

Title: Feeling Poor, Acting Stingy: The Effect of Money Perceptions on Charitable Giving

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Abstract

In research on philanthropy, much attention has been given to the impact of the actual economic costs of giving. This article argues that the perceived psychological costs of giving should also be taken into consideration when seeking to understand donations to charitable organizations. It is already known that people differ in their attitudes towards money (Furnham and Argyle, 1998; Zelizer, 1989) and that money attitudes are largely independent from income (Yamauchi & Templer 1982) but these findings have been overlooked in the study of philanthropy and altruism. This article seeks to rectify that omission by investigating the relationship between charitable giving and money perceptions. The analyses show that, regardless of the actual financial resources held by a donor, the size of their donations is negatively affected by feelings of retention (a careful approach to money) and inadequacy (people who worry about their financial situation). Using a 5-point Likert scale to measure feelings of retention, people who score one point higher are found to donate 31 percent less to charitable organizations, and people who score one point higher on the inadequacy scale donate 32 percent less. We therefore conclude that an understanding of money perceptions is an additional important factor in the understanding of charitable behaviour and make suggestions for taking this new research agenda forward.

Keywords: Charitable giving; Altruism; Prosocial behaviour; Money perceptions;

Philanthropy

Psychological classification codes: 2360, 3020, 3040, 3920

JEL classification codes: D14, D64

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1. Introduction

At a meeting of the philanthropic community in London, England, a billionaire philanthropist, Sir Tom Hunter, sought to enthruse his fellow super-rich to follow his philanthropic lead by saying, “*I’m having the time of my life and I want to tell others on the Rich List to do this, once they’ve met all their material goals*”.¹ To appear on the UK Rich List in 2008 an individual had to be worth a minimum of £80 million.² Whilst it seems curious to suggest that anyone worth £80 million or more can still have material goals to meet *before* they can turn their attention to philanthropic acts, it is an appropriate starting point for this paper, which explores attitudes towards money and argues that an understanding of ‘money perceptions’ can help to explain philanthropic behaviour.

Money perceptions matter because even people who are objectively well off can still feel financially insecure. Research demonstrating that attitudes towards money are largely independent of an individual’s income (Yamouchi and Templer, 1982) has subsequently been explored in studies of spending, saving and gambling (Furnham and Argyle, 1998) but not, so far, on a study of charitable giving and philanthropy.

Despite the absence of research, people who interact with donors and potential donors – such as charity fundraisers and philanthropic advisers - are well aware that people holding similar amounts of wealth have disparate views on how much they can afford to give away (Lloyd, 2004). The ‘grey literature’ produced within the charity sector has discussed this issue quite extensively and published non peer-reviewed findings. For example, a study of attitudes

¹ Hunter was speaking at a breakfast seminar organised by the Charities Aid Foundation on 29/4/08.

² The UK Rich List is published annually by the Sunday Times newspaper.

towards giving by rich UK people found many respondents reporting feelings of financial insecurity, despite their objective wealth, typified by this quote:

“Wealthy? It’s £50 million and upwards as far as I’m concerned. £50 million is the point at which you don’t have to panic anymore” (Edwards, 2002: 35).³

Similarly, a report exploring giving in the City of London identified rich people who felt financially stretched, despite living a luxury lifestyle, as one interviewee explains,

“By the time you’ve got a car or two and a yacht and maybe a second home in the south of France or something, you can see that the bills add up.” (John et al., 2008: 21)

Even rich people who do not currently feel ‘stretched’ may carry fears of losing their wealth which can restrict their inclination to make donations,

“I can put money into something and it may just go down the tubes, then you’re in deep trouble. I’ve had a life of ups and downs so I’m very conscious of the value of money” (Edwards, 2002: 34).

However, not all objectively wealthy people feel insecure or retentive about money; many expressly reject such attitudes, believing it is better to spend money and enjoy the consequences. The billionaire UK-based donor, Sigrid Rausing has said,

*“It is only when you give it away, or consume, that money transforms from figures on a piece of paper to something in the world.”*⁴

And the founder of the Body Shop, Anita Roddick, demonstrated a non-retentive attitude towards her wealth when she said,

*“I don’t want to die rich. Money does not mean anything to me. I don’t know why people who are extraordinarily wealthy are not more generous.”*⁵

³ In all the studies quoted in this introductory section, ‘rich’ is defined as receiving an annual salary of £80,000 (c.\$138,000/€100,000) or net worth of at least £1million (c.\$1.7million/€1.3million).

