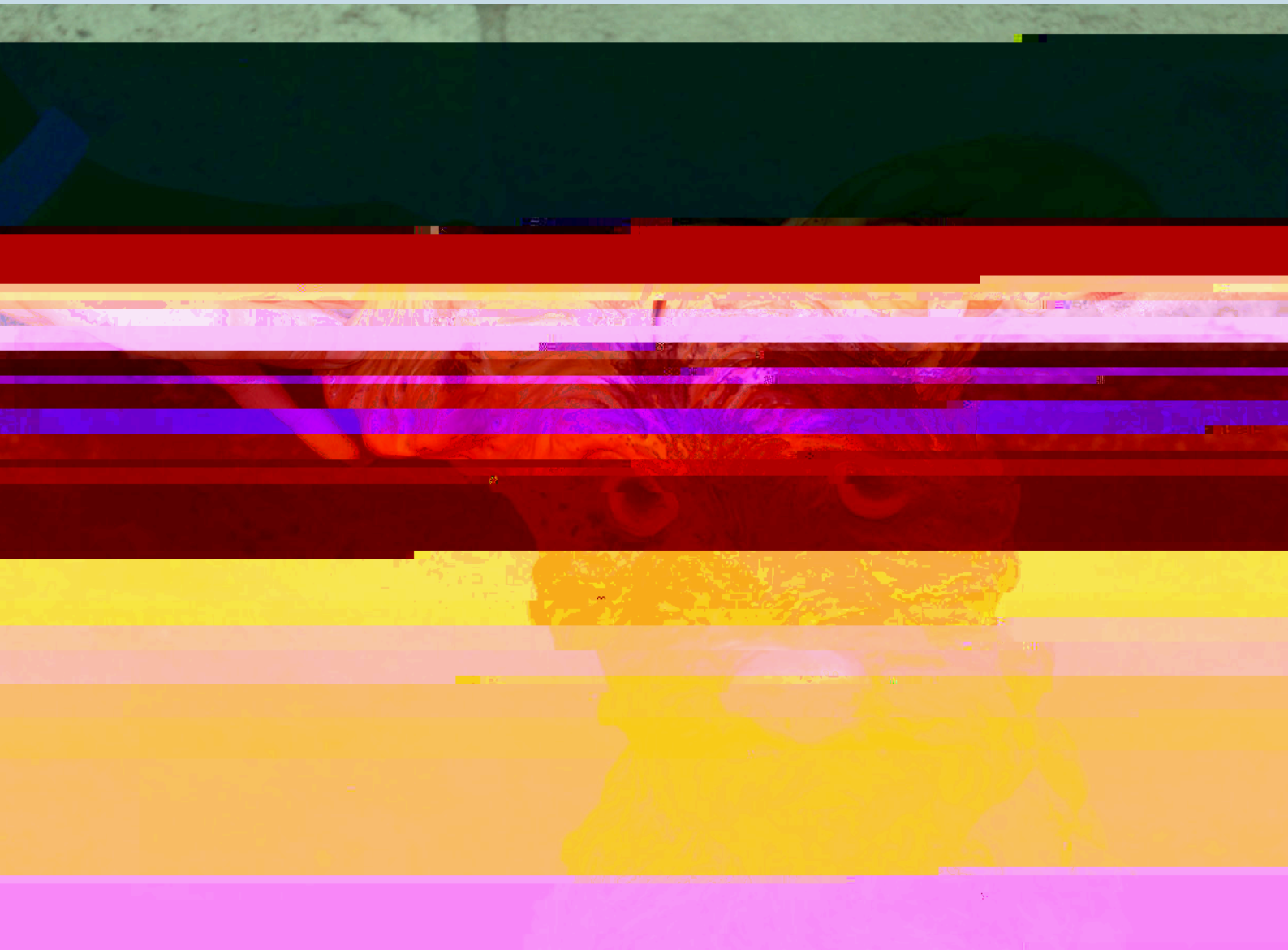
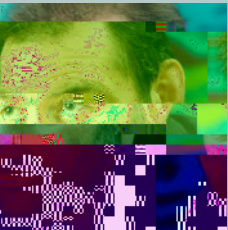


ESRC

ESRC/National Council for Voluntary Organisations (NCVO)
Charitable Giving and Donor Motivation





Foreword

Appeals for major disasters such as the Indian Ocean tsunami trigger a vast out-pouring of generosity from millions of people in the UK and around the world. More regularly, events such as the BBC's 'Children in Need', 'Red Nose' days and the London Marathon all produce amazing and heart-warming examples of people going to great lengths to raise money for others less fortunate than themselves.

