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Introduction

Philanthropy in the welfare state

While ageing continues to raise the costs of care and pension provisions, economic volatility and public debts depress government spending. Political choices that are made under these pressures result in smaller budgets for welfare state arrangements, and explicitly stated responsibility for citizens and organizations to participate in social programs like the provision of care and the funding of cultural activities. In 2010, for example, the Dutch government announced to decrease government funding of nonprofit organizations in the field of arts and culture, combined with a fiscal reform to increase tax deductibility of charitable donations in this area. In hundreds of media articles and public responses from nonprofit organizations, the budget cuts were qualified as “survival of the fittest” (Vos, 2011) and “a terrorist attack on the arts” (theatre director Ivo van Hove in Rijghard, 2010), but also as a call for self-reflection and innovation in the nonprofit sector (Barth, 2011; Pontzen, 2011). The explicit goal of this policy reform was to aim for a small government, with ample room for private generosity and “cultural entrepreneurship” (Rijksoverheid, 2011). This is a textbook example of policy choices motivated by a supposed zero-sum relationship between government funding and philanthropic activity in the nonprofit sector. But to what degree is philanthropy actually affected by financial government support?

There is a wide array of academic studies dedicated to the idea that increasing levels of government support “crowd out” civic engagement, while decreasing government support encourages civic engagement (the crowding-out hypothesis). Conceptually, the idea of crowding-out has its roots in the work of Alexis de Tocqueville (1970[1840]) and Robert Nisbet (1962[1953]), who argued that increasing government power rules out individual control over one’s own environment as organized in families, churches and voluntary organizations. Public goods theory predicts that the size and scope of the nonprofit sector is larger when governments fail to meet the needs of heterogeneous societies (Weisbrod, 1977). A more contemporary article describes the general claim as: “For every welfare state, if social obligations become increasingly public, then its institutional arrangements crowd out private obligations or make them at least no longer necessary” (Van Oorschot & Arts, 2005: 2). Obligations like providing care or social assistance, which often used to be provided through informal networks and charity, are increasingly taken over by insurance schemes or other welfare state arrangements. This argument reflects a perception of society which is consistent with Weber’s (1922[1987]) notion of *zweckrationalität*, in which social action is driven by its rational, calculated ends. When social needs are

taken over by modern bureaucratic states, private participation fades away.

Other scholars have argued for a reverse effect, in which government support “crowds in” civic engagement. In sociological research, the theoretical foundations for a positive effect of government support come from (neo-)institutionalism. Scholars like Gøsta Esping-Andersen (1990) and Bo Rothstein (1998) argue that the scope and the structure of welfare state institutions determine individual attitudes. Citizens living in extensive welfare states are hypothesized to have a more egalitarian view on social justice (Arts & Gelissen, 2001; Svallfors, 1997), more social trust (Uslaner, 2003) and a higher willingness to help others (Kääriäinen & Lehtonen, 2006). This view is consistent with Weber’s (1922[1987]) *wertrationalität*, in which social action is driven by values and beliefs rather than by its calculated consequences.

This thesis investigates the relationship between government support and private charitable donations. Although the current political discourse seems to focus on a more active role of individual participation and informal social support, nonprofit organizations are indispensable actors in welfare state reforms (Schuyt, 2014). Being more or less independent from democratic control and partly funded by philanthropic donations, nonprofits provide a wide range of services. In the Netherlands, Burger, Dekker, Toepler, Anheier, and Salamon (1999) estimate that the Dutch nonprofit sector receives about 60% from public funding and about 3% from private donations. The nonprofit sector in the Netherlands, especially in the fields of health, education, social services and international aid, is dominated by public money. Collaborations between government and nonprofit organizations are prevalent in health, social welfare, international development and many other fields. With the availability of resources being a crucial factor for organizational efficacy and successful collaborations (Ansell & Gash, 2008; Pfeffer & Salancik, 1978), it is important to know how philanthropy is affected by changes in government support.

In contemporary research, crowding-out and crowding-in of charitable donations are investigated in different ways and in different social science disciplines. In behavioral economics, the crowding-out hypothesis has been tested by examining the donation behavior of individuals to collective goods and voluntary organizations in response to tax-funded government contributions (e.g. Andreoni, 1993; Eckel, Grossman, & Johnston, 2005; Gronberg, Luccasen, Turocy and Van Huyck, 2012; Steinberg, 1985). Yet another strand of research is dominated by sociology and political science, where differences between countries in levels of civic participation are studied in relation to

different types of welfare state regimes with varying levels of public support for social programs (e.g. Gesthuizen, Van der Meer, & Scheepers, 2008; Pennerstorfer & Neumayr, 2017; Van Oorschot & Arts, 2005). The first strand of research, which uses experimental research methods, mainly finds lower donations in situations of higher government spending, while the second strand, where comparative cross-sectional surveys are more common, typically finds higher donations in situations of higher government spending.

