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**Inclination, Obligation, and Association:
What we Know and What We Need to Learn about Donor Motivation**

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Inclination, Obligation, and Association

What We Know and What We Need to Learn about Donor Motivation

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This chapter reviews the *status quaestionis* surrounding the issue of motivation for charitable gifts of money and assets—what I will call *financial philanthropy*. By *motivation*, I refer not to the moralistic distinction between so-called noble and base intentions, or between altruistic and self-serving aspirations. Rather, by *motivation* I refer to the array of associations, experiences, goals, and orientations that generate people's charitable giving—what I like to refer to as *mobilizing factors*. Because the same factors (such as volunteering or organizational membership) may lead to giving *and* increased giving, it is always necessary to bear in mind what place in the "pipeline" of giving we are speaking about at each point in the discussion. Therefore, in exploring the mobilizing factors that induce financial philanthropy, it is important to distinguish between those influences that lead people to become givers in the first place and those that lead some donors to make larger than average gifts or to increase their giving.

In all instances, the guiding principle of my approach to charitable giving is represented by an *identification* model rather than an *altruism* model of motivation. The altruism model is best known through the various studies on extraordinary heroism and on blood and organ donations. I have elaborated my view of the identification model in various places (Ostrander & Schervish, 1990; Schervish, 1993, 1995) and find it well articulated in a parallel fashion by Martin (1994) and Langdon (forthcoming). My fullest case for the theoretical and empirical superiority of the identification model over the altruism model is in the first chapter of my book *The Modern Medicis* (Schervish, forthcoming). Both my intensive

I am grateful to the T. B. Murphy Foundation Charitable Trust for supporting the research reported here, and to Platon Coutsoukis who graciously and competently assisted in the preparation of this paper.

interviews with wealthy donors and survey analyses of giving and volunteering persuade me that it makes little theoretical or practical sense to chase down forces of *selflessness* precisely in the areas of life in which dedication and commitment of *self-identification* are so crucial. Thus instead of investigating the quantitative *absence* of the self, I prefer to investigate the qualitative presence of the self.

I address the issue of motivation and charitable giving in four sections. First, I summarize the literature on motivations for giving. I do not intend this review to be exhaustive. Rather in reviewing a range of conceptual and empirical writings, my goal is to present a useful topical survey of the kinds of variables designated by researchers as important. Second, I will present the empirical findings my colleague John Havens and I have thus far discovered from our ongoing multivariate research on the factors that induce charitable giving. In the third section, I elaborate a research agenda aimed at substantiating what we and others have already found and at uncovering what we still need to learn. I conclude by suggesting the implications for encouraging a less judgmental and more fruitful fund raising attitude, especially in regard to wealthy donors.

Mobilizing Factors for Charitable Giving

The current literature on the motivating factors for charitable giving is extensive; however, it is uneven in its level of theoretical sophistication and empirical complexity. For a number of reasons, including that volunteering is tied to charitable giving, the literature on motivations for volunteering is always indirectly, if not directly, relevant to the discussion of charitable giving. Also, the fund raising and prospect research literature is invariably related to the mobilizing factors for giving insofar as this literature addresses the organizational techniques and personal strategies fund raisers employ to induce donors to contribute. Also, this literature is both repetitive and partial. Although much of the literature offers useful information, the key findings seem to be periodically "rediscovered." As a result, we have a litany of well-documented factors that appear to motivate charitable giving. In the absence of more complex research, we know little about the *relative importance* of these factors; that is, how the factors are linked together in a causal chain, and which factors turn out to be more important and which turn out to be less important in the light of multivariate statistical analyses. This is true for qualitative as well as quantitative research efforts. To date, neither approach for studying charitable giving has endeavored to produce anything even approaching normal science. We have not yet reached the point at which the theories, conceptual frameworks, measurement techniques, statistical analyses, and findings of one research effort build explicitly on previous research and become the basis for subsequent research designed to confirm, disprove, or amend previous findings.

So what can we learn from the current literature? Platon Coutsoukis, a research associate at the Social Welfare Research Institute, and I have undertaken a systematic review of the literature on the factors inducing charitable giving. As yet, our efforts have not progressed sufficiently to provide an appropriately complete and coherent account of this literature. However, I am able to outline the major categories of factors found to be influential in inducing charitable giving and to indicate the most important specific variables studied within each of the categories. We have generally limited our review to the literature that deals with charitable giving. In some instances, however, we report findings from studies on the factors that lead to "charitable acts" in general, without distinguishing between volunteering and giving.¹

As I stated, I have not found a comprehensive literature review summarizing the empirical findings concerning charitable giving parallel to what David Horton Smith (1994) and Fischer and Schaffer (1993) have provided regarding the theory and research on volunteering. The two broadest conceptual outlines of factors contributing to giving are presented in Mixer (1993) and Schervish and Havens (1997). Although developed independently, the latter two frameworks are similar. Because I am understandably more familiar with the schema I developed, and because we have now carried out a substantial amount of empirical research based on it, I have chosen to summarize current research findings according to the rubrics of my framework. My debt to Mixer's good review, however, is great. Finally, I want to mention that Virginia A. Hodgkinson is currently completing a prodigious tome in which she provides a comprehensive review not just of the research findings on motivation for charitable giving but on the full range of religious, philosophical, sociological, psychological, legal, and institutional factors that lead to care and community participation. At this point, I have not drawn upon her work.

The major categories of variables comprising my conceptual framework grew out of my analysis of intensive interviews with millionaires in the Study on Wealth and Philanthropy (Schervish & Herman, 1988) and further elaborated in the course of subsequent research. Although the specific motivations of wealthy donors differ in significant ways from those of nonwealthy donors, the broad categories of variables I found to be relevant for millionaires seem to provide an effective conceptual framework for understanding giving in general. My research indicated the following eight variables:

1. *Communities of participation.* Groups and organizations in which one participates.
2. *Frameworks of consciousness.* Beliefs, goals, and orientations that shape the values and priorities that determine people's activities.

¹ I recognize that I am skimming the surface of the vast literature on charitable giving and so apologize to those whose work we have thus far neglected, and request that they let us know about their work and how it relates to our conceptual framework.

3. *Direct requests.* Invitations by persons or organizations to directly participate in philanthropy.
4. *Discretionary resources.* The quantitative and psychological wherewithal of time and money that can be mobilized for philanthropic purposes.
5. *Models and experiences from one's youth.* The people or experiences from one's youth that serve as positive exemplars for one's adult engagements.
6. *Urgency and effectiveness.* A sense of how necessary and/or useful charitable assistance will be in the face of the onset of an unanticipated or previously unrecognized family, community, national, or international crisis.
7. *Demographic characteristics.* The geographic, organizational, and individual circumstance of one's self, family, and community that affect one's philanthropic commitment.
8. *Intrinsic and extrinsic rewards.* The array of positive experiences and outcomes of one's current engagement that draws one deeper into a philanthropic identity.

