

Generational Differences in Charitable Giving and in Motivations for Giving

A Report Prepared for

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Summary

Question or Issue

This paper sets out to better understand charitable giving. In general, we hope to distinguish characteristics of future donors to assist organizations in framing appropriate fundraising messages. More specifically, we are interested in whether differences in giving exist due to age, and we have grouped respondents into standard generational categories. For our purposes, these categories are:

Great:	Born before 1929 (used in some analyses here but not all)
Silent:	Born 1929 to 1945
Boomer:	Born 1946 to 1963
X:	Born 1964 to 1981
Millennial:	Born since 1981

Further, we investigate what underlying motivations lead people to give to charitable organizations, and whether those motivations vary by generational cohort. By understanding what characterizes groups of potential donors and what motivates those donors to give, fundraising organizations can attempt to maximize giving by reaching out to specific individuals with more appropriate messages.

Key Findings

There are some generational difference in giving, mostly between the “Silent” and Great generations and Boomer and later generations.

Giving differs mostly by factors other than generation – educational attainment, frequency of religious attendance and income. To the extent that these differ by generation, they explain the observed difference in giving by people of different generations.

Motivations do vary by income, race, education, region of the country and religious attendance but vary little by generation after controls for these other factors.

Millennial donors are most likely to be motivated by a desire to make the world a better place. They give consistent with their income, education level, frequency of religious attendance and marital status.

