



FROM INTENTIONS TO ACTION:

THE SCIENCE BEHIND GIVING BEHAVIOURS



Fondation
Rideau Hall
Foundation

THE
BEHAVIORAL
INSIGHTS TEAM ◆

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FOREWORD

I have always felt at home in Canada. Aside from the bond of a shared Sovereign and our complementary flavours of parliamentary democracy, our common values are striking. Both nations are generous – Canadians, like the British, are stalwarts in the CAF World Giving Index– and both governments put their various policy levers to work with a view to promoting giving. However, we have also, like other Western economies, experienced a relative decline in giving over the last five years. Indeed, the 2017 CAF World Giving Index reported its lowest recorded participation rate for Canada at 61 per cent.

This report celebrates the spirit of giving in Canada, as well as the work of the fantastic institutions that facilitate it, but it also seeks to address the issue of declining giving in novel and practical ways, notably using behavioural science. While it is certainly true that some factors, such as different and higher opportunity costs for dollars that would otherwise go to charity, or changing demographics, are hard to address, it is also true that small tweaks to the way we ask for time or money can help release untapped giving potential. Since its establishment inside the UK's Cabinet Office in 2010, The Behavioural Insights Team (BIT) has driven social impact through this approach of deconstructing large challenges into the small moments, decisions and actions that add up to make or break overall success. We have proven that building a better understanding of human behaviour into the design of policies, services, and processes works to tackle unemployment, obesity, economic growth, crime, and, of course, giving. Since then our team has grown, and so too has the wealth of evidence for applied behavioural science around the world.

Perhaps what most excites me about giving is the fact the equation is two-sided, boosting the well-being of the giver as well as the beneficiary. Indeed, much of my work in government has been dedicated to exploring the ways in which prosocial actions help foster social capital and trust, often-underestimated creators of wealth and well-being. In our work at BIT we have shown that volunteering makes a significant contribution to the development of skills young people need to succeed in work and life. More broadly, those given the chance to spend money on others report being happier than those given a chance to buy something for themselves, even when they would not have predicted this would be the case. As it turns out, there are even physiological effects of giving: fMRI scans reveal that the pleasure centres in our brains come alight when we give; oxytocin – the happy hormone – seems to be released when others acknowledge or reciprocate our acts of kindness; and the common presence of acts such as gift-giving across cultures suggests that we are wired for kindness, it is part of our survival.

From workplace giving, to helping strangers, to more effective donation, behavioural science has already proven itself capable of making a rich contribution that can help explain how and why small tweaks can add up to make a significant difference. We are delighted to have been invited to synthesize this work and contribute new findings in the Canadian context, and we hope that this report will help inspire others in the business of giving to try new things and reap the benefits.

David Halpern,

Chief Executive of the Behavioural Insights Team & UK National Advisor on What Works

FOREWORD

The generosity of Canadians is unquestionable. As Chair of the Rideau Hall Foundation and former governor general, I am privileged to meet Canadians who are making our country better every day. They give their time, talents and treasure wherever they see a need. Giving is a generosity of spirit, a firm belief you can make a real difference in your community regardless of how much or how little you have to give. Time and again I have seen how much Canadians care about each other. They show it every day in countless, imaginative ways.

Canadians give more than \$14 billion to charities every year, according to tax records. But our strong culture of giving, so essential to our quality of life, is increasingly at risk. Donations are dropping across all age categories and donors aged 50 and over account for 74 per cent of donations.

The conclusion is inescapable: charities must raise donation rates, particularly among younger Canadians. The good news is this group offers fertile ground for charities and much more can be done to increase giving, but time is of the essence.

I believe that fostering a greater spirit of giving is important to our future well-being: volunteering and philanthropy is a vital step to the smarter, more caring nation that we seek. But our most generous givers are aging, and our younger citizens are not giving at the same rate. Charities need to find new and innovative ways of engaging these potential donors.

This is where behavioural science can help. Behavioural science examines people's decision-making processes and suggests ways to influence behaviour in a positive way. For charitable organizations seeking to improve their fundraising, this can be a useful tool in reaching new donors, and making existing donors feel more empowered and easily able to give.

As we are well aware, we are living through an extraordinary moment in history. It's a time of profound globalization, of disruptive technological changes, of major demographic shifts, of momentous concerns related to our natural environment and of changing attitudes toward — and expectations of — governments, public services, and charities.

How we engage Canadians in giving needs to become much more innovative to reflect these new realities. Just as we must innovate in science, engineering, medicine, and education, Canadians must innovate in how we give. We must do this to reach marginalized people, address collective needs, and ensure that every single Canadian can reach his or her full potential and enjoy a life of dignity and meaning. Above all, we must give using increasingly effective and more ambitious methods to overcome the daunting challenges we currently face.

Using innovative giving incentives that upend the status quo is the only way to encourage more Canadians of great wealth to make large philanthropic gifts and develop a culture of major giving in our country. Think of it: just as ingenuity is the life force of business to sciences education and virtually all other disciplines in our age, ingenuity including behavioural science must be the life force of philanthropy in Canada.

The Right Honourable David Johnston,
28th Governor General of Canada and Chair of the Rideau Hall Foundation

INTRODUCTION:

Why behavioural science?

Imagine for a moment that you live your life by one simple rule: always make the choice that will serve you best in the long-term. It seems sensible. After all, who wouldn't want to do everything they can to realize their full potential while improving their health and well-being? Spend a few hours with any human being, though, and it becomes apparent this isn't quite how we go about things; we over-eat despite knowing it's bad for us, we spend money to try and appease a bad mood, and when it comes to taking small steps towards long-term goals some of us can't even get past hitting the snooze button. In fact, even some of life's most important decisions – saving for retirement, paying our taxes, or looking after our health – get deferred or botched simply because we don't have the time, attention, or resources to process them properly. Over the last few decades a body of work has emerged that helps us understand this gap between how we *should* behave and what we do in practice. These insights on the science of human behaviour, judgement, and decision-making help us understand how we can turn our best intentions into action.

In this report, we look through the lens of behavioural science at the case of charitable giving, pulling together research that tells us what has worked in the past and contributing novel insights from work commissioned by the Rideau Hall Foundation to test this approach in the Canadian context.

In the initial section, we show how behavioural science can help us understand why people give, and how we can apply that knowledge to boost donations. While a marketing approach has used insights from psychology to great effect, helping us design ever more compelling and attractive fundraising campaigns, behavioural science can take us a step further. The behavioural approach asks us to look at the broader processes, decision-points, and actions that happen before and after a pitch – pushing us to consider how we might get someone to engage with an ask for donations in the first place, and nudge people to follow through on an intention once they have been convinced that a donation is a good idea. By taking a realistic view of how and why people act the way they do, we can help people overcome the pull of habit and create new giving routines.

With this foundation laid, we present the work undertaken by the Behavioural Insights Team and the MS Society of Canada to demonstrate how behavioural science can be used to address the practical questions of fundraising. We show that experimenting with new strategies, and testing these new strategies in the field, need not be costly or time consuming. Yet the impact is decidedly non-trivial. Each trial opens a potential new area of inquiry, incrementally moving our understanding forward and building a strong base of evidence over time.

We recognize that we have a truly ambitious goal, and that reinforcing giving as a fundamental Canadian value is not something we can do alone. Therefore, we conclude this project with an eye towards the next phase of the Giving Behaviour Project. Over the next few months, the Impact and Innovation Unit of the Privy Council Office of Canada will be releasing the results of their work in this important area—a series of trials with the Heart & Stroke Foundation of Canada.

We conclude this report with a series of concrete resources we hope will enable charities to apply the insights from behavioural science to their work. We ask that all those interested in promoting a greater culture of giving will help us build a national movement to turn good intentions into action. We hope that the findings presented throughout this report will provide new inspiration to old problems, and encourage organizations to build on the incredible work already being done in the charitable sector and to share their insights along the way.

PART 1

Making giving a habit: From intention to action

Let's begin with a question simpler than its answer: Why do we give? We give for familiar and understandable reasons, certainly—we believe in a cause or want to help an organization that has directly benefited us or a loved one. But we also give for a host of surprisingly small and often mysterious reasons. Perhaps we crave the emotional “warm glow” that accompanies a donation, or maybe we feel guilty about something else and think the act of giving can somehow offset the regrettable behaviour. The inverse is also true: often we fail to give despite our best intentions. We get distracted, we keep putting it off, or we run out of steam partway through a complicated registration process. Simply put, our giving behaviours are no more or less rational than our other behaviours, and the factors that lead us to give—or not—are subject to the same human shortcomings that govern all of our decision-making.

Behavioural science gives us insight into those decision-making processes, from the clearly logical to the wildly irrational. And in giving, as in other decisions, behavioural research can help us work within the quirks of our imperfectly wired brains, rather than fighting against them. In the following section, we'll explain what behavioural science has taught us about those quirks, and how those insights can help Canada's charities solicit donations more effectively and efficiently. In particular, we'll focus on the power of habit—how some habits can be overcome, and others can be used for the better.

Brush teeth, go to work, give to charity: the power of habit

You probably do not need to think much about your morning routine: You wake up—or perhaps fail to—at the same time each day, shower, brush your teeth, prepare and eat your breakfast, walk out of your house and navigate your way to work without needing to spend a great deal of mental effort to remember how to get from here to there. This ability to operate on autopilot is a massive evolutionary advantage. If we had to pay attention to every detail of every day, we would fast run out of energy and find ourselves incapacitated by the most basic of decisions. But with all the benefits this adaptation brings, there are also downsides. The force of habit means we find it difficult to do anything outside our routine, no matter how much we believe we should.

Why does this matter when it comes to charitable giving? First, it illustrates the importance of designing requests to cut through that autopilot. Second, it demonstrates the potential value of creating giving habits—precisely because habits are so hard to change, helping more Canadians develop giving habits today would be a boon to the charitable sector over the long term.

To that end, in this section we present behavioural science insights that can help charities nudge a potential giver to action despite the pull of habit, and ultimately make that deviation from habit the new norm. We first present tools to create an intention to give, then investigate what moves someone from intention to action, and finally, what makes someone repeat their gift and create a new giving habit.

GOOD INTENTIONS: WHAT MAKES ME WANT TO GIVE?

The first step to giving is experiencing the desire to give. But what creates that desire? And how can charities reliably trigger it? Many things can put someone in a giving frame of mind. It could be a religious service, a donation box at the grocery store, an emotionally powerful event like the 2016 Fort McMurray fires, or any number of other triggers. But those are often a matter of chance. Behavioural science offers specific ways that charities can make those moments more likely, or more powerful, cutting through that energy-saving autopilot to create charitable intent. In the following section, we will discuss the importance of choosing the right moment, the power of social networks, and other ways to grab the attention of a busy potential donor.

Choosing the right moment: Using time to your advantage

Making the same ask at different times can have drastically different outcomes. We know this intuitively; if someone asks you for a favour when you are tired or in a bad mood, there is a good chance you will be less accommodating than if you were in a better frame of mind. Similarly, behaviours are generally easier to change in moments when habits are already being disrupted, whether by a move or change in job, or when an event with strong emotional resonance captures our attention, such as a forest fire ripping through a community or the birth of a new child.

