

# \$\$\$ THE MORE YOU HAVE THE LESS YOU GIVE? \$\$\$

Is there a relationship between the amount of money participants donated to the Tuscaloosa charity and the amount of money they earned per year?

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Studies have often shown links between generosity and economic status. Perversely studies have shown lower socioeconomic status individuals tend to give more, contrary to logical reasoning that the more you have the more you are able to give.

Piff et al 2010 hypothesise that lower class individuals orient to the welfare of others by giving more as a means of adapting to their own hostile environments.

We examined this link with the Hurricane Katrina data using the variable household income and then examined correlations between this variable and amount given.

Methods: Participants were asked to decide how they would divide \$100 between a welfare charity for Hurricane Katrina victims and themselves.

Predicted Results: The team predicted that the amount participants earned would have an effect on the amount donated. We predicted that the amount earned would have an inverse effect on the amount given: the more individuals earn the less they would give. We planned to use a one way ANOVA to assess the data.

## Actual Results:

The results of the one way ANOVA showed there was a significant interaction between household income and the amount of money donated. As shown in our graph, the amount donated increased (although at a slow rate) as the amount of household income increased. Therefore it would be fair to say that the more money individuals earn, the more individuals are willing to donate to charity.



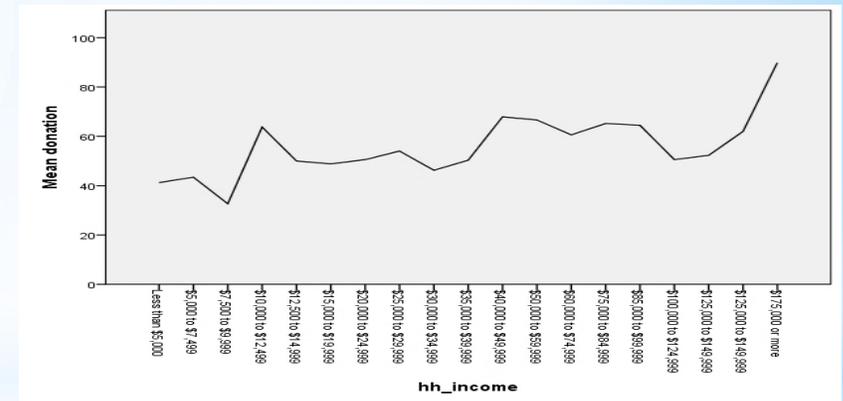
[one way ANOVA results table](#)

Dependent Variable: LOT1: If the first number of the lottery draw is [LOTTERYNUMBER], I want \$\_\_ to be sent to the charity for its services to welfare recipients and other poor people in Tuscaloosa.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	45739.858 <sup>a</sup>	18	2541.103	1.863	.017
Intercept	1000739.304	1	1000739.304	733.695	.000
HH income	45739.858	18	2541.103	1.863	.017
Error	680621.734	499	1363.971		
Total	2412423.000	518			
Corrected Total	726361.593	517			

a. R Squared = .063 (Adjusted R Squared = .029)

Mean donation plotted against household income brackets:



## Conclusion:

The hypothesis was disproved when checking for amounts given compared to wages directly, as people who earned more did give more. However more in-depth analysis may be useful to look at the numbers in terms of contributions in relative terms when compared to wages.

## References:

- Piff, P. K., Kraus, M. W., Côté, S., Cheng, B. H., & Keltner, D. (2010). Having less, giving more: The influence of social class on prosocial behavior. *Journal of Personality and Social Psychology*, 99(5), 771-784. doi:10.1037/a0020092
- Walton, A. G. (2012, July 3). Rich people are mean, but does it pay to be nice? *Forbes*.