

Who gives? The relationship between age, income and level of education and charitable giving.

Author: Y3845272

Introduction

Charitable donations play an enormous role in the economy, with many non-profit organisations relying on charitable giving to function (Srnska, Grohs, & Eckler, 2003). A coherent picture of who is most likely to donate generously and to which causes would allow efforts to be targeted to receptive audiences and maximise successful fund raising.

There is abundant evidence that that charitable giving increases with age (Bekkers & Wiepking, 2011) however some findings suggest that the link between age and giving is more complex. Hodgkinson and Weitzman (1990) found that giving decreased after the age of 65.

Level of education and income have also been found to be positively related to charitable donations (Bekkers & Wiepking, 2011). However, in contrast to the consensus in the field Srnska, Grohs, & Eckler, (2003) found that individuals with lower level education and income gave more generously to charities providing emergency aid.

The current study investigated the charitable giving to survivors of hurricane Katrina, an example of emergency aid, in an extension of the work undertaken by Fong and Luttmer (2009).

Hypotheses

The present study sought to replicate the consensus findings and counter dissenting evidence on factors effecting charitable donations. Therefore, it was hypothesised that groups with low levels of education and income and younger age groups would donate less to charity.

Method

620 Participants were recruited by a market research company, of these 102 were excluded from later analysis due to incomplete data.

Participants listened to an audio story accompanied by images (see figure 1) which described the impact of hurricane Katrina on Tuscaloosa, Alabama and outlined the work of a food pantry charity working to support victims in the aftermath of the storm. They were then asked to decide how much of \$100 they would donate to the charity and how much they would keep for themselves. Participants were instructed to take the decision seriously as one in ten decisions would be randomly selected and carried out.

References

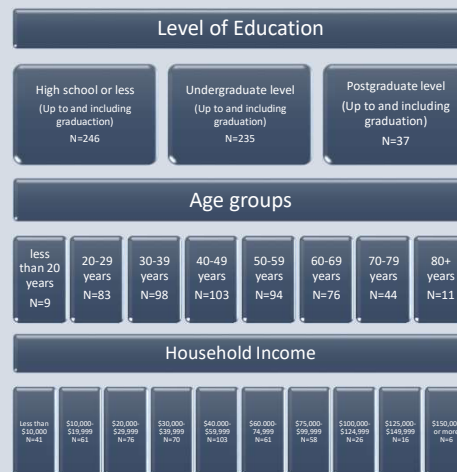
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Figure 1 Images of Hurricane Katrina impact on Tuscaloosa, Alabama.



Data was collected on a variety of demographic measures. To investigate the hypotheses stated above three independent variables were investigated age, household income and level of education. For all three variables participants were divide into subgroups. The age groups, income brackets and education level groups used are shown in figure 2. Outcome variable used the amount donated to charity. The mean donations of the subgroups were compared using three one-way independent ANOVA's

Figure 2: Subgroups of independent variables under consideration.



Results

As predicted the lowest income bracket gave the least to charity while the highest gave the most. However the trend was not found consistently with several higher brackets giving less than lower earners. Amount donated to charity was significantly different for different income brackets on the $F(9,508)=3.45, P<.001$. Due to unequal group sizes Gabriel's pairwise tests were used to analyse between group differences. Post hoc comparisons revealed that on average the participants in the income bracket of less than \$10,000 (mean=53.85, SD=33.23) gave significantly less to charity than those in the \$40,000-\$59,999 bracket (mean=67.58, SD=34.63), the \$75,000-\$99,999 bracket (mean=64.84, SD=39.78) and the \$150,000 or more bracket (mean= 89.83, SD=24.42). No other significant differences were detected between groups

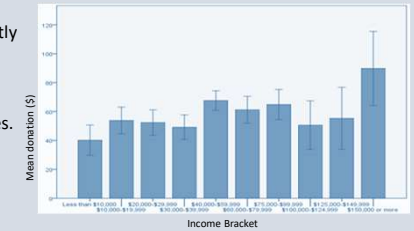


Figure 3 Mean amount donated to hurricane Katrina victims by different income brackets

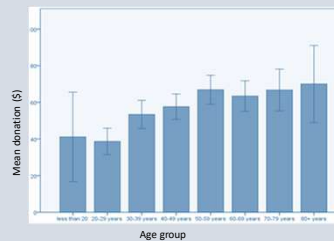


Figure 4 Mean donation to hurricane Katrina victims by different age groups

In line with predictions older age groups generally gave more to charity than younger. However certain age groups, 50-59 years and less than 20 years gave more than some older groups. There was a significant difference in the amount donated to charity by different age groups $H(7)= 33.74, P<.001$. Pairwise comparisons conducted using adjusted p values showed significant difference in donations made by the 20-29 year group and the 40-49 years group ($p=.022$), the 50-59 years group ($p<.001$), the 60-69 years group ($p=.002$) and the 70-79 years group ($p=.002$). No other significant differences were detected between groups

The hypothesis that groups with a higher level of education would donate more, on average, to charity was supported. There was a significant difference between donations of groups with different levels of $F(2,515)=4.30, P=.014$. The high school or less group donated less on average to charity than the other two groups and the postgraduate educated group on average donated the most to charity. Due to unequal group sizes Gabriel's pairwise test was used to analyse individual between group differences. The high school or less group (mean=53.41, SD=36.66) was found to donate significantly less to charity than the group with graduate level education (mean= 71.89, SD=37.22).

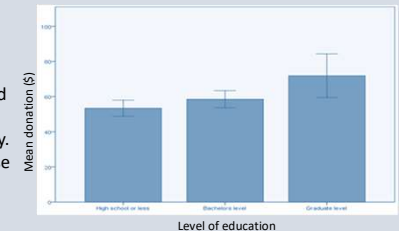


Figure 5 Donations made to hurricane Katrina victims by groups with different levels of education.

Conclusions

There is evidence to support the hypothesis that lower income groups would give less to charity, the lowest earning income bracket gave the least to charity significantly less than several higher earning income brackets. The hypothesis that groups with lower levels of education would give less to charity was also supported. These findings contrast with those of Srnska, Grohs, & Eckler, (2003) which suggested that as the donation was intended for an emergency aid charity lower earners and those with lower levels of education might give more and indeed supports the consensus in the field (Bekkers & Wiepking, 2011). The hypothesis that younger groups would give less to charity was also supported. Our findings conflict with Hodgkinson and Weitzman (1990) who found that donations decreased post age 65. In this study the groups including those over the age of 65 gave more than all groups under the age of 50 though the difference was not significant. the second youngest age group gave significantly less than all groups between 40 and 79 years.

The finding of this study suggests that fundraising efforts may be more successful and efficient if targeted towards older givers with higher incomes and levels of education.

Finally to outline some strengths and weaknesses of this study. The design provided and artificial opportunity to donate. While there was a chance that participants would benefit from undonated money they were not asked to donate their own earnings. This may mean the charitable giving observed was unrealistic and participants would be less willing to donate their own earnings. On the other hand the categorical analysis employed in this study allowed for a fine grained examination of the donating habits of different groups, and possible drop of in giving by older age groups, that would not have been possible had a correlational design been employed.