NUDGE: AN ASPECT OF THE WAY CHOICES ARE PRESENTED THAT ALTERS PEOPLE'S BEHAVIOUR IN A PREDICTABLE WAY, WITHOUT EXCLUDING ANY OPTIONS OR CHANGING ECONOMIC INCENTIVES.

Charitable organizations frequently apply this insight, reaching out to prospective donors during the holidays or after a story is covered in the news. However, thinking about the less obvious moments of transition and emotion that people experience in their lives can help charities target their appeals in new and effective ways. For example, the Behavioural Insights Team (BIT) worked with a legal services organization to test the impact of asking about legacy gifts during the will-writing process. A simple ask of “would you like to leave any money to charity in your will?” doubled the number of people choosing to leave a legacy

gift, from 4.9 per cent to 10.8.¹ One reason for that impact was the timing of the ask; not only was it right at the moment of will-writing, making it easy to act, it was also an unusual moment and a moment of significant emotional salience for most people, which perhaps made it easier to consider taking this new step.

There are many other creative ways for charities to take advantage of times of transition or unusual events to nudge people into new behaviours, when they are particularly open to giving their time and treasure. For example, they can coordinate with employers to target asks to bonus time or promotion season. Or they can focus volunteer recruitment on new neighbourhood residents, targeting them within a short time of their move-in date.

The power of peers: Making giving social

Let's return for a moment to that study of legacy giving. Simply asking will-writers whether they would like to leave a legacy gift doubled the rate of giving—but that's not the end of the story. It turns out that a variation of the question made the ask even more effective. When people were asked “Many of our customers like to leave money to charity in their will. Are there any causes you're passionate about?” they were even more likely to give, and their gifts were larger. Approximately one in six will-writers who were asked that question decided to give, compared to one in twenty in the control group, and their gifts were double the average value.

¹ The Behavioural Insights Team (2013). Applying behavioural insights to charitable giving. *Cabinet Office*.

FIGURE 1: PERCENTAGE CHOOSING TO LEAVE A LEGACY GIFT

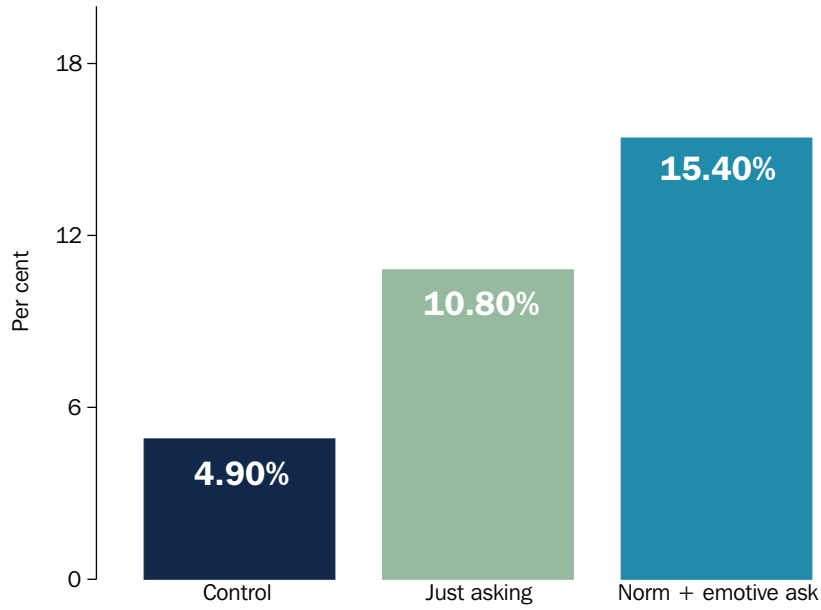
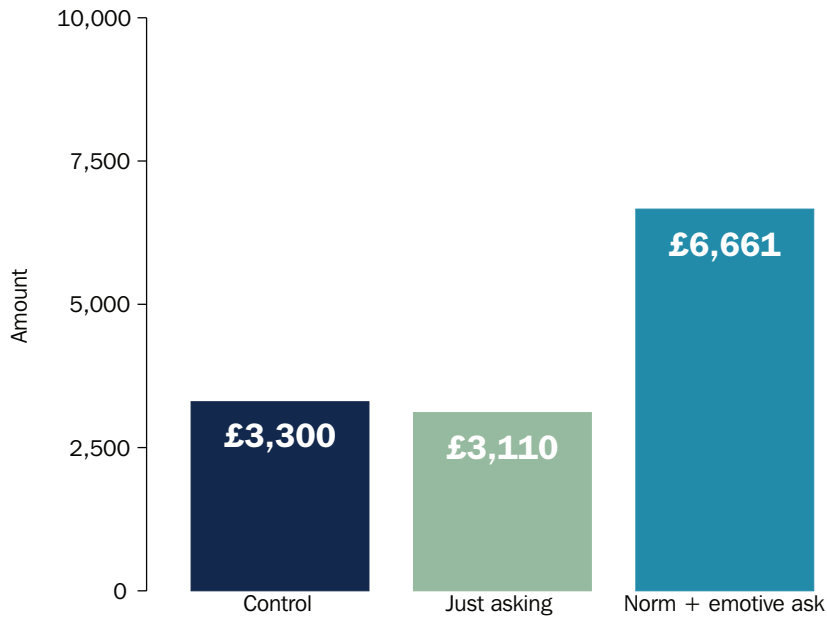


FIGURE 2: AVERAGE AMOUNT PER LEGACY GIFT



How could such a simple tweak have such meaningful consequences? The answer touches on a core tenet of behavioural science: we are deeply influenced by the decisions of those around us. We have an innate tendency to make sure that what we are doing is considered normal and acceptable, and we look to others—our friends, our community, and high-status or successful individuals—as guides. In the legacy gift experiment, leading with “Many of our customers” set an expectation that giving was a social norm, and that made it a more attractive option.

Charities can use aspects of our social nature to make their appeals more effective. Research has shown that solicitations from personal networks, such as a former roommate² or an immediate colleague, are up to six times more effective.³ Additionally, simply telling prospective donors that others are giving,⁴ or explicitly naming a respected source of match funding,⁵ can be an effective way to signal the quality of a charitable campaign, as well as validate and reinforce an underlying motivation to give.

In a novel experiment with an investment bank, BIT deployed two different requests that tapped into the prospective donor’s response to social cues. The first request capitalized on the social norm of reciprocity—the idea that even small favors must be repaid, often with a disproportionate act of generosity—by giving would-be donors candy before asking them to donate a day of their salary. The second request (also for the donation of a day’s salary) came in a direct email message from the CEO of the bank, who was presumably considered a high-status individual. Both requests were more than twice as effective as the general marketing used in previous years, and, when combined, were three times as effective, raising 500,000 pounds (over \$830,000 CAD) in a single day.⁶

Our aspirational selves: Linking giving to identity

Alert readers may have noticed one more nudge in the legacy gift example. The most effective question did not actually include the phrase “Would you like to make a gift?” but instead asked “Are there causes you’re passionate about?” That shift capitalizes on another core concept in behavioural science: the importance of a sense of identity. Most people have a sense of their own identity, perhaps a mix of negatives and positives; you might think of yourself as impatient but generous, for example, or timid but persistent. That sense of yourself can be an unconscious shortcut in decision-making; instead of weighing the whole spectrum of pros and cons, you assess whether an action fits your sense of self. It’s comfortable to take an action that fits your sense of self (or the self you want to be) and uncomfortable to challenge it.⁷

In the legacy gift example, rewording the question helped prospective donors connect the action of giving to an identity—that of a person who cares about social causes—rather than thinking of it as an isolated decision. Saying “Yes, I’ll donate” becomes the equivalent of saying “Yes, I am a person who is passionate about social causes.” Conversely, saying no means you are not that person. For many people, that makes giving more attractive, because it becomes a way to live up to that positive vision of themselves.

² Meer, J. (2011). Brother, can you spare a dime? Peer pressure in charitable solicitation. *Journal of Public Economics*, 95(7): 926-941.

³ The Behavioural Insights Team (2013). Applying behavioural insights to charitable giving. *Cabinet Office*.

⁴ Shang, J., & Croson, R. (2009). A field experiment in charitable contribution: The impact of social information on the voluntary provision of public goods. *The Economics Journal*, 119, 1422-1439.

⁵ Karlan, D., & List, J. (2014). How can Bill and Melinda Gates increase other people’s donations to fund public goods?. *National Bureau of Economic Research*, Working Paper No. 17954.

⁶ The Behavioural Insights Team (2013). Applying behavioural insights to charitable giving. *Cabinet Office*.

⁷ Akerlof, G., & Kranton, R. E. (2000). Economics and Identity. *The Quarterly Journal of Economics*, 115(3), 715–753.; Benjamin, D. J., Choi, J. J., & Strickland, A. J. (2010). Social Identity and Preferences. *The American Economic Review*, 100(4), 1913–1928.

Charities can apply that insight through small tweaks in their appeals, as in the example above, and it can inform a broader fundraising strategy. Research shows that simply reminding donors of a previous gift can help turn them into repeat givers. The identity-based approach can also help people connect giving to an aspect of themselves they already embrace, such as their role in a small community.⁸ Through the use of different cues, different facets of our identities can be brought to the surface. Because we are so keen to adjust our behaviour to mirror those selves, this can be a powerful way to turn giving into a habit.

Breaking through the noise: The science of getting attention

Thanks to our energy-saving reliance on habit, even the most carefully crafted appeals will only be effective if they can break through the everyday noise to help us focus. Any good marketer can tell you that personalized messages,⁹ tailored images, and emotionally evocative calls-to-action increase the likelihood that you grab the curiosity of a busy and distracted mind. Strong visual cues can be incredibly effective, as demonstrated in the results of a direct mail trial with the MS Society (for more, see Trial 1, Figures 7 and 8). Yet behavioural research can take us a step further, pushing us about why a certain method of grabbing attention may work, and then how that may be used more broadly.

For example, research has consistently shown that people are more inclined to make donations when they see how it may help specific individuals than a vaguely defined group with the same need.¹⁰ One potential explanation for this effect is that the details and particulars help make the need emotionally salient. This led researchers to test whether increasing specificity may help in other ways. They found that providing tangible information about how a charity's interventions are helping people—for example, providing bed nets that protect against mosquito-borne malaria to families in Malawi, Haiti, and Indonesia as opposed to a broad range of aid to people across the globe—helped to increase donation rates.¹¹ Our attention is drawn to what is novel and concrete; by getting specific about the work they are doing, charities can help potential donors make quick connections about making a contribution and the impact it will have in the world.

⁸ Kessler, J. B., & Milkman, K. L. (2018). Identity in Charitable Giving. *Management Science* (italic), 64(2), 845-859.

⁹ The Behavioural Insights Team (2013). Applying behavioural insights to charitable giving. *Cabinet Office*.

¹⁰ Kogut, T., & Ritov, I. (2005a). The “identified victim” effect: An identified group, or just a single individual?. *Journal of Behavioral Decision Making*, 18(3), 157-167.; Kogut, T., & Ritov, I. (2005b). The singularity effect of identified victims in separate and joint evaluations. *Organizational behavior and human decision processes*, 97(2), 106-116.; Small, D. A., & Loewenstein, G. (2003). Helping a victim or helping the victim: Altruism and identifiability. *Journal of Risk and uncertainty*, 26(1), 5-16.; Genevsky, A., Västfjäll, D., Slovic, P., & Knutson, B. (2013). Neural underpinnings of the identifiable victim effect: Affect shifts preferences for giving. *Journal of Neuroscience*, 33(43), 17188-17196.

