CHARITABLE GIVING: WHAT MAKES A PERSON GENEROUS?

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By

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ABSTRACT

This thesis examines the behaviors and attributes of charitable givers. Available literature shows that charitable giving arises from a complexity of motives, attitudes, and demographic attributes. Some may give out of altruism, while others give out of egoism. Others find mercy, humility, obligation, tax deductions, and access to elite business and social networks as motives for giving. Past literature has also established that charitable givers tend to have higher incomes, volunteer more often, and are more likely to be religious. However, what the motivations and demographics in the highest giving individuals is not very clear. The central question is determining what attitudes positively affect charitable giving behavior: What are characteristics of generous people?

Using the Independent Sector’s 2001 Giving and Volunteering in the United States data, I created two groups of individual household data; those below the 1.2% median percentage of household income given to charity, and those above it. Using a percentage allows direct comparison between households with drastically different income levels. The independent variables are a combination of demographic, attitudinal, and motive attributes.

I found that belonging to a religious congregation had the greatest impact on charitable giving, followed by whether they volunteered within the past year. Other variables such as home ownership, marital status, and education also had positive effects on charitable giving. When I examined charitable giving in terms of absolute amounts, variables most closely linked to higher income had the strongest influence on charitable giving.

Nonprofits seeking to increase funding need to find ways to distinguish existing and potential donors that are likely to give more than average. To encourage increased donor activity, policymakers can encourage volunteering and civic engagement.
ACKNOWLEDGEMENTS

There have been many people who have helped me along the way in graduate school. First, I would like to thank Chris Toppe, my thesis advisor, for his timely advice and patience in helping me produce this thesis.

I would also like to thank the people who have directly influenced my interest and passion for philanthropy while at Georgetown. These include Jim Smith, Pablo Eisenberg, and Kathy Kretman of the Center for Public and Nonprofit Leadership, Elizabeth Boris, Francie Ostrower, Carol DeVita, and Betsy Reid of The Urban Institute, and Peggy Saika of Asian-Americans/Pacific Islanders in Philanthropy. I owe a tremendous debt of gratitude to all of you.

Lastly, I thank my family and my fiancée Melissa. Life is always easier when you know you are loved.
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Chapter One
Outlining the Problem

Introduction

The increasing attention to philanthropy and charitable giving from the general public and mainstream media has generated interest around factors resulting in increased charitable giving. Borrowing from behavioral science, psychology, economics, and marketing, both fundraisers and policymakers are interested in finding out how to increase the charity from individuals to increase resources to the nonprofit sector.

The central question is determining what attitudes positively affect charitable giving behavior. What are characteristics of generous people? There are many factors to examine, including income, home ownership, level of education, the level of volunteerism, and marital status. In addition to these demographics, examining the relationship between belonging to a religious congregation and charitable giving is also of particular interest.

The data set I examined is the Independent Sector’s Giving and Volunteering in the United States 2001 data set. I used this to test various regression analyses controlling for factors such as those mentioned above. My literature review spanned from publications at Indiana University’s Center on Philanthropy, Boston College’s Center on Wealth and Philanthropy, and the Center on Philanthropy and Public Policy at USC, and others as well.
With these findings, fundraisers will be able to better target potential donors, marketing to persuade donors with a greater likelihood to give. Policymakers can determine policies to encourage activities likely to increase charitable giving.

Literature Review

The characteristics embodying individuals that are inclined towards charitable behavior have been topics of research interest of many social scientists. These attributes can be divided into two major categories: motivations and demographics. Before examining those in further detail, it is useful to define altruism and giving.

Dwight Burlingame, a professor of philanthropy at Indiana University, defines altruism as “unselfish action for the welfare of others.”\(^1\) Another definition Burlingame uses from the Oxford Dictionary is “devotion to others” or “regard for others as a principle of action.”\(^2\) Burlingame makes altruism distinct from philanthropy, saying that altruism serves as a base from which philanthropy is derived. He does not define philanthropy in his own words, but chooses to use Tocqueville’s definition as “self-interest rightly understood.”\(^3\) It is not altruism that leads to philanthropy, since it is nearly impossible for someone to act with pure altruism (the opposite being egoism, or regard only for one’s own interest).\(^4\) An act that one person regards as altruism could just

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\(^2\) Ibid. 1.

