**Summary:** Nonprofit organizations (NPOs) solicit donations from individuals and in turn offer goods and services whose quality cannot be (easily) ascertained by the donors. This creates incentives for “bad” NPOs to enter the market and free ride on donor trust. This paper presents a model in which the media helps to reduce the problem of asymmetric information in the market for NPOs. This occurs through two channels. On the one hand, the media can, with some probability, uncover a “bad” organization if it has entered the market. On the other hand, the media reduces the incentives for bad types to enter the market in the first place. Overall, the media enhances the trust of the donors and increases the level of donations and the amount of public good produced.

**MSC:**

91B15 Welfare economics
91B18 Public goods

**Keywords:** nonprofits; charitable giving; asymmetric information; media

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**References:**


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