Global philanthropy
How institutional factors enable formal philanthropic giving

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November 27, 2018

Funding acknowledgements:
Co-authors and contributors

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Amounts donated in 2012 US Dollar

Source: IIPD, 2016
Research questions

• How do the institutional underpinnings of philanthropy facilitate (or inhibit) individual formal philanthropic donations?
• Which organizational structures facilitate higher voluntary private contributions to the public good?
The institutionalization of blood and organ donations

Healy, 2000: 1633

“Blood must be collected as well as donated, and the organizational basis of the blood supply has been largely neglected”. Healey, 2000: 1633

Source: Johnson & Goldstein, 2003
The institutionalization of philanthropy

The socially constructed system of norms, beliefs and definitions manifested in different institutions which provide formal or informal legitimacy to the practice of philanthropic giving (based on Scott 2008)

Three elements:
• Regulative elements to legitimize philanthropy
• Normative elements to legitimize philanthropy
• Cultural-cognitive elements to legitimize philanthropy
**Regulative elements** refer to rules and laws that might be legally sanctioned

<table>
<thead>
<tr>
<th>Theory</th>
<th>Operationalization</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory and legislative frameworks / regulation (e.g., Breen et al., 2016)</td>
<td>Ease of forming philanthropic organizations</td>
<td>Index of Philanthropic Freedom, Adelman et al., 2015</td>
</tr>
<tr>
<td>Price of giving (e.g., Steinberg, 1990; Dehne et al., 2008)</td>
<td>Fiscal incentives system</td>
<td>CAF Donation States, 2016</td>
</tr>
</tbody>
</table>
Index of Philanthropic Freedom

Regulations for Philanthropic Organization formation, operation and dissolution (score 1-5)
1. Ease of incorporating a philanthropic organization;
2. Ease of operating a philanthropic organization; and
3. Government discretion to shut a philanthropic organization
Fiscal incentives for giving

Figure 8 Typologies of tax incentive regimes

Egalitarian
- Canada
- Japan
- Ireland
- France

Pragmatic
- USA
- Australia
- Phillipines
- Singapore
- Italy
- UK

Transitional
- Mexico
- S Africa
- Poland
- Argentina
- Mexico
- Peru
- India

Restrictive
- Egypt
- Brazil
- Russia
- Turkey
- China
- Saudi Arabia
- Nigeria
- Vietnam
- Bangladesh

CAF, 2016
Fiscal incentives for giving

Strengths:
- Easy for donors to understand
- Generous incentives for wealthy donors
- Inclusive of a wide range of charitable causes
- Simple to administer for tax authorities

Weaknesses:
- Marginal cost of giving rises with income level (upside down effect)
- Poorer donors receive lower incentive or are unable to claim

CAF, 2016: p. 69
**Normative elements** provide legitimation by referring to certifications and accreditations that are morally and collectively governed - for example through social and professional standards

<table>
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</tr>
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<tbody>
<tr>
<td>The state of the np sector (e.g., Wiepking and Handy, 2015)</td>
<td>Nonprofit educational programs</td>
<td>Mirabella and Wish 2001; Mirabella et al. 2007</td>
</tr>
<tr>
<td>Professionalization of ‘the ask’ (Breeze &amp; Scaife, 2015)</td>
<td>Professionalization of fundraising</td>
<td>Breeze &amp; Scaife, 2015</td>
</tr>
</tbody>
</table>
Professionalism of fundraising

Advanced fundraising regimes

Established fundraising regimes

Evident fundraising schemes

Emerging fund-raising regimes

Embryonic fundraising regimes

Breeze & Scaife, 2015, Palgrave Handbook of Global Philanthropy
**Cultural-cognitive elements** provide a basis for legitimacy as they are cognitive schemata that are commonly recognised and culturally supported

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<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crowding in / crowding out (e.g., Andreoni, 1988; de Wit and Bekkers 2016; Lu 2016)</td>
<td>Proportion nonprofit revenue from public sources</td>
<td>Salamon et al. 2017</td>
</tr>
<tr>
<td>Engagement with population (Hager 2004; Studer 2016)</td>
<td>Proportion volunteers</td>
<td>Gallup World Poll, 2010</td>
</tr>
</tbody>
</table>
Data: Individual International Philanthropy database (IIPD, 2016)