The current thesis aims to bridge the gap between the two strands of research. The variety of findings is partly due to the assumptions made in different research designs (Payne, 2009; Ribar & Wilhelm, 2002; Tinkelman, 2010). By identifying and examining a number of these assumptions, this dissertation proposes explanations for the inconclusive findings. It does so by adopting a multi-method approach, including both experimental and non-experimental research designs. In the crowding-out literature, it is the first to explore cross-country data on individual amounts donated to non-profit organizations, the first to examine longitudinal survey data, and the first to carry out a content analysis on news media.

The remainder of this Introduction provides (1) the definitions of the main concepts used throughout this dissertation, (2) a brief history of philanthropy in the Dutch welfare state, (3) the policy context of charitable donations and government support in the Netherlands, (4) a brief discussion of the gaps in the academic literature, (5) the research aims of the dissertation, and (6) the outline of this book.

DEFINITIONS

The original crowding-out hypothesis was formulated as decreasing civic participation in expanding welfare states, but the same line of reasoning predicts increasing donations after decreasing government support. *Crowding-out* in this thesis refers to any negative association between government support and charitable donations, while *crowding-in* refers to any positive association.

Charitable donations are defined as voluntary donations by individuals or private households to nonprofit organizations. In the Netherlands, households donate approximately 2.6 billion Euros annually to nonprofit organizations, with the largest subsectors in terms of amounts received being religion, international aid and health (Bekkers, Schuyt, & Gouwenberg, 2017).

This thesis examines donations to health, international aid, environment, nature conservation, animal protection, education and research, culture and arts, and public benefits. Religion is not considered because religious congregations, at least in the Netherlands, do not receive any direct government support. While philanthropic giving by corporations, foundations and lotteries are also important sources of private income for nonprofit organizations, they are excluded here. Informal giving, like financially supporting families or friends, is also not considered.

The main independent variable is financial *government support* (or: government funding), which can take many forms. It includes subsidies to nonprofit organizations as well as expenditures that directly target social needs, like unemployment grants. Financial support can be provided by central government or lower levels of government. Government support in this thesis is restricted to unconditional financial support. This excludes matching schemes that are conditional on other contributions and tax incentives like charitable deductions in the income tax.

PHILANTHROPY IN THE DUTCH WELFARE STATE

Different welfare states have a different historic tradition of philanthropy, which might influence today's responses of nonprofit organizations and charitable donors to changes in government funding policies. While most research on crowding-out comes from the United States, the empirical work in Chapters 4 and 5 of this thesis use data from the Netherlands, a country with a rich tradition of philanthropic initiatives in modern history.

Rooted in the mixed provision of welfare by churches and local authorities in the Dutch Republic, church boards and town councils were already active in organizing successful charitable collections for poor relief in the 17th and 18th century (Teeuwen, 2014). The nineteenth century was characterized by the local organization of charity through (protestant, catholic or municipal) almshouses, with little influence of central government (Heerma van Voss & Van Leeuwen, 2012; Van Leeuwen, 1999). De Swaan (1988) argues that the development of social programs was a response of wealthy citizens to protect themselves against the undesired consequences of poverty and health problems in industrial cities. The 20th century was characterized by the expansion of the centralized welfare state. Poverty reduction expenditures dramatically rose and the Dutch government introduced different social pro-

grams in the fields of health and social insurance, which made large parts of the work of private charities no longer necessary (Schuyt, 2010; Van Leeuwen, 1999).

The Central Bureau on Fundraising (CBF) has played an important role in the development of the philanthropic sector from 1925 until now (Wortmann, 2007). From the late 1980s onwards the philanthropic sector further developed with the formation of umbrella organizations, the introduction of vocational training programs and the start of the Giving in the Netherlands research project. The professionalization of the philanthropic sector took place in an era of economic prosperity and a political preference for the outsourcing of public services.

Yet, relative to most other Western countries, the government remains very influential in funding public services. Salamon and Anheier (1998) place the Netherlands in the social-democratic model based on the relationships between the government and the nonprofit sector. Especially in the fields of social services, health and education, many nonprofit organizations are heavily subsidized with public money (Burger et al., 1999).

CHARITABLE DONATIONS AND GOVERNMENT SUPPORT IN THE NETHERLANDS

To provide a glance of the association between philanthropy and government spending, Figure 1 shows the development of charitable giving and government support in different subsectors of the Dutch nonprofit sector. Data on household giving are from the Giving in the Netherlands Panel Survey (Bekkers, Boonstoppel, & De Wit, 2016). Government expenditures on health, social protection and international aid (Official Development Assistance) are adopted from the OECD, while government expenditures on culture come from Statistics Netherlands. Figure 1 shows the total amounts as a percentage of Gross Domestic Product, with charitable giving multiplied by 10, 100 or 1,000 in order to have both variables on a similar scale.

