

What Motivates WA Public to Give Money to Not-for-Profit Organisations

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Abstract

This paper presents the results of a survey conducted on the giving behaviour among Western Australians (WA) using Sargeant *et al* (2006) instrument. A convenience sample of 400 members of the general public in WA voluntarily participated in an intercept survey to explore motivations behind giving money to and not for profit organisations. Results highlighted trust as a significant predictor of giving behaviour intentions. Trust and commitment were showed statistically significant differences among the various age groups whereas communication, family, and guilt components highlighted significant differences on gender. Results are discussed and further research directions are suggested.

Introduction

Attempts have previously been made to develop a broad perspective on why individuals might give to certain charities and non-profit organisation (Sargeant *et al.*, 2006; Burnett and Wood, 1988; Guy and Patton, 1989). Sargeant *et al.* (2006, p. 161) reported six constructs that directly and indirectly predict giving behaviour. These were: *emotional utility, familial utility, performance of the organisation, communication, trust, and commitment*. Helping others and giving to the needy is recognised as a universal trait by most countries in the world (Bierhoff, 1986; Maner and Gailliot, 2007). A number of studies consider giving to be motivated by altruism (Hall, 2006; Maner and Gailliot, 2007; Polonsky, 2003; Sargeant, 1999; Sargeant *et al.*, 2001). Donors may care about the total amount of goods or services that charities provide to those in need, or they may enjoy the simple act of giving. For some people, a great satisfaction is achieved when they ensure that others have what they did not have when they were a child and when they support communities that have helped them turn their business into great wealth (Sargeant, 1999; UK Giving, 2006). Altruists choose to align their wellbeing with others, so they are happy when others thrive and sad when others are suffering; however research suggests that people are not entirely altruistic when giving, but their actions are egoistically motivated (Bennet and Sargeant, 2003; Maner & Gailliot, 2007). For some, giving can reinforce or be a manifestation or expression of religious, social justice, environmental, aesthetic or other values. The return to the individual is often intangible, in the form of feelings. Social and other relationships are seen as important factors in reinforcing such values (Bennet and Sargeant, 2003; Sargeant and Woodlife, 2005).

The extent to which individuals are connected with communities seems to be another factor of giving (Sargeant, 1999; Bennet and Sargeant, 2003; Sargeant *et al.*, 2006; Sargeant and Woodlife, 2005). According to Hall (2006) there are four main themes that relate to giving to non profit organisations: these are passion, involvement, respect for the organisation, and quality of communication. Trust can play a critical role in the relationship a fundraising organisation might have with its donors as it attempts to build a relationship and 'special bond' between the organisation and its donors. It was found that motivations for giving often reflect a mix of factors (Sargeant, 1999; Sargeant *et al.*, 2006). An understanding of these factors can lead to better ways to strengthen giving to non-profit organisations. Sargeant (1999) stated that non-profit organisations also need to understand far more about giving behaviour and factors that motivate giving behaviour in order to tailor their approach to

ensure that as wide as possible a segment of any society can be persuaded not only to give but also to sustain that giving. The extent to which altruistic versus egoistic motives differentially promotes giving within different relationship contexts remains relatively unexplored. Whether there may be additional factors also remains unclear (Maner and Gailliot, 2007). By using Sargeant et al. (2006) instrument, the current research explores whether the perceptual determinants vary according to the geographical contexts of WA. According to Sargeant et al. (2006) these were: *emotional, familial, performance, communication, trust, and commitment*.

Methods

The survey instrument consisted of two sections: 22 items from Sargeant et al. (2006) and one item from Söderland (2003) measured on 7-point Likert Scale (1 'strongly disagree'; 7 'strongly agree') were in section one while two consisted of gender, age, education, giving behaviour and intentions. Perth CBD, Claremont Showgrounds (Royal Show 2007), Whitfords and Success shopping centres were selected because of a cross-section of the community. Management approval from the two shopping centres and ethical were sought and obtained before the surveys were conducted. Potential participants entering were approached randomly and screening questions were asked screening questions the surveys were administered. Four hundred participants who volunteered completed the questionnaires. These participants were mainly females (58%), 45-54 year age group (36%), and tertiary educated (32%).

Results and Discussion

The mean scores of the 22 scale items ranged from a high of 6.44 (*'I will be giving more money in the future'*) to a low of 2.15 (*'I give money to a non profit organisation because my family had a strong link with it'*) (Appendix 1).

Principal Components Analysis

The 22 scale items from Sargeant et al (2006) instrument (see Table 2) were analysed. Principal Components Analysis with varimax rotation, eigen values ≥ 1 , and factor loadings $\geq .40$ as a criteria. Initial rotation resulted in six components (17 items accounting for 74% of total explained variances); however, one component with Cronbach's alpha (α) of .534 was removed following Hair et al. (2006) and Nunnally (1978) alpha values .60-.70 as being the lower limit for acceptability. Further resulted in four components (14 items) accounting for 68.5% of the explained variances (Table 1).

Table 1: Rotated component matrix

	Component			
	<i>Trust</i> (<i>α</i> .896)	<i>Communication</i> (<i>α</i> .896)	<i>Family</i> (<i>α</i> .896)	<i>Guilt</i> (<i>α</i> .896)
Appropriate use of donations	.871			
Behave Ethically	.869			
Exploit Donors - Trust	.847			
Sensitive Fundraising Techniques	.836			
Informed		.848		
Communications - Confident		.665		
Receiving Communications		.664		
Belonging		.635		
Income - Cause		.547		
Memory of a loved one			.816	
Benefit			.787	
Family Link			.785	
Feel Bad				.917
Feel Guilty				.907
<i>Eigen value</i>	<i>4.258</i>	<i>2.476</i>	<i>1.532</i>	<i>1.329</i>
<i>Variances explained %</i>	<i>30.417</i>	<i>17.685</i>	<i>10.944</i>	<i>9.491</i>

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with KMO value = .771; Bartlett's Test of Sphericity $\chi^2_{(df=91)} = 2508.907, p = .000$; Cronbach's $\alpha = .85$.

