Do the Ends Justify the Means? The Relative Focus on Overhead Versus Outcomes in Charitable Fundraising

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Abstract
Prospective donors are often sensitive to the amount of overhead in charitable fundraising. The present studies examine how differences in one’s personal commitment to a cause moderate the relative focus on overhead versus outcomes in charitable fundraising. Three experiments find that donors who are more committed to the cause are, in fact, accepting of higher levels of overhead. Experiment 1 demonstrates that people are willing to accept a higher level of overhead for causes that are more (vs. less) important to them. Experiment 2 provides process evidence by showing that perceptions of cause importance generally influence how people evaluate the intentions behind charitable fundraising versus its outcomes. Experiment 3 directly manipulates cause importance and demonstrates a downstream effect on actual donations. Together, these studies suggest a more general framework whereby differences in personal commitment change the relative focus on the intentions behind pro-social behavior versus the outcomes achieved.

Keywords
charity, fundraising, overhead, cause importance

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In 2005, Christine Spadafor was hired as a consultant to assess the nearly bankrupt St. Jude’s Ranch for Children, a charitable organization in Nevada that provides housing for abused and abandoned children. On the basis of her recommendations, Spadafor was appointed CEO and in a short time, transformed St. Jude’s by eliminating US$2 million in annual debt and growing the organization’s revenue and assets. But, in 2015, the Las Vegas Review-Journal published a profile of St. Jude’s, which revealed that Spadafor’s salary was more than US$300,000 a year (Amaro, 2015). Even though her pay was competitive for a nonprofit of that size, St. Jude’s received several complaints from individuals who felt that her salary was simply too high. Less than a week later, Spadafor resigned as a result of the public controversy.

These events highlight an issue that has become an important topic of conversation among practitioners and academics alike. For organizations of all types, there are a number of benefits to allocating resources toward administrative and fundraising costs (what is commonly referred to as “overhead”). Higher salaries can increase an organization’s ability to attract and retain top talent; larger advertising budgets can raise public awareness and, in turn, generate more revenue or donations; and increased savings can encourage organizations to try new approaches as well as provide safeguards in times of economic downturn.

However, for many prospective donors, charitable overhead is often thought to be at odds with the very notion of charity. Even when overhead costs may ultimately enhance the efficiency of a nonprofit organization (and the long-term benefits for those in need), observers may be highly sensitive to the amount of charitable overhead—perhaps seeing a high salary for running a charity as somehow “tainted.” Indeed, a number of recent studies have demonstrated that donors often use overhead as a primary means of determining which charity to donate to (Caviola, Faulmüller, Everett, Savulescu, & Kahane, 2014; Gneezy, Keenan, & Gneezy, 2014), and the reputational benefits of charitable behavior can be undermined if observers think that the organization is motivated by profit or self-interest (Critcher & Dunning, 2011; Lin-Healy & Small, 2013; Newman & Cain, 2014). This issue seems to apply to charitable giving across many different countries.

In the present studies, we ask a novel question regarding evaluations of charitable overhead. Specifically, we investigate whether all potential donors are equally averse to overhead, or whether there are differences between individuals who are more committed to a particular cause versus those who are less committed. It may be that individuals who are more (vs. less) committed to the cause are more averse to the notion of high overhead because they have a more visceral, emotional reaction—that is, emotion plays a greater role in these individuals’ processing and response. Alternatively, it may be that being more committed to a particular cause actually leads individuals to focus more on the overall outcomes (e.g., the number of individuals helped, the number of dollars raised, etc.), which, in turn, makes them more accepting of overhead.

Three experiments demonstrate that individuals who are more committed to a particular cause are accepting of higher levels of overhead. We demonstrate this effect using converging methodologies. We, furthermore, show that direct manipulations of
commitment can change the relative focus on overhead and can affect actual charitable donations. These results suggest an important moderator of how people evaluate charitable fundraising. Specifically, they document a relationship between an individual’s degree of personal commitment to a cause, and their focus on the intentions behind charitable fundraising versus the outcomes achieved.

**Prioritizing Intentions**

In recent years, the amount of money that charities spend on administrative and fundraising costs (or overhead) has emerged as an important area of study. Existing research suggests that overhead ratios may factor heavily into individuals’ donation decisions. For example, individuals show a strong preference to donate to charities with low (vs. higher) overhead ratios, in spite of information about how efficacious those organizations actually are (Caviola et al., 2014). Moreover, data on actual charitable contributions find a negative correlation between the amount of organizational overhead and the total amount that individuals donate to the charity (Tinkelman & Mankaney, 2007). This focus on overhead not only has the potential to divert attention away from more informative data on actual charitable outcomes (e.g., the total number of people helped by a charity), it may also handicap organizations that naturally benefit from the positive effects of overhead.

