# Fall Weekly

**Volume 9, Issue 18, November 17, 2011** 

The Plano Rotary Club www.PlanoRotary.com



### **UPCOMING** MEETINGS

11/17 Officer Christopher Bianez, Crime Prevention Unit. Plano Police Dept

11/24 Thanksgiving - No meeting

12/1 **Memorial Elementary Choir** 

12/8 Holiday Event with all Plano Clubs - Coat Drive

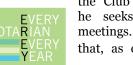
12/15 Garry Kinder - Fourteen Principals for Living the **Good Life** 



11/3 ..... Lissa Smith 11/5 ..... Olin Jaye 11/12 . . . Martin Jackson 11/22 **James Youngblood** 11/23 . . . . G.A. Davidson 11/24 . . . . Gary Mueller 11/29 . . . . Patti Schwartz

**BIRTHDAYS** 





rince Again John summoned the faithful at 12:15 to prayer led by LB the Good. Jim Cooper was co-opted for the Pledge. Octavio Ortiz was thanked for his "3-minute" greeting service. Earnest Burke stood in for stand-in Sergeant-at-Arms CAPTAIN KIRK who, had he been here, would have replaced the absent SERGEANT



John received a banner from Frisco, Colorado, Rotarian Sam Sherstad (who had neglected to bring one on his first



visit). Earnest bade us welcome Marilyn Hinton and Steve Vitasek (both Metro,

but Steve was here to business discuss with the Club Administration; he seeks to cater our meetings...more about that, as events warrant).



Rick Maucieri welcomed his guest from the YMCA, Jayson Killough.

The **iron butterfly** scored a certificate

as well as a Perfect Attendance pin for 10 Susan will have vears. to find an ornate frame worthy of this high honor.

Prince John reported that earlier in the day, the Board had approved LB TEE



**RADIANT'S** proposal to remove the age mandate from Rotary's Rule of 85. He belled the assembly into session for the purpose of voting on just that measure. (LB didn't put forth the second proposal for amending the mechanism for counting attendance.) As LB began to speak, **FLASH** shouted, "So moved." Unfazed,

LB responded that he had to verify to RI

that he had read the full proposal, so Larry waited until that had been accomplished before repeating his motion. It was seconded and passed no dissension. Drince John closed the voting session.



### Scary Bol Epstein

rose to proselytize for an event benefiting Wounded Warriors. It will be held at Holiday Inn Richardson from 6 to 9 pm on Thursday, November 17th. There will be a Leadership Panel convened to discuss the principles presented in the critically panned film Battle: Los Angeles. To be fair, the movie wasn't Scary Bob's choice, so we can't pillory him for it. To find out



more about the event, navigate to www.leadermovie.1sta.com

Prince John noted that our Foundation Board would meet immediately following next week's luncheon.

**Lenny Schwartz**, noting that **Patti** calls him "*The King of Something Different*," had something different for our

program today. We were to hear from a graduate student in the Economics and Political Science School at the *University of Texas at Dallas*.

**Malcolm Kass** is a Ph.D. candidate doing research



on nonprofit fundraising. He received his B.S. in Engineering from the *University of Nebraska*. He got his Master's in Business Administration from *SMU* and is currently in the Experimental Economics program at *UTD*. Malcolm

and wife Jennifer moved to DFW in 2005.

Malcolm introduced his colleagues from the University, Ph.D. candidate **Ryan Freeling** and **Prisha Gadden**, an undergrad Econ major. They tallied the bids from the experiment that followed.

Malcolm explained that his presence here today was as part of nationwide experiment on the efficacy of nonprofit fundraising. In particular, he was going to do an experiment with the *Plano Rotary* on the profitability



of different auction mechanisms. **Randy** asked him for his credentials, but Malcolm demurred.

He said that the research was led by three economists at *Middlebury College*. It is funded by the *National Science Foundation* and is part of a study in **Researching Philanthropy**.

He explained that today's experiment was part of fieldwork that included many different Rotary clubs, where an auction mechanism was tried at random. The five mechanisms under investigation are:

- 1. All pay (to be tried today)
- **2. English** (live auction)
- 3. Bucket (like poker betting)
- 4. Lottery/raffle, and
- 5. Hybrids.

Of course, it helps to have something to auction, and Malcolm was offering some NSF-purchased wine. (Wait 'til the **OMB** hears about that!) Indeed, he had as prizes two pairs of bottles, each including an Italian **Prosecco** (he proudly read us the *Wine Spectator* description which spoke of *balance*, *hints of lemon*, and a *mineral finish*) and an Argentine **Cabernet Sauvignon** (from *Catena*)

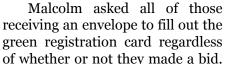
vineyards, *dark* with a *lengthy finish* best drunk before 2013). It sounded as if he didn't speak from experience. He had just assumed that Rotary harbored lushes.

Before the auction, we were to fill out Part 1 of the Survey, printed on yellow sheets in our packets. There were only 50 packets, so not everyone got their turn to play lab rat. Indeed, since they had been distributed starting with the back of the room, they ran out before they reached sainted Coitor's table. He regrets being unable, therefore, to report on them.