¹¹ Cryder, C. E., Loewenstein, G., & Scheines, R. (2013). The donor is in the details. *Organizational Behavior and Human Decision Processes*, 120(1), 15-23.

FIGURE 3: EXAMPLE LANGUAGE FOR HIGHLIGHTING DETAILED INFORMATION ABOUT A CHARITY'S WORK¹²

“GENERAL” CONDITION	“TANGIBLE” CONDITION
<i>Oxfam International</i> provides a broad range of aid to people across the globe. Any donation that you make will go directly towards <i>Oxfam</i> 's greatest needs.	<i>Nothing But Nets</i> provides bed nets that protect against mosquito-borne malaria to families in Africa. One net can protect at least one child from infection. Any donation that you make will go directly towards a net.

TAKING ACTION: WHAT MAKES ME FOLLOW THROUGH ON MY DESIRE TO GIVE?

We've discussed how charities can make people want to give—but how can they make sure they follow through with action, and perhaps even make giving a habit? Behavioural research has helped us understand what works to make that follow-through more likely. In many ways, it boils down to making the actual act of giving easier; that can be by streamlining logistics and messaging, requiring fewer choices and decisions, or working with—rather than against—our instinct to procrastinate. All of these tactics reduce the effort required to do something outside of one's daily norms, and by doing so, open up the opportunity to create a new habit of giving.

Remove the friction

We need to make thousands of decisions and take thousands of actions every day. As a result, any opportunity we get to avoid hassle and make our lives easier is a welcome one. Because we have a strong tendency to follow the path of least resistance, any additional effort or cost required to do something can mean the difference between someone taking the action or not. It is helpful to think of this as a “friction cost”: the greater the friction, the sooner the decision maker is likely to lose their momentum.

The practical implication of this, for charities, is that even small reductions in the steps required to donate, respond, or participate can make it more likely that people act. While good marketing practices can help us make our donation asks more eye-catching and compelling, leading more people to want to donate, there are many steps in the process of donating at which someone can be derailed. Searching for small ways to make that process easier can make or break the difference between someone following through on their intentions. For example, simple changes like including pre-filled electronic fund transfer forms and an option to donate with a credit card over the phone boosted responses to a direct mail fundraising campaign by 26 per cent, relative to a control mailing that did not include these features.¹³

FRICION COST: THE SEEMINGLY SMALL DETAILS OR BARRIERS THAT MAKE A TASK MORE CHALLENGING OR EFFORTFUL.

¹² Cryder, C. E., Loewenstein, G., & Scheines, R. (2013). The donor is in the details. *Organizational Behavior and Human Decision Processes*, 120(1), 15–23.

¹³ Rasul, I., & Huck, S. (2010). Transactions Costs in Charitable Giving: Evidence from Two Field Experiments. *The B.E. Journal of Economic Analysis & Policy*, 10(1), Article 31.

One of the most powerful ways to make something easier for people is to make it the default option—the option that requires no additional effort at all. Evidence shows that using the default option wisely can increase giving. BIT tested this by restructuring the choices in a company giving program. Half of employees—randomly selected—were offered the chance to opt in to automatic increases in their monthly donation amount. The other half were automatically enrolled in the increase option, and given the option to opt out. This simple change dramatically increased the proportion of new donors signed up to automatic increases from 6 to 49 per cent.¹⁴

FIGURE 4: EXAMPLE LANGUAGE FOR PRESENTING THE OPT-IN VERSUS OPT-OUT DEFAULTS

Default Opt-in

Tick the box **if you do want** to make automatic increases in your monthly gift

Default Opt-out

Tick the box **if you do not want** to make automatic increases in your monthly gift

Simplify your message with a clear call to action

Unsurprisingly, clear and simple messages make it easier for people to quickly understand what is being asked of them. In a world of information overload, a charity’s appeal might get no more than a few seconds of attention, so the key content has to be communicated as efficiently as possible. Evidence shows that a big, clear “Pay Now” stamp on a collections letter can significantly increase the rate of repayment; making the ask very clear makes it easier for people to follow through.¹⁵

Similarly, charitable appeals can use similar tactics to make sure that potential donors understand exactly what they are being asked. A practical way to check for simplicity is to use the “flip test”: give a face-down print out to someone who has not worked on the communication, have them flip it over for five seconds, and see if they can tell you what they are supposed to do.

¹⁴ The Behavioural Insights Team (2013). Applying behavioural insights to charitable giving. *Cabinet Office*.

¹⁵ The Behavioural Insights Team (2016). Update Report 2015-16. *Cabinet Office*.

FIGURE 5: TWO VERSIONS OF THE SAME FORM ILLUSTRATING HOW TO PASS A “FLIP TEST”¹⁶

Use framing to make giving (feel) easier

We can react very differently to the same information, depending on how it is framed. Often, our actions can be influenced by cues that prime us to think or feel a certain way. We discussed this concept in the section about identity (Part 1. Good intentions, Our aspirational selves) but it can also be applied to help donors

ANCHORING: THE TENDENCY TO RELY HEAVILY ON THE FIRST PIECE OF INFORMATION GIVEN (THE “ANCHOR”) WHEN MAKING A DECISION OR JUDGEMENT.

actually act on their intention to give. For example, altering the amount suggested in a donation-prompt can provide an “anchor” or reference point that changes the donation amount a prospect chooses to give; it also removes one more decision and makes following through on the intention to give just a little bit easier. Similarly, framing a regular donation in terms of a small weekly amount might make it seem more affordable than giving the monthly or annual amount, reducing the negative emotions that come with losing money and making follow-through feel easier.

¹⁶ Behavioural Insights Pilot Project – Organ Donor Registration (2016). Available at: <https://www.ontario.ca/page/behavioural-insights-pilot-project-organ-donor-registration>

Don't fight procrastination

Our desire for instant gratification is a very real thing. We struggle to make choices that might cost us now even if they clearly benefit us in the long run. This is true even if the up-front cost is small relative to the future benefit we might receive. For most people, parting with hard-earned income can be a difficult choice when there are so many immediate demands, from the everyday necessities of bills and groceries to the infrequent purchases during holidays or emergencies. Even if we believe that giving to charity is the right thing or that it will make us happier over the long term, it's hard to overcome that resistance in the moment and easy to procrastinate, leaving “send money to charity” at the bottom of our checklist.

There's another finding from behavioural research, however, that can turn that barrier to giving into an advantage. Many studies have confirmed that people are bothered more by losing what they already have than by giving up what they'll have in the future; it's another way we prioritize our current happiness over our future gain. Asking donors to pre-commit to making donations with money they will acquire in the future works with that tendency—rather than trying to overcome our human preference to avoid loss today, we can harness it to increase donations in the future. An experiment testing this “Give more tomorrow” idea confirmed that it is effective. There was a 32 per cent increase in donations when monthly donors were asked to increase their donations two months from now, compared to donors that were asked to increase their donations today.¹⁷

In a March phone campaign to monthly donors, callers ask if they would consider increasing their monthly donations.

In the **Give More Now** treatment, the donor is asked:

“Can you consider increasing your monthly contribution with 5 dollars?”

In the **Give More Tomorrow** treatment, the donor is asked:

“Can you consider increasing your contribution with 5 dollars in May, which means that the first increase will be on the 28th of May?”

¹⁷ Breman, A. (2006). Give more tomorrow: Two field experiments on altruism and intertemporal choice. *Journal of Public Economics*, 95(11-12): 1349-1357.

REWARDING GOOD BEHAVIOUR: WHAT MAKES ME GIVE AGAIN?

As anyone who has referenced Pavlov’s dog can tell you, reward is often a fundamental part of behaviour change. The act of giving can be a reward in itself, but making giving a habit can sometimes require something more.

The use of rewards in charitable giving is complicated. Used well, they can drive repeat donations. But poorly designed rewards can backfire, by not covering their cost in returns or even putting off donors entirely.¹⁸ Behavioural research can help charities avoid those mistakes by providing insight into why certain rewards do or don’t work, as well as experimental methods for testing new approaches.

The perils of mixing currencies

Imagine that a friend has asked you for a ride to the airport. You’re not looking forward to spending that time driving, but you want to be helpful to someone you care about, so you say yes. Now imagine that the same friend has offered to pay you \$5 for a ride. Suddenly, it feels less like a favor and more like a transaction—and if the time it takes to go to the airport is worth more than \$5 to you, you might say no. You might even be a little insulted by the offer.

That scenario illustrates one theory explaining the mixed results of rewards in charitable giving. Psychologists think of motivation as coming in two different “currencies”: intrinsic and extrinsic.¹⁹ Intrinsic motivation is the desire to perform something for its own sake—the sense of accomplishment you feel after completing a challenging workout, or the “warm glow” you get from “doing the right thing”. Extrinsic motivation comes from receiving a tangible and conditional reward—be it money, gifts, or the approval of someone whose opinion we care about.

INTRINSIC MOTIVATION:
BEHAVIOUR THAT IS DRIVEN BY THE
DESIRE TO PERFORM SOMETHING
FOR ITS OWN SAKE.

EXTRINSIC MOTIVATION:
BEHAVIOUR THAT IS DRIVEN BY THE
DESIRE TO RECEIVE A TANGIBLE
AND CONTINGENT REWARD.

Evidence shows that we can think of the same proposition very differently when it is presented with an intrinsic versus extrinsic reward. Charitable giving buys us the “warm glow” of intrinsic benefit, but receiving a gift can feel like payment, flipping us into a different mode of thinking where we consider whether the extrinsic value is worth our while. For example, research suggests that professionals are unlikely to say yes to providing their services at a heavy discount for charity, but will often say yes with no payment at all.²⁰ A gift that reminds us of payment can backfire, while one that reminds us of the cause and our contribution can strengthen our resolve to give. That sense of reward can make all the difference, converting one-time givers into regular supporters.

¹⁸ Eckel, C., Herberich, D., & Meer, J. (2016). It’s not the thought that counts: A field experiment on gift exchange and giving at a public university. *National Bureau of Economic Research*, Working Paper No. 22867; Landry, C., Lange, A., List, J., Price, M., & Rupp, N. (2006). Toward an understanding of the economics of charity: Evidence from a field experiment. *Quarterly Journal of Economics*, 121: 747-782.

¹⁹ Benabou, R. (2003). Intrinsic and Extrinsic Motivation. *The Review of Economic Studies*, 70, 489–520.

²⁰ Ariely, D. (2010). *Predictably irrational: The hidden forces that shape our decisions*. New York: Harper Perennial.

Designing effective rewards

The mixed evidence on rewards can be frustrating, but there are promising directions for fundraisers and researchers. In particular, research has found that social reward can often be powerful. As discussed in the section about social influences (Part 1. Good intentions, The power of peers), we are highly motivated by the ways in which we believe others perceive us, which makes recognition validating and attractive. Creating and maintaining a social image is seen as a principal motivation for giving publicly to charity,²¹ and providing opportunities for public recognition has been proven to increase donations.²² Understanding that donors want to be recognized for their generosity, many charities provide acknowledgement through printing names in newsletters or renaming buildings after receiving large gifts. While it may seem like the pursuit of credit and appreciation turns charitable giving into a selfish endeavor, this type of social recognition plays an important role in helping connect us to others and affirming giving as part of our identity. Through a careful balance, this type of extrinsic reward can generate that “warm glow” feeling that comes from helping others and reinforce the intrinsic value of charitable behaviour.