The first seven variables work both to induce charitable involvement in the first place and, once in place, to increase one's level of commitment. The eighth variable—reinforcing rewards—is by definition relevant in regard to increasing the level of participation of those who have already become involved and, as such, may be in the form of one or more of the first seven variables. For a particular individual, any one of the first seven factors may be sufficient to induce at least a minimal level of philanthropic care, but in most cases the path to philanthropic care is via the influence of several if not all the factors.

ELABORATION OF VARIABLES²

Communities of participation are the networks of formal and informal relationships with which people are associated. Communities of participation may be formal organizations such as schools, soup kitchens, or weekend soccer leagues. Communities of participation may also be quite informal, such as an extended family visiting and caring for an elderly grandparent or neighbors rallying to help a family burned out of its home. Some communities of participation (such as a political party) require little voluntary activity while others (such as a cooperative nursery school) require participation as a condition of membership. Some communities of participation are entered only out of choice, such as a volunteer fire department or volunteer counseling at a shelter for battered women. Others are entered

² My discussion of the first five and the eighth variables in the following paragraphs is taken with only slight revision from my article "Gentle as Doves and Wise as Serpents: The Philosophy of Care and the Sociology of Transmission" (Schervish, 1995b).

as a result of circumstances; for example, parents with school-age children are automatically put into contact with numerous school, extracurricular, and sports programs that offer opportunities to volunteer time and to contribute money. As I indicated, many communities of participation directly request and sometimes require time and money from their participants. But the important point is that being connected to an array of such life-settings is the basis for people becoming aware of needs and choosing to respond.

Frameworks of consciousness are ways of thinking and feeling that are rooted deeply enough in one's awareness to induce a commitment to a cause based on political ideology, religious beliefs, social concerns, or other values. An awareness of the redemptive value of Alcoholics Anonymous' twelve-step program in one's own or a family member's life is one example. Equally common are the deeply felt convictions about political prisoners that lead concerned citizens to join Amnesty International, about homeless people or battered women that lead volunteers to work at shelters, about community violence that lead parents to patrol the streets as part of a neighborhood watch, about the value of religious faith that lead church members to work in a food bank or a program for racial justice. The list of motivating concerns is as long as the list of deeply cherished beliefs. Just as there are different types of organizations in which one may participate, there are different types of beliefs. Some mobilizing beliefs are in fact better described as general values, other beliefs are really fundamental orientations, while still other beliefs concern causes to which one is dedicated. Again, there are no impermeable boundaries separating these kinds of beliefs any more than there is a sharp demarcation between what one does because of heartfelt feelings, on the one hand, and communities of participation, on the other. Communities of participation and frameworks of consciousness almost always occur together.

The third mobilizing factor comprises *direct requests* made to individuals for contributions of time and money. Many of these invitations arise directly as a result of one's participation in an organization. Certainly, some people volunteer their time and money without being asked. For the majority of givers, being asked is cited as a major reason for their charitable efforts. We are finding evidence that while telephone and mail solicitations do get results (otherwise they would not be so incessant), those who contribute higher percentages of their income state they are not influenced by such impersonal methods. Still, there is every reason to believe that people in all income groups follow what I found among wealthy contributors, namely that being asked directly by someone the contributor knows personally or by a representative of an organization the contributor participates in is a major mobilizing factor. Once again, the linkages among the mobilizing factors are apparent. Being asked to contribute largely occurs from within existing communities of participation and appeals to existing frameworks of consciousness.

The presence of *discretionary resources* is a fourth factor leading to charitable commitment. The level of one's discretionary resources of time and money is a mixture of objective and subjective considerations. The amount of time retired people, with children out of the house, consider discretionary is likely to be greater than the amount felt to be available by members of the labor force who are still raising children. Similarly, a family of four with a household income of \$75,000 presumably enjoys more discretionary spending than a family of four with an income of \$25,000. Nevertheless, there are a good number of complicating factors including the amount of time needed to care for a sick spouse and the amount of money devoted to necessary expenditures such as college tuition and taxes. One family's necessity is another family's luxury, which highlights that the amount of discretionary resources is also a matter of subjective disposition. What may appear to some as a desperately urgent need for which they should sacrifice time and money may appear less compelling to others with the same objective resources. The organizations in which we participate, the cultural frameworks we embrace, the pleas to which we are attuned, and the resources we deem able to give are inextricably linked.

The same is true for the fifth determinant, namely the positive *models and experiences from one's youth* that animate adult philanthropy. By speaking of models from one's youth, I do not mean to neglect those exemplars from adulthood. But for the sake of clarity, I include such adult models (be they friends, business associates, or colleagues on a board of directors) as part of one's community of participation. To be emphasized here are those activities and lives that people are more or less drawn into in the course of growing up. To some extent, such contacts are voluntary choices. But the majority of them are more likely to have been unavoidable, put in the person's path by parents, grandparents, churches, youth groups, and schools. As such, they are occasions for initiation into the child's earliest communities of participation and frameworks of consciousness. They are part of a moral education that molds children's lives at a period when they are less guarded about priorities and more apt to accrue a feel for the charitable impulse.

The sixth mobilizing factor is the *urgency* with which needs are presented to potential donors and the effectiveness these donors perceive their charitable response to have. Such urgency usually revolves around the actual onset or introduction into an individual's purview of an unanticipated highly salient family, community, national, or international need. Such emergency needs are thrust on individuals by such events as illness, deaths, fires, and other tragedies that befall relatives and friends. But equally important are the local, national, and international natural disasters, famines, and epidemics that strike people as particularly compelling because of the dire nature of a situation and the lack of normal channels of provision. Here, perhaps more than in any other circumstance, people sense and respond to the realization, "There but for fortune go I." A

response to urgency is connected to the perceived effectiveness of a response. An urgent need about which potential donors feel they can make no difference is unlikely to mobilize their time and money. In many ways, the now familiar "compassion fatigue" is a result of an emotional stalemate resulting from the intersection of repeated urgent appeals coupled with the perception that intervention is ineffective in curtailing suffering.

Demographic variables comprise the seventh category of influences. Such demographic variables include individuals' personal characteristics of age, education, gender, and race as well as various background or contextual characteristics associated with one's employment, community, home ownership, tenure living in a locale, and so forth. Most demographic characteristics are introduced into analyses as control variables and so are not accorded much explanatory substance. Many so-called demographic controls, however, represent important underlying causal dynamics. For example, education and age are not simply control variables. Rather they are indicators of a person's array of relationships, experiences, networks, organizational involvements, and time commitments that set in motion a range of consequences for charitable participation.

