

Probing the efficacy of match and rebate subsidies for charitable giving in a real effort experiment

Ursa Bernardic

University of Geneva

Maël Lebreton

University of Geneva

Giedre Lideikyte-Huber

University of Geneva

Henry Peter

University of Geneva

Giuseppe Ugazio

University of Geneva

Cite as:

Bernardic Ursa, Lebreton Maël, Lideikyte-Huber Giedre, Peter Henry, Ugazio Giuseppe (2022), Probing the efficacy of match and rebate subsidies for charitable giving in a real effort experiment. *Proceedings of the European Marketing Academy*, 51st, (107680)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



Probing the efficacy of match and rebate subsidies for charitable giving in a real effort experiment

Abstract

Donations by individuals play a vital role in supporting charitable organizations. To promote charitable giving, governments or private organizations typically implement subsidy schemes. Among these, two very common are a) rebate subsidies, in which a pre-established portion of the donation is given back to the individual, and b) matching subsidies, in which the donation is matched at a pre-announced rate. In this paper we measure the efficacy of these subsidies (match, rebate, or none) by directly comparing their effect on donations made in an ecologically valid setting that required participants a) to exert effort to earn the resources they could donate, and b) make their donations decisions in a social context. Finally, our task feature requiring participants to exert effort in order to earn resources allowed us to observe the role of income inequality on charitable giving. Our study thus sheds new light on the effects of tax subsidies, wealth, and effort on charitable giving.

Keywords: *charitable giving; taxation subsidies; effort task*

Track: Public Sector and Non-Profit Marketing