MOVING FORWARD

There are still many things we do not know about effective rewards, which illustrates the importance of continued research; there is much to learn, and great opportunity for continued progress as we build the evidence base around these issues. To that end, in the next sections of the report we will explore the behavioural approach in action, presenting three research trials conducted with the MS Society, along with resources to help charities conduct their own research on the effectiveness of their fundraising strategies.

²¹ Bénabou, R., & Tirole, J. (2006). Incentives and Prosocial Behavior. *The American Economic Review*, 96(5), 1652–1678.

²² Karlan, D., & McConnell, M. A. (2014). Hey look at me: The effect of giving circles on giving. *Journal of Economic Behavior & Organization*, 106, 402-412.

PART 2

The behavioural approach in action

The previous section summarized key behavioural science concepts—but how do these concepts work on the ground in Canada’s charitable sector? In the following section, we will begin to answer that question, presenting results from three pilot projects commissioned by the Rideau Hall Foundation, and conducted by BIT in partnership with the MS Society. These pilots demonstrate how behavioural science can be used to help charities like the MS Society address the real-life questions of fundraising: How can charities influence donors to give larger amounts, more frequently, and more consistently?

We will first present an overview of the MS Society and the workshop we conducted with them; we hope that this will provide helpful context for readers interested in how research fits into a broader organizational or fundraising strategy. We then present the methods and results of three trials: one intervention to boost donations by existing donors, one to get lapsed event participants to donate, and one to convert one-time or variable donors to regular repeat donors. Two of the three trials had significant results. All three trials helped build the capacity for continued research and testing within the MS Society, and we hope that the lessons learned can be of value for the charitable sector in Canada as a whole.

THE MS SOCIETY AND BIT RESEARCH PARTNERSHIP

The MS Society’s mission and operations

The MS Society’s mission is straightforward: improve the lives of those with MS. They work towards that mission in multiple ways, funding important research into MS along with services for those living with the disease. They are leaders in their field, with a strong reputation for operational integrity, a national donor base, and an effective fundraising operation. Their donor base enabled strong research design for the pilot studies, with large sample sizes and participants from across the country. They also brought sophisticated systems to target, segment, and track donors; a busy outreach schedule with several opportunities to experiment with changes; and most importantly, a highly motivated staff committed to the organization and the people it serves.

Like many charities in Canada, the MS Society relies on community involvement and a widespread network of volunteers for its fundraising success. Their fundraising principally relies on small gifts from many donors, with more than 50 per cent coming through community-driven activities like MS Walk, MS Bike, and direct marketing. Without its diverse and large base of dedicated supporters, the MS Society would not be able to continue making significant annual investments in research and other programming.

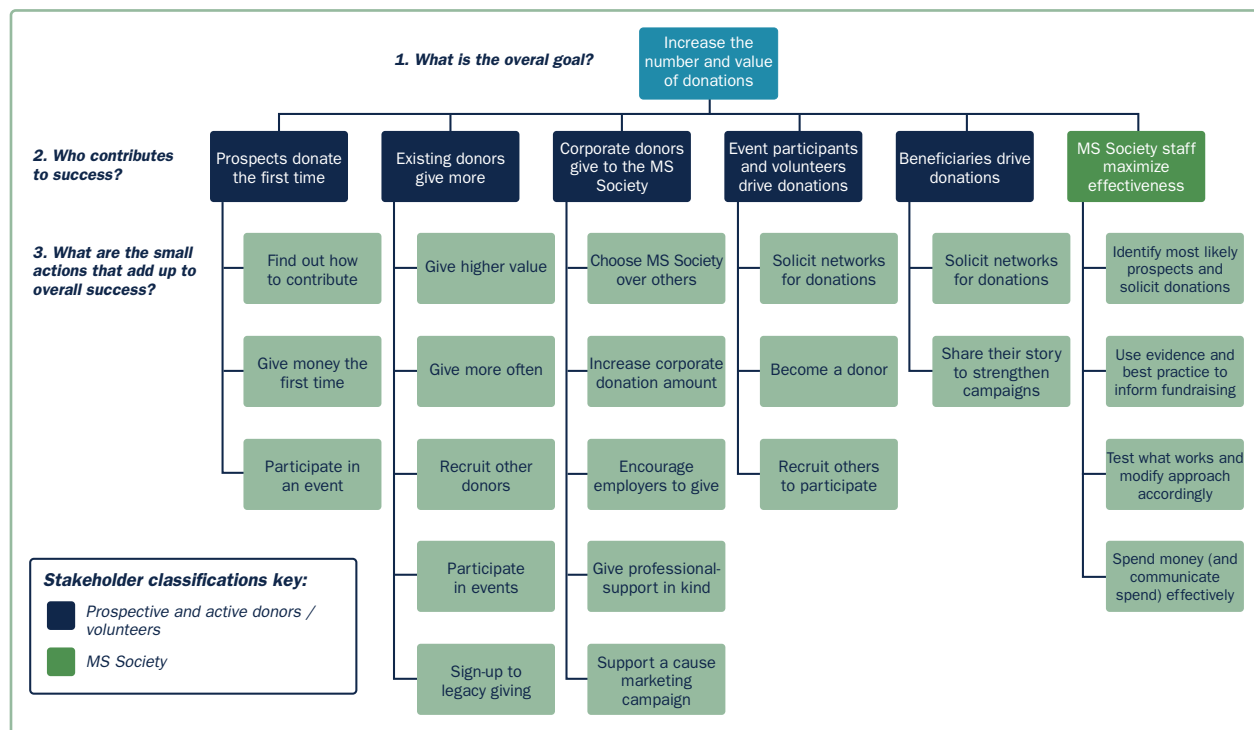
The partnership with BIT

The MS Society and BIT focused together on the goal to increase donations among individuals. The partnership consisted of two phases: (1) a workshop to gather information on the MS Society’s context, identify top priority giving areas, and inventory potential opportunities to reach prospective donors; and (2) three pilot projects to test the ideas generated by the workshop and refined in subsequent conversations around implementation and feasibility.

Mapping stakeholders, behaviours, and priorities

BIT conducted a workshop with the MS Society in March 2017. We worked together to map out the context of the MS Society fundraising strategy, including the organization’s relationship with prospective and current donors, event participants, corporate partners, program beneficiaries, and staff. From there, we distilled this information into a “behavioural map”—a high-level diagram of all the actors and the steps, or “micro-behaviours”—they would need to follow to reach the goal of increasing overall giving. (For resources to help organizations work through this process on their own, see Appendix.)

FIGURE 6: A BEHAVIOURAL MAP SHOWING OUR OVERALL GOAL, WHO CONTRIBUTES TO IT, AND WHAT ACTIONS THEY NEED TO TAKE TO DO SO



By visually laying out all the possible actions that might influence overall giving, the behavioural map allowed the MS Society and BIT to rank each action in terms of its impact on overall giving and the potential to make measurable progress in the short term.

Pilot trials: design and implementation

Through this exercise, we chose to focus on getting existing donors to give more, and on getting event participants to drive donations. We were able to identify three feasible interventions to put this into action and test the results, using existing systems and resources, and keeping within our short time-frame.

These were:

1. Boost donations by existing donors through direct mail campaigns
2. Get lapsed event participants to donate via email
3. Convert variable donors to regular donors via email

The three pilot trials were designed, executed, and completed between May and September 2017. Our aim was not only to test how behavioural principles can be applied to fundraising, but also to surface broader lessons about how field experiments can be used more broadly in the charitable and non-profit sector. Both goals were equally important. As we saw in the previous section, context matters a great deal in the design and success of any new approach, so that something that works well in one area may not translate to another. Often, there can be unintended consequences to the changes we make, with even small modifications having dramatic effects on results. For all these reasons, we believe that the best way to advance our understanding is to put our new strategies to the test. By working with the MS Society, we hoped to show that the practice of experimentation does not require fancy laboratories, large research budgets, or extended timelines, but can be employed by each and every charitable organization in Canada. By setting a strong foundation at the start of this project, we can build, over time, a body of knowledge of what works and what doesn't.

The next section describes each of these trials in detail.

RESULTS

Trial 1: Boost donations by existing donors through direct mail campaigns

Direct mail is a large part of the MS Society's fundraising strategy, and they already had extensive experience testing different communication options. However, they were interested in seeing how behavioural science could refine their approach. They identified their June direct mail campaign as an early opportunity for testing.

The MS Society had already decided to test changes to the presentation of their materials, designed to help capture attention and make the appeals more attractive. The first was a change in the reply envelope from white to a bright, eye-catching color, in hopes that the colorful envelope would stand out among a pile of mail and remind donors to send in their contributions. The second was a change from block-style font to a new, script-style, which potentially would make the mailing feel more personal and distinct.

With those decisions already in place as the starting point, we focused on changes to how the MS Society was presenting their suggested donation amounts. As already discussed, anchoring describes a common tendency to rely heavily on the first piece of information offered (the "anchor") when making a decision. Whether it's in bargaining over a car sale, entering into a salary negotiation, or when trying to assess how much insurance we need, we often start with a suggested reference point and make adjustments from there.²³ In many situations, the anchor may be set appropriately and therefore helps us in making decisions

²³ Tversky, A., & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases. *Science*, New Series, 185(4157), 1124–1131.

quickly. Often, however, the anchor is set too high, too low, or is potentially even completely unrelated to the question at hand. For example, one experiment showed that people’s estimates of house prices could be influenced by asking them to write down the last three digits of their phone number and multiply them by a thousand. Whether our minds are making conscious adjustments or are being subconsciously primed, anchors can wield a great deal of weight in our ultimate decisions.

There have been several studies examining the anchoring effect in the context of charitable giving, but studies from the field have found varying results, with some finding that only high anchors affect donation amounts,²⁴ some finding that only low anchors affect donation amounts,²⁵ and some failing to find an effect of anchors at all.²⁶

Since charities frequently include suggested donation amounts in their materials, we thought it would be helpful to further explore the impact of these anchors in the context of MS Society’s direct mail program. Currently, each mailing includes a reply coupon that presents two suggested donation amounts, set based on the donor’s prior giving history, with the lower amount (such as \$15) presented first, followed by the higher amount (\$30) and a third option for the donor to write in an amount of their own choosing. We thought that this might be an interesting opportunity to test the way those numbers influence prospective donors’ decisions about how much to give.

FIGURE 7: DONATIONS SLIP WITHIN DIRECT MAILER

SPECIAL APPEAL REPLY FORM

YES, [I/we] want to help advance research to end MS with a gift of:

\$XX \$XX \$ _____

Mrs. Jane Sample
Apt. 1234
123 Anystreet
Anycity ON A1A 1A1

**PLEASE REPLY BY
August 15, 2017**

Thank you for your support since (1983)!