\(^3\) Ibid. 8.

\(^4\) Ibid. 3.
as easily be viewed as an egoistic act.\textsuperscript{5} Burlingame concludes that every act of goodness towards another person is a combination of altruism and self-interest, “coalesced” together.\textsuperscript{6}

Not every author agrees with this dominant model. Robert Frank suggests there are genuine altruistic motives at work, and not just the rational, narrowly selfish human motives. He points out those motivations for trustworthy behavior also lead to altruistic motives, which may cause people to incur costs they might otherwise have avoided, but still yield important material benefits.\textsuperscript{7}

Researchers agree that motives for philanthropy are a blending of many factors. Robert Bremner, in his review of charity throughout history, found motivations including mercy, forbearance, kindness, and humility.\textsuperscript{8} Others added family values, faith and spirituality, mentors, personal interests and experiences from one’s youth (Schervish and Havens 1998, Esposito 2001) community involvement, volunteering (Schervish and Havens 1998, Esposito 2001), business skills, and experiences.\textsuperscript{9} Frank found that donors like that their gifts are being used in specific ways they approve of, perhaps to gain access to favored social networks, also called business networking (Schervish, 2000). He also found that others gain satisfaction from providing extra resources to the needy, even

\textsuperscript{6} Burlingame, Dwight F. Page 2.
if they disapprove of the specific uses, while others give out of guilt or sympathy.\textsuperscript{10}

Other common factors included empathy, tax incentives, and religious obligation.\textsuperscript{11}

Thomas Hobbes, author of \textit{The Leviathan}, could not conceive of anyone practicing philanthropy except to “enhance the esteem or honor in which he was held in the community or to promote his own security and power.”\textsuperscript{12}

Other researchers do not deal with the selfish motive of philanthropy and look strictly at outward factors. Paul Schervish and John Havens developed what has been a widely quoted “Identification Model.” The Model contains five categories of motives: youthful experiences, framework of consciousness, community participation, urgency and effectiveness, and invitations to participate. They found each cluster to have statistically evident correlation to charitable giving.\textsuperscript{13}

Even if there are selfish motives in philanthropy, can a giver with selfish motives still experience joy in giving as a reason to give? Joan Mount uses data from a fundraising campaign of alumni for a university to develop a model of individual giving behavior. She found that “joy of giving” represented 26% of the variance of giving, followed by public recognition, commemoration, and tax incentive, which represented another 18 percent.\textsuperscript{14} Paul Schervish also noted ‘joy of giving’ factors in his findings, which he terms ‘passion’ in looking at whether motivations driving the wealthy to give


\textsuperscript{12} Ibid. 42.


are the same as the average person. In his comparisons between the wealthy and the average, he found that the wealthy, however, also exhibit hyperagency – defined by Schervish as “the enhanced capacity of wealthy individuals to establish or control substantially the conditions under which they and others will live.” This is the ability, and freedom, to bring into being particular charitable objects, and not just supporting charities.

Other researchers found different motivations being the strongest. Schervish and Havens found the most important was participation in a community, particularly a religious community. Philanthropy, the authors conclude, “is a matter of associational capital in the form of social networks of invitation and obligation, and not a function of income.” Indeed, other researchers have also cited social networks as a main reason for giving. One researcher found that donors make their largest gifts to the groups where they spend volunteer time, or to their friends’ favorite groups, or thirdly, when they are asked to give. Giving, in other words, is a game of follow the social leader.