The health subsector is the part of the nonprofit sector with the largest number of charitable donors, including large fundraising organizations like KWF Kankerbestrijding (Dutch Cancer Society) and Alzheimer Nederland. Still, government expenditures on health care are 100 times higher than the total amount of charitable donations. The Dutch health sector receives a large part of total funding from the government, with hospitals being largely

funded with public money (Burger et al., 1999). Public health expenditures show a steady increase in the period 2000-2010, while charitable giving decreases in most of the years. The trends are not exactly reversed, however. Government support and charitable giving both increase from 2001 to 2003 and from 2007 to 2009, and both decrease in the years after 2009 until 2015. The rise in public health costs, partly due to ageing, have been a recurrent topic in political debates. In 2006, a new Health Insurance Act came into force, with obligatory basic insurance and a competitive market for health insurance companies, which was partly aimed to reduce total health care spending.

Social expenditures are relatively high and include pensions, disability benefits, unemployment grants and redistributive taxes. These expenditures are 1,000 times higher than the total of charitable donations to social service organizations. In the years 1997-2003, social expenditures initially decrease, then stabilize and then increase, while giving follows the opposite pattern. From 2003 till 2008, the trends are similar. After 2008, the trend in giving is opposite to the trend in government expenditures. Recent policy developments include an increased attention to social participation in local communities under the Social Support Act (2007, revised in 2015) and the Participation Act (2015), which could have led to a lower provision of public services and an increased number of clients in nonprofit service organizations like the Salvation Army and De Regenboog.

The Dutch government gives, relative to other countries, a high percentage of Gross National Income to international development. In 2015 the Dutch ranked fifth in Europe with 0.75% of Gross National Income spent on Official Development Assistance. Here, too, a large share of the government spending flows through nonprofit organizations. Changes in giving to international aid organizations seems to precede changes in Official Development Assistance (ODA). An increase in giving from 1997 to 1999 was followed by an increase in government support from 1999 to 2000; the decrease from 1999 to 2003 was followed by a decrease in government support from 2000 to 2004. Both philanthropy and government support peaked in 2005, which is largely due to contributions to victims of the December 2004 Tsunami. After 2005, household giving decreased to low numbers, where it stabilized in the period 2005-2015. In 2010, the conservative Rutte administration carried out large cuts in public budgets for organizations like Oxfam Novib, Hivos and ICCO Cooperation. Among international development organizations, layoffs and hasty organizational reforms were necessary. "We celebrate that we

have to focus more on the private”, an ICCO spokesperson said at the time, “but we hardly get any time for it” (Cats, 2010).

