

Information Fact Sheet for HB0535/SB0963

Increasing the Number of Income Tax Check-off Items Benefits Everyone

We have reviewed the Information Fact Sheet found in testimony by Chesapeake Bay Trust (CBT) for the income tax checkoff for an abandoned cemetery fund that was submitted last year dated February 15, 2024. Our analysis* shows that the CBT has misinterpreted the study that they reference which was conducted by Barry Schwartz (2004).

CBT ignores more relevant studies which we footnote below. When we look at these other relevant studies, we see very different conclusions from CBT's assertions:

1. More donation recipient choices are more likely to result in increased donations and greater satisfaction is experienced by people when they have a significant number of options to choose from.
2. Charitable donation research indicates that offering more choices of donation recipients increases the frequency of donations.
3. Consumer products research indicates that it is more harmful to have too few options than too many.

Consumer Choice Studies:

The research cited by the CBT was conducted by Barry Schwartz (2004). His findings indicated that when six jars of jam were available 30% of subjects bought a jar and when 24 were available 3% of subjects bought a jar. Schwartz used six choices in his smaller choice sample of jams indicating that six choices are not a large or dissatisfying amount of choices. An optimal number of choices was not sought by, nor identified by, the findings of this study. Schwartz even stated that "Research needs to become more nuanced to find the number that can optimize people's happiness".

In a subsequent study conducted by Reuskaja, Cheek, Iyengar, and Schwartz (2022) with over 7,000 participants from six countries, findings indicated that it is often more harmful to have too few options than too many. It was also acknowledged that there are many factors that can influence decision making that need to be investigated. No optimal choice number was investigated or identified.

Charitable Donations Choice Studies:

Feherova et al. (2022) found that in contexts where people can choose how many recipients to help, that increasing the number of recipients that can be selected increases donation frequency.

Lindkvist and Luke (2022) found that offering more charitable organizations to choose from did not negatively affect donation behavior. People can choose between altruistic actions that can help varying numbers of recipients, and this choice can increase the motivation of people to donate. In this study between 2 to 80 choices of charitable organizations were offered to subjects to select from.

Conclusion:

The Maryland tax check-off currently has five donation recipient choices. It is important that more donation recipient choices be offered through the tax check-off in order to establish and provide fiscal support for the Abandoned and Neglected Cemeteries Fund and for all of the organizations listed to benefit from increased donations.

*Review of this research is based on the work of Candy Warden an M.A. in Psychology with a focus on cognition processing who specialized in research for treatment decision making in breast cancer patients.

References:

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Lindkvist, A. M. and Luke, T. (2022). Set Size and Donation Behavior. *Frontiers in Psychology*, Vol.13-2022, March 17, 2022.

Reuskaja, E., Cheek, N. N., Iyengar, S. and Schwartz, B. (2022). Choice Deprivation, Choice Overload, and Satisfaction with Choices Across Six Nations. *Journal of International Marketing*, 30(3), 18-34.

Schwartz, B. (2004). *The Paradox of Choice: Why More is Less*. Ecco Press, an imprint of HarperCollins, New York, NY.