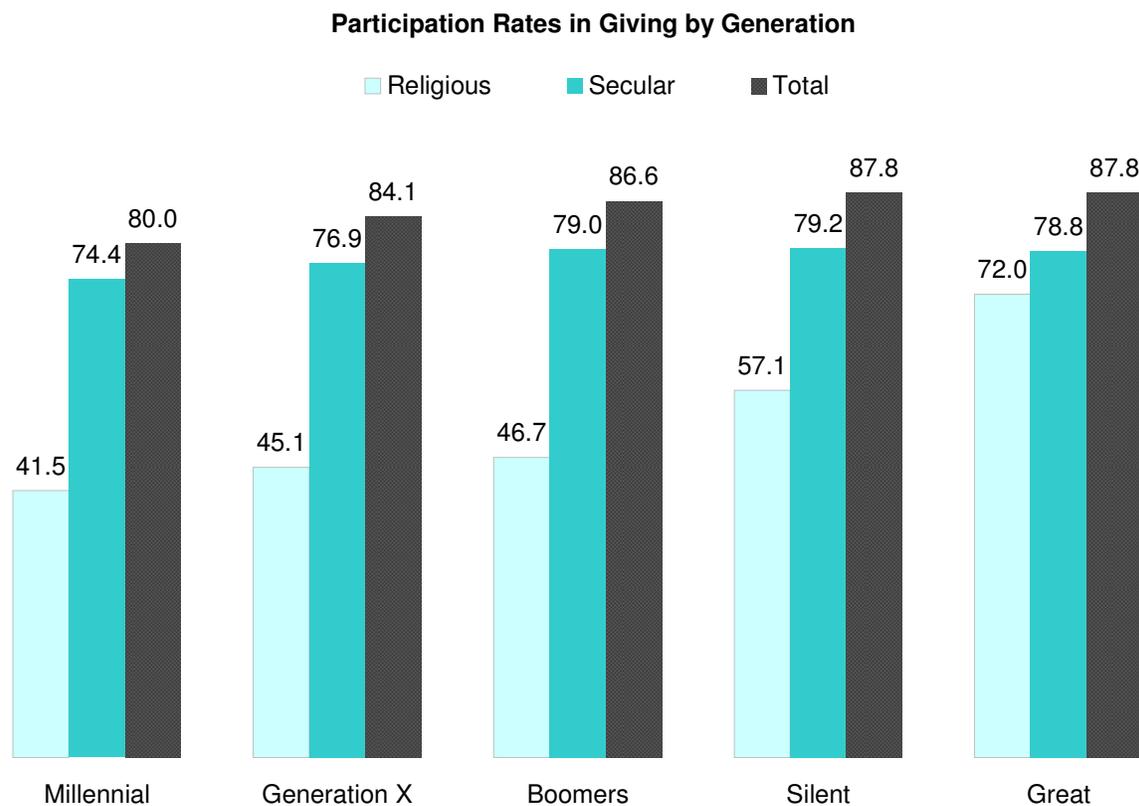
Data

The data used in this analysis were generated through a web-facilitated survey fielded by Knowledge Networks in March 2007. With survey responses from more than 10,000 individuals in a nationally representative sample, we were able to use statistical techniques to find differences in giving between generations and explore differences in giving that might be associated with different motivations identified for charitable donation. Knowledge Networks recruits households for its samples by telephone and provides the needed equipment for a household to participate. Samples from Knowledge Networks are designed to represent the entire U.S. population, not just routine users of the Internet.

The first level of analysis is to describe the actual giving differences observed by generation, both participation (percent who give) and average amounts given. The second level of analysis is to use statistical techniques to isolate the effect of generational differences and other differences and the impact on giving.

Generational differences in giving

Before using statistical methods of controls, there are observable differences in charitable giving that are linked to age or generation. In general, younger adults are less likely to give, and when they do give, they give less on average than older adults. One of the purposes of this paper was to explore potential explanations for these observed differences.



The data available to examine why a lower percentage of younger donors contribute at all is limited to factors such as income, education level, frequency of religious attendance, marital status, and number and ages of children in the household. When examining the propensity to give at all, after controlling for (holding constant) these other variables:

- Members of the Silent and Great generations are statistically significantly more likely to give to religious purposes than members of the Boomer generation
- The younger generations (Gen X and Millennials) are not different from the Boomers in their propensity to give for religious causes, after controlling for other variables. Both are less likely than Silent and Great generations to give for religious purposes.

For secular giving, after controls:

- The Silent generation is more likely than the Boomer generation with statistical significance, to give for secular causes.
- That is the only statistically significant difference in generational propensity to give for secular causes. That is, Gen X, and Millennials plus the Great generation are as likely as Boomers to give for secular causes.

The probability of giving varied by generation, with the Silent generation most likely to give for religion and secular causes and the Great generation more likely to give to religion than younger generations.

The amount given does vary by generation, especially for religious giving – and therefore for total giving, which is the sum of religious and secular giving.

Average gift totals by type of recipient and by generation, 2006



Secular giving totals varied somewhat by generation, but seem to follow a pattern linked with income differences rather than generation differences.

After controls, generation alone did not make a difference in the amount donors contributed to religion or to secular causes. The differences observed in contribution amounts among donors were associated with differences in income, education and religious attendance.

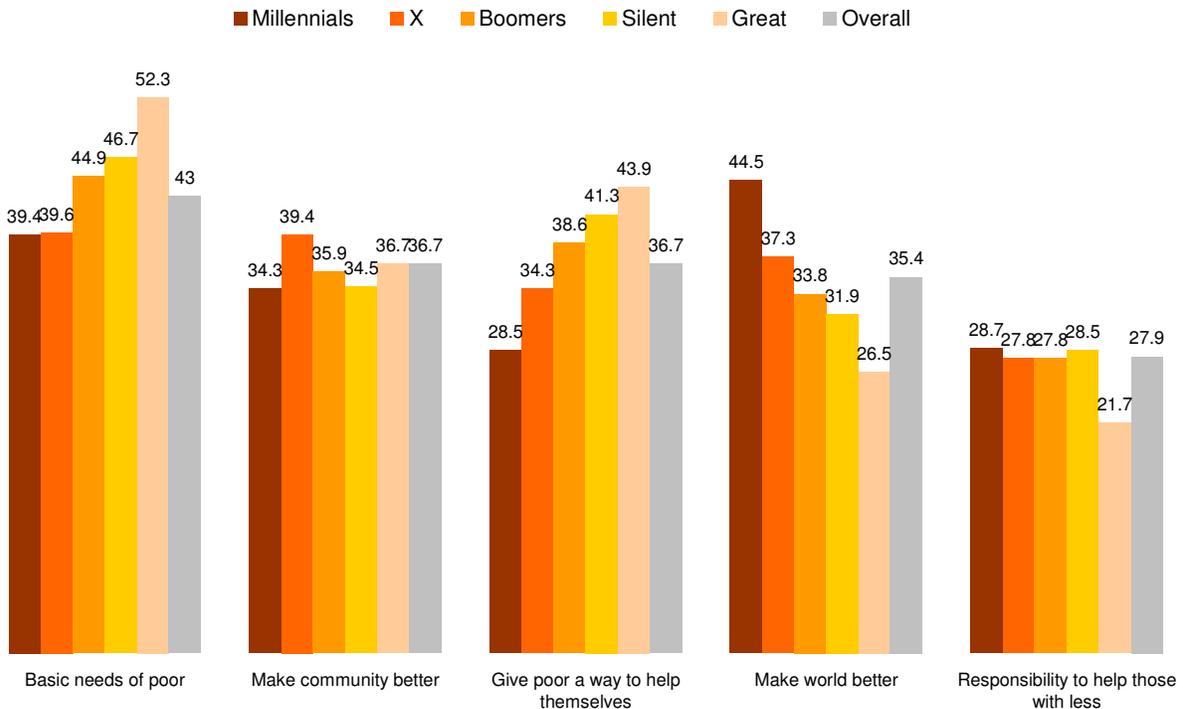
When examining the amount contributed by donor households, there are no generational differences in total giving **after controls** for income, marital status, race, education, region of the country, religious attendance and age of youngest child in household.