An eighth variable comes into play when we are seeking to explain the intensity of people's philanthropic commitment. This is the set of *intrinsic and extrinsic rewards* that accrue to individuals who are already active in philanthropy. The source and intensity of such satisfactions are connected to the additional communities of participation and frameworks of consciousness that philanthropists encounter in carrying out their commitments. Such reinforcing factors include getting to know other givers, formal and informal expressions of gratitude, public recognition of various sorts, and direct material benefits such as preferred seating at the symphony and decision-making clout at a welfare agency. But most important among such reinforcing rewards is the personal satisfaction from helping others and from seeing one's money and time used as an effective investment to accomplish cherished goals. In this regard, less involved philanthropists might do well to take a page from Jane Addams and from those who work directly with the beneficiaries of their philanthropy. One of the richest sources of reinforcing satisfaction is to ascertain firsthand the positive effect of one's care on the lives of others and to be able to more fully identify with one's beneficiaries as radical ends.

Exhibit 8.1 is a compendium of the various categories of mobilizing factors and specific variables examined in empirical research on the determinants of charitable giving.

Multivariate Analysis of Charitable Giving

To my knowledge, our research at the Social Welfare Research Institute is the only effort to carry out a multivariate analysis of variables representing nearly all the general factors catalogued in the preceding section. The

EXHIBIT 8.1. Determinants of Charitable Giving

I. Communities of Participation

1. Church
 - a. Denominational Affiliation
 - b. Church Attendance
 - c. General Church Involvement
 - d. Volunteering for Church Organizations
2. School (school's religious orientation and emphasis of community service, student's organizational memberships and academic performance)
3. Work (size of business and organizational culture)
4. Civic Institutions (membership and general involvement)
5. Government and Political Organizations (sense of power and influence)

II. Framework of Consciousness

1. General Values
2. Religious Beliefs and Values
3. Political Beliefs and Values
4. Attitudes about Social Responsibility
5. Attitudes about Volunteering
6. Attitudes toward the Recipient Organization

III. Direct Requests

1. Medium of Request (face-to-face meeting, telephone call, mail)
2. Strategies of Approach (determine needs and wants of donor, describe need, use mix of rational arguments and emotional appeals, convey organizational vision, provide opportunities for donor involvement, show the example of leading supporters)
3. Mode of Petition (ask or encourage to give, document organizational efficiency and effectiveness of gift,* offer additional information and convenient financial arrangements)
4. Closure: Foundations of an ongoing Relationship (feedback on accomplishments and appropriate recognition and personal rewards—see VIII.2. Extrinsic Rewards)

IV. Discretionary Resources

1. Income
2. Wealth and Composition of Wealth (real estate, equities, and other properties)
3. Time (hours per week, weeks per year, employment—part time, stage of entrepreneurship, retirement, age of children)
4. Expectations about Future Financial Capacity

V. Models and Experiences from One's Youth

1. Parental Example
2. Example of Other Role Models
3. Membership in a Youth Group
4. Was a Volunteer

(continued)

EXHIBIT 8.1. (continued)

5. Door-to-Door Fund raising
6. Helped by Others
7. Active in Student Government

VI. Urgency and Effectiveness

1. Demonstration of Pressing Need
2. Belief in the Effectiveness of Gift
3. Perceived Organizational Efficiency

VII. Demographic

1. Location (geographic location, urban/rural type, size and economic status of community)
2. Age
3. Gender
4. Education
5. Race
6. Marital Status
7. Children (presence and number of)
8. Employment (part or full-time)
9. Occupational Prestige
10. Length of Residence
11. Home Ownership
12. Health

VIII. Intrinsic and Extrinsic Rewards

1. Intrinsic Rewards
 - a. Personal Elements (self-esteem, achievement, cognitive interest, growth, meaning, or purpose in life)
 - b. Configurations of Personal Elements
 - c. Social Elements (status, affiliation, group endeavor, interdependence, power)
 - d. Negative Elements (guilt reduction or guilt avoidance, frustration, insecurity)
2. Extrinsic Rewards
 - a. Recognition Rewards (introductions in meetings, invitations to elite gatherings, publicity)
 - b. Personal Rewards (immediate thank-you letters, telephone calls from leaders and officials, awards, membership in elite groups, and peer acknowledgments)
 - c. Social Rewards (development of new personal relationships, an increased sense of community and status, and new awareness of group cohesion)
 - d. Tax Incentives (e.g., income, estate, and capital gains taxes)

* Determinant(s) cited in more than one category.

major exception is that we have not yet modeled how intrinsic and extrinsic rewards advance additional giving. In regard to demographic variables, we have not yet attempted to incorporate the contextual variables of community and geography that Wolpert (1994, 1995a, 1995b) has skillfully analyzed.

We explored the causal relationship between the foregoing variable sets and charitable giving through a multivariate analysis of a subset of the "National Survey of Giving and Volunteering in the U.S." collected in 1992 by the Gallup Organization for the INDEPENDENT SECTOR (Schervish & Havens, 1994). The survey is of a representative cross-sectional sample of 2,671 American households whose respondent was 18 years of age or older. The survey obtains information on giving and volunteering, numerous indicators of relevant motivations and attitudes, household social characteristics, economic factors, and selected demographic descriptors. To increase the likelihood of accurate responses, we restricted our analysis to the subsample of 2,065 households in which the respondent, often jointly with their spouse, was both "most involved in deciding which charities your household will give to" and "primarily responsible for giving donations to charity."³

OPERATIONALIZATION OF VARIABLE CLUSTERS

We briefly considered defining our dependent variable, charitable giving, (1) as two variables (participation and total amount contributed); (2) as the amount given to religious organizations and amount given to nonreligious organizations; or (3) as total amount contributed. In the end, we decided on the percentage of income contributed by the household as the dependent variable in our investigation.⁴ Among the major considerations for this choice was that it is a continuous variable which is not, itself, overwhelmingly influenced by household income—as is the case with the total amount contributed. In addition, it has the historical advantage that we and others have worked extensively with this measure in previous research efforts.⁵

³ Due to missing data in the 25 independent variables used in the final regression analysis, the sample size for this regression was reduced further to 1,375 households.

⁴ Based on the subsample of households in which the respondent either solely or jointly with others (usually their spouse) in the household make decisions regarding philanthropic contributions, we estimate that 77 percent of the population of households contribute to one or more philanthropic organizations. The average of total annual contributions is \$733 per household—\$440 to religious organizations and \$293 to nonreligious organizations. The annual total of all contributions amounts to 2.0 percent of household gross income—1.3 percent being given to religious organizations and .7 percent being given to nonreligious organizations.