Motivations certainly do have a role in determining how much a person gives. What about the demographics of people who give versus people who do not give? Are there marked differences in the demographics of these people? Household income is a commonly used factor in past research. One study found that a 10% increase in income

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leads to a 9.3% increase in giving.\textsuperscript{18} The more people have, the more people are likely to give, especially at the top levels of income. The rich are also able to take greater advantage of tax incentives to give. Marital status also has an effect on giving, as the same study found that married people give more than singles.\textsuperscript{19} However when examining gender and race effects on philanthropy, researchers found that women out gave men, and that single women gave more than single men did. Race, after incorporating other demographic factors, was an insignificant issue.\textsuperscript{20}

What do we make of the “ask” factor? Researchers (Mount 1996) found that this was a significant component of why people decide to give, because they were asked to give. Does asking appeal more to motivational or demographic factors? If it were demographic, then you would also have to question whether matching the characteristics of the asking person and the asked person — their gender, race, and income level -- has any bearing on the answer being a ‘yes’.

Research overwhelmingly shows there are effects of motivations and demographics in the decision to give charitably. However, what those motivations are in the highest giving individuals is not very clear. There are demographic trends we could also point to that might be consistent in givers, but how do they hold up in looking at another survey of individuals? Are there demographics and motivations consistent with charitable giving behavior that make it possible to predict who would be a high giver and

\textsuperscript{19} Ibid.
who would not? If it were possible to isolate a group of individuals with specific motivational and demographic characteristics as high potential givers, then this could have impacts on nonprofits, fundraisers, and for-profit marketers as well. This is what I intend to find out with my research.

**Data and Methods**

For this research, I used the Independent Sector’s Giving and Volunteering in the United States survey of 2001. The data were collected over three months from May to July 2001 using telephone interviews, resulting in a sample of 4,216 adults 21 and over. The sample included more Hispanics, blacks, and people with incomes over $100,000 in order to have sufficient numbers of these populations to have reliable analysis. After deleting 38 observations for quality reasons, the resulting database contains 4,178 records. The error rate for the total sample is +/- 2 percent.

**Hypothesis and Research Design**

The first step in my theoretical model is to create two groups from the population sample: one group will be high givers, defined as those that give more than 1.2% of their household income, and low givers, those that give less than 1.2%.\(^{21}\) I will analyze these two groups along criteria of motivations and demographics to find whether they differ along key characteristics such as income level, educational attainment, marital status, home ownership status, whether they are religious or not, whether they volunteer, and

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\(^{21}\) 1.2% is the median percent income given to charity by household.
whether they volunteered as youth. I will then use a regression analysis to predict their
giving levels. The dependent variable in my regression equation is charitable giving as a
percentage of household income. The independent variables will be the demographic
attributes I just described. The regression equation will be as follows:

\[
Y = B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6 + B_7X_7 + e
\]

Where \( Y \) = Percentage of household income given to charity;

\( X_1 \) = Household income

\( X_2 \) = Whether a member of the household belonged to a religious congregation

\( X_3 \) = Volunteer in the last year

\( X_4 \) = Volunteered as a youth

\( X_5 \) = Education Level

\( X_6 \) = Marital status

\( X_7 \) = Home ownership status

\( e \) = error term

I predict that my findings will be consistent with past research, that givers with
higher income, those that volunteer and are active in the community, and those that
consider themselves religious, are likely to have higher percentages of giving than those
that do not. It will be interesting to see how the factors are ranked, which are most
important to giving.
Descriptive Statistics

After accounting for missing data in the variables and excluding those records, the resulting population sample contains 3,754 households. Table 1 shows the total giving as a percentage of household income:

| Table 1: Total Giving as a Percentage of Household Income |
|---------------------------------|---------------|----------------|----------------|----------------|
|                               |               | Median         | Mean           | Max            |
| $N$                            | 3,754         | 0.00%          | 2.906%         | 34.000%        |
| $Min$                          | 0.00%         | 1.204%         | 34.000%        |
| $Max$                          | 34.000%       |
| $Standard$                     |               |                |                | Deviation      |
|                                |               |                |                | 4.336          |

The median for giving percentage is 1.204%, which means that half of all households in the sample gave more than 1.204%, and half gave less. The sample includes 458 households that gave zero to charity. I chose to include these members to show whether there are demographic differences in those that give less and those giving more, with those giving zero included in the ‘giving less’ half of the sample.

