

Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

Why donate? Let's count the reasons

By Barry VanderKelen

The answer to the question "Why do people donate money?" depends on whom you ask and about whom you are asking.

The standard response includes three factors: the nonprofit's mission; being asked; and the tax benefits. This is often translated by fundraisers to mean that they must meet wealthy people, explain their organization's work, ask for a donation, and suggest the donor consult an accountant to learn the tax benefits of the gift.

This may be true for larger gifts, but not for smaller ones. Interestingly, the states with the lowest per capita income tend to have higher per capita charitable giving, according to the Catalogue for Philanthropy. One of the reasons for this is that residents in these states tend to give more of their income to their churches.

A link between large and small donations is that the donor was asked to give. A study conducted by the Center on Philanthropy at Indiana University finds that when a prospective donor is solicited for a gift by a friend or acquaintance, the amount of the gift in-

creases. Donors who were asked to give in person by someone they knew donated 19 percent more (\$987) to secular (nonreligious) charities, when compared with telephone, mail or e-mail requests from someone they knew (\$799). For religious organizations, when the donor was asked in person by someone he or she knew, the average donation was 42 percent higher (\$2,904) than when someone the donor knew made the request using a different tactic (\$1,698). (A copy of the study can be requested at www.campbellcompany.com).

When the question is asked of neurobiologists, the answer is because giving makes us feel good. When someone gives a gift, the pleasure center of the brain activates. This same center activates when someone eats chocolate. Perhaps candy should be a part of every solicitation.

When the question of motivation to give is asked of social science researchers, the answer is not clear-cut. Rene Bekkers and Pamala Wiepking reviewed academic literature on philanthropy (*Generosity and Philanthropy: A Literature Review*, <http://ssrn.com/abstract=1015507>). They identified eight factors that play important roles

in motivating someone to donate money. In no particular order, they are: awareness of need; solicitation method; costs and benefits; altruism; reputation; psychological benefits; values; and impact of the gift. Their review encompassed research spanning more than 40 years. Their conclusion is that multiple factors operate simultaneously, and the mix of factors differs over time, place, organizations and donors. This suggests that solicitations must be highly personalized and adapted to the donor's motivations.

While it is impossible to say definitively why someone donates to charity, my experience is that potential donors are attracted to a mission.

The purpose of the gift must have relevance to the donor.

What is clear is that personal visits are important to any annual or capital campaign. Because of the investment of time and talent, these visits should be made to the prospects with the likelihood of leadership gifts. Nonprofits must find ways to help volunteers overcome their reluctance to "make the ask."

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Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

weekly column to help strengthen nonprofit organizations in the community. Each column is reprinted here as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at barry@slocf.org.