In response to the popularity of charity-ranking websites that heavily weight overhead ratios, such as Charity Navigator and Charity Watch, there have been several appeals from researchers and practitioners to better inform the public about the perils of focusing too narrowly on overhead (Sargeant, Jay, & Lee, 2008; Williams, 2007; Wing & Hager, 2004). This has led to some creative, empirically informed solutions to dealing with negative reactions to overhead—or so-called “overhead aversion.” For example, Gneezy et al. (2014) found that simply reframing the target of matching funds (e.g., a wealthy donor whose contribution is used to pay for overhead) may drastically increase the amount that individuals donate compared with conditions in which the same matching funds are provided, but no money is explicitly diverted toward overhead.

Nonetheless, overhead aversion itself can be construed as an instance of a broader tendency for individuals to react negatively to the notion of “profiting” from good deeds. Indeed, it is well established that receiving material rewards for pro-social behavior can have negative effects. For example, people are reluctant to accept monetary compensation for tasks that are perceived to be social favors (Heyman & Ariely, 2004); they react negatively toward religious and health-oriented organizations that seek profit (McGraw, Schwartz, & Tetlock, 2012); and they seem to expect that “genuine” pro-social behavior precludes personal benefits (Lin-Healy & Small, 2013), such that donors with a personal connection to a cause are given less credit for their donations (Lin-Healy & Small, 2012).

In fact, recent research suggests that the “taint” of receiving personal benefits from charity may be so strong that earning profits from charity can be evaluated as worse (i.e., less moral, ethical, etc.) than not giving at all (Newman & Cain, 2014). This
tainting effect seems to be unique to the charitable domain, as nearly identical cases that result in profits for companies do not engender negative evaluations.

In sum, people may often ignore information about actual charitable outcomes, and may, instead, prioritize information about overhead or the perceived intentions behind charitable fundraising. While existing research finds a great deal of convergence around this basic fact, to date, far less is known about potential moderating factors. For example, are there conditions under which individuals are more or less likely to focus on charitable outcomes (vs. overhead)? And, if so, do such differences reflect idiosyncratic differences between particular charities or particular donors, or is there a more general principle at work?

**Cause Importance**

To investigate this question, the present studies draw on differences in donors’ commitments to a particular cause (Hajjat, 2003; Trimble & Rifon, 2006; Zaichkowsky, 1985). For example, one individual may be more concerned with providing aid to war veterans, while another may be more concerned about the lack of clean drinking water in developing nations. Our goal is not to provide additional nuance to understanding cause commitment itself; rather, we assume, prima facie, that individuals may differ in how personally committed they are to a particular cause and, more specifically, how important they perceive that cause to be. Thus, we are primarily concerned with how differences in cause commitment among the broader public might change the relative focus on a charity’s perceived intentions versus its outcomes.

On one hand, it may be that greater commitment is associated with a greater focus on “authentic” altruism. Previous research indicates that individuals have a stronger emotional reaction to causes that they find personally relevant (Cryder, Loewenstein, & Scheines, 2013; Small, Loewenstein, & Slovic, 2007). Therefore, it seems plausible that individuals with higher (vs. lower) commitment may show a stronger negative reaction to intentions that seemed misaligned with the charity’s mission.

On the other hand, it may be that greater cause commitment actually results in greater sensitivity to outcomes. Individuals with lower commitment may employ a more rule-based analysis—that is, benefiting personally from charity is bad under all conditions—whereas individuals with greater cause commitment may engage in a more extensive cost-benefit analysis. Consistent with this, the literature on moral reasoning finds that utilitarianism (i.e., outcome-based reasoning in moral dilemmas) is associated with greater rational (vs. emotional) processing. For example, when reasoning about moral dilemmas, participants are less likely to arrive at utilitarian judgments when they are under cognitive load (Greene, Morelli, Lowenberg, Nystrom, & Cohen, 2008; Greene, Sommerville, Nystrom, Darley, & Cohen, 2001). In other words, less committed individuals may weight an organization’s perceived intentions more strongly because they are less likely to assess whether the ends, in fact, justify the means.

In sum, the present studies examine how cause commitment impacts the relative weighting of intentions versus outcomes in assessments of charitable fundraising. This
investigation contributes to the existing literature in three important respects: First, while there has been a great deal of empirical convergence around the notion of overhead aversion, the studies to date have mostly been demonstrations of that basic effect. The current experiments identify a key moderating variable and, in so doing, provide insights regarding when those effects are likely to manifest. Moreover, we provide evidence for a more general framework in which differences in commitment may ultimately change the relative focus on intentions versus outcomes in evaluations of pro-social behavior. Finally, these effects may have important practical implications for nonprofits, particularly regarding how best to target different types of prospective donors with different donation appeals.