Table 2 lists other relevant statistics about this sample.

| Table 2: Relevant Descriptive Statistics (N=3,754) |
|-----------------------------------------------|----------------|
| Variable | Label                                      | Mean           |
| BELONG   | You or Family Belong to a Religious Organization | 69.92%         |
| FORVOLY  | Formal Volunteer Work in the Last Year?     | 46.00%         |
| VOLWORK  | Did Volunteer Work as a Youth?              | 57.77%         |
| TOTGIVEF | Total Household Formal Giving               | $1,601         |
| HHINCOME | Household Income, 2000                      | $56,244        |

Nearly 70% belonged to a religious organization, which is not altogether surprising. Americans are generally known to be more religious relative to populations of other Western countries. Nearly half did volunteer work in the last year, which tends to indicate charitable behavior. Volunteering as a youth also may have implications for charitable behavior later in life.
Next, the population sample was divided in half by those below the 1.204% giving percentage and those above it. Table 3 lists statistics for each set.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Label</th>
<th>Below Median</th>
<th>Above Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE Long</td>
<td>You or Family Belong to a Religious Organization</td>
<td>56.63%</td>
<td>83.21%</td>
</tr>
<tr>
<td>FORVOLY</td>
<td>Formal Volunteer Work in the Last Year?</td>
<td>33.35%</td>
<td>58.65%</td>
</tr>
<tr>
<td>VOLWORK</td>
<td>Did Volunteer Work as a Youth?</td>
<td>50.61%</td>
<td>64.94%</td>
</tr>
<tr>
<td>TOTGIVEF</td>
<td>Total Household Formal Giving</td>
<td>$246</td>
<td>$2,956</td>
</tr>
<tr>
<td>HHINCOME</td>
<td>Household Income, 2000</td>
<td>$54,307</td>
<td>$58,181</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education Level</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than HS</td>
<td>13.91%</td>
</tr>
<tr>
<td>HS Grad</td>
<td>33.99%</td>
</tr>
<tr>
<td>Some College</td>
<td>25.15%</td>
</tr>
<tr>
<td>College Grad</td>
<td>18.11%</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>8.84%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital Status</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>48.96%</td>
</tr>
<tr>
<td>Living with Partner</td>
<td>6.61%</td>
</tr>
<tr>
<td>Divorced</td>
<td>10.76%</td>
</tr>
<tr>
<td>Separated</td>
<td>3.41%</td>
</tr>
<tr>
<td>Widowed</td>
<td>8.15%</td>
</tr>
<tr>
<td>Single</td>
<td>22.11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Home Ownership</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Own</td>
<td>63.13%</td>
</tr>
<tr>
<td>Rent</td>
<td>36.87%</td>
</tr>
</tbody>
</table>

The difference between the two groups is striking. Those giving above the median were more likely to belong to a religious group, to volunteer, to have higher incomes, be more educated, be married, and to own their own home. Taken together, the differences compare favorably to prior research. Those with higher incomes are more likely to give. Those that volunteer more are also more likely to give. Those that are
religious probably have influences from their respective religions to tithe or give to charity, and have more opportunities to give through their place of worship. It is not clear how marital status affects charitable giving, but in general, those that are married have higher incomes, and therefore will tend to give more.

Chapter Conclusion

The statistics produced thus far seem consistent with prior research that charitable givers tend to have higher incomes, volunteer more, are religious, and higher educated. The ability to distinguish the characteristics of a ‘high’ charitable giver has many implications. Governments, through public policies could provide incentives for individuals to engage in behaviors that lead to charitable giving. Marketers and fundraisers could use the information to further segment and target the population that is more likely to give and to develop more precise advertising and marketing tactics. The next chapter provides an in-depth analysis of the data and its results.
In Chapter One, I established that households giving above the median tended to have higher incomes, be better educated, were more likely to belong to a religious congregation, and more likely to volunteer relative to households giving below the median. Having established these statistical descriptions, now I turn to analyzing the data.