⁵ The contribution variables for the survey contained missing data for approximately 10 percent of the households that made a contribution. Among these households, one component of giving was usually missing, but there were often nonmissing values for several

We reviewed the questions asked in the survey several times to map particular questions into one of the conceptual clusters. At the conclusion of this process we had mapped 107 variables into the seven clusters. For a number of methodological reasons, 107 variables is too large a number even for multivariate analysis.⁶ We used a highly empirical procedure to reduce the number of variables to a more manageable size. We ran a series of multiple regressions to estimate (1) the relationship between charitable giving (i.e., percentage of household income given to charity) and the variables associated with each theoretical cluster, estimated independently of variables in any other cluster; (2) the relationship between charitable giving and all 107 variables, entered in hierarchical order by cluster; (3) the relationship between giving and all 107 variables entered simultaneously; and (4) the relationship between giving and all 107 variables with the least significant variables successively eliminated until the remaining variables were all significant at the .10 level. At the end of this procedure, we included all variables that were theoretically significant at .10 level and several nonstatistically significant variables that we judged to be the most theoretically important. The resulting number of variables was reduced from 107 to 48; these are listed by theoretical cluster in Exhibit 8.2.

FINDINGS ABOUT INDIVIDUAL CLUSTERS

Details of our multivariate analysis are presented in Schervish and Havens (1994). Our central finding is that there is broad quantitative support for major tenets of the identification theory of philanthropy. We came to this conclusion as a result of investigating two questions: (1) whether each of the clusters of variables was separately related to charitable giving and (2) which specific variables determine charitable giving when variables from all the clusters are examined simultaneously. The first step was to

other components. Consequently, the missing values were imputed for the missing components and then added together with the nonmissing components to arrive at an estimate of total contribution. These imputations were based on multiple regressions of age of respondent, sex of respondent, education of respondent, residential location, and household income. This method assumes that missing values within each category follow the trend relationship for that category.

⁶ First, such a large number of variables is difficult for the researcher and the reader to keep straight, even within cluster groupings. Second, the 107 variables are interrelated among themselves which has the effect that the impact of any one variable is in part obfuscated by each of the others—the more variables beyond 15 to 20 in this particular analysis, the greater the degree of obfuscation. Third, each of the 107 variables were not answered by a small percentage of the sample; when any of the answers were missing, the case was eliminated from the analysis; less than 900 cases had substantive answers to all 107 variables; consequently the sample was reduced to less than 48 percent of the original subsample size. Fourth, because of the high degree of intercorrelation, the statistical methods could not, in most instances, identify which of the variables were statistically significant (although this does not necessarily cause major problems in early stages of research).

EXHIBIT 8.2. Independent Variables within Theoretical Clusters

Communities of Participation

- Q27 Length of time living in community
- Q33e Directly helped a needy person other than relative, friend, neighbor, homeless, or street person
- Q37 Average number of hours per week respondent spent helping friends or relatives who don't live with respondent
- Q87 Frequency of attending church or synagogue
- Q901 Number of people living in household
- Nvol The number of different types of organization in which the respondent volunteers time
- Hvol The number of hours per month that the respondent volunteers
- Ngiv The number of different types of organization to which the respondent's household makes a contribution in money and/or in kind
- Rfix Gives a fixed proportion of income to church, synagogue, or mosque
- Ofix Gives a fixed proportion of income to nonreligious organization(s)

Frameworks of Consciousness

- Q67b Giving back to society some of benefits it gave you is a personal motivation that may involve both charitable giving of money and volunteering time in general, not just last year
- Q67f Fulfilling a business or community obligation is a personal motivation that may involve . . .
- Q67i Meeting religious beliefs or commitments is a personal motivation that may involve . . .
- Q68b Teaching people to be more self-sufficient is a major, a minor, or not a goal of charitable giving of money and volunteering time
- Q68e Enhancing the moral basis of society is a major, a minor, . . .
- Q68f Changing the way society works is a major, a minor, . . .

Direct Requests

- Q26 Has been asked to give money or other property to charitable organizations, including religious organizations, in the past year
- Q66b Receiving a phone call asking you to give is (very important, somewhat important, not too important, or not at all important) to you for contributing to a charitable organization
- Q66c Someone coming to the door asking you to give is (very important, . . .)
- Q66j Being asked by clergy to give is (very important, . . .)
- Q67a Being asked to contribute or volunteer by a personal friend or business associate was a (major motivation, minor motivation, or not a motivation) for your charitable giving and volunteering
- Q67j Being encouraged by an employer was a (major motivation, . . .)

(continued)

EXHIBIT 8.2. (continued)**Discretionary Resources**

- Q3 Degree respondent worries about not having enough money—a lot, moderate amount, or only a little
- Q4 Respondent has (more, less, or the same amount of) money left over after paying bills this year compared with last year
- Q77 Will be claiming a deduction for charitable contribution on federal income tax return for 1991
- Q83 Is financially (better off, about the same, worse off) now compared with a year ago
- Q84 Expect at this time next year to be financially (better off, the same, worse off) then than now
- Inc Household gross income
- Nemp The number of people currently employed in the household

Models and Experiences from One's Youth

- Q82A One or both parents did volunteer work in community when young
- Q82j Helped by others in the past when young
- Q82k Saw somebody in family help others when young

Urgency and Effectiveness

- Q47a The need for charitable organizations is greater now than five years ago—strongly agree, agree, disagree, strongly disagree
- Q47b Charitable organizations are more effective now in providing services than five years ago—strongly agree, . . .
- Q47c I place a low degree of trust in charitable organizations—strongly agree, . . .
- Q47g Generally, the U.S. is in more trouble now than 5 years ago—strongly agree, . . .
- Q47h Generally, charitable organizations play a major role in making our communities better places to live—strongly agree, . . .
- Q47i On the whole, charitable organizations do not do a very good job in helping those who need help—strongly agree, . . .
- Q69h Most people with serious problems brought their problems on themselves—strongly agree, . . .
- Q69i It is in my power to do things that improve the welfare of others—strongly agree, . . .

Demographic Characteristics

- Age Respondent's age
- Heduc Education of Chief Wage Earner
- Hret Retirement Status of Chief Wage Earner
- Race Race Dichotomy (nonwhite or white)
- Prot Religious Affiliation Dichotomy (non-Protestant or Protestant)
- Cath Religious Affiliation Dichotomy (non-Catholic or Catholic)
- Jwsh Religious Affiliation Dichotomy (non-Jewish or Jewish)
- Orel Religious Affiliation Dichotomy (not other religion or other religion)

run multiple regressions⁷ of the specific subset of variables associated with each theoretical cluster to determine whether a subset explained giving behavior as represented by the percentage of household income contributed. Each separate regression analysis estimates the combined direct and indirect impacts of the cluster of variables on percentage of income contributed. It also estimates the relative combined direct and indirect impact of each of the variables associated with the cluster.