1234567890123

We modified the order and the types of numbers used

²⁴ Shang, J., & Croson, R. (2009). A field experiment in charitable contribution: The impact of social information on the voluntary provision of public goods. *The Economics Journal*, 119, 1422-1439.

²⁵ Alpizar, F., Carlsson, F., & Johansson-Stenman, O. (2008). Anonymity, reciprocity, and conformity: Evidence from voluntary contributions to a national park in Costa Rica. *Journal of Public Economics*, 92(5), 1047-1060.; Martin, R., & Randal, J. (2008). How is donation behaviour affected by the donations of others?. *Journal of Economic Behavior & Organization*, 67(1), 228-238.; Shang, J., & Croson, R. (2008). The impact of downward social information on contribution decisions. *Experimental Economics*, 11(3), 221-233.

²⁶ Shang, J., Reed, A., & Croson, R. (2008). Identity congruency effects on donations. *Journal of Marketing Research*, 45(3), 351-361.; Desmet, P., & Feinberg, F. M. (2003). Ask and ye shall receive: The effect of the appeals scale on consumers’ donation behavior. *Journal of Economic Psychology*, 24(3), 349-376.

Specifically, we designed our pilot to test two aspects of suggested donation amounts that research suggests may have an anchoring effect: the order in which suggested amounts are presented, and the type of number used (an “unusual” number like 22 vs a “round” number like 20 or 25).

We thought that the current strategy of presenting the lower suggested donation first might cause donors to anchor on that lower number, and potentially reduce the total amount they go on to donate. By switching the order, we could determine whether the first number in the donation string works as an anchor in donation decisions.

We also wanted to test whether including an unusual number could function as an anchor in the charitable giving context. Prior research has found that precise offers in price negotiations can have a particularly strong anchoring effect,²⁷ but there may be a backfire effect if the increased precision is seen as too strange.²⁸ We decided to see if the inclusion of an unusual number (such as 31 or 29) might cause donors to anchor on this higher number, and thus increase donation amounts.

Overall, we found that only the script-style font led to a marginally statistically significant increase in the number of donations in response to the mail campaign.²⁹ None of the changes led to increases in the average donation amounts or the revenue collected per letter. This suggests that while the anchoring effect may be observable in other settings, it did not play a role in changing donation behaviour in this mailing. Rather, the suggestive evidence from the change in font suggests that a novelty effect may be more effective in making the donation requests more salient, attractive, or memorable.

Our unexpected results prove why it is important to test your ideas. There are many reasons why something may turn out to work differently in practice compared to what your theory predicted. Yet each trial opens up a potential new line of investigation, exploring whether changes in the design, context, or population can help us learn more about whether the effects we see persist and translate to different times and settings.

²⁷ Janiszewski, C., & Uy, D. (2008). Precision of the anchor influences the amount of adjustment. *Psychological Science*, 19(2), 121-127.; Loschelder, D. D., Stuppi, J., & Trötschel, R. (2014). “€ 14,875?!”: Precision boosts the anchoring potency of first offers. *Social Psychological and Personality Science*, 5(4), 491-499.

²⁸ Loschelder, D. D., Friese, M., Schaerer, M., & Galinsky, A. D. (2016). The too-much-precision effect: when and why precise anchors backfire with experts. *Psychological science*, 27(12), 1573-1587.

²⁹ In the figures included in this report, the orange vertical lines, or error bars, indicate the confidence interval for the estimated difference, and the symbols indicate the level of statistical significance.

FIGURE 8: EFFECT OF DIFFERENT MAILINGS ON RESPONSE RATES

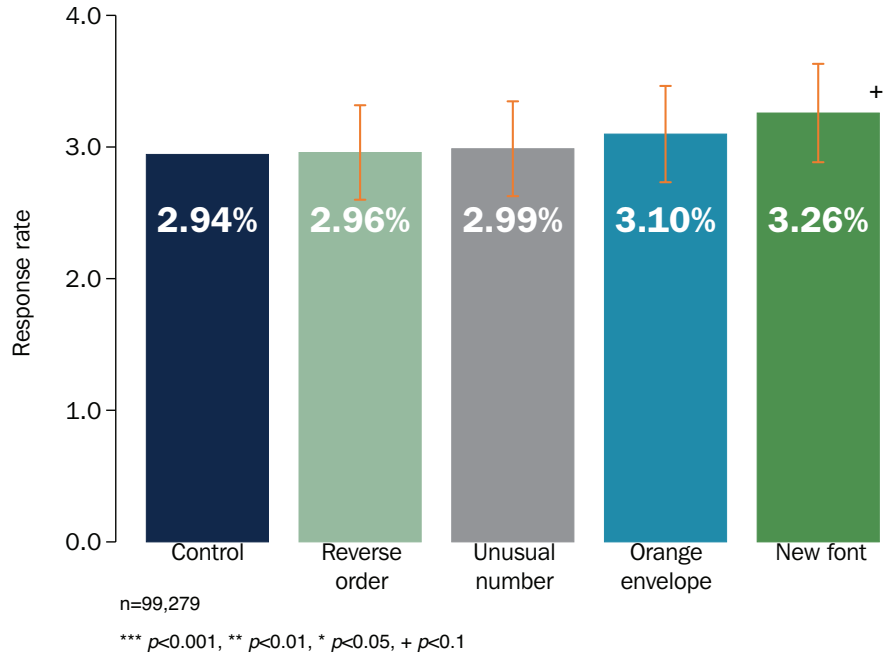
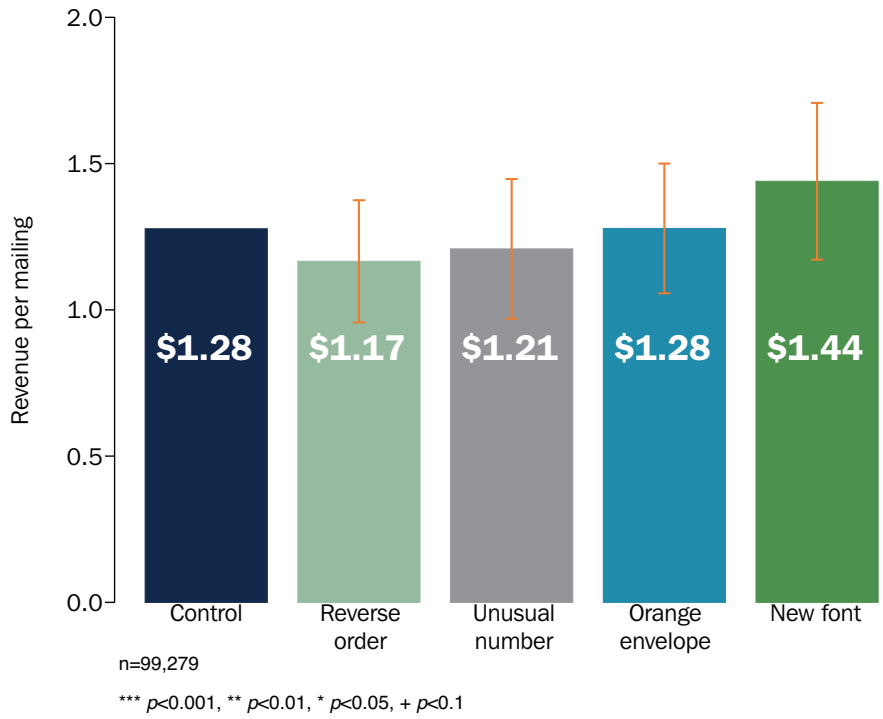


FIGURE 9: EFFECT OF DIFFERENT MAILINGS ON AVERAGE DONATION REVENUE PER RECIPIENT



Trial 2: Get lapsed event participants to donate via email

A second priority for the MS Society was increasing fundraising among event participants. They identified emails targeting lapsed participants—people who had indicated interest but then failed to register for the actual event—as an early and straightforward opportunity to test new, behaviourally-informed language. By definition, lapsed participants are less motivated than those actively fundraising for the MS Walk and Bike events, so figuring out how to reinvigorate enthusiasm for the cause is a challenge. As one would expect, the email campaigns targeting this group in the past suffered from low engagement and response rates. We decided to focus on the email language itself to see if we could refocus attention and get these former event participants interested in making a donation.

As email solicitations have to contend with the challenges of being filtered into promotional tabs, caught in spam folders, or simply landing in a busy person’s nightmarish inbox, getting the recipient to take notice can be hard. Motivating them to click on a link to go to a website, fill out a webform, and donate can be even trickier. To try and overcome some of the inertia our recipients might be experiencing, we designed an email aimed at getting recipients to consider that, by ignoring the email, they are making a choice not to give.

We know from behavioural science that ‘choice architecture’, or the way in which choices are framed, can have a considerable influence on the decisions we make.³⁰ Often, choices are framed in such a way that we don’t even realise we are making a choice at all. In these situations, research suggests that explicitly highlighting all available options—including the option of taking no action—can help us overcome procrastination or inattentiveness and force us to make a deliberate decision.³¹ A common way to do this is to present two distinct checkboxes—one for yes and one for no—so that the “no action” option is explicitly named, and no longer the invisible default. For example, when trying to increase enrollment in an automatic prescription refill service, researchers found that simply adding a checkbox with the line “I prefer to order my own refills” increased the number of people signing up for the program from 12 to 27 per cent. This “active choice” approach may be particularly helpful in settings where changing a default is not possible and where there needs to be engagement by the individual in making a decision.

We designed an email campaign trial to test this idea. Using the same language the MS Society had used in the previous year’s campaigns, we simply added hyperlink boxes to bring people to the donation page. In the control email, there was only one box, reading “Yes, I’d like to make a donation today.” In our treatment emails, we simply added an additional box: “No, I can’t make a donation today.” By explicitly framing the non-donation and donation as equally active choices—rather than the implicit “do nothing” and “do something” options—we hoped to motivate lapsed participants to more carefully consider both options, rather than defaulting to non-donation.

³⁰ Tversky, A. and Kahneman, D. (1981). The framing of decisions and the psychology of choice. *Science*, 211 (4481): 453-458.; Thaler Richard, H., & Sunstein Cass, R. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. New Haven: Yale University Press.

³¹ Keller, P. A., Harlam, B., Loewenstein, G., & Volpp, K. G. (2011). Enhanced active choice: A new method to motivate behavior change. *Journal of Consumer psychology*, 21(4), 376-383.

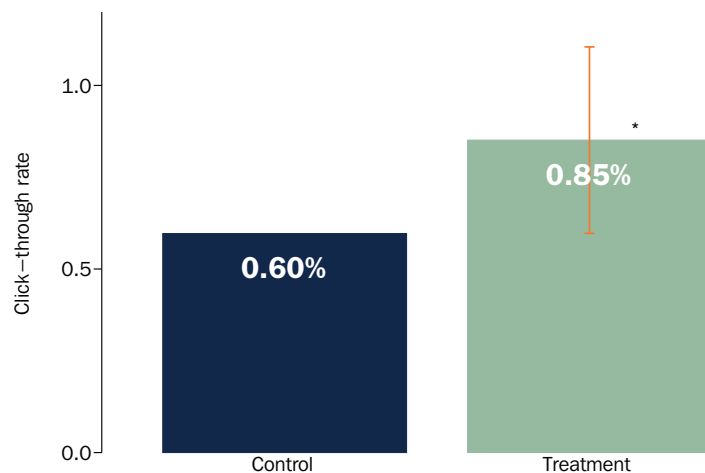
FIGURE 10: BEHAVIOURALLY-INFORMED EMAILS SENT TO MS WALK PARTICIPANTS



We found that including this prompt was successful in increasing the chance that people would click through from the email to the donation page, with an estimated difference of about 43 per cent. This suggests that the active choice framing was successful in getting more people to quickly and clearly understand both choices available to them, breaking through the tendency to default to non-decision (and therefore non-donation).