Methodology

The methodology I employed is a general linear model (GLM) regression equation. The variables I included in the equation are stated in the previous chapter. The regression ran three times: first for the total data set, second for the set of givers above the median, and thirdly for the set of givers below the median.

There were two changes made to the data. The first was to transform the marital status variable (D3) into a binary variable, which I call MARRIED_B.22 The second was to transform the home ownership variable (OWN) into a binary variable, which I call OWN_B.23

Total Data Set Regression Characteristics

The following figures resulted from the regression run on the total data set. Table 4 displays each variable and its statistical significance:

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22 The logic behind this variable is 1 for married, 0 for all other marital status, including missing variables.
23 OWN_B consists of 1 for owning a home, and 0 for renting a home, or a missing variable.
Table 4: Total Data Set Regression
Percentage of HH Income to Charity

\[ N = 3,754, \text{r-square} = 0.09202 \]

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.09769</td>
<td>0.44</td>
</tr>
<tr>
<td>MARRIED_B</td>
<td>-0.07737</td>
<td>-0.53</td>
</tr>
<tr>
<td>OWN_B</td>
<td>0.41596</td>
<td>2.63**</td>
</tr>
<tr>
<td>BELONG</td>
<td>1.91065</td>
<td>12.67**</td>
</tr>
<tr>
<td>FORVOLY</td>
<td>1.39262</td>
<td>9.57**</td>
</tr>
<tr>
<td>VOLWORK</td>
<td>0.32241</td>
<td>2.26*</td>
</tr>
<tr>
<td>D4 (Education Level)</td>
<td>0.13613</td>
<td>2.25*</td>
</tr>
</tbody>
</table>

* p < .05, ** p < .01

For the data set as a whole, marital status and being married had no significant part in determining the percentage of charitable giving in households, while the rest of the variables did. While the r-squared of the equation with these variables was 0.09202, it shows that there is a lot more in fully determining charitable giving. The largest determinants of giving here are whether the person belonged to a religious congregation, and whether they had volunteered within the past year.

Next, I tried using an interaction function between the variables BELONG and FORVOLY, which respectively are belonging to a religious congregation, and whether the person has volunteered in the past year. The interaction provided these results:
In Table 5, the intercept estimate of 3.54 percentage points represents the population sample that belongs to a religious congregation and has volunteered in the past year. Another way to look at this is looking row \(interaxn\ (11)\). The estimate of 0.00 represents no change in the original (or intercept estimate). \(interaxn\ (00)\) represents the change in percentage of household giving when the household is not part of a religious congregation, nor does the person volunteer. In this case, it is a decrease of 3.17 percentage points from the intercept to 0.37% of household income given to charity. This low percentage is consistent with prior data and literature research on the relationship between belonging to a religious congregation, volunteering, and charitable giving. 

\(interaxn\ (01)\) represents the population of households that do not belong to a religious congregation, but have volunteered in the past year. The decrease of 2.63 percentage points from the base population of those in charitable giving is still significant, but slightly less than the previous population. When the variables are reversed, with the
population containing those that belong to a religious congregation but do not volunteer, the population sample interaxn (10) had an even lower decrease of 1.72 percentage points. This analysis shows that belonging to a religious congregation has a stronger effect on charitable giving than volunteering, and having both leads to an even stronger effect on charitable giving.

**High Givers Set Regression Characteristics**

The next step was to take the top half of the observations with percentage of household income giving above the median and analyze it. Table 6 explains each variable and its statistical significance.

