

Changes in Giving Patterns: Understanding the Dialectics

by Ruth McCambridge

There is an ongoing trend toward arriving at a “more strategic” and “better informed” philanthropy—but, as this article stresses, “individual giving is informed by any number of variables; it is as much a form of personal expression as anything else we choose to do with our spare treasure and time.” Models of giving that emphasize creating social capital, positive connection, and collective work do better than those that attempt to reorient donors’ giving behavior.

NOTHING EXISTS IN ISOLATION, AND PHILANTHROPIC or giving patterns are no exception to this rule. But even as systems strive to change they also strive to resist change, and this is one example of what we call a dialectic, or opposing forces that seek resolution. Hegel’s famous dialectic, as the University of Chicago’s Kim O’Connor describes it, “involves the reconciliation of ostensible paradoxes to arrive at absolute truth.”¹ This dialectic comprises a three-step process—a progression from thesis to antithesis to synthesis.² The thesis and antithesis are bound together and “resolved to form” the synthesis.³ Put another way, Hegel’s dialectic “actualizes itself by alienating itself, and restores its

self-unity by recognizing this alienation as nothing other than its own free expression or manifestation.”⁴ “This formula,” continues O’Connor, “is infinitely renewable; Hegel contended it would only terminate upon the world’s end.”⁵

Each time synthesis is achieved it ‘generate[s] new internal contradictions, and then a further resolution (Macey 96)’ [and] ‘each later stage of dialectic contains all the earlier stages, as it were in solution; none of them is wholly superceded, but is given its proper place as a moment in the whole (Russell 731).’ The infinite character of the dialectic reflects Hegel’s notion of holistic truth and his optimistic belief in progress.⁶

RUTH MCCAMBRIDGE is the *Nonprofit Quarterly*’s editor in chief.

U.S. philanthropy exists within the larger context of the country’s social mores, and those,



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as we know, are also something of a mix of opposites—the intense longing for community and belonging and an equally intense drive toward individualism, for instance. They can coexist, of course, but even these constants have changed their forms a bit as technology has advanced and altered our options—for better and for worse.

So what does all of this have to do with philanthropy? It means that the longing for community decision making and independent decision making are constantly in play in much of our philanthropic space—but in alignment with the wealth gap, there are financial monarchs who believe that they deserve to stand outside of the general mix and who all too often apply outsized amounts to projects and processes that communities and people don't want or don't approve of.

These philanthropic monarchs with plans for the rest of us have become increasingly common, but this article does not address that far end of “giving”—the luxury giving that need not consult with nor know the will of others whose lives will be affected. In contrast, the topic of this article is about the public's resistance to being told what is best for them—where, for instance, they should give—and about their simultaneous urge to act and donate in voluntary groupings.

Some community foundations understand this trend and have been experimenting with various forms of participatory grantmaking, but these methods have not yet matured—there is a lot to unlearn before mastering over time what works. Meanwhile, we see methods of funding—that ostensibly are community based—struggling with the reality that the smoke and mirrors regarding what “participatory” means no longer works.

Thus, there is energy currently in the idea of individual agency combined with a community of like-minded folks who do not take kindly to being imposed upon by “experts.”

How This Plays Out in Giving

An effective lens through which to explore these tensions is individual giving—the oldest form of support of nonprofits. Individual giving has been informed by all kinds of historical notions of charity, tithing, and other community norms, as well as by individual and communal self-interest

and justice. These motivations and others influence how, where, and why individuals give. Nonprofits can conceivably use behavioral science regarding giving in two ways that sometimes overlap: they can understand what donors feel and think and build fundraising programs to respond to those findings, or they can try to change the underlying existing frames of behavior and belief with some sort of social marketing and build from precepts that they consider more desirable.

Over the years, efforts have been made to corral giving by individuals both through providing new vehicles for giving and by suggesting that there are “better” and “worse” ways to give. Generally, the term *better* has translated to *expertly guided*. In terms of guidance vehicles, individuals have over the past century been offered the opportunity of giving through intermediaries, such as community-foundation general funds, or to workplace solicitation campaigns (before donor-directed options came into being). Such intermediaries take direct decision making out of the hands of donors, placing the direction of the funds in the hands of committees or boards aided by “experts.” But this type of intermediation is systematically giving way over time to donor-advised funds and donor-directed funds even as we write, as donors seek to have more of a hand in where their money goes. As that shift occurs, institutions like the Bill & Melinda Gates Foundation are invested in trying to advance ideas among individual donors about how to encourage “more strategic” and “better-informed” philanthropy. Specifically, what they want to promote is more attention to metrics and to having a plan.