⁴ Quoted in the Guardian newspaper 9/6/04.

⁵ Quoted in the Sunday Times Rich List 2006.

Despite the existence of people like Rausing and Roddick, it is clear that being objectively rich is no guarantor of feeling financially secure, as even people with abundant financial resources may experience feelings of ‘nothing to spare’. This paper presents the first study that focuses on money perceptions as a key explanatory variable to account for differences in charitable giving, regardless of an individual’s actual financial resources.

We begin with a discussion of the literature, including an overview of the different attitudes people can have towards money. After that, we implement these different attitudes in order to formulate hypotheses on how money perceptions and attitudes affect incidence and level of charitable giving. We empirically test a) how money perceptions relate to actual financial resources; and b) how money perceptions and actual financial resources relate to philanthropic donations. With this study we hope to provide new answers to the question of why some people behave more altruistically than others.

2. Theory and hypotheses

2.1. Literature review

In an overview study of philanthropic behaviours, Bekkers and Wiepking (2007) argue that the *actual* economic cost of donations is one of eight mechanisms that drives philanthropic donations, alongside awareness of need, solicitation, altruism, reputation, benefits, values, and efficacy. It is clear that giving money costs money; the higher the actual costs of donations, the less people will be able and inclined to give. In many countries - including the UK, the Netherlands, and the US - giving to charitable causes is tax deductible (Dehne et al., 2008). This makes the real costs of a donation smaller than the donation itself. Most tax systems stimulate charitable behaviour in such a way that people on higher incomes

(and therefore with the capacity to make larger donations) are given more incentives than people on lower incomes and pay a relatively lower price of giving than people in lower tax categories. Thus, the higher a household's income, the lower the actual costs for making charitable donations. Economists refer to the actual costs of donations as the 'price of giving' (Andreoni, 2004; Vesterlund, 2006). There is overwhelming evidence of an inverse correlation between the price of giving and philanthropic donations (Peloza and Steel, 2005; Simmons and Emanuele, 2004; Steinberg, 1990).

Whilst the impact of the *actual* economic price of giving has attracted the attention of many scholars, there is minimal understanding of how *perceived* psychological costs affect charitable giving. By 'perceived costs' we mean the costs of donations as experienced by donors and potential donors, which might also be described as the psychological price of giving.

Foremost amongst those who have emphasised this factor was Claude Rosenberg, whose advocacy of tithing was based on a belief that most people systematically underestimate their wealth and, subsequently, their capacity to give (Rosenberg, 1994). A handful of academic studies mention the effects of perceived costs of donations either in passing or very briefly. Wright's discussion of the different giving ethos and behaviours found in the US and the UK suggests that one explanation amongst many could involve different attitudes towards wealth, including self-perceptions of wealth, however this perception effect is not quantified (Wright, 2002). A short article based on findings from the Wealth and Responsibility Study 2000 finds a positive relationship between financial security and giving, leading the authors to conclude,

"it's not just the objective size of people's pocketbooks that matters but also their subjective sense of financial security" (Schervisch et al., 2005: 8)

A study focussed on creating ‘portraits of donors’ generated interesting insights into money perceptions and financial insecurity in rich US households, finding that only 21 percent of households with a net-worth of \$50m or more reported feeling 'extremely financially secure' and 11 percent of these same households felt 'somewhat insecure' (Rooney and Frederick, 2007:11). This objectively puzzling attitude to money is also described by Brooks who finds Americans in the upper income class who describe themselves as “*not being able to afford to give*” because they have mortgages, car loans, and kids in college (Brooks, 2006: 8). A disparity between apparent wealth and subjective assessments of wealth have also been noted in the UK, in a study of 76 people holding a net-worth of at least £1 million, 75 percent said they would increase their giving if they had more money and 25 percent described themselves as having ‘low’ financial security (Lloyd, 2004: 104-5, 176-7).

