of giving shows allegiance to the desired values regardless of impact.

This type of victory is internal. But it can still be validated by others. The charity can confirm that the *act of giving* supports the desired values. Gift reporting, gratitude, and compatible publicity for the gift *as an expression of the moral value* provides this confirmation.

⁴³ *Id.* p. 375. (Referencing “moral identity discrepancy (i.e., the gap between actual and ideal moral identity)”).

⁴⁴ Strittmatter, E. J. (1925). Prayer in the Iliad and the Odyssey. *The Classical Weekly*, 18(11), 83-87.

⁴⁵ Petropoulou, A. (1987). The sacrifice of eumaeus reconsidered. *Greek, Roman and Byzantine Studies*, 28(2), 135-149.

⁴⁶ E.g., Genesis 35:14, Exodus 29:41, Leviticus 23:18.

Conclusion

Enhancing the donor's internal moral identity is powerful. It can tap into the deepest sources for sacrificial motivation. But delivering this transcendent value need not be mysterious.

Enhancing either private or public identity uses the same process. Both internal moral identity and external public reputation grow through the same steps:

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**

The process is familiar. The answer, once again, is simply this: Advance the donor's hero story.

Next up:

The Fundraising Myth & Science Series Book IV

THE SOCRATIC FUNDRAISER:
USING QUESTIONS TO ADVANCE THE DONOR'S STORY

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Dr. James has published research in over 75 peer-reviewed scientific journal and law review articles. He

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Visual Planned Giving: An Introduction to the Law & Taxation of Charitable Gift Planning

Inside the Mind of the Bequest Donor: A Visual Presentation of the Neuroscience and Psychology of Effective Planned Giving Communication

For links to his videos, slide presentations, and papers, please connect on LinkedIn.