So, is individual giving ill-informed, or just personally informed? The fact is that individual giving is informed by any number of variables; it is as much a form of personal expression as anything else we choose to do with our spare treasure and time. Some of us act out of personal commitments, emotion, and connection, and others act out of a strategic mindset—and then behind the scenes are any number of researchers trying to figure out what makes us respond one way or another to appeals. This article does a partial review of some of the behavioral research that has sought to locate the spigots that release the flows

of individual giving among Americans (with the necessary cautionary note that research findings on fundraising usually include important caveats about context—what works in one place for one cause and at one time may not work for another). But even when we start at the level of the single individual, it is clear that contradictions between what donors think and what they do coexist.

What Donors *Think They Think*, and What They Do

Basic to our mindsets about giving is a shared norm about what we expect of ourselves and others, and even this exhibits an odd asymmetry in the way we view giving—for example, the strange stability of the percentage of disposable income Americans devote to charity (2 percent), which contradicts what Americans say *should* be the percentage given (6 percent).

Given this dichotomy, over the years many have speculated that good design could promote social norms by presenting meaningful benchmarks aimed at encouraging more generosity. (This approach differs from exposure to established norms, instead trying to set a norm that does not exist.) Some may remember the Give Five campaign (GFC) that the large nonprofit infrastructure group Independent Sector (IS) sponsored in the late 1980s. The campaign was aimed at getting people to give 5 percent of their income and five hours of volunteer time each week. Research on that campaign suggests that it did not succeed in convincing folk to give more—though it did manage to increase people’s volunteering by half an hour a week.⁷ As described by Barış Yörük in “The Effect of Media on Charitable Giving and Volunteering: Evidence from the ‘Give Five’ Campaign”:

From 1987 to 1995, the GFC was advertised with the collaboration of the Ad Council through a series of public service announcements on television and radio, billboard displays, bus-side posters, and magazine and newspaper ads. Local charities were also supplied with promotional materials and asked to support the campaign. The illustrated thin, red pie piece used in the “Give Five” logo emphasized the amount of time

and income that people were encouraged to contribute, with the remaining majority of the circle indicating what people would have left over. The campaign ranked in the top 10 among the Ad Council’s campaigns in 1988. With a dollar value from all media at \$42 million, the GFC was eighth out of the 37 Ad Council campaigns.

During the early stages of the GFC, IS officials announced a substantial increase in giving and volunteering. However, after eight years of promoting the GFC, the unchanging pattern in charitable behavior documented by the household surveys of giving and volunteering led IS officials to conclude that American donors do not and may never give 5 percent of their income and volunteer five hours a week. Hence, the IS announced that it was phasing out the GFC in 1995.⁸

Notwithstanding the GFC’s failed campaign, it is conceivable that there may be ways to norm giving amounts; tithing has worked for generations as a norming practice—albeit one fully supported by a broader religious belief system. Arguably, the 2010 Bill Gates and Warren Buffett Giving Pledge, which was aimed at establishing a new and much higher norm for giving among the superrich, was also supported by a set-apart culture, in the sense that individuals were approached one-on-one by peers. In other words, where there is direct peer-to-peer modeling and recruitment by highly placed members, norming may work very well under the right conditions.

But trying to establish a new monetary goal for giving is not the only obvious asymmetry in the research on what donors think might be good to do and what they actually do vis-à-vis giving. For instance, when it comes to selecting a charity, donors say they think it would be good to do due diligence, but that does not mean that they actually do it.

Why do these kinds of gaps exist? Behavioral science suggests that other variables are always at work, and that context matters.⁹ This complexity may resist any attempt to try to corral individual giving over any length of time by anything other than attraction and connection—again, *because*

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If we pay attention to what we know about what motivates donors to behave the way that they do, two things will stand out: that giving makes donors feel good, and that complications in the giving process may deter giving. Thus, instilling doubt in donors about whether or not they are giving in the proper way . . . may take giving into the realm of the less fulfilling of human activities

context and preexisting motivation matter. For instance, even the largest gifts tend to be given locally and to institutions we (or someone we know) are involved with—so, geography and your social set are significant.¹⁰ That said, there is no dearth of data among the findings about the motivations and variables behind giving (categorized as “prosocial behavior”¹¹):

- We would rather give to save endangered attractive animals than endangered unattractive animals, even when the ones deemed heinous are more immediately at peril.¹² Another study suggests that sad-faced people in need evoke more of the kind of sympathy that causes people to give than do happy or neutral facial expressions.¹³
- Donors give more (and more readily) when they have to experience “pain” for the cause—as in the ice bucket challenge or polar plunges.¹⁴
- Republicans respond to different types of appeals than do Democrats.¹⁵
- Urgency matters for the one-time gift but does not establish a long-term relationship.¹⁶
- Information about what one’s peers give can influence how much a donor gives.¹⁷
- Giving just plain makes folks feel happier, and when we do things that make us happy, we want to do them again.¹⁸
- The convenience of giving matters.¹⁹

In a nutshell: in the charitable space, the context (including the emotional and moral spaces) in which people typically make giving decisions can affect how donations are doled out.