$N_{\text{country}} = 19$

$N_{\text{individual}} = 138,927$
## Correlations

<table>
<thead>
<tr>
<th></th>
<th>Amount donated-individual level measure</th>
<th>Amount donated-aggregated country level measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of forming philanthropic organizations</td>
<td>0.37***</td>
<td>0.82***</td>
</tr>
<tr>
<td>Number of nonprofit education programs</td>
<td>0.22***</td>
<td>0.50***</td>
</tr>
<tr>
<td>Proportion nonprofit revenue from public sources</td>
<td>0.19***</td>
<td>0.44***</td>
</tr>
<tr>
<td>Proportion volunteers</td>
<td>0.41***</td>
<td>0.93***</td>
</tr>
</tbody>
</table>
## Bivariate statistics – fiscal system

<table>
<thead>
<tr>
<th>Fiscal incentive system</th>
<th>Countries</th>
<th>Average proportion donors</th>
<th>Average amount donated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Egalitarian</td>
<td>France, Canada, South Korea, Japan, Ireland</td>
<td>0.66</td>
<td>260</td>
</tr>
<tr>
<td>2 Egalitarian &amp; Pragmatic</td>
<td>United Kingdom, Switzerland</td>
<td>0.88</td>
<td>764</td>
</tr>
<tr>
<td>3 Pragmatic</td>
<td>Australia, Netherlands, United States, Norway, Austria, Taiwan, Israel, Germany</td>
<td>0.67</td>
<td>395</td>
</tr>
<tr>
<td>4 Pragmatic &amp; Transitional</td>
<td>Finland</td>
<td>0.73</td>
<td>29</td>
</tr>
<tr>
<td>5 Transitional</td>
<td>Mexico</td>
<td>0.84</td>
<td>27</td>
</tr>
<tr>
<td>6 Transitional &amp; Restrictive</td>
<td>Russia</td>
<td>0.40</td>
<td>12</td>
</tr>
<tr>
<td>7 Restrictive</td>
<td>Indonesia</td>
<td>0.49</td>
<td>34</td>
</tr>
</tbody>
</table>
# Bivariate statistics – fundraising regimes

<table>
<thead>
<tr>
<th>Type of fundraising regime</th>
<th>Countries</th>
<th>Average proportion donors</th>
<th>Average amount donated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Embryonic fundraising regimes</td>
<td>Indonesia</td>
<td>0.49</td>
<td>34</td>
</tr>
<tr>
<td>2 Emerging fundraising regimes</td>
<td>Mexico, Taiwan, Russia</td>
<td>0.62</td>
<td>66</td>
</tr>
<tr>
<td>3 Evident fund-raising regimes</td>
<td>Norway, Finland, South Korea, Japan, Austria, Ireland, Israel</td>
<td>0.61</td>
<td>206</td>
</tr>
<tr>
<td>4 Established fundraising regimes</td>
<td>Australia, France, United Kingdom, Netherlands, Canada, Germany, Switzerland</td>
<td>0.79</td>
<td>428</td>
</tr>
<tr>
<td>5 Advanced fundraising regime</td>
<td>United States</td>
<td>0.65</td>
<td>1,427</td>
</tr>
</tbody>
</table>
# Multilevel results

<table>
<thead>
<tr>
<th>Factor</th>
<th>Likelihood of giving</th>
<th>Amounts donated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of forming philanthropic organizations</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>Fiscal incentives system</td>
<td>n.s.</td>
<td>+ Egalitarian &amp; Pragmatic system</td>
</tr>
<tr>
<td>Type of fundraising regime</td>
<td>+ Established regime</td>
<td>+ Established regime</td>
</tr>
<tr>
<td>Number of nonprofit education programs</td>
<td>n.s.</td>
<td>+ # programs</td>
</tr>
<tr>
<td>Proportion nonprofit revenue from public sources</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>Proportion volunteers</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>Institutionalization</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
</tbody>
</table>
Predicted probability of giving

1. Predicted probability of giving vs. Ease of forming philanthropic organizations
2. Predicted probability of giving vs. Number of NP education programs
3. Predicted probability of giving vs. Prop NP revenue public sources
4. Predicted probability of giving vs. Proportion volunteers

Graphs show the predicted probability of giving across different variables.
Linear prediction of amount donated

- Ease of forming philanthropic organizations
- Number of NP education programs
- Prop NP revenue public sources
- Proportion volunteers
Conclusion

• Correlational analyses show strong results, more strict methods do not → cautionary tale

• Small and selective sample of countries probably drives the results

• We need a new study of individual philanthropy across a large range of diverse countries, using the same methodology
  • But: how can we measure philanthropy reliable across cultures?
Discussion

• Are there other institutional factors you would study?
• Are these regulative, normative or cultural-cognitive? Or something else?
• How can we best study global philanthropy?

• Any questions? Feedback?
  You can reach me at pwiepking@iu.edu

Thank you!
And thank you funders!
References