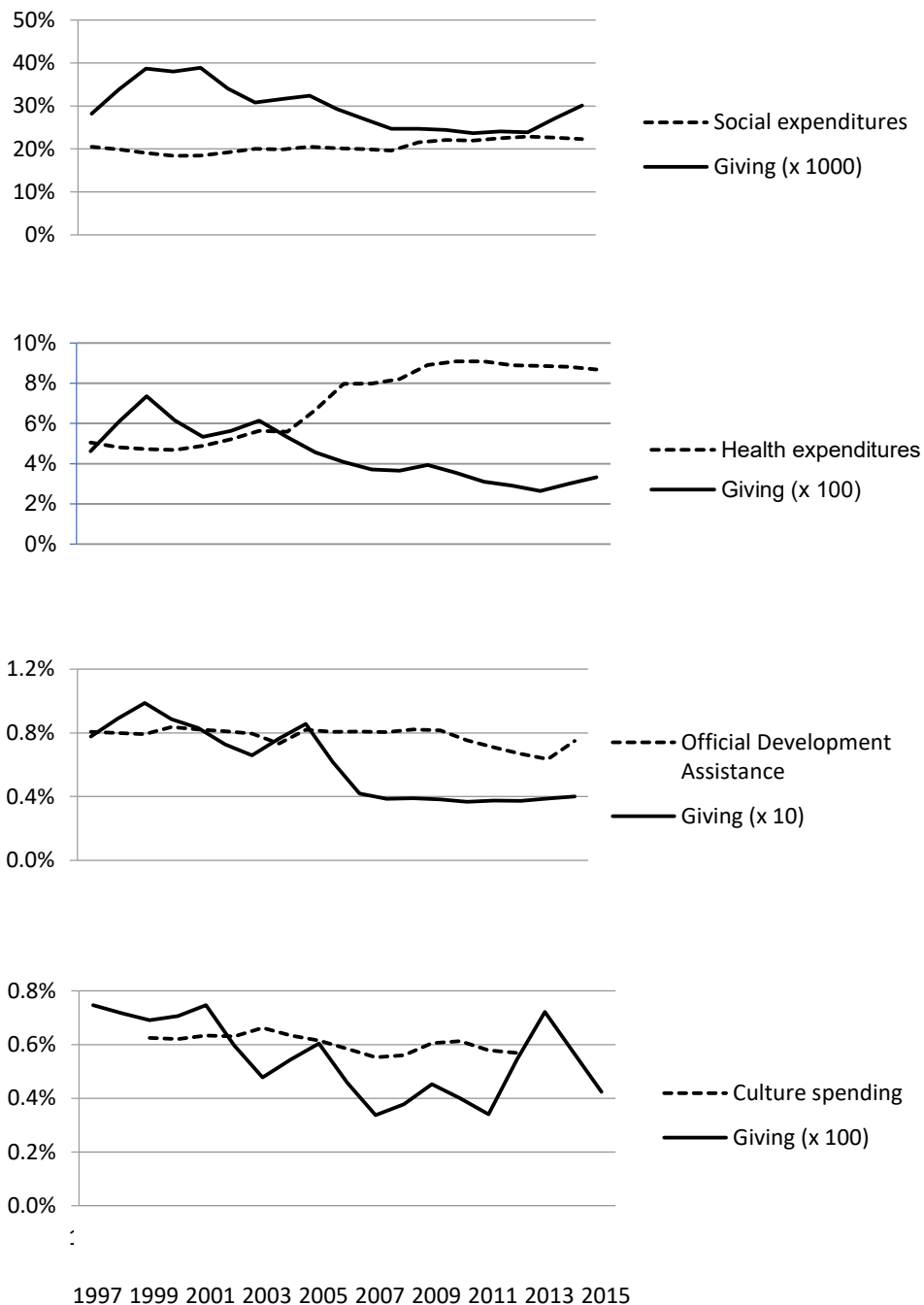
Government expenditures to culture are around 0.6% of GDP, which is 100 times higher than the total amounts donated. Total amounts given to culture organizations are relatively low and volatile. It is not easy to recognize a pattern in the relationship between government support and donations. Large budget cuts were announced in 2010, parallel to those on international development. As stated in the introduction, the government explicitly expected cultural institutions to raise more funds in the private market, supported with an increased tax deductibility of private donations to cultural organizations. The lower availability of public funding led to increased fundraising efforts in the sector, although this has not led to a rise in household giving across the board (Franssen & Bekkers, 2016). Museums report decreasing subsidies and, especially among the bigger attractions, higher income from fees and private sources (Museumvereniging, 2015). This is part of a broader trend among social and cultural organizations. Local facilities like libraries, public swimming pools and community centers are increasingly urged to rely on volunteers instead of paid forces, and to find funding sources other than government subsidies.

When looking at the aggregate numbers, the largely decreasing trends in charitable giving do not seem to be strongly affected by changes in government support. The exact consequences of policy shifts on individual behavior are highly uncertain. With budget cuts motivated by a mix of ideological beliefs and budget constraints, it is important to have a better knowledge about the effects of increasing and decreasing government support. When charitable donations are able to (partly) compensate for budget cuts, this would support policy choices with reduced public budgets and a large role for nonprofit organizations.

GAPS IN THE LITERATURE

In the introduction, the contradictory findings in two different strands of research were described. The lack of conclusive evidence in previous research is often attributed to methodological choices, which ignores the possibility of substantial differences in the context of different studies that lead to different findings (Ribar & Wilhelm, 2002). There is a lack of knowledge on the conditions under which charitable giving is affected by government poli-

Figure 1: Government expenditures and charitable giving to health, social services, international aid and culture, 1997-2015



cies. Crowding-out is often studied as a constant mechanism across contexts, although it is very likely that the empirical results depend on the assumptions in the research (Tinkelman, 2010). This dissertation aims to identify the mechanisms and conditions that cause these mixed findings, thereby addressing three issues that are largely overlooked in the literature.

First, *mechanisms that explain* the relationship between government support and charitable donations (mediating variables) are often not explicitly tested. The main explanation for crowding-out effects is altruism. Research in behavioral economics revealed, under controlled conditions, that donors to some extent give because they care about the recipient. Their contributions can be done mandatory, through tax-funded government support, or voluntary, through philanthropic donations (Roberts, 1984; Warr, 1982). When altruism is the only motivation, every Euro of government support would crowd out a Euro of donations. This pure altruism model does not hold to the extent that donors derive private benefits from their donation (Andreoni, 1989, 1990). In this line of research, donor motivations are mostly deducted from giving behavior in laboratory experiments, but the explaining process itself is not measured. In sociology and political science, the main argument is that citizens are socialized by the institutions that are surrounding them (Rothstein, 1998; Ingram & Clay, 2000). Cross-country surveys often examine correlations between welfare state characteristics and different types of social and civic participation, without measuring mediating variables. Causal mechanisms like the signaling function of government support (Handy, 2000; Heutel, 2014; Schiff, 1990) and organizational behavior (Andreoni & Payne 2003, 2011) are understudied.