Four further studies that touch on money perceptions include a bivariate analysis which found that people who perceive their financial situation as more positive are more generous donors (Havens et al., 2007); a study which found that those who consider themselves ‘financially better off than most other people’ report higher donations to relief appeals (Bennett and Kottasz, 2000); a study of graduate school alumni donations which found that alumni giving was higher among those who had more confidence in the economy (Okunade, 1996); and a study that found an association between the individual’s perception of a better financial position and the greater likelihood of sponsorship, attending charitable events, and donation in shops (Schlegelmilch et al., 1997).

2.2. The neglect of money perceptions in philanthropic studies

Aside from these ten studies, and in comparison to the endless stream of papers that discuss and quantify explanations for philanthropic behaviour, such as economic costs, warm

glow, fringe benefits and effects of social norms and personal norms, the potential explanatory power of money perceptions has been unwisely overlooked (Bekkers and Wiepking, 2007; Briers et al., 2007; Khalil, 2004; De Ruyter and Wetzels, 2000). Yet psychologists and sociologists have long established that people can have very distinct perceptions regarding money and diverse attitudes towards the distribution of personal wealth (monetary or otherwise). For example, Wilson (1999) notes that the way people talk about money is revealing of how they think about it, Lunt and Livingstone (1991) emphasise the psychological determinants that underlie attitudes towards saving money, prior experiences of hardship are identified as predictors of financial anxiety and generosity (Lim and Teo, 1997), feelings about the money attitudes of potential recipients can affect inclinations to donate to them (Mayo and Tinsley, forthcoming) and Pahl's (1995) study of gender differences regarding money management is grounded in an understanding of, "*the messy reality of money as we experience it in everyday life.*" (Pahl, 1995: 363)

Other notable studies on the psychological and social meaning of money include Furnham and Argyle's (1998) conclusion that, "*attitudes clearly play a role in how people use money*" (Furnham and Argyle, 1998: 60) and Zelizer's studies (1989; 1994), which challenge the assumption that money is an abstract, impersonal and fungible construct, by demonstrating,

"the remarkably various ways in which people identify, classify, organize, use, segregate, manufacture, design, store and even decorate monies as they cope with their multiple social relations [...] not all dollars are equal or interchangeable. We routinely assign different meanings and separate uses to particular monies" (Zelizer 1994:1, 5).

If we accept that different money perceptions exist, that 'not all dollars are equal', then it seems likely that people will also have different perceptions and attitudes regarding the dollars they have available (or not) for spending on charitable donations.

In order to examine the effect of the perceived costs of giving, it is important to also pay attention to the relationship between attitudes and factors that affect the *actual* costs of giving, because money perceptions are likely to have some relation to actual financial resources, as measured by income, financial stability and wealth. Before examining how the attitudes that people hold towards money relate to the actual financial resources they possess, and how a combination of these money attitudes and actual financial resources affect charitable giving, we describe two key measurable attitudes towards money: feelings of retention and feelings of inadequacy when it comes to handling money. We generate hypotheses about the effect of these money perceptions on philanthropy and altruism.

2.3. Money perceptions: definitions, illustrations and hypotheses

The two measurable ‘money attitudes’ that we examine in this paper were first identified by Furnham in his Money Beliefs and Behaviour Scale (MMBS), which measures six factors in people’s attitudes towards money: Obsession, Power, Retention, Conservative/Security, Inadequacy, and Effort/Ability (Furnham, 1984; Wilhelm et al., 1993).

Whilst we would have liked to investigate the relationship between charitable giving and all six ‘money attitudes’ included in the MMBS, this paper is only concerned with those factors for which we have adequate measurements, therefore we focus on the relationship between feelings around retention and inadequacy and charitable giving.

2.3.1. Money perception 1: Retention

‘Retention’ refers to the degree to which people have a careful approach to wealth and a preference not to spend money on anything (Furnham and Argyle, 1998). People with strong feelings of retention prefer to save money, are fearful of lacking money in the future, often

feel guilty about spending money (even on necessities) and have difficulties in making decisions about spending money, regardless of the amount involved and their actual ability to afford it. We therefore formulate the following hypothesis:

H1: People with stronger feelings of retention have a lower level of giving.