Communities of Participation

Our analysis also demonstrates that participation in associational communities induces charitable contribution. The set of 10 variables corresponding to participation in a variety of communities is significant at the .0001 level of statistical significance. The strength of the relationship, measured by *R*-Squared, is a rather substantial .288. Given the empirical methods used to reduce the number of variables in the analysis, it is interesting that most variables measuring general levels of social participation (e.g., membership in a variety of clubs and organizations) were not sufficiently strongly related to giving behavior to be included in this analysis. Most of the variables that are relatively strongly related to giving behavior are measures of either (a) participation and/or commitment to organizations and institutions that serve as channels for giving and volunteering or (b) informal activities that involve helping others. Eight of the 10 variables are associated with giving behavior in the expected direction (greater participation and/or greater opportunities for participation lead to larger percentages of income contributed). However, two are not: (1) households that allocate a fixed proportion of their income to donate to nonreligious organizations tend to allocate smaller proportions than those that do not structure their donations so formally; and (2) larger households (which presumably have more opportunities for participation because of the activities of their members) tend to give smaller proportions of their incomes than do smaller households. In this case, larger households may not have sufficient financial resources to support larger proportions of income contributed after meeting the needs of members, especially since larger households tend also to have lower incomes.

Framework of Consciousness

Based on multiple regression analysis of the available information in the survey data, we found that strongly held frameworks of consciousness advance charitable giving. The set of six variables corresponding to relatively stable beliefs and motives for giving is significantly related to

⁷ Unless otherwise noted, all multiple regressions reported in this chapter used the population weights developed by the Gallup organization; casewise deletion when any variable was missing data; and ordinary least squares estimation of the regression coefficients on the independent variables. The values of *R*-Squared reported are not adjusted for the number of independent variables in the analysis.

giving behavior at the .0001 level of statistical significance. The strength of the relationship as measured by *R-Squared* is .073, nearly double that of youthful experiences—indicating that even partial measures of one's current framework of consciousness are more strongly related to current giving behavior than are youthful experiences, which are more distant in time. The substance of the relationship is also rather interesting. Those who are motivated mainly either (1) to fulfill a business or community obligation or (2) to change the way society works, tend to give smaller percentages of their income than those who are motivated by (1) meeting religious beliefs or commitments, (2) enhancing the moral basis of society, (3) teaching people to be more self-sufficient, or (4) giving back to society some of the benefits it gave the respondent. This pattern is phenomenologically consistent with the definition of framework of consciousness.

Direct Requests

Regression analysis of the relevant survey data indicates that the mode of petition affects the level of charitable response. The set of six variables corresponding to the direct invitation cluster is significant at the .0001 level; and its strength, measured as usual by *R-Squared*, is .052. However, only three of the variables indicate that direct invitation leads to higher percentages of income contributed while three others indicate that direct invitation is actually associated with lower, if any, percentage of income contributed (Q66b, Q66c, Q67j).

Closer inspection of each subset of three variables implies that the method of direct contact may be more important than just the contact itself. The three direct invitations that seem to lead to higher levels of contribution imply a personal contact by a previously known individual—a personal friend, business associate, or clergyperson. The three direct invitations that seem to lead to small if any contributions are associated with less intimate contact—phone call, someone coming to the door, or workplace-based encouragement by an employer.

Discretionary Resources

Regression analysis shows that the set of seven variables corresponding to the discretionary resources cluster is significant at the .0001 level of statistical significance. The strength of the relationship, as measured by *R-Squared*, is .062. Variables that indicate increases in income or optimism concerning one's financial future are associated with higher percentages of income contributed.

Two variables that we associated with greater household resources, however, had signs that implied lower rather than higher percentages of income contributed. The first of these variables was the number of people employed in the household—the more people employed, according to this analysis, the lower the percentage of income contributed. One might speculate that households have a larger than average number of people employed because the household's income is not sufficient to meet the basic

needs of the household and additional people have to work just to make ends meet—leaving very little left over for philanthropy. A more mean-spirited speculation would be that the members of some households are so materialistic and selfish that more of their members go to work and keep all of their increased earnings for themselves.

The second variable was gross household income, whose sign indicated lower percentages of income are contributed by households with higher gross incomes. This sign, however, makes some sense when one considers that another resource variable was the respondent's intentions to list charitable contributions as an itemized deduction. This variable would tend to pick up moderate and higher income households who made significant charitable contributions, leaving moderate and higher income households who made small or no charitable contributions to be reflected in the sign of the gross household income variable.

Models and Experiences from One's Youth

Multiple regression analysis of the information available in the survey data indicates that youthful experiences are related to current giving behavior. The set of three variables corresponding to this cluster is significantly related to giving behavior at the .0001 level of statistical significance. Although significant, the strength of the relationship is relatively modest with an *R-Squared* of .038, but the coefficients of each of the three variables are associated with higher levels of household giving at the current time.

Urgency and Effectiveness

Do the urgency of the cause and perception of the donation's effectiveness lead to *giving behavior*? Here, the answer is more ambiguous, and perhaps closer to "maybe." The set of eight variables corresponding to the urgency/effectiveness cluster is significant at the .045 level rather than the .0001 level as in the previous theoretical clusters. The strength of relationship is quite small at .0144, as measured by *R-Squared*. Of the eight variables, five have signs consistent with greater urgency and/or effectiveness being associated with larger proportions of income contributed; one is ambiguous (Q47b); and two are negative (Q47g, Q69h). Thus this cluster is less internally consistent than the other theoretical clusters, but once again there is evidence that confidence in charitable organizations is related to increased giving (Q47h).

Demographic Characteristics

Multiple regression analysis shows that the set of eight demographic factors is significant at the .0001 level of statistical significance and the strength of relationship, as measured by *R-Squared*, is .064. These variables were the age of the respondent, the education of the chief wage earner, the retirement status of the chief wage earner, the race of the respondent, and religious affiliation (represented as four dummy variables). It should be noted that the first three of these demographic variables

survived the variable reduction process while the last two were included because of the special interest of the researchers. Demographic characteristics that were related to giving behavior but were only weakly related when considered jointly with other demographic factors include marital status, presence of teens in the household, and Hispanic origin.

FINDINGS FROM JOINT ANALYSIS OF VARIABLE CLUSTERS

The multiple regression analysis provides strong statistical evidence that five of the theoretical factors identified in the conceptual framework are, in some sequence and/or causal structure, related to giving behavior. The one theoretical factor, urgency/effectiveness, that emerged during the course of the analysis, in fact, seems also to be related to giving behavior. In this case, however, the empirical evidence is borderline at best. In view of the findings about the individual clusters, our second major question is *When the many factors relevant to the theory are taken into account simultaneously, which factors are most strongly related to giving behavior?* Multiple regression was again used to investigate this research question. As described earlier, variables from all clusters were entered into an initial analysis, which were then reduced to a smaller set of the 25 variables most relevant for the remaining research questions. As one would expect from the foregoing results, the reduced set of variables were significantly related to giving behavior at .0001 level of statistical significance (see Exhibit 8.3). The strength of the relationship, as measured by R-Squared, was .276,⁸ which is in the moderate range for social science research based on survey data.

