

Article Link

<http://www.livemint.com/2012/05/17205941/How-to-make-your-charity-count.html>

How to Make Your Charity Count

Niranjan Rajadhyaksha encourages Indians to give but to make sure their giving counts. He uses IPA research to point out why it's all about how you ask and goes on to explain why causes like deworming are among the most effective charities to spend your giving budget. An excerpt:

The experiment was conducted by Dean Karlan of Yale University and John List of The University of Chicago. Here's what they did: They sent letters seeking donations for a charity focused on poverty reduction to two sets of people—those who had previously donated to the charity and those who had not. One set of letters told potential donors that their contribution would be matched by a similar sum by the Bill and Melinda Gates Foundation while another set of letters made no mention of such a matching grant.

The result from both groups was basically the same. Those who were told about the matching grant from the Gates foundation tended to give more. Charities seeking donations usually reach out to people who do not have credible information about its activities. I am sure several of us face this problem; we feel strongly about a particular issue but do not know enough about the people who approach us for money. What the promise of a matching grant did in the experiment conducted by Karlan and List is that it gave potential donors a credible signal that even the Gates foundation had confidence in the charity.

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