One might argue that rich people are likely to experience stronger feelings of retention than people with lower or average incomes because retentive characteristics, such as preferring to save rather than spend, can lead to acquiring large amounts of absolute financial resources. However, there are other ways to acquire wealth that do not require retentive attitudes and behaviour – such as entrepreneurial activity and investing – and there exist affluent individuals who experience no feelings of retention. Therefore we argue that there is no direct relationship between feelings of retention and absolute financial resources.

2.3.2. Money perception 2: Inadequacy

People who feel financially inadequate are those who worry about their financial situation most of the time, state that most of their friends have more money than they do, and believe that other people over-estimate their actual financial resources. Whilst we might predict inadequacy to be stronger amongst people at the lower end of the income scale, as the quotes in the introductory section demonstrated, people with plentiful financial resources can also feel inadequate when it comes to handling money. Given the range of attitudes held by people who are similarly wealthy, we do not expect the effect of feelings of inadequacy to be mediated by actual financial resources. The second hypothesis offered is therefore:

H2: People who have stronger feelings of inadequacy when it comes to handling money have a lower level of giving.

3. Data and measurements

3.1. The Giving in the Netherlands Panel Study

We test the two hypotheses using quantitative data from the Giving in the Netherlands Panel Study 2007 (GINPS07, 2009: N=1 866). GINPS is a bi-annual longitudinal study on charitable giving and volunteering in the Netherlands, which started in 2002. In May 2008, 1 866 respondents were questioned about their household's donating behaviour during 2007, using Computer Assisted Self-Administered Interview procedures (CASI). The median annual after-tax income of the respondents is €24 600, and the highest income in the 9th decile is €42 000. In comparison, in 2006 the median annual after-tax household income of the Dutch population was €27 500, and the highest income in the 9th decile was €55 500 (Statistics Netherlands, 2009). This indicates that respondents in GINPS07 are representative for Dutch lower to middle-high income households.

The dependent variable in our research is the natural log of the total amount of money that a household donated to charitable organisations in 2007. GINPS07 measures donations made to eleven charitable sub-sectors: Religion, Health, International Aid, Environment protection, Nature protection, Animal protection, Education/Research, Culture, Sports/Recreation, and Public/Social Benefits and other causes. The questions on donations are asked using an adaption of the 'IU-Method-Area'-module (Rooney, Steinberg et al. 2001). First, respondents were questioned regarding which method they used to make a donation, for example, a collection tin or via a direct debit. Secondly, respondents were asked whether or

not their household made a donation to each of the sub-sectors. Thirdly, the respondent was asked to state the exact amount of money given to each sub-sector in 2007. Respondents failing to state the exact size of donation were offered indicative categories (recoded to class means) as follows: 1) less than €5; 2) €5 to €10; 3) €11 to €15; 4) €16 to €25; 5) €26 to €50; 6) €51 to €100; 7) €101 to €200; 8) more than €200; 9) no idea how much I donated; 10) I don't want to say how much I donated. 4.2 percent of all respondents had no idea how much they donated to at least one charitable subsector; 1.9 percent of the respondents did not want to say how much their household donated, again for at least one charitable subsector. We replaced this small proportion of missing donations with a conservative estimate of two euros per subsector, in line with Wiepking (2008). Of the 1 866 respondents that completed the questionnaire, only 192 households (10.3 percent) indicated that they did not make any donation in 2007.

3.2. Money perceptions

In GINPS07, respondents' attitudes towards money are measured with eleven 5-point Likert scale items, chosen from a larger set of items that showed validity in measuring the two MBBS factors of inadequacy and retention as discussed in Furnham (1984) and in Wilhelm, Varcoe and Fridrich (Wilhelm et al., 1993). Table 1 displays the exact items, as well as the results from a principal component analysis. The results show that the items measure perceptions relating to inadequacy and retention as intended, all with an eigenvalue over 1. Together these factors explain 56.0 percent of total variance. However, the reliability analysis showed that the first item measuring the retention factor ("I prefer to save money, because I am never sure when things will collapse and I need the cash") decreases the strength of the retention factor, and therefore it is excluded. The reliability is highest for the inadequacy

measure, Cronbach's alpha is .73. For the retention factor, Cronbach's alpha is .64. The MBBS retention and inadequacy variables used in the further analyses measure the mean scores on respectively the three retention and the three inadequacy items, as listed in table 1.