Finding: Generation and Motivations for Giving

The survey asked only donors about their motivations for charitable giving. Five motivations for charitable giving stand out as being most important for donors in all generations:

- Providing for the basic needs of the very poor
- Desire to make my community a better place to live
- Giving the poor a way to help themselves
- Desire to make the world a better place to live
- Those with more have a responsibility to help those with less

Percentage selecting each of the top five motivations, by generation
Donors could select three - these are the highest frequency motivations overall



After controls for income, frequency of religious attendance, education and so on, we find only a few statistically significant differences across generations regarding why donors are motivated to give:

- The Millennial generation is more likely to give in order to make the world a better place and less likely to give in order to decide how their money is spent.
- The Silent generation is more likely to give to charities in order to provide funding where the government does not (which is not among the top five overall).

Finding: Income and Motivations for Giving

As we expected, total giving increases with income. Of particular interest are two findings about motivations for giving, after controls:

- Respondents in the two lowest income categories (those making less than \$49,999 per year) are more likely than higher income households to give in order to help the poor help themselves.
- The three highest income groups (those above \$125,000 per year) are more likely to say they give from a sense of responsibility to help others with less.

Finding: Race and Motivations for Giving

In this dataset, African Americans were less likely to give at all—after controls for income, education, marital status, religious attendance and so forth—than non-Hispanic whites. The effect was associated with a lower likelihood of making contributions for secular causes; there was no effect on religious giving.

Motivations selected for giving varied slightly by race, as well:

- African-American donors and Hispanic donors were more likely than non-Hispanic white donors, after controls for all other variables, to say that they gave to help meet people's basic needs.
- Hispanic donors were more likely than non-Hispanic white donors to say that they gave to help the poor help themselves.

Finding: Education and Motivations for Giving

The results follow what is expected from past studies and intuition. Specifically, charitable giving increases as education increases. With regard to motivations for giving, after controls and when compared with a high school education, having a college degree was associated with:

- A greater likelihood of selecting as motivation the responsibility to help others
- A lower likelihood of giving to help meet the basic needs of the very poor

- A lower likelihood of giving from a desire to control where one's money goes instead of having the government do it

These findings are from an analysis that uses controls for all other variables. Having some college education, but not a college degree, was associated with being less likely to give to help the poor help themselves, when compared with people with no college education (high school degree or less).

