

Should you donate to think tanks?

Thursday ~ November 25th, 2010 in [Economics](#), [Society](#) | Tags: [donations](#), [policy](#), [Robin Hanson](#), [think tanks](#), [TMOTRV](#) | by [Adam Ozimek](#)

Ezra Klein [recently advocated](#) donating to non-profits that can affect policy rather than charities:

If you donate money to a food bank, it can provide only as much food as your money can buy. If you donate it to a nonprofit that specializes in food policy issues, it can persuade legislators to pass a new program – or reform an existing one – that can do much more than any single food bank.

Robin Hanson [disagrees with Ezra](#), arguing that these types of think tanks and organizations will mostly spend effort on partisan issues which he argues are likely wasteful:

Assuming all parties think they seek good, partisan changes can only be good if some parties are right while others are wrong about what is good. In contrast, you can be right about a non-partisan change without others being wrong.....

Donations to change policy within the partisan subspace, however, only achieve good when they happen to be on the right side of partisan disagreements. Averaged over the disagreeing parties, such donations cannot on average achieve good unless there is a correlation between between donations, or donation effectiveness, and which sides are right. Even if you think you are right at the moment on your particular partisan policy opinions, you can't think it good on average to encourage partisan donations, unless you think donations tend overall to go to the good or more donation-effective sides.

There are a couple of ways to look at this with respect to Ezra, his donations, and his advocating for such donations. On average, Ezra surely believes he and the organizations he donates to are on the right side of partisan disagreements. Also, being that Ezra's reading audience probably on average agrees with him, he also probably believes they are on average on the right side. So I think Ezra could agree with Robin that if you're writing for a random or sufficiently broad audience, advocating for donations to policy organizations would do no good, while also believing that he should make such donations and advocate for his audience to do so.

On the other hand, I'm not convinced that equal donations to, say, the Center on Budget and Policy Priorities and the Cato institute are zero sum. I see part of the function of these organizations as pushing politicians towards empirically grounded and efficient policies and away from populist, extremist, and obviously inefficient ones. I see raising the influence of these institutions relative to populism as raising the probability for any given outcome the government tries to achieve, whether it's more liberal or more conservative, the policy used is more efficient.

For instance, I'd venture that obviously inefficient and suboptimal policies like the minimum wage, tariffs, and the gold standard are much less popular among the median think tank, or think tank dollar, than they are among the median voter. Think tank solutions on average tend to utilize more

transfers and market oriented allocation and less government mandated quotas and prices than what popular support calls for. In addition, I'd venture that futarchy and policies that seek to cut medical spending –two of Robin's favorites– would be, on average, much more popular within the walls of a random think tank than within the walls of a random U.S. home.

In short, these places think like economists. Even if they cancel each other out along partisan lines, think tank donations push policies away from the biases of the [rationally irrational voter](#).

One test of this idea is to ask whether people on the right would agree that we'd have better policies if the CBPP was more influential on the left. Likewise, would people on the left agree that we'd have better policies if Cato were more influential on the right? Perhaps it reflects my personal policy biases, but I happen to think the answer is yes.

Share this: [StumbleUpon](#) [Digg](#) [Reddit](#)

Ads by Google

[Bank of America ® Charity](#)

Let Us Help You Support The Causes You Care About. Get Started Now.

www.BankofAmerica.com/DonorAdvised

[Chevy's Giving More](#)

Chevrolet is Lending a Helping Hand In Your Area. Find Out How Here.

www.Facebook.com/ChevyInYourArea

[Emergency Relief Shelter](#)

Rapid Deployment, No Special Tools Long Term Relief Shelters, Tents

www.economyreliefshelters.com

[Avon Breast Cancer Walks](#)

In It To End It Register to Walk Today

www.AvonWalk.org/WashingtonDC

Like

Be the first to like this post.

2 comments

[Comments feed for this article](#)

[Thursday ~ November 25th, 2010 at 11:48 am](#)

[Matthew Yglesias](#)



You should look up some recent Cato writings on monetary policy before you embrace the