Title: Intertemporal Altruism

Joint work with Jim Andreoni and Ann-Kathrin Koessler

Abstract:The paper examines intertemporal decision-making in charitable giving. We develop a simple discounting framework, in which the key assumption is that the decision utility from giving flows at the time of choice, while the consumption utility of giving flows at the time of allocation. Consistent with our model, we find experimentally that donations increase when individuals commit to donate in the future.

Without commitment, however, pledges to donate in the future are often reneged upon, leading to the absence of an increase in donations relative to donations that are immediate. We develop and test an intervention to reduce reneging: a thank-you note. Thanking individuals significantly increases the number of pledges that are converted to final donations.