But what about lower profile charitable fund-raising? How do we respond to the many requests from one good cause or another that come in newspapers and on TV, through the post, on our doorstep, or as we walk along the street?

This booklet, based on thought-provoking presentations by Dr Tom Farsides, of the University of Sussex, and Dr Sally Hibbert, of the University of Nottingham, addresses a range of issues around charitable giving. In particular, it examines donor motivations, why some people do not support charities, and how everyone might be persuaded to give – and to give more.

It has been produced to accompany a special seminar on Giving, organised by the Economic and Social Research Council (ESRC) in collaboration with the National Council of Voluntary Organisations (NVCO), during our UK-wide Social Science Week in June 2005.

Charitable giving is just the latest topic to be looked at in the ESRC's Public Policy Seminar series, in which we present independent research in key policy areas to potential users in government, politics, the media, and the private and voluntary sectors. We see such events as an opportunity to further establish dialogue with the users of our research and welcome any subsequent contact.

Professor Ian Diamond
Chief Executive
Economic and Social Research Council

Executive Summary

Introduction

Recent years have brought a number of initiatives such as Gift Aid and the Giving Campaign, the aims of which were to contribute to a culture of giving (and giving tax effectively) in the UK. But why is it that whilst some people support charities, others do not? So far, there have been relatively few attempts to find out.

Certainly, the massive response to emergency appeals such as the Tsunami disaster suggest that there are many more people out there who do feel that they should help others. Yet survey data clearly demonstrates that a great deal of giving potential lays dormant much of the time. For the charity sector as a whole to tap into this vast resource, we need to build detailed understanding of the thought and emotional processes involved.

This booklet looks at what motivates people to make charitable donations and why some decide giving is not for them. It goes on to consider what else charities and policy makers might do to encourage more people to give, and to give more.

Key findings

- Giving to charity is seen as a positive social or ethical thing to do. It is generally accepted that helping often has an element of reward as well as altruism. These rewards include economic, social and emotional benefits.
- A variety of psychological conditions and processes may underlie the decision to give. Some non-givers may not hold the core value that we should help other people; some may feel that giving to charity is not the right way to help.
- There are sector-wide problems such as lack of trust in charities, and certain methods of fundraising may be putting off donors.
- Amongst those who express negative attitudes, there may be some who genuinely believe these arguments, but there may be others for whom it is a means of excusing their own lack of support.
- In contrast, whilst a large proportion of non-givers no doubt share the positive attitudes of donors, they do not behave accordingly.
- Charities may be able to tap into new and different sources of funds if they can understand how donors rationalise 'not giving' to their particular cause. Dr Sally Hibbert says the techniques of neutralisation may be used by non-donors to try to justify their attitudes, or to cope with feelings of guilt and threats to self-esteem when their actions appear at odds with their true attitudes and values. The big challenge for charities and policy makers is to find acceptable ways of countering these techniques, though research is needed first.
- Dr Tom Farsides says charities have a choice of offering to satisfy people's selfish or altruistic goals, or both, by fostering 'exchange' or 'communal' relationships with donors. Broadly, these appear to be mutually exclusive.
- Trying to meet selfish goals involves negotiating an exchange relationship, in which charities offer deals that satisfy potential donors' desires: "You give us what we want (your money, time, blood, etc.) and we'll give you what you want (a magazine, a trek to Peru, admiration, etc.)".

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Sally Hibbert on understanding why people do not give to charity

First, why ... we give?

At the broadest level, giving is a positive social or ethical thing to do. However, most research into why people do it looks at helping in its widest sense, and supporting charitable organisations in particular:

Perhaps the key debate centres on whether giving is driven by altruism or self-centred motives.

Understanding and sharing the feelings of others, which comes from b Tf (P) msrs,m253.30(c) -25 ing(e) -C8 msa603uC8 msa



Understanding non-giving through 'neutralisation'

Though it sounds like something from science fiction or warfare, neutralisation is actually a theory which helps us understand how people soften or eliminate the effects on self-esteem and relationships with others when they act differently from expected.