Second, there has been little attention to the *conditions* under which crowding-out does or does not occur (moderating variables). Crowding-out is likely to occur under certain assumptions, including the availability of information (Horne, Johnson, & Van Slyke, 2005), the number of other donors (Ribar & Wilhelm, 2002) and the level of government support (Brooks, 2000a). Although different variables have been proposed that might moderate the relationship between government support and charitable donations, systematic analyses of the relationship under different conditions is lacking. While the availability of information about government policies seems a prerequisite for individual donors to be responsive to changes in government support, research in this area often does not take this variable into consideration.

Third, there is a lack of attention to *individual heterogeneity* in responses

to changing government support. If some social groups are crowded out by government support and other groups are crowded in, research on aggregate statistics could find zero correlation on average. There are many ideas about which people donate to charitable causes (Bekkers & Wiepking, 2011a; Wiepking & Bekkers, 2012) and why (Bekkers & Wiepking, 2011b). Hypotheses on individual heterogeneity in responses to government support are scarce, however, whereas they would have large implications for fundraisers who may target different segments of the fundraising market. There have been a few attempts to distinguish between income groups (Kingma, 1989) and donor types (Reeson & Tisdell, 2008; Luccasen, 2012), but the findings are inconclusive.

RESEARCH AIMS

In order to contribute to solving these issues in the literature, this research poses five research questions. To examine the main relationship under study, it answers the question to what extent government support affects individual charitable donations. In order to test the explanatory power of mediating variables, it examines how government support affects individual charitable donations. Moderating variables are incorporated in the questions where and under which conditions government support affects individual charitable donations. Individual heterogeneity is addressed in the question among whom government support affects individual charitable donations.

By answering these five questions, the current thesis adds new evidence with innovative research designs. Every chapter uses fresh data, either self-collected or compiled from different existing data sources. Three studies are conducted in the Netherlands. Empirical crowding-out studies have been non-existent in this country thus far.

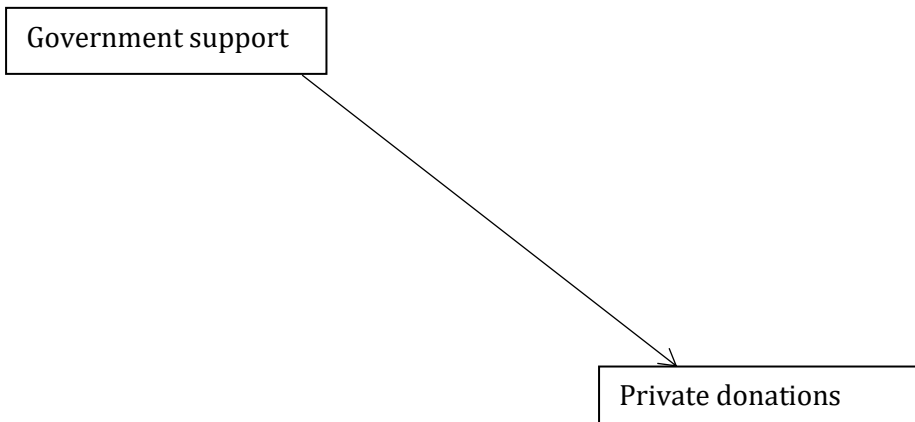
RQ1: *To what extent does government support affect charitable donations?*

The main relationship under study is the one between government support and the total provision of private donations. It is important to know the sum of contributions from public and private sources, which determines the quality, nature or even the mere existence of public services. To derive conclusions about macro phenomena, empirical social science should measure individual behavior (Hedström & Bearman, 2009: 11). Therefore, the main

empirical relationship under study is the one between government support and individual donations.

Many studies in the crowding-out literature use either data from laboratory experiments, which allow for causal inference but may evoke doubts about external validity. Other studies use data from nonprofit organizations, which measure aggregate private revenues from different sources (including households, corporations and foundations) instead of individual behavior. The empirical studies in this book examine individual donation decisions, either observed or self-reported, in situations outside the research laboratories. The dissertation uses a cross-country dataset compiled from different surveys, a sample of crowding-out effect sizes estimates from previous empirical studies, a panel dataset that allows for examining changes over time, a scenario module in a larger survey, and a survey experiment that uses actual information to an existing nonprofit organization.

Figure 2: Theoretical model of RQ1



RQ2: How does government support affect charitable donations?