<table>
<thead>
<tr>
<th>Table 6: High Givers Data Set Regression</th>
<th>Percentage of HH Income to Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 1,877, r-square = 0.02633</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>3.89401</td>
<td>8.53**</td>
</tr>
<tr>
<td>MARRIED_B</td>
<td>-0.25564</td>
<td>-1.04</td>
</tr>
<tr>
<td>OWN_B</td>
<td>-0.15482</td>
<td>-0.54</td>
</tr>
<tr>
<td>BELONG</td>
<td>1.64488</td>
<td>5.35**</td>
</tr>
<tr>
<td>FORVOLY</td>
<td>1.05344</td>
<td>4.32**</td>
</tr>
<tr>
<td>VOLWORK</td>
<td>-0.07433</td>
<td>-0.3</td>
</tr>
<tr>
<td>D4 (Education Level)</td>
<td>-0.04803</td>
<td>-0.47</td>
</tr>
</tbody>
</table>

* p < .05, ** p < .01

In this set, only two characteristics are significant: belonging to a religious congregation, and volunteering in the past year. No other characteristics are significant. What do we make of this? One conclusion is that even if the others were significant, none of them would have made any large difference in the percentage of household giving, as BELONG and FORVOLY have (1.64 percentage points and 1.05 percentage points, respectively). The other conclusion is that there are other many factors
determining high percentage of giving that are not included in my list of variables, given the low r-square.

**Low Givers Set Regression Characteristics**

The third trial of regression runs involves the set of low givers, those giving below the median to charity as a percentage of household income. Table 7 shows the following results.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.08790</td>
<td>3.57**</td>
</tr>
<tr>
<td>MARRIED_B</td>
<td>0.01025</td>
<td>0.59</td>
</tr>
<tr>
<td>OWN_B</td>
<td>0.08337</td>
<td>4.68**</td>
</tr>
<tr>
<td>BELONG</td>
<td>0.09086</td>
<td>5.54**</td>
</tr>
<tr>
<td>FORVOLY</td>
<td>0.10444</td>
<td>5.85**</td>
</tr>
<tr>
<td>VOLWORK</td>
<td>0.05841</td>
<td>3.49**</td>
</tr>
<tr>
<td>D4 (Education Level)</td>
<td>0.05072</td>
<td>6.97**</td>
</tr>
</tbody>
</table>

* p < .05, ** p < .01

In this table, we see that marital status is not a significant factor in the model, but all the other variables are significant. This is similar to the total data set. The additions to the giving percentage for each variable are much smaller, given that this set involves the low givers. Even in this set, belonging to a religious congregation, and volunteering are the leading factors in charitable giving.
Percentage of Giving vs. Absolute Amounts of Giving

While a person giving a high percentage of their income to charity can be praised for their generosity, in reality charities are strictly concerned with the absolute amount of giving. Charities could care less if $1,000 came from someone earning $1,000 a year or $1,000,000. Therefore, I decided to run the regression equation replacing percentage of income given to charity\(^{24}\) with the variable “Total Household Formal Giving.”\(^{25}\) The new regression equation becomes

\[
\text{TOTGIVEF} = \text{MARRIED\_B} + \text{OWN\_B} + \text{BELONG} + \text{FORVOLY} + \text{VOLWORK} + D4 + e
\]

Table 8 shows the results from the regression run on the complete data set.

<table>
<thead>
<tr>
<th>Table 8: Total Data Set Regression Absolute Amounts Given to Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(N = 3,754), (r)-square = 0.11313</td>
</tr>
<tr>
<td>Parameter</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Intercept</td>
</tr>
<tr>
<td>MARRIED_B</td>
</tr>
<tr>
<td>OWN_B</td>
</tr>
<tr>
<td>BELONG</td>
</tr>
<tr>
<td>FORVOLY</td>
</tr>
<tr>
<td>VOLWORK</td>
</tr>
<tr>
<td>D4 (Education Level)</td>
</tr>
</tbody>
</table>

\* \(p < .05\), \** \(p < .01\)

This regression shows that with each additional characteristic, a person increases their amount of giving. Belonging to a religious congregation and volunteering had the highest increases in charitable giving, at $779 and $772 respectively. Interestingly, being married also adds $709 in charitable giving. This may stem from the fact that married

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\(^{24}\) Variable PCTGIVE.  
\(^{25}\) Variable TOTGIVEF.
couples tend to have higher household income. Owning a home also adds to charitable giving ($560), as does each successive increase in the level of education ($462), and if the person surveyed had volunteered in their youth ($328). All of the above variables were highly statistically significant.