In this joint analysis, three of the five variables with the strongest relation to giving behavior, as measured by their standardized beta coefficients, are community of participation variables. All three are closely related to participation in institutions and organizations that already contain formal channels through which they may receive charitable contributions (Exhibit 8.3). One of the five is a resource variable and one is a demographic characteristic. Of the four remaining variables significant at the .05 level, two are general community of participation variables and the other two are invitation to participate variables. Thus of the nine variables significant at the .05 level, five are communities of participation variables, two are invitation to participate variables, one is a resource variable, and one is a demographic characteristic.

⁸ This value is less than the value of .288 for the communities of participation analysis reported under question A3. However, the two analyses are not comparable in the strict mathematical sense: The first analysis included all participation variables that had survived the first stage of the variable reduction process resulting in a sample size of 1,099 cases, while the second analysis included a smaller subset of variables surviving the second stage of the data reduction process and is based on an expanded sample size of 1,375 cases.

EXHIBIT 8.3. Joint Regression Analysis of All Clusters for Total Population

$N = 1375$ $R\text{-Squared}^* = 0.276$ Significance Level = 0.0001

Variable Name	Non-Standardized Coefficient	Standardized Coefficient	Statistical Significance Level	
<i>Independent Variables with the Five Largest Standardized Coefficients</i>				
Rfix	Gives a fixed proportion of income to church, synagogue, or mosque	2.865	0.289	0.0001
Ngiv	The number of different types of organization to which the respondent's household makes a contribution in money and/or in kind	0.361	0.193	0.0001
Inc	Household gross income (\$1000's)	-0.019	-0.130	0.0001
Q87	Frequency of attending church or synagogue	0.368	0.110	0.0001
Hret	Retirement Status of Chief Wage Earner	0.011	0.101	0.0002
<i>Other Independent Variables Significant at the .05 Level</i>				
Q27	Length of time living in community	0.238	0.066	0.0081
Q67j	Being encouraged by an employer was motivation for charitable giving and volunteering time	-0.361	-0.062	0.0150
Q66c	Importance for someone coming to the door asking you to give	-0.264	-0.059	0.0356
Hvol	The number of hours per month that the respondent volunteers	0.020	0.055	0.0282

* This value of R-Squared is based on all 25 independent variables in the analysis—in the interest of space only the values statistically significant at the .05 level or lower are presented in this exhibit; none of the variables excluded had standardized coefficients as large as .100.

The lack of variables from the youthful experiences, framework of consciousness, and effectiveness/urgency clusters means only that these clusters, as reflected in the variables contained in the Survey of Giving and Volunteering, are not strongly or consistently related to the percentage of income contributed once participation, resource, and demographic variables are taken into account. It does not necessarily mean that these clusters are only minor factors in giving behavior, indeed they may be critical factors in causal sequences involved in giving behavior but they may be either (1) less proximate factors than participation, discretionary resources, and demographic factors or (2) more proximately related to giving behavior but only for selected segments of the population. Hypothetically, youthful experiences might influence framework of consciousness, and jointly they may influence the pattern and magnitude of community of participation so that the community of participation variable may already capture the effects of youthful experiences and framework of consciousness. This hypothetical sequence is one of many that are consistent with both the five-variable theory and the multivariate regression results.

DISCUSSION

Reviewing these findings from the broad theoretical standpoint of identification theory, it appears that for the population as a whole, participation, especially participation that already embodies a commitment to philanthropy or to a philanthropic organization, is directly related to giving behavior. Within community of participation, religious commitment and participation in religious organizations have a strong influence on general giving behavior. Variables from other theoretical clusters do not have as central and consistent impact on giving behavior: Retirement status appears to influence the percentage of income contributed mainly through reductions in income that are proportionately much less than reductions in contributions; the impact of income appears to filter out those middle and higher income households that make relatively small contributions which they do not intend to deduct on their income taxes; the impact of direct invitations to participate appears to be to filter out those households contributing small percentages of their income who are prodded into making a small donation by door-to-door contact or a general contribution campaign (e.g., United Way) at their place of work.

The impact of household income (together with charitable deductions) seems less an indicator of discretionary resources than the delineator of higher income households making smaller donations; direct invitation variables seem less indicators of the impact of direct invitation to participate in the general population as delineators of households that are prodded into making a small contribution and are not in general internally motivated to give to charitable institutions; and the only demographic variable seems an indicator of reduced household income without commensurate reductions in the pattern of contribution.

The only variable in the empirical analysis that has theoretical significance is community of participation. To understand giving behavior in the total population, it turns out one should focus on understanding the community of participation, with special emphasis on the role of religious participation. A major task for future research on causal sequences affecting giving behavior should be the investigation of the relationship between communities of participation and the other theoretical clusters of variables in the five-variable theory—youthful experiences, frameworks of consciousness, discretionary resources, invitation to participate, and possibly urgency/effectiveness.

SUMMARY OF FINDINGS

The findings can be summarized as follows:

- Each of the five theoretical variable clusters that could be operationalized within the limits of the data from the Survey of Giving and Volunteering (youthful experiences, framework of consciousness, communities of participation, invitation to participate, and discretionary resources) are significantly related to giving behavior.
- While there are variations in the strength of the relationships between each cluster and giving behavior, communities of participation is the cluster with the strongest and most consistent relationship to giving behavior.
- When considered jointly with other variable clusters, communities of participation is the only cluster that evinces a distinctive relationship to giving behavior.
- Two dimensions of communities of participation seem especially important for giving behavior: (1) a general level of participation and (2) religious participation and commitment.
- Two subgroups of higher income households (the retired and those intending to claim a charitable deduction at higher income levels) give a larger than average percentage of their incomes to charity.
- Participation and commitment, especially religious participation and commitment, are centrally and strongly related to giving behavior. Moreover, there is reason to believe that this cluster may operate, at least in part, as an intervening variable through which other clusters affect giving behavior.

Research Agenda

The foregoing literature and multivariate analysis provide several significant empirical findings on the factors that induce charitable giving. Taken together, the findings about the impact of participation and frequency of

participation, being asked, volunteering, generosity across income groups, and the fact that larger gifts are generated from those who have given large gifts—all indicate that charitable giving is largely a consequence of forging a connection between the existing inclinations and involvement of individuals and the needs of recipients. It is not the absence of self that must be generated but the presence of self-identification with others. This is what Thomas Aquinas teaches as the convergence of love of neighbor, love of self, and love of God. It is also, in its civic expression, what Tocqueville meant by self-interest properly understood. In this way, the inspiration for charitable giving is a function of the social-psychological processes of associational density, group incorporation, personal identification, and the satisfying experience of making an important difference.