**Overview of Experiments**

Experiment 1 demonstrates that when reasoning about a low (vs. high) commitment charity, participants place greater weight on salary information and, in turn, are willing to forgo significantly more money in potential fundraising. Experiment 2 provides process evidence by showing that perceptions of cause importance generally influence how people evaluate the intentions behind charitable fundraising versus its outcomes. Finally, Experiment 3 directly manipulates cause importance and demonstrates a downstream effect on actual charitable donations. Together, these studies suggest a more general framework whereby greater personal commitment to a cause enhances individuals’ focus on the outcomes associated with pro-social behavior.

**Experiment 1**

The aim of Experiment 1 was to examine how individuals assess the relative trade-off between intentions versus outcomes. The stimuli were modeled on the real-life example of Daniel Pallotta. Pallotta, who has become widely known through his Technology, Entertainment, and Design (TED) talk and books, ran a for-profit organization, Pallotta TeamWorks, that raised money for charity. Pallotta himself earned a high salary (nearly US$400,000 per year) and when this information became public, his company soon collapsed. Interestingly, this seems to have resulted in a net loss in revenue for many of the charities that he worked with (Kristof, 2008).

Based on this example, participants were asked to imagine that they were tasked with selecting a promoter for an upcoming fundraising event. Specifically, participants were asked to choose between an individual identified as “Daniel P.” or an alternative promoter and were provided with information about how much money could be earned for their charity and how much would be spent on overhead. The decisions were structured such that Daniel P.’s firm raised more money than the alternative promoter, but also earned substantially more for himself. One group of participants was asked to make decisions regarding a charity that they ranked as the most important (high cause commitment), while the other group made decisions for a charity that they ranked as the least important (low cause commitment). A third group of participants were presented with a nearly identical set of instructions. However, they were asked to imagine
that they were the head of a corporation and were planning a fundraising drive to raise seed money from investors.

Thus, there were three conditions in total: high commitment, low commitment, and corporate fundraiser. This design afforded three interesting comparisons: First, it allowed us to assess whether differences in commitment change the relative weight placed on intentions versus outcomes and, if so, in what direction. Second, the comparison to the corporate fundraising context examined whether overhead aversion is unique to charities (both high and low commitment). Finally, all participants rated the morality of Daniel P., which assessed whether ratings of the fundraiser’s morality also vary across the high (vs. low) commitment causes.

Method

We recruited 297 adults (mean age = 33.1, 36% female) from Amazon’s Mechanical Turk. Mechanical Turk (MTurk) is an online labor market in which requesters post tasks for individuals to complete for nominal pay (Mason & Suri, 2012). MTurk began in 2005 as a means of “crowdsourcing” labor for intensive tasks that were not suited to computerization (Paolacci, Chandler, & Ipeirotis, 2010). The service has become popular among researchers in the social sciences for its ability to reach a large and diverse participant pool, its relative affordability, and ease of use (Paolacci et al., 2010). MTurk provides access to individuals with greater diversity on factors such as age, ethnicity, socioeconomic status, and education than a traditional university student participant pool (Mason & Suri, 2012). However, the sample is limited to individuals who have access to online platforms and are willing to do computerized tasks for nominal pay. As a result, the conclusions drawn from these studies may be limited to U.S. participants whose demographic characteristics resemble the MTurk population.

Participants were randomly assigned to one of three between-subjects conditions: high commitment (HC) charity, low commitment (LC) charity, and for-profit (FP) company. Participants in the two charity conditions were first presented with a list of eight charities: American Association for the Advancement of Science, Autism Speaks, American Cancer Society, Charity: Water, Institute for Justice, United Nations’ Children’s Fund (UNICEF), World Wildlife Fund, and the Wounded Warrior Foundation. Participants were instructed to “rank them 1 through 8, with 1 being the MOST important cause and 8 being the LEAST important cause.”

On a subsequent page, participants read the following text (the charity listed varied depending on the rankings supplied on the previous page, and whether participants were in the HC or LC condition).

Daniel P. works as a promoter of charitable events. His organization handles the planning, promotion, and execution for major fundraising drives to raise donations for charity. Daniel P.’s organization is a for-profit company. After all of the organizational costs have been settled, he and his staff take a percentage of the remaining funds. Therefore, the more money that is earned for the charitable cause, the more profits go to Daniel P. and his staff.
Now, imagine that you are the head of the (American Cancer Society). You are planning a fundraising drive and you need to decide whether or not you will hire Daniel P.’s company or instead, whether you will go with an alternative promoter.