Finding: Region of the Country and Motivations for Giving

When looking at motivations for giving after controls, compared with donors in the Northeast:

- Donors who live in the South are more likely to say they give to help the poor help themselves
- People in the Midwest and the South were less likely to select “desire to make the world a better place” as a motivation for giving

Finding: Religious Attendance and Motivations for Giving

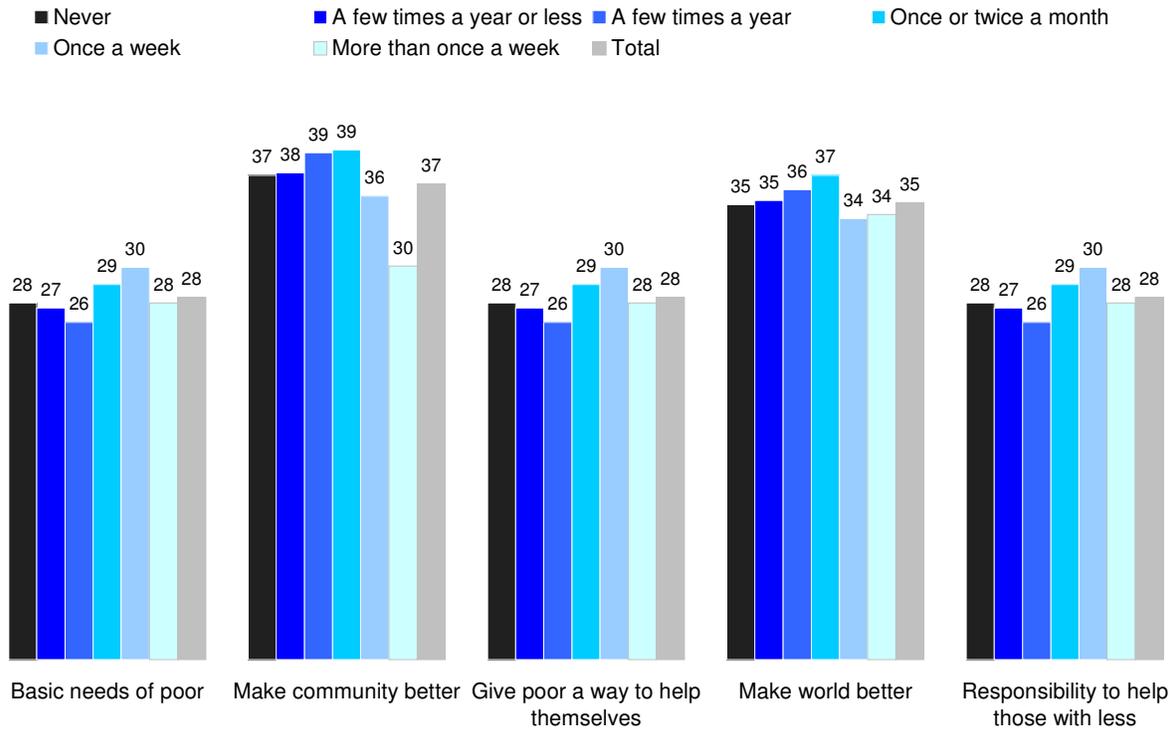
Religious attendance is one of the important drivers of the probability that an individual will be a donor to secular and to religious causes. It is also an important determinant of the amount of charitable giving overall and of the amount of religious giving, but less important as a determinant of the amount of secular giving, once the person gives to secular causes. Consistent with other research, people who attend religious services at all, even as seldom as once per year, are more likely than those who never attend to give to secular organizations.¹

Motivations for giving vary somewhat by religious attendance.

- People who attend once a week or more often are less likely, before controls, than non-attenders to select “make my community a better place” or “make the world a better place.”
- Frequent attenders (once a week or more) are more likely than non-attenders to say they give to help meet the needs of the poor, to help the poor help themselves or because those with more have a responsibility to help those with less.
- For those three motivations, infrequent attenders are LESS likely to select them than non-attenders and than frequent attenders.

¹ For information about studies of religious observance and giving, see the list in Bekkers and Wiepking, 2007, pg 5. at the Social Science Research Network, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1015507.

Percentage selecting motivation, by frequency of religious attendance, 2006



The graph above shows motivations for giving by religious attendance before using statistical techniques to compare motivations after taking into account other factors such as income. When looking at the probability of selecting given motivations After controls, attenders selected different motivations than non-attenders with statistical significance.

After controls, religious attendance was most clearly linked with selecting as a motivation the desire to make the community a better place to live, except in people who attend more than once a week.

Among people who attend religious services more than once a week, when compared with those who do not attend at all, there was a lower likelihood of selecting “desire to make the community a better place” as a motivation.