



## Non-Governmental Public Action Programme

### Preliminary Research Findings Brief Giving to Development

#### Project aims, objectives, methods

Although there are substantial literatures on giving to charities, there is little systematic analysis of giving to specific causes. Not enough is known on why people give to international development charities and about the characteristics of the donors. The research draws on various disciplines (e.g. economics, psychology and marketing) to develop hypotheses about giving to development and will then test them with quantitative data, contrasting overseas giving where appropriate with giving to domestic causes. A combination of methods are used: theory, qualitative research using focus groups, and quantitative analysis of three sorts of data (all drawn from the UK): (i) household survey microdata, (ii) microdata on charitable bequests in estates, and (iii) annual time-series data on the top 500 fundraising charities.

#### Key research findings

##### Paper 1

- People with higher incomes of their own are more likely to donate to charity, and when they do give they donate larger amounts on average than other people. But as a proportion of their income they give somewhat less than other people.

##### Paper 2

- Women are more likely to give to charity than men (something true of almost all causes), but men give more money to charity than women.
- A half of donors who give to charity over a four week period give to more than one cause and about a quarter give to three or more causes.
- The probability that a donor to one cause gives also to another cause is always higher in practice than the probability that a person drawn at random gives to that other cause – something true of all causes. Giving to different causes ‘clusters together’.

##### Papers 4 and 5

- Knowledge of government involvement in overseas aid was found to be low in focus groups. The majority of donors and non-donors to overseas causes were cynical about government messages and policies on overseas aid. There were consistent doubts about the effectiveness of development assistance. Existing attitudes towards development are reasonably ‘hardened’ or engrained. Positive influences on overseas giving – all of which seemed more influential than that of the government – included travel, the interventions of well known non-political figures, and the discovery of more direct and concrete ways of giving (e.g. ‘virtual gifts’).

##### Paper 6

- Overseas and domestic giving share some features but there are also some clear

differences. For example, higher education and a managerial or professional background have a much stronger association with the probability of overseas giving than with giving to medical research and animal welfare. (Giving for animals varied little with individual characteristics.) When other factors correlated with income are controlled for, the income 'effect' on the probability of overseas giving drops away, in marked contrast to giving for children's charities, for example, and also all domestic causes taken together.

#### Paper 7

- Surveys with a single question on income are common. The household total appears to be collected much less well than individual income. The differences are especially notable at the bottom of the distribution. While individual income appears better measured, there are notable differences between men and women, between people of working age and the elderly and, among women, between those with children in the household and those in childless households.

#### Paper 8

- Most women are more generous than men in terms of the amounts donated and percentage giving. This pattern is robust if we take into account gender differences in individual characteristics such as household structure, education and income. There are very different gender patterns of giving behaviour for single and married/cohabiting people.

#### Paper 9

- Giving for the specific purpose of development cannot be adequately explained by the standard models of "warm glow" or "public goods". An alternative is proposed, where people "frame" their giving in a way that gives meaning to their individual contribution. This alternative may well take a non-welfarist form. The implications for the social welfare function of individual altruism towards people in poor countries is considered. The geographical dimension is made explicit, and the fact that the social welfare function is a national function, which has to take into account the limited "sphere of control" of national governments.

#### Paper 10

- Neither of the standard theoretical models used by economists appears wholly satisfactory as a basis for explaining giving for development. An adequate model needs to combine the scale of the warm-glow approach with the results focus of the public goods formulation to yield an explanation of giving in the case of large populations. An "identification" model proposed in the paper provides one way in which this can be done. Inter alia, this takes account of the perceived effectiveness of charitable giving for development, an element missing from many of the existing theoretical models; this affects the total level of giving, the allocation between development and other causes, and the allocation between disaster relief and development aid.

## Key publications and outputs

1. Chapter by Micklewright and Schnepf in CAF/NCVO (2006) *UK Giving 2005/06* <http://www.cafonline.org/Default.aspx?page=12182>
2. Chapters by Piper and Schnepf and Micklewright and Schnepf in CAF/NCVO (2007) *UK Giving 2007*. <http://www.cafonline.org/Default.aspx?page=12182>
3. 'Who gives to international development charities?' by C Pharoah *The Networker*, BOND (British Overseas NGOs for Development), November 2007 <http://www.bond.org.uk/networker/2007/november/developmentgiving.htm>
4. S3RI Working Paper A07/05 'Public Attitudes to Overseas Giving: Does Government Make a Difference?' by R Atkinson and A Eastwood <http://eprints.soton.ac.uk/48324/>
5. 'Developing international giving – insights from new research' by Pharoah (accepted by the *International Journal of Nonprofit and Voluntary Sector Marketing*.)
6. S3RI Working Paper A07/06 'Who Gives for Overseas Development?' by Micklewright and Schnepf (accepted by the *Journal of Social Policy*) <http://eprints.soton.ac.uk/48329/>
7. S3RI Working Paper A07/08 'How Reliable are Income Data Collected with a Single Question?' by Micklewright and Schnepf (under journal review) <http://eprints.soton.ac.uk/49499/>
8. S3RI Working Paper A07/08 'Gender Differences in Charitable Giving' by Piper and Schnepf (under journal review) <http://eprints.soton.ac.uk/49953/>
9. S3RI Working Paper A07/10 'Welfare Economics and Giving for Development' by A B Atkinson (forthcoming in *Welfare, Development, Philosophy, and Social Science, Essays in Honor of Amartya Sen's 75<sup>th</sup> Birthday*, edited by K Basu and R Kanbur) <http://eprints.soton.ac.uk/50005/>
10. S3RI Working Paper A08/02 'The Economics of Giving for Overseas Development' by A B Atkinson

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