

The Impact of Identity on Altruism

Zihang Fan^{1,a,*}

¹Department of Social Science, The University of Sydney, Sydney, 2006, Australia

a. 1219006867@qq.com

*corresponding author

Abstract: The paper explores how identity influences altruistic behavior through an experimental approach. The study uses a new version of the dictator game to assess whether participants are more likely to donate when they share a similar identity with the recipients. The paper builds on existing literature, hypothesizing that individuals are more inclined to act altruistically towards those with whom they share an identity. The research involves university students in a controlled laboratory setting, examining the effects of various identities such as nationality, race, religion, and political affiliation on donation behavior. The findings suggest that identity significantly impacts altruistic tendencies, with participants showing a higher willingness to donate to recipients who share their identity. This insight has practical implications for charitable organizations and government agencies in enhancing the effectiveness of fundraising campaigns and fostering national identity.

Keywords: Identity, Dictator Game, Altruism

1. Introduction

In life, identity plays a significant role in shaping an individual's altruistic tendencies. For instance, within Chinese society, mutual aid among members of the same clan is notably higher than that extended to others. In Catherine C. Eckel's study, participants' inclination to donate significantly increased when the recipient (an anonymous individual - the American Red Cross) was specified in a donation experiment. Eckel attributed this phenomenon to genuine altruistic motives driving people's donation behavior [1]. However, this research overlooked the crucial variable of identity identification in shaping people's altruistic behavior; compared to completely anonymous individuals, the American Red Cross is more likely to evoke identity identification among Americans and thereby promote their donation tendencies.

In order to test this hypothesis, this paper utilizes the double-blind dictator game developed by Hoffman et al. to investigate the influence of identity in donation experiments. Unlike the standard dictator game, our research delves into participants' identities and introduces them to recipients with diverse identities before assessing their willingness to donate.

Based on existing literature, we propose the following hypotheses: 1. individuals are more inclined to donate when they share similar identities with donors. 2. variations in participants' identities impact their likelihood of donating across different recipient profiles.

2. Literature Review

2.1. Identity

Psychologists argue that an individual's group identity significantly affects their self-concept and group behaviors [2]. In the field of economics, identity also plays a crucial role in individuals' economic behaviors [3]. For example, in trust games involving subjects and individuals with AIDS, health subjects who stigmatized AIDS displayed a lower level of trust [4]. The impact of identity is evident not only in the level of trust towards others but also in various economic behaviors. Research by Margolis, M.F., and Sances, M.W has shown that individual donations are influenced by their political party identity [5]. After controlling for other variables, Republicans tended to donate more frequently and in larger amounts than Democrats. Not just political identity, but other identities have similar effects. Studies have shown that subjects' religious affiliations influence some of their economic choices [6]; in rural India, a study by Suanna found that different caste identities influenced individuals' willingness to accept various job opportunities, even those decisions made privately by workers [7].

Interestingly, not only externally visible social identities influence behavior, but also strongly felt internal "identities." For instance, research by Kristof Dhont suggests that right-wing conservatives may increase their meat consumption to resist the perceived threats from animal welfare and environmentalism to traditional culture [8]; during donations to areas affected by the COVID-19 pandemic, conservative extremists displayed a lower willingness to donate to global pandemic prevention and control organizations compared to liberals [9]. These ideological beliefs, although not outwardly manifested as actual social identities, create a strong sense of identity, ultimately affecting economic behaviors.

2.2. Identity and Experiment Design and Metrics in the Dictator Game

In the study by Hoffman et al., a double-anonymous method was used in the dictator game to eliminate the influence of the recipient's characteristics on subjects, and it was found that people's altruistic intentions significantly decreased [10]. Building on this, Catherine and Eckel adjusted the experiment by informing subjects in the experimental group that the recipients were the American Red Cross, finding a significant increase in altruistic probabilities. Eckel attributed this difference to the perceived "worthiness" of the recipient and concluded that altruism was a significant factor in this difference [1].

In previous research, researchers primarily used survey questionnaires allowing subjects to self-categorize, using indicators such as gender, party affiliation, and nationality to measure subjects' identity on various dimensions [3,6,8]. In the dictator game, participants are divided into two groups: dictators and recipients. Dictators are given a certain amount of money or resources and are told that they can distribute these resources between themselves and the recipient, thereby studying factors that influence subjects' altruistic tendencies [1,10,11].

Hence, I have identified a research gap in the existing literature concerning the influence of identity on individuals' altruistic inclinations. As a result, I plan to adapt the dictator game to further explore this issue.

3. Experimental Design

This study utilizes a controlled laboratory setting employing the dictator game as its primary methodology to examine the impact of individual identities on altruistic behavior. Participants take part in a double-blind dictator game where they are required to distribute \$10 between themselves and an unidentified recipient, enabling us to evaluate the influence of self-perception on their

benevolence. Throughout this procedure, participants have no opportunity for communication or interaction with recipients and are provided only essential information for experimental purposes.

3.1. Sample Collection

I plan to randomly select 300-500 university students from the University of Sydney as participants. The rationale for selecting this group as the experimental subjects is twofold: Australia, being an immigrant nation, hosts a diverse range of social groups from various races and nationalities [12]. Additionally, university students generally possess a higher degree of intellectual freedom and lack a strongly unified ideology, which facilitates investigation into the impact of different identity affiliations on altruistic behaviors. It is expected that this experiment will be a one-time experiment, lasting approximately 1 hour.