Listed below are a number of possible outcomes for the fundraising drive, including how much money will go to your charity and how much will go to the promoter (either Daniel P. or an alternative promoter). For each one, please indicate whether you would hire Daniel P. or the alternative promoter.

Participants were then presented with a series of 11 binary hiring decisions. Each decision provided information about how much money could be earned for their charity and how much would go to overhead. For example,

Option A: Your charity earns $1,100,000; Daniel P. earns $55,000
Option B: Your charity earns $1,000,000; other organizer earns $10,000
Option A: Your charity earns $1,200,000; Daniel P. earns $60,000
Option B: Your charity earns $1,000,000; other organizer earns $10,000

. . .

The “alternative promoter” always charged US$10,000 (1% administrative cost), while Daniel’s firm charged a rate of 5% of the amount generated for the charity. The decisions ranged from both promoters generating the same amount for the charity (both US$1 million) to Daniel’s firm generating twice as much as the alternative promoter (US$2 million vs. US$1 million).

Participants in the corporate (FP) condition were presented with a nearly identical set of instructions and stimuli. However, rather than a charity, participants were asked to imagine that they were the head of a for-profit company and were planning an investor fundraising drive. As in the charity conditions, participants were presented with the same binary decisions in which they had to choose between Daniel’s firm (who charged more, but raised more) versus an alternative promoter (who charged less, but also raised less).

Following these choices, participants in all conditions rated Daniel P. along three dimensions related to morality. Specifically, “How ethical is Daniel P.? How moral is Daniel P.? Do you approve of Daniel P.’s actions?” Ratings were made using a 9-point Likert-type scale where, for example, 1 = Completely Unethical and 9 = Completely Ethical. These measures formed a reliable scale of morality (α = .95) and were averaged to produce a single score for each participant.

Results

To analyze these data, we tallied the total number of times that each participant selected Daniel P.’s firm (creating a score from 0 to 11). Given that each choice reflected a
different value (earnings and overhead), this measure was analyzed via nonparametric rank order comparison. A Kruskal-Wallis test comparing the three conditions indicated a significant effect, chi square ($\chi^2 = 15.96, p < .001$. As seen in Figure 1, participants were the least likely to hire Daniel P. when deciding for the LC charity ($M = 7.35, SD = 3.92$); were more likely to hire him when reasoning about the HC charity ($M = 8.44, SD = 3.50$); and were the most likely to hire him when deciding in the corporate case ($M = 8.97, SD = 3.03$). Three pairwise comparisons were subsequently tested to examine choices across the three conditions (LC vs. HC; LC vs. FP; HC vs. FP). Individual comparisons across conditions were conducted with a Bonferroni correction for multiple (3) hypotheses, adjusted $\alpha, p = .016$. These comparisons indicated a significant difference between the LC and HC conditions, Mann-Whitney test, $p = .012$ (two-tailed); a significant difference between the LC and FP conditions, Mann-Whitney test, $p < .001$ (two-tailed); and a nonsignificant difference between the HC and FP conditions, $p = .12$ (two-tailed).

Figure 1. Percentage of participants who selected Daniel P.’s firm across the three experimental conditions in Study 1.
A one-way ANOVA of the morality ratings indicated a significant effect of condition, $F(2, 294) = 6.78, p < .001$. Interestingly, however, these ratings showed a different pattern from the choices (see Figure 2). Post hoc comparisons were conducted with a Bonferroni correction for multiple (3) hypotheses, adjusted $\alpha, p = .016$. The results indicated that participants rated Daniel P. as significantly less moral in the LC condition ($M = 5.14, SD = 1.80$) than the FP condition ($M = 6.03, SD = 2.76$), $p = .003$. Participants also rated Daniel P. as significantly less moral in the HC condition ($M = 5.23, SD = 2.17$) than the FP condition, $p = .008$. However, Daniel P. was seen as equally moral in the two charity conditions, $p = .928$. A contrast analysis comparing the corporate condition with the two charity conditions revealed a significant effect, $t(294) = 3.67, p < .001$.

**Discussion**

The results from Study 1 are informative for several reasons: First, we observed that when reasoning about the low (vs. high) commitment charity, participants placed greater weight on salary information and, therefore, were willing to forgo significantly more money to select what is viewed as the more ethical supplier. We, furthermore, observed some overhead aversion for both charities compared with the for-profit company condition. In other words, the aversion to taking a higher salary did not appear to arise from concerns solely related to profit-seeking, as profit-seeking in the corporate fundraising case did not engender a similar response. Finally, earning a profit from charity was seen as less moral than earning a profit and not contributing to charity at all. The fundraiser was seen as equally “less” moral in the two charity conditions,
which suggests that the decisions regarding the least (vs. most) important charity are probably not due to a mere positivity bias for the HC cause.