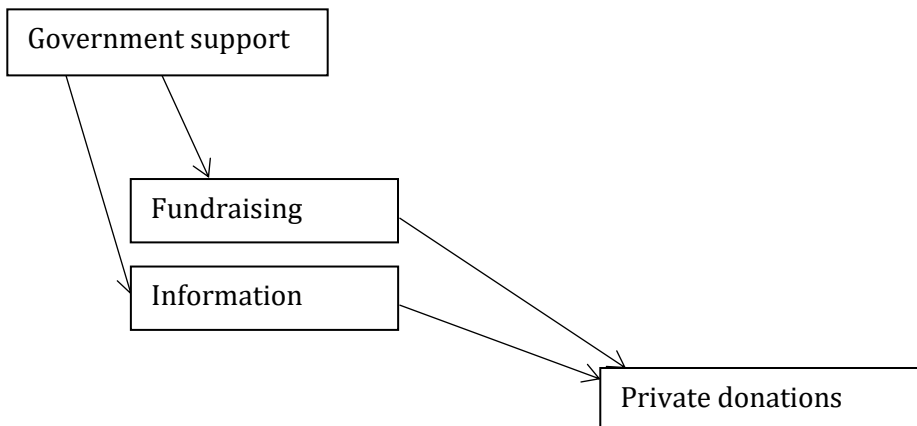
The current dissertation examines two possible mediating variables in the relationship between government support and individual donations. First, the *fundraising* behavior of nonprofit organizations might (partly) explain why donations are affected by government support. On the one hand, it could be that organizations with lower public funding are more urged to invest in campaigns to raise funds in the private market (Andreoni & Payne, 2003, 2011). On the other hand, it could be that organizations use public money to

professionalize their strategies and be more successful in the private market (Bekkers, 2013a).

Second, government policies are a source of *information* for possible donors. In general, public expenditures express political priorities. More specifically, government grants to specific organizations or projects can be a signal that it is trustworthy (Handy, 2000; Heutel, 2014) and serve as a “seal of approval” (Schiff, 1990). This could encourage charitable donations.

Both fundraising and information as mediating variables are tested with organizational-level data. Fundraising expenditures and revenues from government subsidies of 19 large nonprofit organization in the Netherlands are adopted from the Central Bureau on Fundraising (CBF). To measure the information variable, the LexisNexis database is used to retrieve newspaper articles about government support to these organizations. These data are matched with micro-level data on donations from the Giving in the Netherlands Panel Survey from 2002 to 2014.

Figure 3: Theoretical model of RQ2



RQ3: *Where does government support affect charitable donations?*

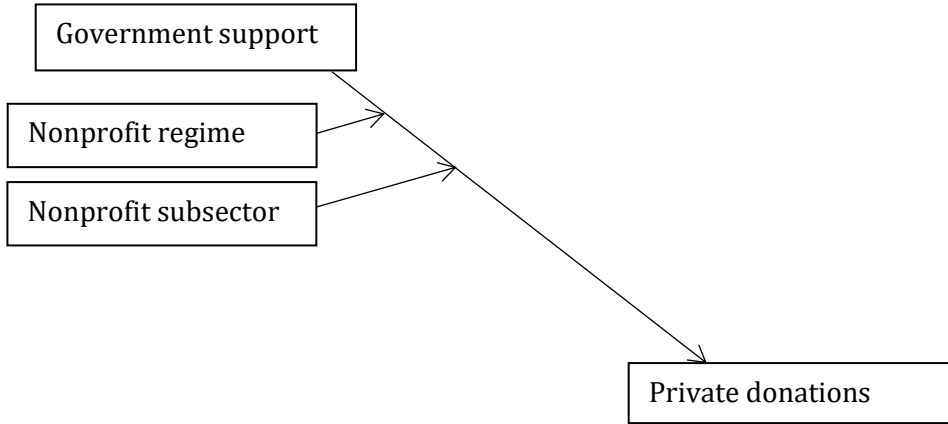
The effects of government support might depend on the context in which it is provided. First, the relationship might vary across *welfare state regimes*. While most crowding-out studies come from the United States, it is uncertain to what extent the association between government support and charitable donations is the same in countries with different welfare state arrangements. In their classification of nonprofit regime types, which is based on the

well-known welfare state regime types as distinguished by Esping-Andersen (1990), Salamon and Anheier (1998) place the United States in the liberal regime. From all nonprofit regime types, it is in the liberal regime that nonprofits play the largest role in the provision of public and social services in contrast to the government, resulting in a substituting relationship between government expenditure and philanthropic giving. In the Social-Democratic regime type, to which the Netherlands belongs (cf. Einolf, 2016) and where the government plays a larger role, a complementary relationship is more likely.