Our results suggest that combining the active choice framing with an additional intervention could be a promising next step. One possibility is to consider how the donation process can be further streamlined, either to eliminate friction points in the donation process or to introduce more active choice moments where appropriate. For example, the use of pop-up prompts when potential donors leave a page, asking if they are sure they want to leave without donating. Alternatively, we could experiment with asking for non-monetary support rather than a financial donation, such as sending encouragement to another participant on social media or indicating interest for next year’s event. This might help create or reinforce an identity as an MS Society supporter, facilitating engagement and the possibility of future donations down the line.

FIGURE 11: WHEN INTRODUCING THE OPTION OF “NO” INCREASES THE AMOUNT OF PEOPLE CLICKING “YES”



n=17,126

*** p<0.001, ** p<0.01, * p<0.05, + p<0.1

Trial 3: Convert variable donors to regular donors via email

While our first two trials attempted to break through the auto-pilot and move people to consider their donation decisions more carefully, we now turn to a trial where we attempt to use behavioural techniques to help people form a new giving habit.

Moving first-time or one-off donors into regular and active giving was identified as a high priority by the MS Society, given the value of recurring donations as a reliable source of funds. Since we know that habits are hard to change, moving more people into that bucket is a powerful way to increase donations over the long run. We narrowed in on a goal of asking currently active donors—those who had given at least twice in the past two years—to sign up for monthly giving. Because these individuals had already signaled their commitment to the MS Society with recent and repeated gifts, we thought this might be a group particularly open to the idea of giving monthly.

We chose to use an email campaign as our channel of outreach, given its low cost, ease to set up, and quick turn-around for results. In our review of the MS Society’s current outreach, we found that there weren’t many explicit asks to individuals to become monthly donors. Additionally, we saw that, like many charities, the MS Society used branded language for their monthly giving program, called “Partners in Progress.” We wondered whether this language improved the attractiveness of giving monthly or whether it potentially obscured the action people were being asked to take.

We designed an email campaign to directly test this question. We designed two versions of an email that shared several behaviourally informed features, elements already used by the MS Society in their email campaigns and designed to increase the chance that people would open and read the email:


- Made it easy for people to act: Throughout the email, we included several ways for people to click on a link to be brought to the monthly donation page.
- Personalized to grab attention: The email is addressed to and signed by real people. As the Head of Research, Dr. Karen Lee also serves as an effective messenger, adding legitimacy and significance to the request.
- Reaffirmed a sense of identity: The language of the first paragraph (“regular donor” and “generous contributions”) highlights past giving behaviour.
- Made it feel social: The language of the first paragraph indicates being part of a “committed, coast-to-coast movement”.

Our intervention rested in changing the directness and simplicity of the ask. We added direct calls for people to sign up for monthly giving, shortened the email length, and removed branded references to the monthly giving program. Our goal was to create two emails that were very different in how they talked about monthly giving (straightforward vs. contextual) but nearly identical otherwise.

EMAIL VERSION	KEY FEATURES	RATIONALE
Version A: Branded, Pro-social Ask	<p>Indirect asks for donations (language or red text box links, subject line)</p> <p>Longer email: additional paragraph explaining importance of the work</p> <p>Branded references to monthly giving program</p>	The more contextual and branded frame for the ask makes the choice to donate more attractive in the charitable giving context, increasing the likelihood that donors click “yes” and choose to sign up for monthly giving
Version B: Simple, Direct Ask	<p>Ask to become a monthly donor is clear and obvious (subject line, order of red text box links, language of red text box links, email body)</p> <p>Shorter email length</p> <p>No references to “Partners in Progress”</p>	Making a clear and direct ask will make it easier for potential donors to understand what they need to do, lowering the barriers to clicking “yes” and choosing to sign up for monthly giving

FIGURE 12: EMAILS SENT TO MS SOCIETY DONORS ASKING THEM TO JOIN AS MONTHLY DONORS

EMAIL A




Together, we can win the fight to end MS

Yana,


Thank you for being a regular donor to the Multiple Sclerosis Society of Canada. Your generous contributions have helped advance the most innovative research and provided support for the lives of people affected by MS. You are part of a committed, coast-to-coast movement to end MS.

We've made great progress in recent years, but understanding the progression of MS remains elusive. We Canadians never give up, though. By becoming a monthly donor, you can be a true Partner in Progress, advancing the fight to find new treatments and a cure for multiple sclerosis. And right now, the steady donations they provide to our research is more important than ever.

Yes, I'd like to be a Partner in Progress


We ask that you please consider becoming a Partner in Progress by **making a monthly gift** today. You can pledge as much as you want and choose your form of payment. It's convenient, simple, and incredibly important to our ability to end MS.

Sincerely,



Karen Lee, PhD
Vice-President, Research

EMAIL B




Together, we can win the fight to end MS


Yana,

Thank you for being a regular donor to the Multiple Sclerosis Society of Canada. Your generous contributions have helped advance the most innovative research and provided support for the lives of people affected by MS. You are part of a committed, coast-to-coast movement to end MS.

Yes, I'd like to be a monthly donor

We ask that you please consider becoming a **monthly donor** today. It's easy and convenient, and counting on your regular ongoing support will help our research make steady progress in the fight to find new treatments and a cure for multiple sclerosis.

Sincerely,



Karen Lee, PhD
Vice-President, Research

After examining the responses, we found that there was no difference between the two email versions in email open rates, click-throughs to the donation page, or the number of donors signing up for monthly giving. One potential explanation is that this type of ask simplification does not matter to donor's decisions, and once you have sent an email and made it easy for them to act, other language changes don't have much bearing on their choice to enroll in monthly giving. Another explanation is that our simplifying changes were not really one cohesive treatment, but rather several distinct changes that may have worked in opposite directions. For example, changing the language in red boxes to be a more direct call to action may have been helpful, but removing the paragraph on the importance of the work was counterproductive. Therefore, on net, we would observe no difference. In future trials, we would want to investigate to see if this nuanced story exists, and if so, what type of simplification helps or hurts when making charitable appeals.

Another promising avenue would be to test if the form, or timing, of the ask can boost sign-ups for monthly giving. We found that the email engagement rates were low across both groups, with only 1.48 per cent of people clicking through to the website and 0.05 per cent signing up to be a monthly donor. While this rate of return may still make sense for the MS Society given how inexpensive email is to send, future work could explore whether changing the timing of the ask, such as around a "giving anniversary", or method, such as a phone call or written appeal, might improve the effectiveness in converting one-time-givers into monthly donors. In these future trials, the emails described above become the new baseline, and we continue to build on this intervention in sequential, and often small ways, to see if we can gradually improve the effectiveness of our requests. While our ability to learn from any individual trial is often limited, through repeated experimentation, using each iteration as a launching point for the next, we can gain a rich understanding of what works to make giving habits easier to create and maintain.

PART 3

What's next? Changing giving behaviours in Canada

We believe that every Canadian has the potential to make a profound difference in the lives of others by giving their time, money, and public support to the charitable sector. But humans are, well, human; we procrastinate, we get distracted, we are irrationally irritated by small frictions, and in the end we might not follow through on giving despite our best intentions.

In this paper, we have presented a perspective on giving that takes those tendencies into account, and we have offered strategies to help the charitable sector design appeals that meet donors where they are, irrational decisions and all. A behaviourally-informed approach to fundraising is truly a win-win situation; as the charitable sector fundraises more effectively, they can change more lives for the better, and as prospective donors translate their good intentions into action, they experience the satisfaction of acting on the intentions of their best selves, despite the many obstacles that are an unavoidable part of our busy everyday lives.

So what does it mean for Canadian charities to put this approach into action? We have presented examples of quick wins, like rewording an appeal letter, that can yield results in the time it takes to click “Send” on an email. We encourage charities to review their fundraising strategies with an eye for those opportunities, and we hope that the tools we have presented will be helpful in that process.

But we also encourage readers to go a step further. Despite much of the work that has been done to understand the why and how of giving, there is still much we do not know. Throughout these pages, we have presented results that we were able to share because practitioners and researchers deliberately chose to test their hypotheses and share results. The MS Society's trials demonstrate that rigorous research doesn't have to be expensive or protracted; all three of the trials presented in this report were completed in under four months. And while research can be quick, the impact is long-lasting. Better evidence helps charities make better decisions and use resources more efficiently—and that means more Canadians can benefit from the important services and opportunities this sector provides.

While we think that the pilots show a promising start, the scale of our challenge is such that no one organization can do it alone. Rather, we believe that all those interested in fostering a greater culture of giving in Canada need to work together to share insights and build partnerships that help us think creatively about how to effect change. Working towards the same goal, the Government of Canada's Impact and Innovation Unit, in partnership with the Heart & Stroke Foundation of Canada, are currently running behavioural science interventions aimed at increasing charitable giving behaviours in Canada. These include using email and direct (postal) mail as channels to increase giving among Canadians. The results from this innovative collaboration will be shared in a few months, adding significantly to the growing body of knowledge applying BI to charitable giving, and benefiting the philanthropy sector in Canada as a whole.

In the following Appendix, we include resources for organizations that would like to start applying behavioural insights into their work, as well as a guide for how to test these new approaches.

We hope that this report opens the door to a wide variety of work in the charitable sector, and to further explorations of how giving intentions can be propelled into action. We ask all those committed to charitable and non-profit causes to work together to foster an enduring movement of giving across Canada—and we look forward to seeing the results!

APPENDIX

RESOURCE 1: A BEHAVIOURAL CHECKLIST FOR CHARITABLE GIVING

What makes me want to give?

Send your “ask” at the right moment: Try to find ways to capture people at moments when they may have more money on hand (bonus time) or are already making a change (writing a new will).

You are not the best messenger: It is unlikely you are the most persuasive messenger to your audience. Ask those who are your biggest supporters to forward to their own networks and/ or choose someone who is a powerful spokesperson to ask for donations on your behalf.

What makes me actually give?

Remove friction: Reducing the amount of information you ask for and the number of clicks required to donate can make the difference between receiving a donation and missing out.

Change the default: Doing something once is easier than doing it many times over; consider automatically signing up one-time donors to monthly giving (and to escalating giving over time) with the options to opt-out at the point of transaction.

Simplify your message: Look over your communications to make sure they pass a “flip test”: Can someone know, within five seconds of glancing at the message, what they are supposed to do?

Help people plan: Use our tendency to procrastinate and delay costs to your advantage by asking people to commit now to increasing their donations in the future.

Pay attention to framing: Using specifics in charitable appeals can help people see the concrete benefits of making a donation, and the costs of choosing not to. Altering the amount suggested in a donation-prompt can lead people to give more or less, so choose your suggestion \$ figures wisely. Using prompts to make choices clear can increase the likelihood that people more actively consider a decision to give.

What makes me give again?