**Experiment 2**

The aim of Experiment 2 was to provide process evidence for the focus on intentions versus outcomes. Participants completed a very similar task to Study 1. However, in this study, we did not mention salary information, and the intentions of the fundraising organization were made explicit. Specifically, in the case of the organization that raised more money for the charity, we stated that their intention was solely to enhance their own reputation. In contrast, for the organization that raised less money for the cause, we stated that their intention was solely to fulfill the charity’s mission. Mirroring the results of the previous study, we predicted that greater commitment would lead participants to focus more on the outcomes for the charity, despite the organization’s “less than pure” intentions.

**Method**

We recruited 203 adults (M<sub>age</sub> = 31.4, 41% female) from Amazon’s MTurk. All participants first ranked the same eight charities from Study 1. Based on their rankings, participants were then randomly assigned to one of two between-subjects conditions, in which they made decisions regarding the charity they ranked as most important (HC), or the charity they ranked as least important (LC). Following the ranking, on a subsequent page, participants read the following text:

Imagine that different organizations are considering raising funds for the (American Cancer Society). Two alternative programs have been proposed. Program A is run by a large, for-profit company. This company is raising money for the (American Cancer Society) because they know that doing so will boost their reputation and eventually earn them more profit. Since they are a big firm, they have the potential to raise a lot of money for the cause.

Program B is run by a smaller, community organization. This organization is raising money for the (American Cancer Society) because they care deeply about the cause and genuinely want to help as much as possible. However, since they are a smaller community organization, their ability to raise money for the cause is more limited. Listed below are a number of possible outcomes. Assume that these are exact estimates of the consequences of each program. In each case, please indicate which of the two programs you would favor.

Participants were then presented with a series of 11 binary decisions. Each decision provided information about how much money could be earned for their charity. For example,

Program A is adopted and $1,100,000 is raised for the cause.

Program B is adopted and $1,000,000 is raised for the cause.
Program A is adopted and $1,200,000 is raised for the cause.

Program B is adopted and $1,000,000 is raised for the cause.

... 

As in the previous study, Program B always raised US$1,000,000, while the amount earned by Program A increased in increments of US$100,000 for each decision. The decisions ranged from both programs generating the same amount for the charity (both US$1 million) to Program A generating twice as much as Program B (US$2 million vs. US$1 million).

On a subsequent page, participants then rated the extent to which they focused on the outcomes versus the intentions associated with each of the programs. Specifically, for the outcome measures, participants rated their agreement with the following: “When I evaluated the two programs, I was most concerned about the outcomes achieved. When I evaluated the two programs, I was most concerned about the total amount of money raised for the cause. When I evaluated the two programs, I was most concerned about the total amount of good that would be realized” (1 = completely disagree to 9 = completely agree). In assessing the focus on intentions, participants rated their agreement with the following: “When I evaluated the two programs, I was most concerned about the organizations’ intentions. When I evaluated the two programs, I was most concerned about the organizations’ true motives. When I evaluated the two programs, I was most concerned about the goals of the organizations” (1 = completely disagree to 9 = completely agree). These items were presented in random order.

**Results**

The data were analyzed in the same manner as Experiment 1. We first performed a Mann-Whitney test on the total number of times participants selected Program A. As predicted, participants were significantly less likely to adopt Program A when deciding for the LC charity ($M = 5.82, SD = 3.84$) than when deciding for the HC charity ($M = 6.96, SD = 3.88$); Mann-Whitney test, $p = .010$ (two-tailed).

We then conducted a factor analysis (Varimax rotation) on the six measures of outcome focus and intention focus. This analysis indicated a two-factor solution with the three measures related to outcomes loading onto one factor, and the three measures related to intentions loading onto a second factor. Given this result, the outcome focus measures were averaged to produce a single score for each participant ($\alpha = .69$), and the intention focus measures were averaged to produce a single score for each participant ($\alpha = .94$).

We then conducted a bootstrap analysis using PROCESS model 4 to allow for multiple mediators (Hayes, 2012). In this model, condition (HC vs. LC charity) was the independent variable, the number of times Program A was adopted was the dependent variable, and the measures of outcome focus and intention focus were included as mediators. This analysis (10,000 resamples) indicated that the outcome measure significantly
mediated the effect of condition on selecting Program A: estimated indirect effect = .38; 95% confidence interval (CI) = [.03, .86]. In contrast, the effect of intention focus was not significant as the 95% CI included zero: estimated indirect effect = .33; 95% CI = [–.21, .88].