Despite these solid initial findings, a weighty research agenda needs to be addressed—not simply because of the never-to-be-minimized vocation of intellectual discovery “for its own sake,” but because there are important practical implications. In the study of charitable giving, there is a fortunate convergence between the discovery of the most technical detail and the invigoration of the equally honorable vocation of generosity and care.

The research agenda on the factors mobilizing charitable giving includes the following items.

CONFIRMATORY POPULATION STUDIES

There must be continuing *confirmation and amendment* of existing findings, such as those generated in the foregoing analysis. This includes continued *application of multivariate statistical techniques* that enable researchers to distinguish between the more and less important determinants of charitable giving by measuring the relative effects of numerous variables simultaneously.

SEGMENTATION ANALYSES

Researchers need to develop *separate analyses for differing segments* of the population. John Havens and I have undertaken (1994) such an analysis and have some preliminary findings to report. We hypothesized that the population of givers must reflect the national population in being segmented roughly along the lines of liberal and conservative policy orientations. Our major finding is that the seven-variable model explored in the previous section appears to be even more fully supported for each segment than it is for the population as a whole. That is, the impact of several mobilizing factors that tend to cancel out for the population as a whole are revealed when either of the segments is analyzed separately.

To discover an effective segmenting variable, we identified more than a dozen variables as potential components of sociopolitical ideological orientation. Originally, we anticipated developing a measure that would distinguish between “liberal” and “conservative” lifestyles and ideologies. A

variety of indices were constructed using several methods. Cross-validation with other variables and descriptions of other behavior indicated that none of the indices adequately captured the essence of the “conservative” versus “liberal” dimension we had originally conceived.

One of the measures derived after item and item-index analysis appears to come as close to the desired categorization as any of the others and, empirically, leads to relatively more homogeneous giving behavior “within group” compared with “between groups” than did the other measures. We then used this measure to segment the sample in assessing whether the explanatory power of the seven-variable model increased when the two groups were analyzed separately.

The measure identifies one group as those households whose respondent indicated that “keeping taxes or other costs down” was a more major goal of their giving money and volunteering time than was the goal of “helping individuals meet their material needs.” It identifies a second group as those households whose respondent indicated that “helping individuals meet their material needs” was a more major goal of their giving money and volunteering time than was the goal of “keeping taxes or other costs down.” For convenience of presentation, we refer to the first group as “tax-motivated” and to the second group as “needs-motivated.” We believe, however, that each group embodies a constellation of societal and political goals, motives, attitudes, and behavior that may not be appropriately captured by these convenient labels.⁹

For both tax-motivated and need-motivated households, the regression analyses reveal many elements that operate identically for each segment of households and for the population of all households. Communities of participation variables, with special emphasis on participation in and commitment to religious organizations, are the most prominent feature of the regression analysis among both tax-motivated households and the population of all households. A second common feature is that several of the variables seem not to operate on a broad theoretical basis but to delineate two of the same special groups: (1) households with moderate-to-high incomes that give relatively small proportions of their income to charity compared with households with similar incomes that give larger-than-average proportions of their income and expect to claim a charitable deduction, and (2) households whose chief wage earner is retired compared with other low-to-moderate-income households whose chief wage earner is not retired.

The regression analyses, however, do reveal important new features idiosyncratic to the way the theory manifests among each segment of households. Among the tax-motivated segment, three new groupings of variables are prominent on a broad theoretical basis: framework of consciousness, a

⁹ We know that this grouping is empirically important, but we are not yet entirely confident that we understand the composition of the groups. Indeed, we believe that each group may actually be a combination of several other groups with similar giving behavior.

psychological continuum ranging from less to more generous, and (less prominently) youthful experiences. Among the needs-motivated segment, three groupings of variables are also prominent: framework of consciousness, youthful experiences, and (less prominently) invitation to participate.

There are differences between the way that common clusters of variables manifest themselves in the two segments:

- Among tax-motivated households, the important dimensions of framework of consciousness, in regard to different levels of giving behavior, are (1) a sense of social indebtedness expressed as variations in a desire to give back to society some of the beneficence received from society and (2) a consistency of the framework at either a psychological or behavioral level. Among need-motivated households, the important dimension of framework of consciousness is the degree to which religious commitment has been internalized.
- Among both tax-motivated and need-motivated households, the same youthful experience dimension is revealed as important—being helped when young, rather than youthful experiences helping others or the importance of philanthropically oriented role models when young. However, among tax-motivated households this dimension has a minor impact compared with its prominence among need-motivated households.
- Religious participation and commitment are important factors among both tax-motivated and need-motivated segments. Among tax-motivated households, religious behavior is the important facet of the dimension, but among need-motivated households both religious behavior and internalized commitment to religious principles are strongly related to giving behavior.

For each segment, there is also one cluster that is important for that segment but not the other:

- Among tax-motivated households, an important dimension related to giving behavior is the psychological continuum that we have labeled as the nongenerous/generous continuum. This dimension does not appear to affect the giving behavior of need-motivated households.¹⁰

¹⁰ In a sense, the definition of the segments facilitates this finding for the tax-motivated households but does not facilitate the finding for need-motivated households. In this sense, the analysis is biased toward this finding among tax-motivated households—or, more correctly, biased against this finding among need-motivated households. It may still be the case that this dimension or its analog is important among need-motivated households but limited data does not adequately permit its measurement; consequently analysis cannot reveal its importance.

- Among need-motivated households, invitation to participate is an important dimension that identifies a subgroup that appears to be prodded to give a token contribution, much as this cluster operates in the population of all households. This variable is not at all prominent among tax-motivated households—it neither directly affects giving behavior nor delineates special groups.

These findings are preliminary in every sense with the exception that it is now clear that it is worth pursuing such segmented analyses. To do so we need to continue to explore what sociopolitical orientation scales should be included among the questions in the IS/Gallup surveys, and to pursue theoretical thinking and empirical analyses regarding relevant demarcations in the population.

ANALYSES OF SECTORAL GIVING

An additional area for exploration is analyses of sectoral giving patterns. The major sectoral distinction is between religious (approximately 45%–50% of individual giving) and nonreligious giving. The explanatory determinants of religious giving need to be distinguished from the determinants of nonreligious giving in general, and specific areas of nonreligious giving, in particular. For example, it would be intellectually and practically important to carry out a multivariate analysis of the variables that predict level of giving to educational institutions.