**High Givers Set Regression Characteristics**

When the regression is run on the higher than median givers set (again, still based on percentage of income given), the following results:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-1486.17952</td>
<td>-3.87**</td>
</tr>
<tr>
<td>MARRIED_B</td>
<td>1311.24822</td>
<td>6.36**</td>
</tr>
<tr>
<td>OWN_B</td>
<td>663.18350</td>
<td>2.76**</td>
</tr>
<tr>
<td>BELONG</td>
<td>487.90221</td>
<td>1.89†</td>
</tr>
<tr>
<td>FORVOLY</td>
<td>624.07543</td>
<td>3.05**</td>
</tr>
<tr>
<td>VOLWORK</td>
<td>413.09283</td>
<td>2.01*</td>
</tr>
<tr>
<td>D4 (Education Level)</td>
<td>683.76418</td>
<td>8.04**</td>
</tr>
</tbody>
</table>

| p < .10, * p < .05, ** p < .01

Being married seems to command a high premium of giving in this set, more than double the next characteristic. Education, owning a home, and volunteering significantly contribute to an increase in charitable giving as well, which is consistent with the prior analysis.

**Low Givers Set Regression Characteristics**

Compared to the previous regression run on the low givers set, one would expect similar results with absolute giving amounts lower.
Table 10: Low Givers Data Set Regression Absolute Amounts Given to Charity

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>t Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-164.40907</td>
<td>-7.51**</td>
</tr>
<tr>
<td>MARRIED_B</td>
<td>89.49008</td>
<td>5.82**</td>
</tr>
<tr>
<td>OWN_B</td>
<td>102.70604</td>
<td>6.48**</td>
</tr>
<tr>
<td>BELONG</td>
<td>49.35151</td>
<td>3.38**</td>
</tr>
<tr>
<td>FORVOLY</td>
<td>88.84139</td>
<td>5.6**</td>
</tr>
<tr>
<td>VOLWORK</td>
<td>21.06752</td>
<td>1.41</td>
</tr>
<tr>
<td>D4 (Education Level)</td>
<td>85.11477</td>
<td>13.14**</td>
</tr>
</tbody>
</table>

* p < .05, ** p < .01

All of the resulting estimates are much lower in Table 10. Owning a home is the strongest characteristic, but not by much. In addition, volunteering as a youth did not have a significant effect on charitable giving as an adult. This should be little surprise in the low givers set.

Tying It All Together

In the first section of this chapter, I reviewed regression formulas based on the dependent variable percentage of giving, as specified in the original regression model introduced in Chapter One. The results showed that across all three cuts of data, whether one belonged to a religious congregation, and whether they volunteered within the past year, had a greatest impact on charitable giving. This is consistent with past literature and confirms my hypothesis that those more involved in civil society through religious activity and volunteering are also more likely to give.

The second section reran the regression formulas, but changing the dependent variable to absolute household charitable giving. This produced varying results from
among the three data sets. However, because income is the main driver in charitable
giving, it comes as little surprise that the variables most closely linked to income had the
strongest influence. Marital status, education, and owning a home were among the ones
with the strongest influence in determining amounts of charitable giving per household,
while belonging to a religious congregation and volunteering had secondary influence.

So now that we have some idea of drivers of charitable giving, how can public
and nonprofit practitioners utilize these findings towards establishing policies that will
encourage charitable giving? This will be the discussion of the final chapter.
Chapter Three
A Means to a More Generous Ends

In the last chapter, I discussed the details of the data and regression analysis. Now I conclude with some key findings from the analysis, provide implications of these findings for practitioners, and suggest topics for further research on this topic in the future.

Key Findings

Analysis of the data leads to three main conclusions about donors and their charitable behavior.