**Discussion**

The results from Experiment 2 shed light on the underlying process by showing that cause commitment more generally impacts how people weight the intentions behind charitable fundraising versus its outcomes. Notably, in this study, we did not mention overhead, and the intentions of the fundraising organization (self-interested vs. pro-social) were made explicit. Consistent with the results of the previous study, we found that greater cause commitment led participants to focus more on the outcomes, despite the organization’s intentions. Moreover, the focus on outcomes (vs. intentions) mediated the effect of cause commitment on participants’ fundraising decisions. In other words, HC individuals were not insensitive to inauthentic intentions—rather, they just appeared to give greater weight to the outcomes.

In a posttest, we were interested in whether participants could anticipate these results. To examine this, we recruited a new group of 242 adults ($M_{age} = 36.1$, 59% female) from Amazon’s MTurk and described (in detail) the methods from Experiment 2. We then asked one group of participants to make predictions about which program (A or B) people who were *most* committed to the cause chose, while a second group was asked to make predictions about which program people who were *least* committed to the cause chose. Interestingly, predictors expected that people who cared the most about the cause would be less likely (35%) to choose the large fundraiser than people who cared the least about the cause (56%), $\chi^2(1, 241) = 10.49, p < .001$. This is interesting as it suggests that people do not readily anticipate these results, and, in some cases, may even make the opposite predictions about how commitment to a cause might affect evaluations of intentions versus outcomes.

**Experiment 3**

Experiment 3 sought to establish a direct causal relationship between cause commitment and outcome-based reasoning. Specifically, we tested whether experimentally manipulating participants’ perceived importance of the cause would affect their reasoning about intentions versus outcomes. In addition, we aimed to conduct an ecologically valid test. Therefore, the dependent measure in this study was a real donation decision involving actual charities, and all information was taken directly from publicly available sources.

**Method**

We initially recruited 200 participants from Amazon’s MTurk. Our goal was to test 100 participants in each of the two conditions (as in the previous two experiments).
However, given that a significant number of participants did not pass the attention check (see further details below), we recruited another 120 participants directly after the first sample was collected. Therefore, the total sample for this study consisted of 320 participants ($M_{age} = 34.1$, 49% female). Participants were randomly assigned to one of two between-subjects conditions.

Participants first read an excerpt from a *New York Times* article. In the experimental condition, the article (“The Right to Water,” Mikhail Gorbachev, July 16, 2010) discussed the importance of providing clean drinking water to the developing world. In the control condition, the article (“Charitable Giving Rises Past Prerecession Mark,” Diane Cardwell, June 16, 2015) discussed the continued rise of charitable donations in 2015.

All participants then completed a measure of cause importance in which they ranked the importance of four charitable causes: *Providing clean drinking water to those in need; Providing assistance to disabled children; Protecting endangered animals; Providing aid to injured veterans.*

After this, participants read the following paragraphs, which were modeled closely on the stimuli used in Gneezy et al. (2014). All information was taken directly from Charity Navigator and reflected 2014 data.

In today’s study we will ask you to give $100 to one of two non-profits. At the end of the study, we will randomly choose the decision of one participant and implement it (i.e., make his/her specific payment). Your choice is whether to give the $100 to “Water.org” or to “Water Aid America.”

Water.org is an international aid organization that provides safe water and sanitation solutions to communities in the developing world. Their mission is to “deliver innovative solutions for long-term success” and create projects that “allow communities to independently operate and maintain them.” Their annual overhead costs (i.e., spending on administrative and fundraising costs) are $2.5 million. After these expenses, Water.org is able to provide $6.8 million in programs and services to those in need.

Water Aid America is an international aid organization that also provides safe water and sanitation solutions to communities in the developing world. Their mission is to “work with local partners to influence decision-makers” and to “enable the world’s poorest people to gain access to safe water and sanitation.” Their annual overhead costs are $1.4 million. After these expenses, Water Aid America is able to provide $6.2 million in programs and services to those in need.

Please tell us which organization you would like to give $100 to:

Participants responded by selecting either “Water.org” or “Water Aid America.”

At the end of the survey, participants were asked to recall which charity provided the most amount of aid (Water.org) and which had the most overhead (also Water.org). Participants responded using a forced choice between “Water.org,” “Water Aid America,”
and “They were the same.” A total of 86 participants (26.9%) failed to accurately recall this information. Given that this information was essential to the experimental hypothesis, these participants were excluded from the main analyses, leaving a sample of 234 participants (118 in the experimental condition and 116 in the control condition).