<<Insert table 1 about here>>

3.3. Actual financial resources

We use three different indicators to measure actual financial resources: total after-tax household income, receiving income from wealth, and home ownership. Annual after-tax household income was measured by asking respondents about their own and (if applicable) their partner's monthly after-tax income from eight different sources. Respondents choosing not to state their exact income were offered indicative categories, which were recoded to the mean value, resulting in no missing values on the income variables. Total monthly after-tax income was calculated by adding all sources of income, multiplying by twelve to create an annual estimate, then combining respondent and partner income (where applicable) to create a total for each household. We use the natural log of annual after-tax household income in the analyses.

For the second measure of actual financial resources, respondents were asked, as a dichotomous variable, whether they and/or their partner receive income from wealth; we found that 8 percent of the households in our dataset did receive income from wealth.

The third measure of actual financial wealth, home ownership, is a common indicator of actual financial security (Banks and Tanner, 1999; Todd and Lawson, 1999). It is especially appropriate when studying groups of people in which actual financial resources mean that home ownership is not ubiquitous, as is the case in this dataset, as respondents

demonstrate a low through middle-high household income (up to €120 000 annual after tax household income). 56 percent of the respondents indicated that they are home owners.

Finally, in the analyses we hold constant for age, gender, marital status and number of children as this might affect both actual and perceptual financial resources.

<<Insert table 2 about here>>

4. Results

4.1. Relationships between money perceptions and actual financial resources

Table 3 shows the correlations between the two money perception measurements and the three indicators of actual financial resources.

<<Insert table 3 about here>>

4.1.1. Retention and actual financial resources

We found a negative relationship between feelings of retention and all three measures of actual financial resources (household income, income from wealth and home ownership). When people with lower to middle-high incomes have greater actual financial resources at their command, they are less likely to have a careful approach to wealth and to express a preference not to spend money (and vice versa).

4.1.2. Inadequacy and actual financial resources

We found significant negative relationships between inadequacy and all three measures of actual financial resources. People who worry about their financial situation and

fear their wealth is over-estimated by others have lower actual financial resources, and vice versa.

These two findings are contrary to our expectations, as we expected no direct relationship between the money perceptions and actual financial resources. The results of the correlations indicate that the perceived and actual costs of donations are more intertwined than anticipated. However, these correlations do not indicate any causality: negative financial perceptions can lead to more negative actual financial resources and hence to lower incidence and level of giving, but the causality could also be reversed. In that case, lower actual financial resources would lead to negative financial perceptions, which in turn affect giving.

4.2. The effects of money perceptions on the level of charitable giving

We analysed the effects of money perceptions and actual financial resources on the level of charitable giving in three models. Table 4 shows the results of Ordinary Least Squares regression analyses of the natural log of total amount donated to charitable organizations. As 89.7 percent of the respondents did make a donation in 2007, problems with sample selection and truncation are negligible (Bradley et al., 2005; Wiepking, 2008). Within Table 4, Model 1 explores only the direct effects of money perceptions, Model 2 explores only the direct effects of actual financial resources, and Model 3 explores both money perceptions and financial resources simultaneously. In all models we control for age, gender, marital status and number of children in the household.

<<Insert table 4 about here>>

In Model 1, which shows the effect of money perceptions on the amount people donate, we find significant negative effects for both indicators of money perceptions. The strongest effect derives from feelings of inadequacy: people who worry more about their financial situation are found to donate lower amounts to charitable organizations. People who score one point higher on the inadequacy scale, donate 40 percent less to charitable organizations. This is true for people who score for example 3.6 on the inadequacy scale, which is one point higher than the average score. We also find a negative effect of retention: having a stronger preference not to spend money leads to donating lower amounts. People scoring one point higher on the retention scale donate 35 percent less to charitable organizations.