• **Higher incomes = higher charitable giving:** My analysis began with figures using the percentage of income given to charity as the dependent variable, as a way to compare between rich and poor. While plaudits can be given to low income households that give a proportionally higher percentage of income to charity, in practice it is almost unheard of for a nonprofit to target a prospective donor simply because they give a higher percentage of their income. The reality is that those with higher incomes tend to give higher amounts to charity. All the variables associated with higher incomes, such as marital status, home ownership, and education level, trended towards the same direction when looking at absolute amounts of giving.

• **Belonging to a religious congregation matters:** When comparing amounts of charitable giving, belonging to a religious congregation seems to matter less than
household income. However, when I looked at charitable giving by percentage of
income, belonging to a religious community made a significant difference. The
survey did not go into how involved someone was in a religious community, but
simply whether one belonged. While survey participants may interpret
“belonging” in different senses of the word, the data are clear that those that said
yes tended to have increased charitable activity. It is highly likely the increased
charity is likely going to their church, synagogue, mosque, or temple, but where
the money is going is not the concern of this study. That charitable giving is
greater among those that belong to a religious congregation says something about
the importance of religion as an influence on charitable giving.

- **Finding those that volunteer regularly matters:** Whether or not one had
  volunteered in the last year also made a sizable and significant difference in
  charitable giving. This is consistent with prior research, and strengthens the
  connection between volunteering and charitable giving. There is certainly a
  population of those that volunteer to replace what they give financially, and vice
  versa, but that does not seem to be a significant enough population to change the
  outcome.

**Implications for Practitioners**

Research is only good if it can be used to improve upon practices in the real world.

Here are some suggestions for applying the key findings of this research.
• For nonprofits, the findings strengthen the importance of finding ways to distinguish existing and potential donors that are likely to give more than average. The donors who give more to your nonprofit will be the ones you want to retain and continue to develop relationships. Gathering this information could be in the form of donor segmentation through surveys on volunteering, income levels, interests, as well as examining existing market research. The more you know about a prospective donor, the greater likelihood of determining the likelihood of converting the donor into an above average donor. Nonprofits can also try to target donors that not only involve themselves but also get their social networks involved. Social ties, whether through volunteering or belonging to the same religious congregation or through other connections, can have a potentially strong influence on charitable giving.

• In an effort to encourage increased donor activity, policymakers can encourage volunteering and civic engagement. Of course, many other benefits can flow from emphasizing volunteering, but policymakers should consider the benefits to nonprofits in the form of lowered costs (free volunteer labor) and increased donations. Perhaps an incentive such as a tax deduction for a certain number of volunteer hours per year could be provided in order to encourage volunteering.

Suggestions for Further Research

• Increase understanding of the influence of motives on charitable giving. Past literature may lead one to conclude that there is such a diversity of motives in
leading one to charitable giving, that it does not matter what the motive is so long as the donor gives, and gives generously. However, is this true? More research should be done in this area, whether through psychology, sociology, or public policy, to understand this link.

- The relationship between religious involvement and charity is clear and strong. A longitudinal study on religion and charity in the United States would be valuable – tracking charitable giving across time as religion falls in and out of favor in the United States. Currently it is in an upward trend, but over time, this may change.

- There should be more research on the wealthy and their charitable giving behaviors and attitudes. This survey could not cover only those at the very top of the income scale. Since they make up the majority of charitable giving in the United States, it would be valuable to find out more about motivations of the wealthiest to give more than just the average wealthy person might give.

Conclusion

In this study, I have tried to show the motivations and characteristics of generous givers. While I have come to some conclusions, this is just one of many studies that should and will be done to bring greater clarity into the major source of revenue for the charitable sector – the individual. This study showed that income, religious activity, and volunteering provides some predictive power, but ultimately charitable giving is reliant on many other factors. As the U.S. economy becomes increasingly reliant on philanthropy and the nonprofit sector, it is critical to understand the motivations, attitudes,
and demographics behind philanthropy so that we can all participate in the benefits of receiving and giving.
Bibliography