Second, the relationship might differ across *nonprofit subsectors*. There have been multiple studies that tested crowding-out with similar datasets in different subsectors, without conclusive evidence about different effects of government support (e.g. Khanna & Sandler, 2000; Khanna, Posnett, & Sandler, 1995; Okten & Weisbrod, 2000). In a systematic literature review of non-experimental crowding-out findings, Lu (2016) shows that government expenditures and philanthropic donations are generally negatively related in the field of human services, while they are positively related in the fields of health and the arts. This finding is a fruitful basis for theory-building. It could be that crowding-out is strongest in domestic social services. This is supported by cross-national research that finds social protection spending to be negatively related to charitable giving to social services (Pennerstorfer & Neumayr, 2017; Sokolowski, 2013). The latter two studies propose an additional hypothesis about substitution between subsectors. It could be that domestic social services spending drives donors towards more “expressive” subsectors like environment or the arts, an effect that has been labeled “philanthropic flight” (Sokolowski, 2013) or “crosswise crowding-in” (Pennerstorfer & Neumayr, 2017).

In this dissertation, differences between nonprofit regimes as well as differences between nonprofit subsectors are examined using cross-country data from the Individual International Philanthropy Database (IIPD). Using longitudinal data on 19 organizations, adopted from the Central Bureau on Fundraising (CBF) and the Giving in the Netherlands Panel Survey (GINPS), differences between subsectors of the Dutch nonprofit sector are explored. Furthermore, a survey module in which respondents are presented with scenarios about hypothetical budget cuts provides a more systematic test of differences between nonprofit subsectors.

Figure 4: Theoretical model of RQ3



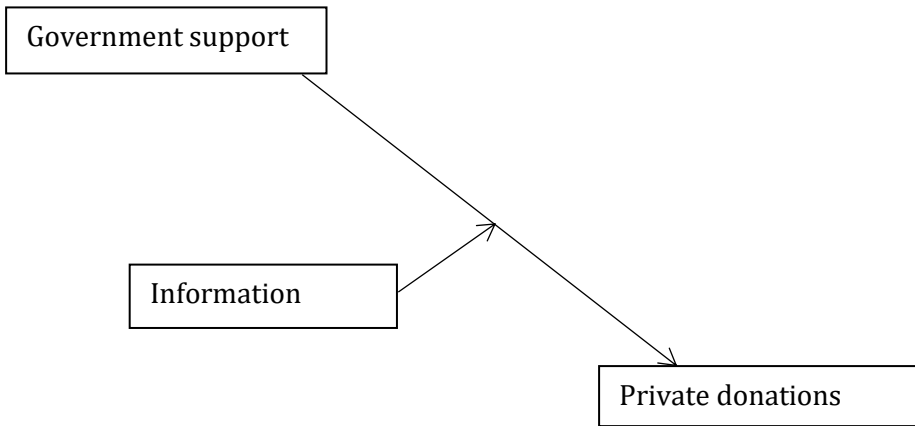
RQ4: Under which conditions does government support affect charitable donations?

It is likely that the relationship between government support and charitable donations is not the same under all conditions. Following the well-known Thomas theorem (Thomas & Thomas, 1928), it is important to remember that individual action is driven by how the world is perceived rather than by objective external conditions. As such, the availability of *information* may determine the existence and magnitude of the association between government support and private donations. Information may be obtained in one’s social network, via social media, through fundraising materials or through news media (Li & McDougle, 2017; McDougle & Handy, 2014). Information is not only a mediating variable when it follows from government support (see RQ2), it can also be a moderating variable. Although the availability of information seems an obvious prerequisite for donations to be responsive to policy changes, its variability has been largely ignored in the literature thus far. Previous studies showed that many people fail to estimate the correct percentage of public funding to nonprofit organizations (Horne et al., 2005) and often fail to classify firms as public, non-profit or for-profit (Handy et al., 2010). If potential donors are unaware of changes in government support, they will not respond to them.

This dissertation will examine information as a moderating variable in two ways. First, it uses a sample of newspaper articles on nonprofit organi-

zations from 2002 to 2014 to test the availability of information in the Dutch nonprofit sector. Second, it contains a survey experiment in which respondents are randomly assigned to a condition of information about actual government funding to an existing nonprofit organization.

Figure 5: Theoretical model of RQ4



RQ5: Among whom does government support affect charitable donations?

