

Philanthropic Psychology Sheds Light on Charitable Giving

People have complex reasons for giving to charity. By understanding why people give, charities are better poised to receive.

Psychology offers charities insight into donors' motives for giving and the steps they take in their philanthropic journeys. The field studies how we enter these journeys using our past experiences as our guide. Once motivated to give, we set out to identify with a cause. At this stage, donors select the organization that offers the most effective solutions and aligns with their values.

"They (donors) need to have the ability to give, interest in giving, and found the cause relevant to their interest," says philanthropic psychologist Jen Shang.

Psychologists and fundraising experts have been able to help charities develop practical ideas they can use for fundraising. They often delve into the relationship between charitable giving and altruism, specifically empathy-induced altruism as a motive for giving.

"Empathy-induced altruism isn't exactly simple," explains Krystall Dunaway, Psychology program director at South University. "Some argue that altruism doesn't actually exist because the mere act of performing the selfless act (i.e., giving to a charity) also benefits the self (mainly through positive feelings about doing a good thing)."

However, empathy-induced altruism states that an individual will help someone who they feel empathy towards, regardless of what the individual may gain from it, she adds.

"Either way, knowing this can benefit charities who are trying to get people to give — if the charities also target the 'good feeling' that will be produced by giving, more people will be likely to give," she says.

In addition to understanding what makes people feel good about charitable giving, charities must confront people's barriers to giving. They must deal with challenges such as people who don't feel they can afford to give, or those who are happy with what they have already contributed. Then, there are the barriers the charities have themselves.

Take an integrated fundraising approach that centers around the donors.

"The biggest barrier is our learned taboo about asking for money," says Kim Klein, a fundraising trainer and consultant with Klein & Roth Consulting. "Most Americans are raised to think it is rude to ask for money, or even to ask about money — for example what someone earns or what someone paid for something."

These barriers can be overcome by recognizing that people give when they are asked, she adds. People who give money are going to give it somewhere, so it is up to charities to invite them to give to their organizations.

"What motivates donors to give is being asked, and being asked over and over again — not too often, but often enough that the donor remembers the organization," Klein says.

Of course, there is an art to the ask. Charities use certain strategies to target donors and motivate them to give. For example, stories are important to fundraising appeals. Charities often use emotional appeals to raise funds and support.

"In fundraising, we usually say sell to the heart first then the head which wants facts and outcomes, and then the suspicious side of the person which wants financial numbers," Klein says. "People are complex and their motives are layered."

Public trust is important to charitable giving. Appeals are usually made to incite donor's feelings about how they identify with the charity. Appeals that communicate why other people value the organization and how other people benefit from the organization are effective.

"Take an integrated fundraising approach that centers on the donors," Shang says. "That is the start, and then the rest of the things fall into their own places."

Klein says charities can dissuade donors by not thanking them, talking in jargon, bombarding people with requests that are not personalized, and making it seem that the donor's gift is not big enough.

Many people will continue to contribute if they feel they have established a relationship with your organization. Calling the donor and thanking him or her, or e-mailing them about topics that are of interest to them are a couple examples of how charities can personalize communication.

"An important thing is appreciating the donor — writing a thank you note, telling the donor what happened with the money and generally showing that you are grateful this person picked your organization out of the thousands they could have chosen," Klein says.