It is particularly useful where the main aim is maintaining confidence in one's own worth rather than making a valid moral or ethical judgement.

In 1957, Sykes and Matza published their seminal article on juvenile delinquency. They suggested that rather than learning moral imperatives, values or attitudes completely contrary to those of society, delinquents discover techniques which can insulate them from self-blame and the condemnation of others.

The five techniques, as adapted by Strutton et al. (1994) in a consumer context, are:

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Tom Farsides on the psychological factors at play

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An alternative perspective on increasing charitable giving.

Understand a

Just as various people may have different reasons for acting in a certain way, an individual may behave in the same way for a variety of reasons on separate occasions. Therefore, attempts to identify the key



Here, charities treat potential benefactors as consumers or customers. Each side tries to 'make a profit' by 'buying low and selling high', especially when dealing with commodities valued by both parties – money or material goods.

Charities offering exchange relationships are likely to treat themselves as businesses, hire expensive staff if 'the bottom line' justifies it, and design strategies for attracting revenue on much the same basis. They adopt marketing strategies such as:

- Consumer research (“What can we sell to whom at what profit?”);
- Market segmentation (“How can we best sell to different groups of customers?”);
- Balancing the costs of keeping existing donors with those of attracting new donors (“Should we focus on fostering client loyalty or extending our client base?”);
- Measures to improve the distinctive character and attraction of the charity, and what it does relative to the nature and activities of others (“How can we brand our products to increase our visibility and take some of the market share from our main competitors?”).

It is possible to try to satisfy donors' altruistic goals via exchange relationships.

Here, what is on offer is a particular result – improving the welfare of those the donors wish to see helped.

Importantly, organisations offering such 'deals' may be perceived as not sharing the donors' altruistic goals. Donors may suspect that charities' professional fundraisers are more concerned with meeting targets, and their CEOs with getting on the Honours List, than trying to improve the welfare of the supposed intended beneficiaries.

In some cases, altruistic donors will exchange resources with charities that seem to offer the best 'deal' for the , but they will tend to prefer communal relationships with the organisations they support.

Each party in a communal relationship wants for the other what they want for themselves. Where people to help others, they tend to seek communal relationships with charities which share their aims and make it possible to achieve their common goals. For charities in these relationships, the goals of their supporters are of paramount importance. The charities' *raison d'être* are identical with those goals.

