"Why Do People Give?"

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Why Do People Give?

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Every not-for-profit CEO, financial development officer and board chair would dearly like to know exactly why people give. What motivates them to donate money? What are the drivers of charitable giving? In this article we address that very question. Our discussion here stems from a study we carried out based on results of the 1992 national Survey of Giving and Volunteering conducted by the Gallup Organization for the Independent Sector.

Our study explored what we call the “identification model.” In it we look at the impact of five key areas: 1) communities of participation; 2) frameworks of consciousness; 3) mediating persons or organizations that directly invite participation in philanthropy; 4) the presence of discretionary resources; and 5) the existence of persons or experiences from one’s youth which inspire adult action. Our findings indicate that each of these key factors is significantly related to charitable giving. However, “community of participation,” in the form of personal association, turns out to be the most prominent.

The Identification Model

The identification model begins with the assumption that the most fruitful way to understand charitable giving is to study how and why individuals come to identify with the needs and aspirations of others. This approach is quite different from the altruism model, which argues that charitable giving increases to the extent people feel selfless in regard to other people and causes. The problem with this ethically sounding model is that it does not reflect reality. We maintain that it is not the absence of self that generates generosity but the presence of a caring self. By our definition, a caring self is one that is empathetically identified enough with others so as to care for them by addressing their needs.

The identification model comes from the western religious tradition. As formulated by Thomas Aquinas, it advances a morality in which people extend rather than curtail their love of self when caring for others. It is the unity, rather than the separation, of love of God, love of neighbor, and love of self. In many ways this is akin to Tocqueville’s civic concept of enlightened self-interest or “self-interest properly understood.”

Elements comprising the Identification Model

The identification model is fundamentally about relationships. Charitable giving comes from identification, identification comes from encounter, encounter comes from relationship, and relationship comes from participation. There are four such related elements in our theory and a fifth element having to do with discretionary resources.

1) Communities of participation

Communities of participation are the networks of formal and informal relationships to which people are associated. Communities of participation may be formal organizations such as schools, soup kitchens, or weekend soccer leagues. They 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. Being connected to an array of such life-settings is the basis for people becoming aware of needs and choosing to respond.

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2) Frameworks of consciousness
Frameworks of consciousness are the ways of thinking and feeling that are rooted deeply enough in one's awareness to induce a commitment to a cause. Here we think immediately of people's political ideology, religious beliefs, and social concerns. The list of such motivating concerns is, of course, as long as the list of deeply cherished beliefs. 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.

3) Direct requests
The third mobilizing factor is the direct requests made to individuals for contributions of time and money. For the majority of givers, being asked is cited as a major reason for their charitable efforts. People in all income groups follow what we found among wealthy contributors, namely that being asked directly by someone we know personally or by a representative of an organization we participate in is a major mobilizer. Once again, we can see the linkages among the mobilizing factors. Being asked to contribute largely occurs from within existing communities of participation and appeals to existing frameworks of consciousness.

4) Models and experiences from one's youth
The fourth determinant is the positive models and experiences from one's youth which animate adult philanthropy. These are the activities and lives that we are more or less drawn into in the course of growing up—put in our path by our parents, grandparents, churches, youth groups, and schools. They are part of a moral education that molds our lives at a period when we are less guarded about our priorities and more apt to accrue at least a feel for the "charitable impulse."

5) Discretionary resources
The existence of discretionary resources is the fifth factor leading to charitable commitment. The level of one's discretionary resources of time and money is, of course, a mixture of objective and subjective considerations. What may appear to some as a desperately urgent need, for which they should sacrifice time and money, may appear to others with the same objective resources as less compelling. 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.

We explored the causal relationship between these five variable sets and charitable giving through analyses of the "National Survey of Giving and Volunteering in the U.S." data. The survey being 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.

Our findings
In our first analysis we found strong statistical evidence that all five of the variable clusters cited above are related to charitable giving. Controlling for demographical characteristics of individuals and their families, we conclude that charitable giving increases in direct relation to the greater involvement one has in communities of participation, the stronger one adheres to frameworks of consciousness, the more frequently and personally one is asked to contribute, the greater the number and intensity of charitable modeling in one's youth, and the greater the amount of discretionary resources.

The second step in the analysis was to investigate which of the factors are most strongly related to charitable giving. We found the most important factor was "community of participation" followed by "invitation to participate" and "level of discretionary resources."

Youthful experiences and frameworks of consciousness variables did not come in statistically significant in this joint analysis. The lack of impact of youthful experiences and framework of consciousness does not mean they are unimportant. It means only that they are not strongly and consistently related to the percentage of income contributed once association, invitation to participate, and discretionary resources are taken into account. Hypothetically, youthful experiences might influence framework of consciousness, and jointly they may influence the pattern and magnitude of community of participation. If that is the case, the community of participation factor may already capture the effects of youthful experiences and framework of consciousness.
So why do people give?

When we review these findings from a broad theoretical standpoint, 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 charitable giving. Moreover, within community of participation, participation in religious organizations is especially important.

The major implication of the foregoing research is that the level of charitable giving, and perhaps of volunteering, depends less than previously thought on differences in people’s personal generosity. Regretfully, findings about giving and volunteering by race, income, and gender have too often been interpreted in the language of prejudicial comparisons of generosity. This is problematic for any number of reasons, not least of which is that the analysis of what is going on becomes too moralistic too quickly.

Rather than declaring who is or who is not generous, take into account the following: 1) Most giving and volunteering takes place in one’s own community and church, and helps support activities from which the donor directly benefits. 2) Higher level giving and volunteering may have less to do with generosity than with the network of associations in one’s local community and the breadth of associations beyond the local level. 3) This network reflects both the willingness of people to get involved, as well as the obligations of involvement, which are connected to certain types of engagements. 4) Therefore, to understand charitable giving, we must look at the “social capital” available to particular groups.

When it comes to philanthropy, it is not just a matter of moral capital in the form of generosity. It is perhaps more a matter of associational capital in the form of social networks of invitation and obligation.

Melanie L. Herman

Terminating an employee is a difficult and frequently dreaded task for most not-for-profit CEOs. Widespread publicity about employment liability cases causes many managers to question actions taken against even the most troublesome employees. Will our actions be questioned? Will the not-for-profit be named in a lawsuit alleging “wrongful termination” or “illegal discrimination”? And many employers in the charitable sector feel a special sense of responsibility and caring for the people we hire. The fear of exposing a not-for-profit to unnecessary liability can be controlled, however, through practices which ensure the fair, consistent treatment of employees and the careful analysis and oversight of every termination decision. While the risk of a wrongful termination suit cannot be avoided altogether, there are many things you can do to reduce the likelihood of a wrongful termination claim.

The Fear of Being Sued

Unfortunately, comprehensive data on claims against not-for-profits is not available. However, informal surveys of not-for-profit managers and major insurers of not-for-profits reveal the relative infrequency of claims against charitable organizations. While lawsuits against not-for-profits are relatively rare, the fear of being sued pervades not-for-profit and volunteer organizations. And for good reason: the impact of a lawsuit on a small not-for-profit can be devastating. The potential consequences of an employment-related claim include: change in direction and focus, internal turmoil, damage to the not-for-profit’s reputation, and financial losses.

Are employment-related claims “on the rise” or has additional focus on the issue by the media distorted the severity of the problem? Two statistics provide some insight:

1. Between 1989 to 1994, charges of employment discrimination filed with state and federal agencies climbed nearly 47%; and