Choose rewards strategically: Gifts can help boost participation and giving through the power of reciprocity, but use with care – they may not always be cost effective, and they can make donors feel like giving is a transaction rather than an act of altruism. Social recognition is often an effective reward, and may be less likely to backfire.

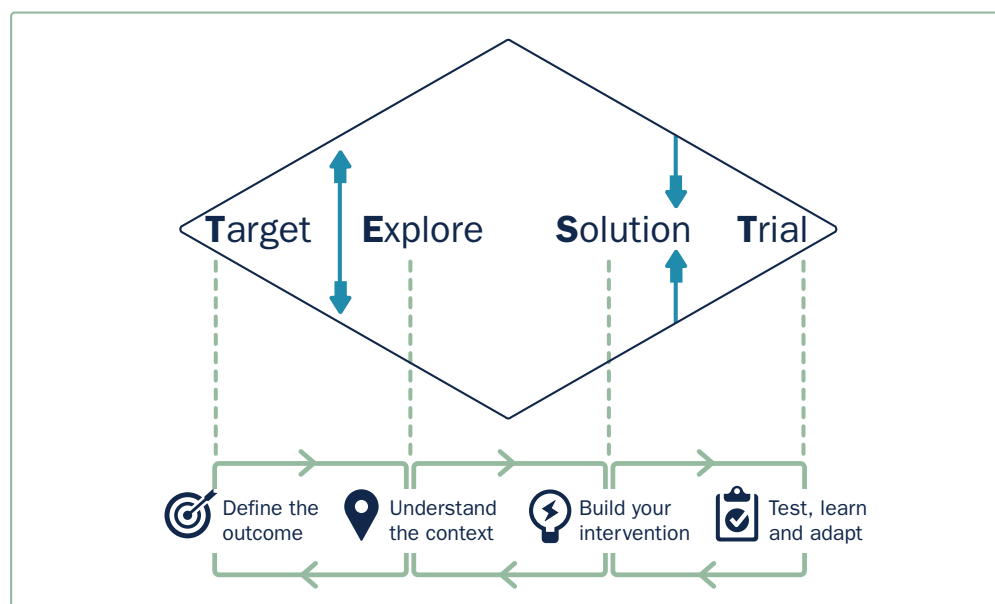
Use social connections: Make it easy for people to share their giving activity with their peers, and reinforce that giving is part of their identity. Someone who sees themselves as a giver is more likely to give again.

RESOURCE 2: A BEGINNER'S GUIDE TO TESTING

Despite much of the work that has been done to understand giving behaviour and what works to encourage people to give, there is still much we do not know. Moreover, context matters a great deal in the design and success of any intervention, so that something that works well in one area does not translate to another. Often, there can be unintended consequences to the changes we make, and even small modifications in context or implementation can have dramatic effects on results.

For all these reasons, we believe that any new strategies should be implemented through rigorous testing that can help move our understanding of what works forward. This investigative approach follows four main steps, starting with identifying a specific goal (Step 1: Target). From there, we try to develop a full and rich understanding of people's experiences and context (Step 2: Explore). Using the findings from this stage, we consider how insights from behavioural sciences may be applied to achieving our goal (Step 3: Solution). The last step is to test our idea or intervention so that we can understand its effect and adapt our future efforts accordingly (Step 4: Trial).

FIGURE 13: THE TEST METHODOLOGY




In the following pages, we have provided exercises to help readers work through this process within their own organizations. As illustrated above, this approach – Target, Explore, Solution, Trial, or TEST – is designed to be iterative. We often find that what we learn during the Explore phase makes us return to our Target goal with a fresh understanding, helping us refocus our priorities. Similarly, we may generate a variety of promising interventions during the Solution phase, all of which may merit testing. Yet, the overall process remains the same: starting with a narrow objective, broadening our understanding, remaining open to a wide range of possible solutions, and then focusing on one idea to take forward to testing. We believe that this simple approach allows organizations interested in encouraging giving behaviour to explore and trial new interventions and share their insights with others.

Target

In this step, we identify the problem we should work on. The central question we attempt to answer is: what change are we trying to achieve and why? Think about the challenges you face as an organization. You have only one constraint: your goals should relate to changing the behaviour of those who contribute to your overall success in boosting giving; perhaps you want to get volunteers to help more often; or get first-time donors to give more. Without paying attention to any other constraints or priorities, write down all the potential goals you could work on together.

After generating your list, see if there are themes or patterns that emerge. For instance, do you face issues related to online donations or see a challenge related to converting one-time donors to regular supporters? Try to group these together into larger challenges.

**Target**
Part 1: Which area should we focus on?


1.
2.
3.
4.
5.

After identifying all our potential goals, we need to narrow our focus to one priority. An effective way to do this is to score them on two criteria: importance and feasibility. Evaluating a goal's importance helps us identify those priorities that will have the largest effect, while evaluating feasibility helps us identify those priorities that we have a reasonable chance of accomplishing. Questions to consider include:

- Importance:
 - How many people are affected?
 - Does the outcome matter for someone's well-being?
 - How would overcoming this challenge affect your organization's capacity or work?
- Feasibility:
 - Do you control the system?
 - Can you measure the outcome?
 - What is the scale of the problem?

Now, assign an importance and feasibility score, ranging from 1 to 5, to each of the goals identified above. Plot your goals on the matrix to see how the priorities rank against one another: those in the top right-hand corner are those that should be your highest priority, while those in the bottom left should be the lowest.

Remember, there is bound to be natural tension between these two criteria, and, similarly, there will likely be disagreement between team members on how to score different goals. This exercise isn't designed to be strict or definitive, but simply a way to begin the conversation about what you will work on and why.



Target

Part 1: Which area should we focus on?

FEASIBILITY

High

Low

Low

High

IMPORTANCE

1. _____
Importance: Feasibility:
2. _____
Importance: Feasibility:
3. _____
Importance: Feasibility:
4. _____
Importance: Feasibility:
5. _____
Importance: Feasibility:

The next step in the Target phase is to build a defined problem statement. Without further detail, it becomes difficult to clarify what success would mean or direct our Explore or Solution efforts.

It's not clear what improvement might mean in this context (i.e. from what to what?)

Giving what? Could be equally valid to give time, donations or money

The objective is to : **increase giving**

Is this across the whole of Canada, or in some specific sector or region?

Using the priority you identified above, craft a specific, measurable, assignable, realistic, and timebound (SMART) statement about what you would like to accomplish. For example, in our first trial with the MS Society, our objective was to:

Specific and Measureable. Start with a quantifiable objective, even if this is modified over time.

Realistic. The baseline rate (2.3%) was low, so a 15% increase (to 2.6%) is a realistic objective to hit.


The objective is to : **increase by 15%** the number of MS Society mail recipients making a donation within a month after receiving the mailer

Assignable. It's focused on a single donor group.

Time-related. It's clear when the measurement is going to be made.

Use the template below to write your own SMART statement. Two things to remember:

- 1) we want to focus on changing behaviour, not attitudes, values, or beliefs, and
- 2) don't move to proposing solutions too fast. While we want to make sure our goal is well defined, we want to remain open minded at this stage about how we will accomplish it.

 **Target**
Part 2: Building a Problem Statement

We will target...

- S** This specific behaviour:
- M** Using this measurable outcome:
- A** Assigned to:
- R** Expecting a realistic result of:
- T** Within this time-frame:

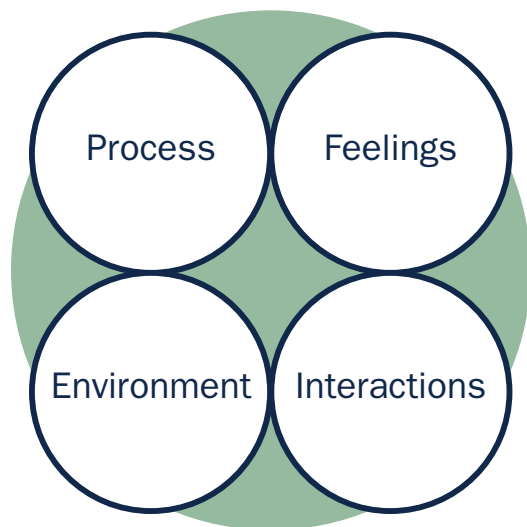
Explore

After defining our desired target and outcome, the second step is to understand the context and individual experiences from different perspectives. Too often, decisions are made in the absence of a rich understanding of the larger process or environment. This is problematic for several reasons. First, we know that even trivial details can have large effects on behaviour. Second, we want to ensure we understand any potential risks or unintended consequences before we implement changes. Finally, often the people involved (both potential donors or organizations) have valuable insights to contribute.


We have several tools available to us in the Explore phase, including:

- Conducting interviews to listen to participants speak about their views, experiences, values, emotions, and motivations
- Fielding surveys to get a broad and systematic understanding of an issue
- Participating, shadowing, or observing the actors involved in the outcome you have decided to target
- Developing an inventory of the data and resources available
- Undertaking a systematic review of what has worked in the past and what has not
- Mapping and identifying the individual actions that make up a larger process, their corresponding behaviours, and how they interact with the larger social environment

The key point at this step in the process is to use this opportunity to develop new insights and design a sensitive and feasible approach, rather than jumping to conclusions or adopting a “one-size-fits-all” mentality. Throughout your field research, try to identify whether there are patterns in the way people speak about the process, their feelings, their interactions with others, and their environment. These insights will help to shape your solution through identifying the largest barriers or the most promising avenues for intervention. The best solutions are usually deeply informed by their context and co-designed with the actors involved.



You can use the template below to plan and document your field research. It doesn't need to take long but you should be careful to robustly test any assumptions you might have about how things work.