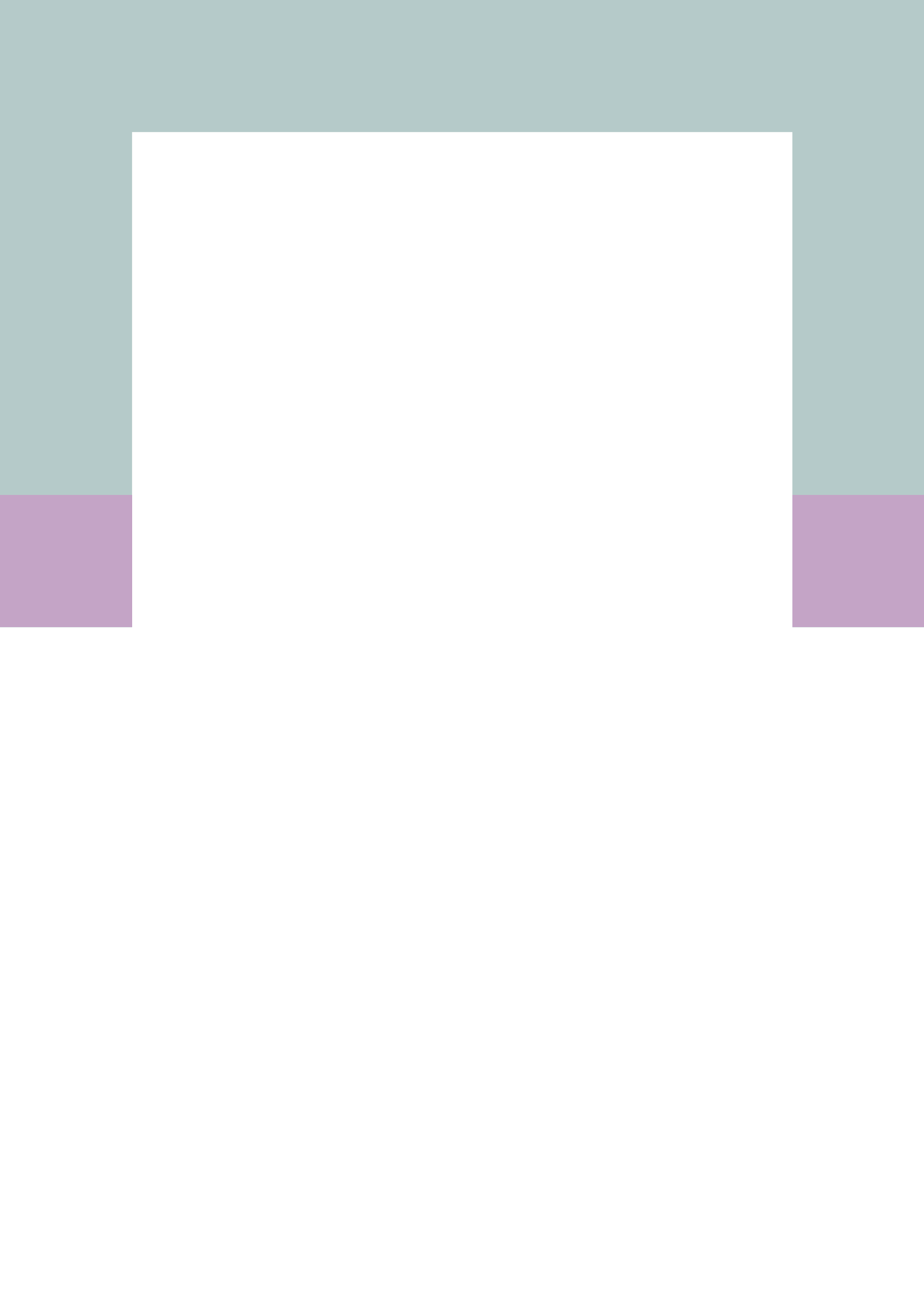
Where people want to help others, they tend to seek communal relationships with charities which share their aims and make it possible to achieve their common goals.

'Supporters' is a much better word than 'customers' for donors in these relationships. They believe that the charities they favour share their ambitions and they want to support them in furthering their common aims.

Rather than providing market goods, charities in these cases facilitate common ventures. They treat donors as colleagues rather than as customers: as a resource to be nurtured rather than 'exploited'.

Fundraisers have a choice. Where the type of charity and the field they operate in make exchange relationships sustainable, they can offer and accept them.

Where such arrangements are not supported, or cannot be kept up, charities can offer and accept communal relationships.



Certain charities might think it in their own best interest to encourage caring about themselves or those they serve. However, an altruistic personality usually develops best when people help an increasing number of others and are less and less discriminatory.

Some people, however unknowingly and unintentionally, are simply hypocrites: preaching the virtues of altruism but helping others only when they perceive it to be in their own best interest to do so.

For others, selfless attitudes are genuinely there, but not yet part of how they see themselves. This altruism can be strengthened by encouraging them to examine and think about the reasons for their attitudes, particularly when there is lots of evidence that they have not been helping others merely due to strong outside pressure. Done successfully, this will help 'protect' people against future accusations of selfishness, or pressures to act in a non-altruistic way.



Further Information

The full papers presented at the Giving seminar held at the NCVO in London on June 24, 2005, including full details of academic references, are available on the ESRC Society Today website at: www.esrcsocietytoday.ac.uk or from the authors:

Building Understanding of Non-Donors: An Application of Neutralisation

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***“How can we help?”* rather than *“Give us your money.”* An Alternative Perspective on Increasing Charitable Giving**

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The National Council for Voluntary Organisations (NCVO) is the umbrella body for the voluntary sector in England. It works to support the voluntary sector and to create an environment in which voluntary organisations can flourish.

It represents the views of the voluntary sector to policy makers and government and consults with the sector to inform our policy positions on issues generic to the sector. It also carries out in-depth research to promote a better understanding of the sector and its activities.

NCVO has a growing membership of over 3500 voluntary organisations, ranging from large national charities to small local community groups.

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