These are things we know about individual donor giving as it currently exists in the United States, which arguably has the highest rate of giving in the world—and which, some argue, needs to be fixed.

Can We Make Donors Act Differently?

In practice, advertising norms on giving is a far from fully proven strategy, but that does not mean that norming through advertising cannot under any circumstances work—and some feel strongly that it should be done, at least with regard to promoting more strategic and data-driven giving. But

there is little indication that this will be productive. In fact, it may be counterproductive. In “A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms that Drive Charitable Giving,” René Bekkers and Pamala Wiepking write, “Survey studies reveal that a more coldly rational approach to life reduces giving and is related to a lower level of volunteering.”²⁰

Emotional Connections and Giving

There is every indication that the act of giving is partly motivated by very human impulses. The joy of giving (relative to keeping money for oneself) can be manipulated by benign thoughts. People are more generous after they have spent some time thinking about their own death,²¹ about an act of forgiveness,²² or about things in life for which they are grateful.²³ If we pay attention to what we know about what motivates donors to behave the way that they do, two things will stand out: that giving makes donors feel good, and that complications in the giving process may deter giving. Thus, instilling doubt in donors about whether or not they are giving in the proper way, and asking them to take an extra step in reviewing nonprofit metrics of effectiveness and planning, may take giving into the realm of the less fulfilling of human activities. In other words, social marketing that urges members of a community to be more cerebral about their giving may very well be a disincentive to giving altogether. Right now, through their giving, ordinary individual donors without staffs generally achieve a better self-image, greater sense of well-being, and a sense of having contributed to the whole through giving—and this encourages them to give again.

Marketing, generally, is designed around satisfying existing “consumer” or target audience interests—finding a sweet spot of resonance, and reinforcing it. When so-called “experts” are driving the message about what the public ought to do, they run the risk of creating a barrier in that the message may not only *not* hit home but also may actually depress the generosity of the public. There is currently no indication that the public wants any more advice about how to give, beyond being notified of a need and having a way to avoid scams and an irresponsible use of their money.

Further, there is no proof that metric-based giving in the long run will be better for the fabric of society—although, given the costs of evaluation, it does provide a way for larger philanthropic players to deem which charities are appropriate vehicles for donor money. Finally, the systems now in place for rating charities are far from unquestionable; based on this, philanthropy might better invest some money in supporting journalists and regulators to ferret out and prosecute those who defraud the public under a charitable banner. An article from 2010 by Cynthia Gibson and William Dietel puts it this way:

A forthcoming book by Princeton University's Daniel Oppenheimer summarizes the research of several prominent social scientists on the determinants of giving behavior generally and finds that "no matter what objective information is available, the large majority of donors will give as a result of emotional or relational factors." A recent article in the *Economist* cites a study that found that donors "do good because it makes them look good to those whose opinions they care about"—what researchers call the "image motivation." And a recent study of 4,000 donors conducted by Hope Consulting found that few investigate nonprofits' performances, with only one-quarter of them saying they would consider switching their support to different charities if those groups improved in areas donors care about. Only one-third said they'd be interested in giving more if the nonprofits they supported improved their performance.

Nonprofit leaders tend to agree. According to interviews with a diverse group of high-performing nonprofits [. . .] nonprofit leaders said that "while it's nice to have data," most of their donors continue to give "because of the relationships we cultivate with them." In fact, almost all said while high-performance data helped enhance their credibility in the business community, it wasn't instrumental in attracting donors, especially new individual donors. They also said that they continued to believe that

ultimately, their financial support was going to come from relationships and "emotional connections," rather than from data about performance and impact.²⁴

In contrast to the notion that donors need expert guidance, we could try to build on an existing trend, which is the development of giving circles and other modes of collective giving (complete with collective deliberations in place of expert opinions). This creates a different and less onerous dynamic.²⁵

Giving circles are about more than simply donating to worthy causes. They assist the community beyond a monetary impact by providing volunteer opportunities, as members engage with local nonprofit organizations through grantmaking. There is a common element of providing educational workshops to teach donors about philanthropy and strategic grantmaking.

Giving circles often build a different kind of strategic giving, crafted through exploration of common interests and values, conversation, and research, among other things. They may encourage volunteering and other ways to collectively self-inform while pitching in. They can be mobilized as small groups to protect when things they care about are at risk. Thus, people can give deliberatively—making judgments based on inquiries that are guided not just by data but also by morality and a more personal consideration and knowledge of impact. This makes giving a part of community building—it creates small nodes of intentional philanthropic activity that ripple beyond the moment.

In general, attempts to reorient people into giving at a certain level or in a certain way may be doomed to failure when contrasted against giving that creates social capital, strong positive connection, and a sense of pride in work collectively done. New models of giving and doing emphasize this last approach, where people give to and volunteer for—or otherwise become engaged with—the same organizations. Any number of articles emphasize this as the direction that millennial givers are taking. The force, therefore, may be in this approach rather than in an imposition of a duty of care.

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