Model 2 shows the results of the effects of actual financial resources on level of charitable giving. These results are very much in line with previous studies (Bekkers and Wiepking, 2007; James III and Sharpe, 2007) as we find a positive effect of home ownership, annual after-tax income and receiving income from wealth on level of charitable donations. We find an income elasticity of .19 in Model 2 in Table 4. Compared to results in American research, this is rather low (see for example Auten et al., 2002). However, in the Netherlands an income elasticity below .30 is common (Bekkers, 2004; Wiepking and Maas, forthcoming). Home owners donate on average 51 percent more money to charitable organizations than people who rent, and people who receive income from wealth donate 67 percent more money than people who do not have this private source of income.

It is interesting to note that the percentage of variance explained as measured with the adjusted R-square is 8.8 percent in the analyses of actual financial resources (Model 2). In the model estimating the effect of money perceptions, the percentage of variance explained in the level of giving is higher, 10.2 percent. In accounting for the level of charitable giving, money perceptions are therefore actually more important than actual financial resources.

In Model 3, which shows the effect of both money perceptions and actual financial resources on level of charitable giving, we find that the effects of both retention and inadequacy on level of giving are smaller, but still have a significant negative effect, once actual financial resources are taken into account. In Model 3, people who score one point higher on the retention scale, donate 31 percent less to charitable organizations, a 4 percent difference with Model 1. People who score one point higher on the inadequacy scale donate 32 percent less, an 8 percent difference with Model 1. Thus, respectively 4 percent and 8 percent of the direct effect of retention and inadequacy on level of giving are mediated and can be explained by actual financial resources. When we consider the effects of actual financial resources on level of charitable giving in Model 3, we see that the direct effect of home ownership, after-tax household income, and income from wealth decrease (respectively 12 percent, 5 percent and 19 percent) between Model 2 and Model 3, indicating that these effects are to some extent mediated by money perceptions.

5. Conclusion and discussion

In this paper we have investigated how different attitudes towards money can explain differences in philanthropic and altruistic behaviour. We formulated hypotheses on the effects of money perceptions on charitable giving and our results show that, regardless of actual financial resources, the amount that people donate is negatively affected by feelings of retention and inadequacy around money.

As shown in the introductory discussion, even people with significant financial resources can demonstrate feelings of retention and inadequacy around money. Therefore, we formulated our hypotheses based on the idea that money perceptions are not related to actual financial resources. However, when we tested our hypotheses, we did find that the effects of

money perceptions are also mediated by actual financial resources. This discrepancy could be due to the Dutch sample being comprised primarily of people in lower to middle-high income households. Additional data and analyses would be necessary to provide more insight into the relationship between money perceptions and actual financial resources for people in high income households.

However interesting the findings of the present study, there are some methodological shortcomings that deserve attention. A recent study by Baker and Hagedorn (2008) shows, for example, that Yamauchi and Templer's 'money attitude scale' (MAS) (Yamouchi and Templer, 1982) is less invariant and more reliable than Furnham's MBBS scale (Furnham, 1984). In retrospect, it would have been better to measure money perceptions in GINPS07 with items from the MAS scale rather than using the items from the MBBS scale. However, in our case, the items included in GINPS07 to measure the MBBS factors turned out to measure the two factors of inadequacy and retention as intended. These factors can also be considered reliable enough to investigate their relation with actual financial resources and giving (we measured the lowest Cronbach's alpha for the retention factor, .64 for three items). It would be interesting to measure both the MAS scale and the MBBS scale in future research and study how measurements of money perceptions obtained using both scales relate to actual financial resources and to charitable giving.

Our findings - that people with stronger feelings of retention and inadequacy donate lower amounts - imply that money perceptions should be considered as important dispositional characteristics for predicting donations. Just as altruistic values and empathic concern are widely understood to increase incidence and level of giving, so feelings of retention and inadequacy in handling money decreases it, regardless of people's actual financial resources.

