

Abstract: Since ancient times, randomization devices such as coin flipping have been widely adopted as means for making decisions. This study presents the first experimental test of coin flipping as a nudge to help resolve choice difficulty in the setting of charity giving. We conduct a field experiment in which potential donors were given the option of coin flipping to determine which of two similarly favorable charities to donate to. We find that the inclusion of the coin flipping option increases the donation rate by 20 percent. Laboratory experiments replicate the observed patterns and shed further light on the underlying psychological mechanism. More generally, our results point to the power of coin flipping as a nudge when people must make difficult choices.