CAUSAL PATH ANALYSES

Virtually absent from the research literature, but implied in almost every conceptual depiction of the giving process is the notion that charitable giving is the outcome of a series of influences and forces. Two additional directions of causal analysis are warranted in addition to the determination of the factors that lead to levels of giving. The first is the development of a first-stage model that explains how people become givers in the first place. Although several variables that are significant determinants of giving in the analysis of individual clusters are not significant in the joint analysis, this does not mean that the specific variables in the cluster analyses are not important. Rather, we believe, the correct interpretation is that their impact is mediated by the participation cluster. That is, these apparently “insignificant” variables affect participation, which, in turn, affects giving behavior. For example, if volunteering and other variables associated with communities of participation induce giving, the next question becomes what factors induced volunteering and participation. Therefore, just because, as Havens and I found, most of the variables in the seven-variable model “dropped out” in favor of the communities of participation variable, these “dropped” variables probably remain extremely important for inducting people into communities of participation in the first place. The

second venue for further causal analysis is to develop and test measures of the factors, such as intrinsic and extrinsic rewards and various forms of deeper personal engagement that lead to *increased* giving. The elaboration of such expanded causal pathways applies to each of the three foregoing research domains.

ANALYSES OF GIVING PATTERNS BY INCOME AND WEALTH

It is of no surprise to anyone who has followed the research and popular literature on giving patterns by income and wealth that there remains much work to be done by way of settling the debate about the relative generosity of the rich and poor. My colleague, John Havens, and I have written several papers on this topic (Schervish & Havens 1995a, 1995b). In our recent paper, entitled "Wherewithal and Beneficence: Charitable Giving by Income and Wealth" (1995c), we extend the analysis of the upper income groups contained in the IS/Gallup studies to the very wealthy by analyzing the Survey of Consumer Finances that contains information on charitable giving of approximately 400 individuals at the upper extremes of income and wealth. In the income range up to \$100,000, there is a relative equality of generosity measured by percentage of income contributed. Above \$100,000, there is a dramatic increase in percentage of income contributed. Thus the popular notion of the generous poor and the stingy rich is simply incorrect. Our analysis of the Survey of Consumer Finances also enables us to conclude that virtually all the rich are contributors, that they donate very large amounts to charity, and that they give higher proportions of their income to charity than do the poor or affluent. That this pattern represents "generosity," however, is not for us to say. But it certainly contradicts the statistical portrait harbored by those who refer to the wealthy as "ungenerous" and "stingy" (Nielsen, 1992).

In view of these findings, I identify four specific research tasks:

1. Investment in acquiring larger and more detailed *datasets* on the charitable giving patterns of the individuals at the uppermost ends of wealth and income, the primary source of charitable contributions, especially nonreligious contributions.
2. Analysis of the *variation* of giving by income and wealth. Our preliminary research from the Survey of Consumer Finances and the IS/Gallup data confirm the earlier finding by Auten and Rudney (1990). While Auten and Rudney emphasized that only a small portion of the superwealthy are truly generous givers, we have found that in *every category* of income and wealth, there is a small proportion of extraordinary givers and that there is some evidence that among the highest income and wealth groups there may in fact be a greater proportion of such extraordinary givers.
3. Given our finding that income and wealth are not in themselves the source of generosity or stinginess, an important research

question is to determine *what other factors distinguish the extraordinary from ordinary givers* within each income and wealth group.

4. We have thus far found that it is possible to chart the relationship between percentage of income given and level of income, and percentage of income given and level of wealth. We have not yet discovered a pattern, however, when the dependent variable is *percentage of wealth given to charity*. We suspect this is because wealth is not a unidimensional resource. This implies a research effort to discern how the relative distribution of one's wealth into liquid and nonliquid assets as well as the period in one's business and investment life cycle are connected to one's timing and level of giving.

CAPACITY TO GIVE

An important research effort that has been begun under the auspices of the Center on Philanthropy and in a different way by John Havens, Thomas Murphy, and me at Boston College (Murphy & Schervish 1996) is to derive micro- and macromeasures of the capacity to give. To date, the Center on Philanthropy has directed efforts to establish an aggregate figure of the capacity to give by compiling an aggregate measure of a modified notion of the discretionary income for the wealthy. The Boston College effort has focused instead on developing micromeasures of the capacity to give that focus on a combination of discretionary wealth and discretionary income as well as on the subjective orientations and tax policies that advance the psychological capacity to give.

NEW HORIZONS OF TAX INCENTIVES

Perhaps the most neglected yet most consequential determinant of substantial giving among the upper income earners and wealth holders is the estate tax environment instituted by the Tax Reform Act of 1986. Much research has been conducted on the effect of marginal income tax rates and of the role of charitable deductions for the level of charitable giving. But in both of these cases, the question remains about the effect of such tax regulations on charitable contributions from income. Far more important, and therefore worthy of extensive research, is the consequence of existing and prospective federal and state estate taxes for charitable giving. The most neglected fact among researchers and commentators on charitable giving is something that is now patently obvious to financial planners, tax accountants, and increasing numbers of wealthy individuals (especially small business holders). This is that the 1986 tax code has dramatically increased the incentives of wealthy individuals to make substantial contributions to charity in lieu of paying an effective minimum wealth tax of at least 60%. Research would be very fruitfully directed toward studying the requirement embedded in the current estate tax laws for wealth holders to

choose between dedicating their wealth (both while alive and at their death) to government uses or to charitable uses. As Richard Haas, an experienced financial planner, has put it, the only substantial tax shelter for the very wealthy is philanthropy. How to communicate to wealth holders this unanticipated and heretofore unappreciated convergence between a Republican tax reform and philanthropy is just one of several important research topics. Perhaps even more important will be research that helps us understand how to develop an entrepreneurial philanthropic agenda whereby the wealthy come to discern which socially beneficial projects they wish to undertake and how they wish to dedicate their wealth to such endeavors.

Conclusion: Associational Density, Inclination, Obligation, and Invitation

The major implication of the foregoing is that much research has been initiated on the determinants of charitable giving, and that much more needs to be done. I would be pleased if the foregoing research agenda be viewed as more than just another of those self-serving global calls for more research that we have grown to expect at the end of research chapters. Rather, I believe the foregoing tenders a sensible, practical, and targeted research agenda that picks up where current research leaves off and has direct implications for advancing charitable giving. Current research offers many leads about what makes a difference in generating generosity. These leads, I am happy to note, are usually in concert with what fund raisers and donors know from their personal experience. However, the following four tasks require attention: (1) to draw together in a systematic manner those findings on which research and experience concur, (2) to examine in more detail the simultaneous interplay of factors so as to attribute fund raising successes and failures to their fundamental rather than apparent sources; (3) to explore the workings of new factors such as estate-tax changes introduced in the 1986 tax legislation; and (4) to correct downright mistakes and misconceptions about the determinants of charitable giving. As our current research has indicated, generosity is not a function of income but of the personal and social aspects of associational density, inclination, obligation, and invitation. Therefore, it is of great practical significance and, hence, a worthy investment of resources to improve our understanding of those determinants.

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