**Explore**
Identifying barriers and touchpoints

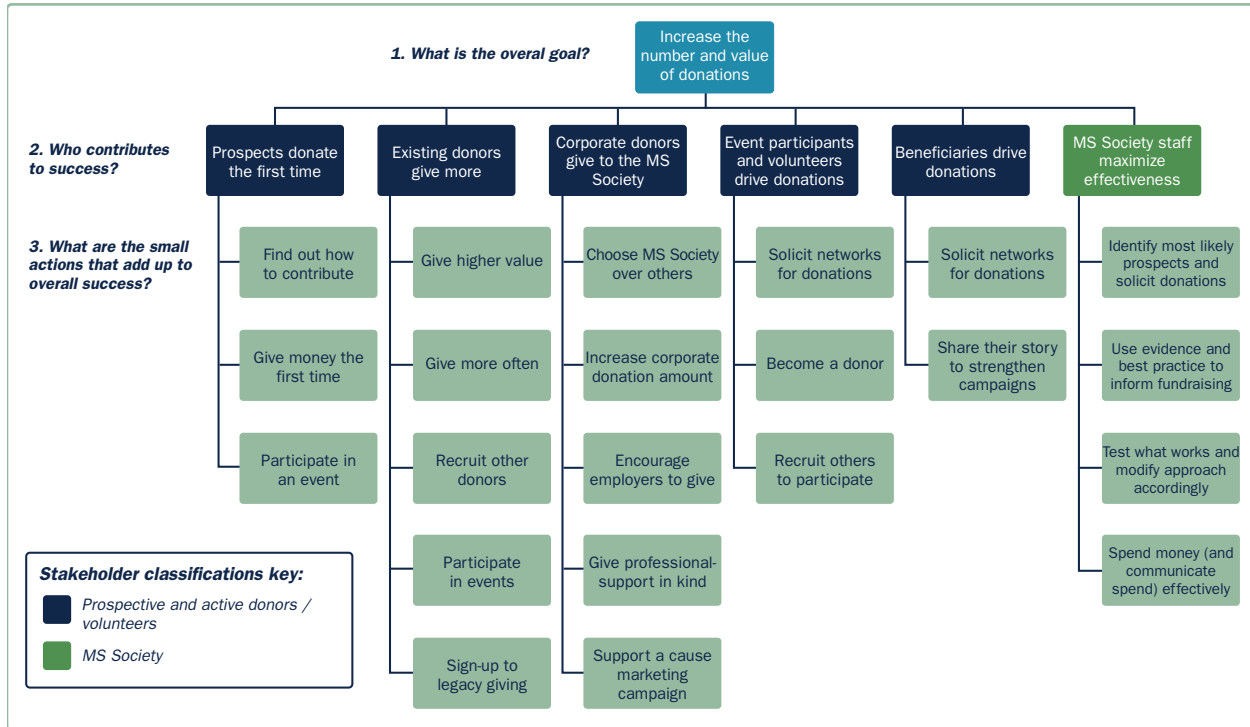
What resources are available for your research? (e.g. data, interviews, existing research) _____

Barriers to desired behaviour include: _____

Touch points – where do you have an opportunity to reach people? _____

A helpful place to begin your Explore work is to identify the stakeholders involved in achieving your goal, and the specific actions they need to take to do so. This is summarized in a “behavioural map.” Below is the map we created in partnership with the MS Society of Canada:

FIGURE 14: A BEHAVIOURAL MAP SHOWING OUR OVERALL GOAL, WHO CONTRIBUTES TO IT, AND WHAT ACTIONS THEY NEED TO TAKE TO DO SO



With your team, draw your own behavioural map.

Solution

At this stage, we can use the insights we have gained from the Explore phase to design an intervention – that is, some different way of doing things – that we think is best suited to accomplishing the outcome we identified in the Target phase.

Here, you can draw on the examples we gave in the previous section, as well as using four simple principles gleaned from the behavioural science literature. These principles tell us that if you want someone to do something, then make sure it is...

- Easy
- Attractive
- Social
- and Timely

In other words, think about your targeted audience and ensure that it's simple and painless for them to act, that you've explained why taking that action is in their interest, that you are providing them with information on how this links to their community or identity, and that you're asking at a moment they're likely to listen.

At the start of your brainstorming session, don't pay too much attention to the feasibility of your ideas. Try to remain ambitious and open-minded as you ask:

- What could we do if money was no limit?
- What would we do if we had absolute power?
- What might be possible if we invented a new technology?
- Have we been bold enough?

Creatively, it is much easier to start with a big idea and adapt it according to your constraints, then to start small and expect to overcome the mental hurdles you have placed in your way.

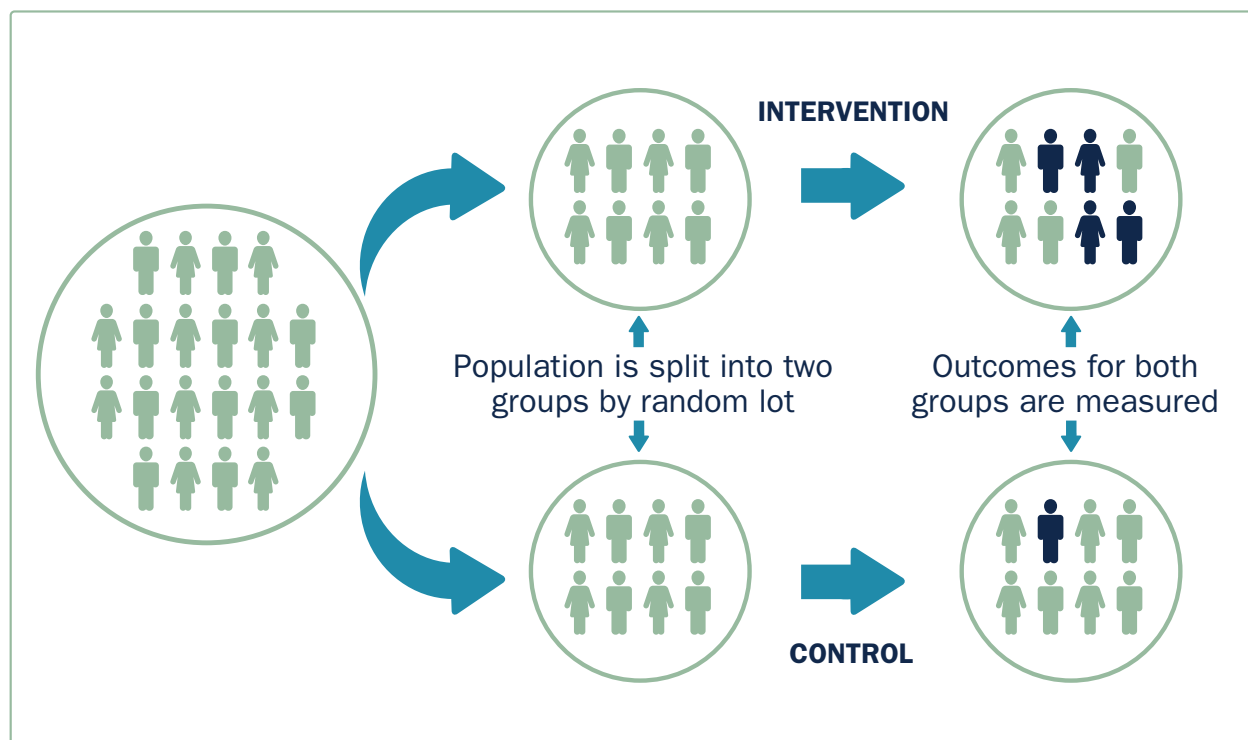
Use the prompts below to brainstorm behavioural solutions to the problem statement you developed in the Target phase.

Designing an intervention is likely to be an iterative process that returns frequently to the Target and Explore phases as we learn more. For example, you may find there may be challenges with feasibility or measurement, uncover new information that changes your evaluation of the costs and benefits, or stumble across a new insight that highlights a different behaviour to target. The key is to maintain a balance between the impact of our intervention and its feasibility.

Trial

The final stage is to test the intervention against the current process to find out what works and for whom. One of the easiest ways to judge the effectiveness of a new program is to use a “randomized controlled trial” (RCT) as an evaluation method. What makes RCTs different from other types of evaluation is the use of random assignment to create two groups: one that receives the new intervention and one that does not. The random assignment allows us to make comparisons between the two groups without many of the problems or complications that arise in other types of evaluation methods.

FIGURE 15: OVERVIEW OF AN RCT



As illustrated above, we show how a group of people is split into two groups by random assignment. One group receives the intervention and the other receives the status quo condition. After some time, we can observe and measure the outcomes for the two groups. Because we have a comparison group, we know that the difference in the outcomes for the two groups can be attributed to the intervention and not some other factor.

With a bit of training and access to a few key tools, RCTs can be cheap and simple to implement. They can also produce quick results that are reliable and reproducible. Moreover, because they can provide convincing evidence of an intervention’s effect, they can help save money in the long term by helping organizations prioritize the most cost-effective programs.

If after testing we find that our intervention has worked, we can put the program into practice. If not, we can return to the Solution phase using our new insights to adapt and trial again. Over time, we can share our learnings with others and use the approach repeatedly to improve our effectiveness over time.



Trial

How will you know if it has worked?



What is the outcome you are measuring?



What is your unit of randomization?
(e.g. individuals, families, teams, geographical areas)



How will you assign people to groups?



How and when will you collect the data?

ABOUT OUR ORGANIZATIONS

THE RIDEAU HALL FOUNDATION

The Rideau Hall Foundation (RHF) is a registered national charity that brings together ideas, people and resources around the values of the Office of the Governor General. The RHF's work spans four key programmatic areas: widening the circle of giving and volunteering; learning initiatives that strive for excellence and promote equality of opportunity; strengthening Canada's culture of innovation; and investing in Canadian leaders with transformative potential. Learn more at www.rhf-frh.ca.

THE GIVING BEHAVIOUR PROJECT

The Giving Behaviour Project (GBP) is an effort by the RHF to better understand the current giving landscape in Canada, and to use that knowledge to help the non-profit sector incorporate evidence-based methods into their fundraising. The GBP will consist of a series of three research papers whose goal is to add to the knowledge and evidence base on how giving in Canada is evolving, and to help foster a stronger culture of giving in Canada. To learn more visit www.rhf-frh.ca/giving.

THE BEHAVIOURAL INSIGHTS TEAM

The Behavioural Insights Team (BIT) applies more realistic models of human behaviour to policymaking, with the objective of helping citizens to make better decisions for themselves. BIT started life in 2010 in the UK Prime Minister's office and is now a social purpose company jointly owned by its employees, Nesta, and the UK Government. BIT's work spans almost every policy area and it has over 100 employees across its offices in London, Sydney, New York, Singapore and Manchester.

THE IMPACT AND INNOVATION UNIT, PRIVY COUNCIL OFFICE, GOVERNMENT OF CANADA

The Impact and Innovation Unit (IIU) is helping to transform the way in which the Federal Public Service does its business by exploring how new policy and program tools, such as behavioural science, can help address complex public policy challenges. The IIU works with departments to reduce barriers to delivering programs in new ways and works to change the status quo of program delivery models.

Established in 2015, the mandate of the IIU is evolving to meet the government's commitment to measurable outcomes, experimentation and evidence-based decision-making by establishing new business lines in impact measurement and the cataloguing of "what works."

ABOUT THE CONTRIBUTORS

Emily Cardon is an Advisor for BIT North America, where she works to design and implement low-cost randomized control trials with state and local governments. She is also undertaking a PhD at Syracuse University's Maxwell School, where she studies how the application of behavioural insights can be used to improve public administration and inform public policy.

Elsbeth Kirkman leads BIT's North American office, running the organization's portfolio of work across the region. Prior to setting up the New York office, Elspeth was BIT UK's founding director of the Behavioural Research Centre for Adult Skills and Knowledge. During her time with the team, she has worked on a range of complex social issues, such as foster care, national school funding and employment.

Cecily Wallman-Stokes is an Advisor at the Behavioural Insights Team. Her background includes work in philanthropic strategy and social impact measurement, from both the grantor and the grantee perspective. She has also conducted research across a range of topics in public health and behavioural science.

Elizabeth Hardy leads the behavioural science team at the Impact and Innovation Unit, Privy Council Office, Government of Canada, applying behavioural science to public policy challenges. Previously, Elizabeth led the Behavioural Insights Unit in the Government of Ontario, where she was instrumental in creating and building Canada's first behavioural science team in government. To date, Elizabeth has successfully completed trials dealing with public health, tax collection, regulatory compliance, and service delivery.

Haris Khan is a Behavioural Insights Researcher at the Impact and Innovation Unit, Privy Council Office, Government of Canada. He supports research and conducts randomized controlled trials on the application of behavioural science to issues like diversity in the armed forces, charitable giving, and program delivery.



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