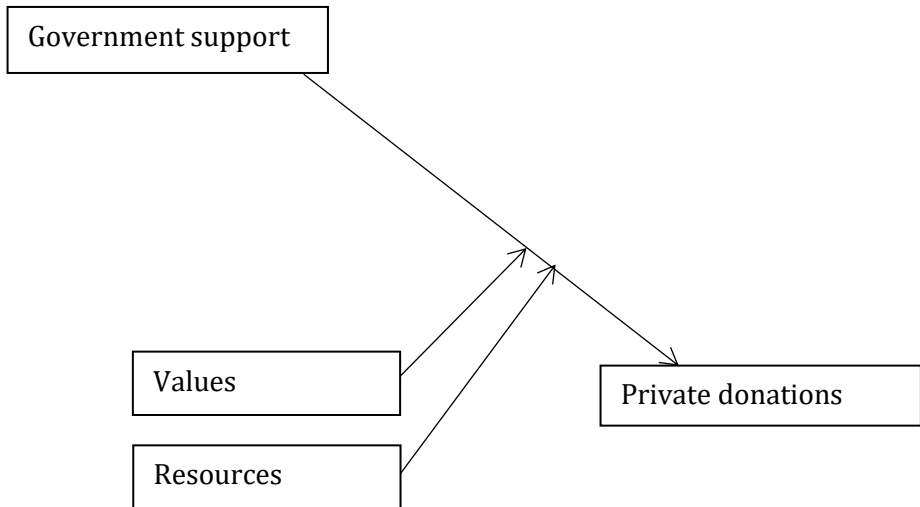
Charitable donations are motivated by a mix of different motivations. Laboratory experiments generally find that contributions to public goods are both driven by the consequences for recipients and by their intrinsic value (Andreoni, 1993; Chan, Mestelman, Moir, & Muller, 1996; Eckel et al., 2005; Güth, Sutter, & Verbon, 2006; Isaac & Norton, 2013; Korenok, Millner, & Razzolini 2012, 2014). In fMRI scans, mandatory contributions are shown to elicit neural activity in areas linked to reward processing, and this activity further increases when people make transfers voluntarily (Harbaugh, Mayr, & Burghart, 2007). While behavioral experiments often aim to estimate the average response in a sample of individuals, it is likely that different citizens have different responses to government support. In a first step towards theory building, existing theories on civic engagement can be used to predict changes in charitable donations as a response to changes in government support.

The Civic Voluntarism Model (Verba, Schlozman, & Brady, 1995) predicts civic voluntarism by individual resources, values and recruitment. While re-

cruitment is covered by the mechanism of fundraising (RQ3), one might expect people with more resources and stronger prosocial values to be more likely to substitute changes in government support. People with more resources, who are known to be larger donors (Wiepking & Bekkers, 2012), might be more responsive to government support. They have more financial capacity, and an increase in giving have lower relative costs compared with those with less resources. Also, donors with stronger prosocial values, like empathic concern or the principle of care (Bekkers & Wilhelm, 2016), are more committed to charitable causes. Those with strong values might care more about the consequences of reduced funding of nonprofit organizations, and therefore be more inclined to compensate.

The moderating effects of resources and values are examined with different studies based on data from the Giving in the Netherlands Panel Survey (GINPS). This survey is representative for the Dutch population and allows for testing responses to changing government support in different social groups.

Figure 6: Theoretical model of RQ5



OUTLINE

The remainder of this dissertation contains five chapters, divided in two parts.

Part I explores the context of the crowding-out hypothesis by describing how government support and charitable donations are associated across countries and across previous academic studies (RQ1).

Chapter 1 compares countries in terms of their levels of charitable giving and government expenditures. It is the first cross-country analysis that uses individual-level data on amounts donated to nonprofit organizations. The study not only examines aggregate levels of public and private contributions but also distinguishes between different nonprofit subsectors. It explores how crowding-out varies between *nonprofit regimes* and *nonprofit subsectors* (RQ3).

While Chapter 1 provides important insights in the levels of charitable donations in different contexts, it does not tell us much about the causal relation between government support and charitable donations. Therefore, Chapter 2 presents a systematic literature review of previous studies on the relationship between government support and charitable donations, aimed to examine how empirical findings are associated with different research design characteristics.

Part II provides original empirical analyses on the association between government support and charitable donations (RQ1), using data from the Netherlands.

Chapter 3 examines private giving and government support to 19 large organizations in the Netherlands across *nonprofit subsectors* (RQ3). By adding organizational data and a content analysis on newspaper reports about these organization, *fundraising* and *information* are examined as possible mediating variables (RQ2). Using survey data on individual background characteristics, the moderating effects of *resources* and *values* are examined (RQ5).

The role of information is further investigated in Chapter 4. In an experimental design, participants are presented with information about an actual change in government support to a large organization in the field of health care. By examining levels of donations as well as the perceived change in government support, this enables a test of the availability of *information* as a condition under which charitable donations are responsive to government policies (RQ4). Once again, *resources* and *values* are included as moderating variables (RQ5).

Chapter 5 examines a survey module in which respondents are asked whether they would increase their giving in a scenario of hypothetical budget cuts. Also, the actual change in giving is examined two years later. By comparing the responses in different scenarios, this study provides a test of crowding-out in different *nonprofit subsectors* (RQ3). The correlates of background characteristics allow for testing the moderating effects of *resources* and *values* (RQ5).

With these two parts, this thesis both explores the current state of the crowding-out hypothesis and examines new empirical evidence. After Part II, a **Conclusion** provides a summary of the findings and their implications for theory, research, the nonprofit sector, and policy.