Pretest

We first wanted to establish that exposure to information regarding overhead costs versus outcomes would have a subsequent effect on donation decisions. Therefore, we recruited a different group of 202 participants ($M_{age} = 33.9$, 42% female) from Amazon’s MTurk. These participants were randomly assigned to one of three experimental conditions. Participants read the same paragraph as above. However, one group of participants was only given information regarding the outcomes. A second group was only given information regarding the overhead. And a third group was asked to choose which type of information they would like to learn more about (outcomes or overhead).

When participants were given information about only outcomes, 67% selected the charity with more total aid (Water.org). Conversely, when participants were given information about only overhead, 75% selected the charity with lower overhead (Water Aid America). This difference was highly significant, $p < .001$. In the choice condition, 40% of participants chose to learn about overhead information, which resulted in donation decisions that were evenly split (55% Water.org and 45% Water Aid America).

These results are unsurprising given that participants had little else to base their decision on other than the information provided. Nonetheless, they do establish that such information has a downstream effect on donation decisions, and that a substantial number of participants (nearly half) naturally seeks out information regarding overhead.

Results

We examined these data to make sure that the experimental manipulation had the desired effect of enhancing the perceived importance of the target cause (clean drinking water). As expected, participants who read the article about the importance of clean drinking water ranked that cause ($1 = \text{highest}, 4 = \text{lowest}$) as significantly more important ($M = 1.38, SD = .69$) than participants who read the control article ($M = 1.86, SD = 1.06$), $t(232) = 4.18, p < .001$ (two-tailed).

We then examined the choice data for the donation decision (see Figure 3). In the control condition, the majority of participants (56.9%, $N = 66/116$) donated to Water Aid America. However, in the experimental condition, after reading about the importance of clean drinking water, the pattern reversed such that the majority of participants (56.8%, $N = 67/118$) donated to Water.org. This difference was significant via a chi-square test: $\chi^2 = 4.38, p = .036$. The pattern was the same for the entire sample of 320 participants with 55.7% ($N = 88/158$) donating to Water Aid America in the control condition and 54.3% ($N = 88/162$) donating to Water.org in the experimental condition, $\chi^2 = 3.21, p = .073$. 
Discussion

The results from this experiment were notable for a number of reasons: First, the pre-test confirmed that potential donors readily seek out information regarding overhead, and such information can factor highly into their donation decisions. Second, we observed that directly manipulating the perceived importance of the cause shifted the extent to which donors focused on overhead (vs. outcomes). Consistent with the previous studies, enhancing the perceived importance of the cause reduced the likelihood that individuals based their decision on overhead. Finally, this study used a novel dependent measure (actual donations) and data taken from Charity Navigator, which enhanced the ecological validity of the results.

General Discussion

This article examined how evaluations of charitable fundraising are shaped by one’s commitment to a particular cause. Specifically, we investigate how commitment changes the relative focus on the intentions behind pro-social behavior versus the outcomes for those in need. Existing research has found that prospective donors are often highly sensitive to whether a charity’s motives are authentic—indeed, this may occur in spite of information about the actual efficacy of the organization (Caviola et al., 2014).
Across three experiments, we found that individuals who were more committed to a particular cause appeared to place less weight on the fundraiser's intentions and greater weight on the actual outcomes (see Table 1). This effect was observed using a number of converging methodologies, including hypothetical hiring decisions (Experiments 1 and 2) and actual charitable donations (Experiment 3). It was also observed among a wide variety of organizations and obtained when participants considered charities within a limited set (Experiments 1 and 2), and when the charity was the same for all participants (Experiment 3).

These studies suggest a more general relationship between cause commitment and the focus on charitable outcomes. Most notably, Experiment 2 shows a nearly identical pattern of results for decisions in which the fundraisers differed not in the degree of overhead, but rather in their intentions behind fundraising (i.e., wanting solely to enhance the reputation of the organization vs. a more genuine commitment to the cause itself). This study (as well as the convergence across multiple charities and methods) suggests a tendency for individuals with greater cause commitment to look past an organization's perceived intentions, to, instead, focus on the total amount of good realized.

Table 1. Summary of Experiments, Methods, and Key Findings.