To get our competitive spirit engaged, Malcolm explained that all profits from today's auction would be donated to the *Plano Rotary Club*; so we were taxing ourselves. The **All Pay** mechanism called for bidders to make one (their final) bid and to enclose the bid amount (cash or check) in an envelope that they'd not see again! The highest bidder would, of course, win the prize, but all the bids would accrue to the charity.

The 50 potential bidders were further subdivided into an "A" group (with only a number designation on their envelope...Malcolm cautioned us to REMEMBER our bid numbers) and a "B" group (with the letter "B" following the bidder number). Everything else was identical or so we

were led to believe. Traditionally, psychosocial experiments aren't always what they seem. The researchers often *say* they are testing something but they are really after something else. They cannot reveal their actual targets for fear of biasing the subjects.





That was the only hint that bidding wasn't mandatory.  $\ensuremath{\mathfrak{Q}}$ 

Malcolm thanked us all "in advance for your patience" with the process which included bidding, collecting the bids, and "aggregating" them. Randy thought that apparently, if you're a Ph.D. candidate, you don't "total" or "sum," but rather "aggregate."

At the end of the bidding process, there was a Post-Experiment Survey to fill out. Everything scribbled was to be return in the manila envelope provided. Malcolm "debriefed" us, but that implies a dialogue, and he provided only a monologue in which he described the preliminary results of his earlier fieldwork.

He ranked the auction mechanism by the amount of funding that they provided for their charities:

- Bucket: \$250
  All Pay: \$175
- **3. Lottery**: \$150

with significantly lesser amounts for live and silent.

He commented upon donors' reasons for giving. These included:

- Direct benefit
- Altruism (prestige and the warm glow effect)

- Social effects (perceived social norms)
- External factors (demography, economy, and the perceived valuation of the prizes)
- **Internal factors**

Competitiveness was important social effect. (So dividing the group into two wasn't an accident after all. It pitted group "A" against "B.") And competitiveness was amplified in the atmosphere of the Bucket mechanism.

He pointed out that unfamiliar mechanisms trigger apprehension in those prone to avoid risk. But by this time, the results were in, and we had collectively donated \$431 to the Plano Rotary Club!

Group "A" had 9 bidders (out of a potential 25) who bid a total of \$102 with \$30 from Martin Johnson winning the wine. Group "B" had 12 bidders and LB THE RADIANT'S \$80 bid won the prize and pushed the total up to \$329. Larry, another group B, complained, "they pooled their bids!" Sour grapes, Larry.

When Chris and Pat went to the Cape Town Rotary, they had a 5 Rand (\$0.63) raffle of a bottle of wine that Chris "won." He was so convinced that the raffle had been rigged for his benefit that he donated the bottle back to the Club to be auctioned off then and there. It went for 500 Rand (\$63). He should have used All Pay instead!

Malcolm promised to return, if asked, to report on the final results of his research. Someone asked for classification talks from the students. Malcolm said he started out in

> Know someone who would make a great Rotarian? Invite them to be your guest at Rotary!

#### The 4 Way Test:

Of the things we think, say, and do:

- 1. Is it the truth?
- Is it fair to all concerned?
- 3. Will it build goodwill & better friendships?
- 4. Will it be beneficial to all concerned?

Mechanical Engineering. Ryan had a similar story involving Optical Engineering, and he admitted to having kids and no hair, or, perhaps, no hair because he had kids.

Prince Tohn promised Shoes for Orphan Souls in their names and presented the three of them with two Rotary coins. variation of



psychological testing ploy. Well played, John.

He announced that the \$431 would go to Memorial Elementary, led us in the Four-Way Test, and triple-belled us out at 1:02.

#### **Rotary Football Challenge** Week 10:

#### **NFC Division**

Nathan Barbera	8-2
Mark Johnson	6-4
John Ernst	5-5
Ean Sullivan	5-5
Martin Jackson	1-9

#### **AFC Division**

Mark Waterbury	7-3
Gerald Brence	6-4
Gary Basham	5-5
Octavio Ortiz	4-6
Kyle Walters	3-7

#### **Guests & Visiting Rotarians**

**GUEST OF:** Jayson Killough Rick Maucieri VISITING ROTARIAN HOME CLUB Sam Sherstad Frisco Colorado Marilyn Hinton Plano Metro Steve Vitasek Plann Metro

#### Member NEWS

AWARDS: Gary Base **Harold Sullivan Award** Kersey Can Holder: Randy Wright Vance Bryson Athena Award Citizen of the Year: Rebeccca Caso Beth and Duncan Webb Fred Moses Award Rotary Make Up Website: Richard Rutterfly www.rotarveclubone.org **Business Executive of the Year New Member Proposals:** 

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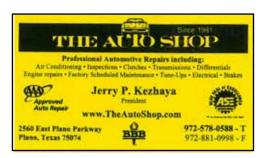
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