This research opens up many new and interesting questions about the effect of money perceptions on charitable giving. For example, we would like to have explored the relationship between feelings of financial security and charitable giving, but lacked adequate data to draw conclusions on this factor. People who feel financially secure are a particularly interesting type of potential donor during the present period of economic crisis, as they are defined as those having confidence in the ability to maintain their standard of living indefinitely, regardless of the impact of external factors, such as a recession. As Schervish et al note, “*For people who feel such security, philanthropic decisions really are different*” (Schervisch et al., 2005: 8). It would be useful to gain some insight into people’s perception of, and confidence in, the economy in general (especially in these turbulent times of global economic crisis) in order to investigate how this relates to measures of money perceptions, actual financial resources and charitable giving. It would also be interesting to explore how money perceptions affect different methods of giving, for example, people with strong feelings of retention may prefer making donations through charitable bequests rather than during their life time. Finally, it could be useful to explore the perceived costs of *not* giving, which might include social costs such as damaged social reputation, cognitive dissonance arising from contradicting a perception of oneself as generous and psychological costs due to loss of self esteem. Future research could take these suggestions into account.

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Table 1 Money perceptions structure from principal component analysis^a

Items	Mean	St.dev.	Factors	
			1	2
<i>Inadequacy</i>				
1: I worry about my finances most of the time	2.88	1.02	.67	
2: Most of my friends have more money than I do	3.05	.87	.72	
3: I am worse off than my friends think	2.57	1.00	.82	
<i>Retention</i>				
1: I prefer to save money, because I am never sure when things will collapse and I need the cash	3.85	.84	-.52	.44
2: Even when I have sufficient money I often feel guilty about spending money on necessities like clothes etc	2.44	.95		.76
3: I often have difficulty in making decisions about spending money regardless of the amount	2.70	.98		.75
4: I often say “I can’t afford it”, regardless whether I can or not	2.53	.96		.61
Eigenvalue factor			2.57	1.35
% of variance factor			36.76	19.25
Reliability (Alpha) ^a			.73	.64 ^b

Notes: ^a varimax rotation; cut-off point of .40; ^b Cronbach’s Alpha increases from .53 to .64 when retention item 1 is excluded.

Source: GINPS07 (2009)

Table 2 Descriptive statistics of the variables used in this study

	N	Min.	Max.	Mean	S.E.
<i>Dependent variable</i>					
Total amount donated (ln)	1866	0	1.52	3.89	2.01
<i>Money perceptions</i>					
MBBS retention	1866	1	5	2.56	.73
MBBS inadequacy	1866	1	5	2.84	.78
<i>Actual financial resources</i>					
Home ownership	1866	0	1	.56	.50
Annual after-tax household income (ln)	1866	0	11.70	9.94	1.16
Income from wealth	1866	0	1	.08	.27
<i>Source:</i> GINPS07 (2009)					

Table 3 Correlations between money perceptions and actual financial resources

	MBBS retention	MBBS inadequacy
Home ownership	-.106**	-.157**
Annual after-tax household income (ln)	-.119**	-.148**
Income from wealth	-.058*	-.189**

Notes: * $p \leq .05$; ** $p \leq .01$
Source: GINPS07 (2009)

Table 4 OLS Regression of the natural log of the total amount donated to charitable organizations in the Netherlands, 2007 (GINPS07, 2009; N=1,866)

	<i>Model 1</i>				<i>Model 2</i>				<i>Model 3</i>			
	<i>B</i>	<i>S.E.</i>	<i>Beta</i>	<i>p</i>	<i>B</i>	<i>S.E.</i>	<i>Beta</i>	<i>p</i>	<i>B</i>	<i>S.E.</i>	<i>Beta</i>	<i>p</i>
<i>Money perceptions</i>												
MBBS retention	-.347	.066	-.126	**					-.308	.067	-.094	**
MBBS inadequacy	-.404	.062	-.155	**					-.316	.064	-.106	**
<i>Actual financial resources</i>												
Home ownership					.508	.098	.125	**	.385	.097	.095	**
Annual after-tax household income (ln)					.193	.040	.111	**	.146	.040	.084	**
Income from wealth					.670	.167	.090	**	.481	.166	.065	**
Constant	4.158	.240		**	.271	.420			2.281	.474		**
Adjusted R-square	.102				.088				.122			

Notes: ⁽⁺⁾ $p \leq .10$; * $p \leq .05$; ** $p \leq .01$; analyses control for age, gender, marital status and number of children in the household.