What motivates donation - empirical evidence on social cooperation

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Abstract

This study explores subsidy framing to motivate individual charitable donations using laboratory experiments. The results show that a majority of subjects made voluntary donations without any subsidies to motivate them. Donations doubled when individual rebate subsidies were provided, though rebate thresholds caused diminishing donations towards the end of the experiment. When rebate subsidies took the form of public goods, donations more than tripled. However, contrary to the well-documented finding in the repeated public goods game, donations did not diminish over time.

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