

ONLINE APPENDIX

Price and Prejudice: An Empirical Test of Financial Incentives, Altruism, and Racial Bias

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OA1. Full-Text Vignettes

Experiment 1

[Race: Tyrone, Tremayne, Darnell, Jamal, Leroy, Jermaine / Neil, Brett, Brendan, Greg, Todd, Brad] Johnson is 45 years old and a father of two young children. He is on a waiting list for a kidney transplant, and his condition is worsening.

One option that may save his life is a transplant from a living organ donor. In this procedure, surgeons remove one kidney from a healthy donor, and then transplant it into the patient. The surgery involves some risks for the donor, such as bleeding or infection, but it is generally safe. Donors typically go on to lead normal and healthy lives.

Mr. Johnson's blood and tissue types are rare, and you are a match for him. You are healthy enough to be a living organ donor. A local charity has approached you to discuss donating a kidney to Mr. Johnson. If you donate, the charity will pay for your medical expenses.

[No incentive: Vignette ends.]

[Incentive: The charity will also pay you \$18,500 to financially compensate you for donating your kidney.]

[Incentive plus appeal: The charity will also pay you \$18,500 to financially compensate you for donating your kidney. The choice to be a living organ donor is a unique act of altruism, in which a healthy person willingly gives up an organ to help someone else survive. People who receive lifesaving transplants benefit enormously from the generosity of living donors.]

Experiment 2

Vignette Part A

[**Race:** Tyrone, Tremayne, Darnell, Jamal, Leroy, Jermaine / Neil, Brett, Brendan, Greg, Todd, Brad] Johnson is 45 years old and a father of two young children. He is on a waiting list for a kidney transplant, and his condition is worsening.

One option that may save his life is a transplant from a living organ donor. In this procedure, surgeons remove one kidney from a healthy donor, and then transplant it into the patient. The surgery involves some risks for the donor, such as bleeding or infection, but it is generally safe. Donors typically go on to lead normal and healthy lives.

You are healthy enough to be a living organ donor, and your blood and tissue types are a match for Mr. Johnson. A local charity has approached you to discuss donating a kidney to Mr. Johnson. If you donate, your medical expenses will be covered.

[**Altruism appeal:** The choice to be a living organ donor is a unique act of altruism, in which a healthy person willingly gives up an organ to help someone else survive. People who receive lifesaving transplants benefit enormously from the generosity of living donors. / No appeal]

[**Social norms appeal:** A recent survey found that approximately two-thirds of US voters are open to being a living kidney donor to anyone, including people they do not know. / No appeal]

Vignette Part B

As you recall, [**Race:** Same name as in Part A] Johnson is on a waiting list for a kidney transplant, and a transplant from a living organ donor could save his life. You are healthy and a match for Mr. Johnson, and your medical expenses will be covered if you donate. In addition,

[**Source:** a local charity has offered to pay you / a new US government program will pay you / Mr. Johnson will personally pay you]

[**Size:** \$3,000 / \$18,800 / \$50,000]

to compensate you for donating your kidney.

OA2. Supplementary Analyses on Crowding-Out and Selection Effects

For those interested in crowding-out mechanisms (signaling, self-determination, and preference adaptation), a further set of analyses from Experiment 1 may be of interest. Several attitudinal analyses corroborated the main finding that crowding-out was negligible: although incentivized participants rated their hypothetical donation as significantly less altruistic, they did not differ in their concern about the well-being of the patient or their belief that donation was morally right. Analyses also probed three central crowding-out mechanisms: signaling, interference with self-determination, and preference adaptation (Underhill 2016).

Incentives did not signal negative information to participants; instead, incentivized participants predicted that the donation would be less dangerous, less painful, and more supported by social norms. Incentives did not affect participants' reputational expectations or anticipation of warm glow. Incentives also did not appear to affect self-determination; incentivized participants believed more strongly that the charity was "trying to control" the decision, but felt significantly more freedom to refuse. The study was not designed to test preference changes over time, but incentivized participants were more attentive to financial considerations. They were significantly more likely to agree that it was important to weigh the financial costs and benefits of donation; that they appreciated having medical expenses paid; that having medical expenses paid would increase willingness to donate; that being compensated would increase willingness to donate; and that living organ donors should be compensated. They were *less* likely to believe that compensation would undermine willingness to donate, and less likely to say they would refuse payment.

There was a small but significant negative interaction effect between the incentive and participants' altruism scores. In the presence of an incentive, a larger altruism score thus predicted slightly lower willingness to donate; this effect, however, was far smaller than the positive effect of the incentive. It was also indistinguishable from ceiling effects—willingness to donate was so high among the most altruistic people that it was difficult to detect marginal increases in willingness. For all but the most altruistic donors, incentives are more likely to help than hurt motivation to donate.

Analyses also considered selection effects, or the demographic characteristics of people attracted by incentives. This in part responds to the concern that incentives will exert undue influence on

poor or otherwise vulnerable people. In Experiment 1, chi-squared analyses were used to test for demographic differences among people who were willing to donate, with and without incentives; t-tests were used for continuous variables such as religiosity. No significant relationships emerged for demographics including age, gender, employment, and religion. Marginally significant trends suggested that in the presence of incentives, the pool of donors includes larger proportions of lower-income individuals and those without private insurance.

In Experiment 2, chi-squared analyses were used to compare demographic characteristics of people deterred, unmoved, and motivated by incentives. Significant relationships were found for education (incentives were more likely to increase willingness for people with college degrees and some college coursework, but possibly more likely to deter high school graduates without college coursework); and age (incentives were more likely to increase willingness for younger people, and more likely to have no effect on older people). Chi-squared analyses for direction of incentive impact by incentive size also found a significant relationship; smaller incentives were more likely to have no effect or a negative effect, while larger incentives were more likely to increase willingness.