Group Means

Independent samples t-test was conducted for gender to determine whether respondents differed on their perceptions of the four components. With the exception of trust all other factors indicated statistically significant differences between males and females (Table 2). On the *communication, family, and guilt* components, male participants indicated significantly larger mean scores compared with female participants (Table 2).

Table 2: Group mean differences

Components	Male	Female	t	Sig.
1. Trust	6.19	6.08	1.118	.246
2. Communication	4.91	4.36	4.447	.000
3. Family	3.09	2.27	4.533	.000
4. Guilt	3.46	2.64	4.730	.000

One-way ANOVA

One way ANOVA was conducted to determine statistically significant differences between age groups. Statistically significant differences ($p < .05$) were reported across age groups on trust and communication components. On trust, the mean score for the 18-34 age group was significantly lower than the mean scores for all other age groups. On communication two sets of differences were noted. Firstly, the mean score for the 18-34 age group was significantly lower than that of 45-54 and 55+ age groups. Secondly, 35-44 age group scored significantly lower compared with 55+ age group (Table 3).

Table 3: Mean differences for the age demographics

Age group	Trust	Communication	Family	Guilt
18-34	5.81 ^a	4.23 ^a	2.92	3.47
35-44	6.24 ^a	4.58 ^b	2.44	2.81
45-54	6.26 ^a	4.86 ^a	2.74	3.13
55 ⁺	6.23 ^a	5.16 ^{ab}	3.05	3.09
Total	6.14	4.68	2.75	3.12
<i>F</i>	5.414	8.555	1.715	2.401
<i>ANOVA sig.</i>	0.001	0.000	0.163	0.067

Means with different letters are significantly different from each other at $p \leq 0.05$.

Intention to give

Standard multiple regression tests were conducted to determine how well the four factors predict future intention to give. The model consisting of trust, communication, family, and guilt as a whole was a significant predictor of future intentions to give ($R = .448$; $R^2 = .163$; $Adjusted R^2 = .155$; $F change (4, 395) = 19.301$; $Sig. = .000$). Of the four components, trust emerged as significant predictor for future intentions to give ($beta = .369$; $Sig. = .000$), in line with results from Sargeant et al. (2006) work (Table 4).

Table 4: Future intentions to give

	Unstandardised		(Beta)	Standardised	
	B	SE		t-Test	Sig
(Constant)	4.752	.238		19.931	.000
Trust	.298	.041	.369	7.210	.000
Communication	.041	.032	.066	1.266	.206
Family	-.019	.020	-.046	-.959	.338
Guilt	-.040	.021	-.093	-1.920	.056

Implications and Conclusion

The results of the current showed that trust was a significant predictor of future intentions to give. Age demographics differed on their perceptions of trust and communication whereas the gender difference was reflected on communication, familial and guilt components. Limitations of the study must also be recognised. Firstly the sample was limited to Perth, Western Australia. This study only included people who reported donating in the past six months (based on the screening question), so the less frequent donors may not be represented by the findings. Another limitation was that of the possibility of socially desirable response in which a participant might have responded in a manner that would be viewed favourably by others (Fisher, 1993). This study did not include questions relating to social desirability. Whilst acknowledging the foregoing limitations this study has highlighted the need for applying Sargeant et al. (2006) instrument in a different geographical and demographic context. Therefore, future research could investigate whether there are differences between donation frequencies (less an more regular donors) to discover if the less frequent onors could be encouraged to give more; hence a significant implications for the operations of the not for profit organizations who depend on donations for their operations.

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Appendix 1: Means (and standard deviations) of the motivation variables (N = 400)

I give money because...	Mean*	S.D.
I will be giving more money in the future	6.44	1.04
I trust they will always use donated money appropriately	6.24	0.96
I trust they will always conduct their operations ethically	6.24	0.97
I trust they will always act in the best interest of the cause	6.22	0.99
I believe that the organisation is most likely to have an impact on a particular cause	6.13	1.04
I trust the organisation to use fundraising techniques that are appropriate and sensitive	6.13	1.07
I trust they will never exploit their donors	5.97	1.29
I feel comfortable in dealings with that organisation	5.93	1.21
The organisation spends a high proportion of its income on a particular cause	5.92	1.22
I care about the long term success of this organisation	5.79	1.25
The organisation's communications are always courteous	5.77	1.34
The organisation's communications make me confident it is using my money appropriately	5.58	1.37
I would describe myself as a loyal supporter of the organisation of my choice	5.24	1.60
The organisation's communications are timely	5.20	1.67
The organisation keeps me informed about how my money is being used	4.28	2.03
I feel a sense of belonging to that organisation	3.96	2.15
I look forward to receiving communications from a nonprofit organisation of my choice	3.65	1.92
If I never donated I would feel bad about myself	3.44	1.92
I feel that someone I know might benefit from my support	3.32	2.36
I would feel guilty if I didn't	2.80	1.80
In memory of a loved one	2.77	2.39
My family had a strong link with it	2.15	2.07

* 1 'strongly disagree'; 7 'strongly agree'