

Titel: Incentives and the Sorting of Motivated Agents

Abstract: We study the role of incentives for the sorting of motivated agents in a lab experiment. Participants can self-select into different groups in which they can earn money for themselves but also “produce” charitable donations. The production of donations is characterized by complementarities, i.e., individual donations depend positively on the contribution of other participants who are in the same group. Our theoretical and empirical results show that incentives that make donations more costly in one group facilitate the sorting of motivated participants and thereby increase donations. We also find evidence for coordination, i.e., participants contribute more if they are in the monetarily less attractive group. Interestingly, this holds for non-motivated participants as well, but only if self-selection is possible.