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<th>Experiment</th>
<th>Method</th>
<th>Key findings</th>
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<td>Experiment 1</td>
<td>Participants made trade-offs between CEO salary and outcomes (i.e., donations raised) when reasoning about either a high commitment charitable cause, a low commitment charitable cause, or a for-profit company.</td>
<td>When reasoning about the low (vs. high) commitment charity, participants opted for lower salaries and were willing to forgo significantly more fundraising dollars. However, the aversion to higher salary did not arise when reasoning about a for-profit company.</td>
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<td>Experiment 2</td>
<td>The design was similar to Experiment 1. In addition, the importance that donors placed on the outcomes versus the perceived intentions of the organization were measured.</td>
<td>Greater cause commitment led participant to focus more on the outcomes, despite perceptions of the organization’s intentions.</td>
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<td>Experiment 3</td>
<td>This study manipulated the perceived importance of the charitable cause. Then, participants made real donation decisions between actual charities: one that had higher overhead, but raised more donations versus another that had lower overhead, but raised fewer donations.</td>
<td>Enhancing the perceived importance of the cause led donors to donate more often to the charity with higher overhead and more donations. Thus, enhancing the perceived importance of the cause reduced the likelihood that individuals based their decision solely on overhead.</td>
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That said, donors often develop long-term relationships with charities and nonprofits over the course of years or even decades. In these cases, evaluations of a particular charity’s efficacy, their intentions, and so on are informed by a much richer set of information than the more instantaneous decisions our participants were faced with in the current experiments. In addition, the personal significance of the charity and cause may be very different than the more limited way it was operationalized here. The goal of the present studies was to understand the moderating conditions surrounding potential donors’ focus on overhead (or so-called overhead aversion). However, future work could explore these longer term relationships as well.

**Theoretical and Practical Implications**

These findings identify a broader framework in which differences in commitment may ultimately change the type of information that donors weigh in their evaluations of pro-social behavior. Indeed, some research has found that greater commitment leads to greater emotional processing. For example, Frijda (1988) discusses the biasing role of personal commitment on emotional response. Labeling it “The Law of Concern,” Frijda (1988) notes that emotions arise in response to events that are important to an individual’s goals, motives, or concerns.

Taken together, our findings along with existing research suggest two distinct psychological processes when individuals evaluate charities or consider donating to them. Specifically, while individuals may have greater emotional arousal when considering issues that are personally relevant, they may also be capable of considering the issue more deeply to maximize benefits for the entity that they care about. Indeed, the contrast between the morality ratings and the donation decisions in Experiment 1 would suggest exactly this sort of mechanism. Of course, further research is needed, but we view this as a potentially important insight for future practice.

While this article does not directly address questions regarding the nature of altruism per se, our findings may be useful for researchers studying the concept. For example, some researchers have argued that pure altruism can occur if it is preceded by empathic concern for another (Batson, 2014) or it involves self-sacrifice (e.g., Hatfield, Walster, & Piliavin, 1978). Others, however, highlight how altruism can be driven by self-interested preferences (Archer, 1984; Cialdini, Brown, Lewis, Luce, & Neuberg, 1997; Cialdini et al., 1987; Piliavin & Charng, 1990), or responses to social pressure (Cain, Dana, & Newman, 2014). While the current studies do not directly bear on these questions, we do find that higher personal commitment was associated with a greater emphasis on simply whether the organization was doing the greatest amount of good (and less so their perceived intentions). This suggests that at the level of people’s lay theories, personal commitment may be an important moderator of whether altruism is more (vs. less) genuinely motivated. Future work could explore this distinction further and assess whether differences in personal commitment correspond to important differences in people’s intuitive theories of altruism.

In addition to these theoretical contributions, the present studies offer practical insights for charitable fundraising. Most notably, our results suggest that individuals
who are less (vs. more) committed to a cause may focus on very different kinds of information, and, therefore, when targeting prospective donors or volunteers, organizations may benefit from tailoring their communications accordingly. Specifically, our data suggest that for donors who are less committed, the intentions behind the charitable fundraising may be more relevant. Consequently, when targeting these donors, organizations may benefit from highlighting the “authenticity” of their motives. In contrast, individuals who have a high commitment to a cause may be more likely to focus on the outcomes (i.e., the amount of money raised, the number of individuals helped, etc.) and, therefore, may be more responsive to information regarding the organization’s total impact.

Moreover, the fact that commitment itself can be manipulated (cf. Experiment 3) suggests that first enhancing the perceived importance of the cause itself may change the extent to which prospective donors focus on charitable outcomes. This method, however, should be carefully considered in light of other research, which finds that perceived familiarity can, in some circumstances, reduce donations. For example, Smith and Schwarz (2012) find that increasing individuals’ familiarity with a particular charity can actually sometimes backfire. The increased mental accessibility of the charity may lead potential donors to believe that the organization is very popular, has a large donor base, and sufficient funds to carry out its mission. This could actually lead individuals to be less likely to donate to the organization because they perceive that the organization does not need their money. As such, charitable organizations may need to be careful of overexposure. Nonetheless, communication strategies that aim to enhance cause importance may be particularly effective for larger organizations that are able to highlight beneficial outcomes on a broader scale.

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