3.2. Group Settings

The experiment is primarily divided into an experimental group and a control group. In the control group, I will replicate the double-blind experiment conducted by Hoffman et al. to assess subjects' altruistic tendencies towards anonymous individuals [10]. In the treatment group, based on their survey responses, participants will be informed that the recipient possesses a specific identity, and we will observe their allocation behaviors, to assess subjects' altruistic tendencies towards recipients with different identities

3.3. Experiment Process

Initially, participants will complete a survey questionnaire on their identity affiliations. Subsequently, the experimenters will accompany the participants to a designated area where each individual will receive \$10 in cash and be informed that this amount will be distributed between themselves and an unidentified recipient. The control group will not have any information about the recipient, while the experimental group will also be informed that the recipient possesses a particular identity.

3.4. Variable

In this experiment, the treatment variable is the subjects' identity and their recognition of identity, while the outcome variable is the donation amount. The controlled variables include the experimental setting and the total monetary receipts by the subjects.

4. Empirical Analysis

I intend to test the impact of identity using the OLS (Ordinary Least Squares) model. The model is as follows:

$$Y=a+bX+Z\delta+u$$

Y represents the dependent variable, which is the amount donated by subjects. Z represents a matrix of exogenous explanatory variables related to identity, including gender, nationality, race, religion, political party, and ideological affiliations. X represents the relationship between the subject's identity affiliation and the recipient's identity, derived from question 7 in the survey. If there is a matching identity, scores are assigned based on the strength of the subject's identity affiliation, ranging from 7 to 1 point. If there is no matching identity or for anonymous groups, the score is 0. The constant a represents altruistic motivations that exist independent of identity affiliations. u is the error term, assumed to be normally distributed.

5. Conclusion

The result will show that people generally have some altruistic tendencies, but the value of 'a' should be significantly lower than the observed values in Eckel's experiment. The variables in matrix 'X', such as nationality and party affiliation of subjects, might have a minor impact on their donation amount 'Y'. There is a high correlation between the scores 'Z', representing the alignment of subjects' identity affiliations with the identity of the recipients, and 'Y', the donation amount.

This means that (1) People are more willing to donate to recipients who share their identity; (2) Variations in subjects' identity affiliations also influence their donation willingness towards different recipients.

This result is likely related to heuristics: on one hand, individuals form stereotypical impressions of others through identity, providing a reference framework for altruistic behaviors; on the other hand, individuals' own identity also shapes and reinforces their decision-making to some extent. This influence helps individuals reduce the decision costs of their behaviors. This correlation merits further investigation.

This experimental finding has significant practical implications for charitable organizations and government agencies, particularly in harnessing the impact of identity on altruism. Charitable organizations can strategically highlight diverse identities in fundraising campaigns targeting specific regions and demographics to improve overall effectiveness. Meanwhile, governments can implement educational programs to foster a stronger national identity among citizens, thereby facilitating tax collection and the execution of transfer payments.

References

- [1] Eckel, C. C. and Grossman, P. J. (1996) 'Altruism in Anonymous Dictator Games', *Games and Economic Behavior*, 16(2), pp. 181-191.
- [2] Oakes, P.J., Haslam, S.A. and Turner, J.C., 1994. *Stereotyping and social reality*. Blackwell Publishing.
- [3] Akerlof, G.A. and Kranton, R.E., 2000. *Economics and identity*. *The quarterly journal of economics*, 115(3), pp.715-753.
- [4] Chao, L.W. and Kohler, H.P., 2007, March. *The behavioral economics of altruism, reciprocity, and transfers within families and rural communities: Evidence from Sub-Saharan Africa*. In *Annual meeting of the Population Association of America*, New York, NY, USA.
- [5] Margolis, M.F. and Sances, M.W., 2017. *Partisan differences in nonpartisan activity: The case of charitable giving*. *Political Behavior*, 39, pp.839-864.
- [6] Benjamin, D. J., Choi, J. J. and Fisher, G. (2016) 'Religious Identity and Economic Behavior', *The Review of Economics and Statistics*, 98(4), pp. 617-637.
- [7] Oh, S., 2023. *Does identity affect labor supply?*. *American Economic Review*, 113(8), pp.2055-2083.
- [8] Dhont, K. and Hodson, G. (2014) 'Why do right-wing adherents engage in more animal exploitation and meat consumption?', *Personality and Individual Differences*, 64, pp. 12-17.
- [9] van Esch, P., Cui, Y. and Jain, S. P. (2021) 'The effect of political ideology and message frame on donation intent during the COVID-19 pandemic', *Journal of Business Research*, 125, pp. 201-213.
- [10] Hoffman, E., McCabe, K., Shachat, K. and Smith, V., 1994. *Preferences, property rights, and anonymity in bargaining games*. *Games and Economic behavior*, 7(3), pp.346-380.
- [11] Forsythe, R., Horowitz, J., Savin, N.E. and Sefton, M., 1994. *Replicability, fairness and pay in experiments with simple bargaining games*. *Games and Economic Behavior*, 6(3), pp.347-369.
- [12] Jackman, S. (1998) 'Pauline Hanson, the Mainstream, and Political Elites: The Place of Race in Australian Political Ideology', *Australian Journal of Political Science*, 33(2), pp. 167-186.

Appendix

Survey Questionnaire Content

1. What is your nationality?

2. What is your gender? (1. Male 2. Female)
3. What is your race? (1. White 2. Black 3. Asian 4. Other: _____)
4. Do you have a religious affiliation? (1. Catholic 2. Protestant 3. Buddhist 4. Orthodox 5. Muslim 6. Buddhist 7. None 8. Other: _____)
5. Do you have any political party or political identity? (1. Conservative 2. Labour 3. Communist 4. I have no party affiliation 5. Other: _____)
6. Regarding the following terms, do you have a strong value identification with one or several of these concepts? (If several, please rank them) (1. Order 2. Freedom 3. Revolution 4. Social development 5. Tradition 6. Equality 7. Other: _____ 8. I am not interested in political concepts)
7. Among the identities mentioned above, in what order do you feel the strongest sense of affiliation?