Philanthropy in the welfare state

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Chapter 3 showed that news coverage in the media often does not reflect actual changes in government support. Yet, the availability of information is a prerequisite for citizens to change their donations as a response to government support. The current chapter examines the moderating *effect of information. Are private donors willing to replace cuts in government funding if they are provided with relevant information? A survey experiment was conducted (*n=*2,458) to examine how information about government funding affect decisions to donate money to a large charitable organization in the Netherlands. Providing information about actual budget cuts increases the number of donors, attracting donors from other organizations but also some who otherwise would not have donated. Exploratory analyses reveal that the magnitude of the effect is stronger for citizens with lower levels of empathic concern. The conclusions of this paper show that policy information not only shapes attitudes towards government, but also civic engagement.*

Chapter 4

The role of information

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AdW and RB designed the study; AdW carried out data analysis; AdW and RB contributed to writing the article.

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INTRODUCTION

Information availability has become an important topic in the debate on citizen participation. Recent studies have examined the effects of exposure to information on trust in government (Grimmelikhuijsen & Klijn, 2015; Grimmelikhuijsen & Meijer, 2014; Kim & Lee, 2012; Tolbert & Mossberger, 2006), political participation (Gerber, Karlan & Bergan, 2009; Lassen, 2005; Worthy, 2010, 2015) and support for welfare state programs (Lergetporer, Schwerdt, Werner, & Woessmann, 2016, Slothuus, 2007). A recent review of the literature shows that the effects of government transparency on legitimacy, citizen participation, trust in government and satisfaction tend to be positive, but that findings are inconclusive (Cucciniello, Porumbescu & Grimmelikhuijsen, 2017).

This paper examines the effects of policy information on charitable donations. Because governments and nonprofit organizations often work in the same fields, it is likely that charitable donations are affected by information about policy content. Do citizens who are aware of decreasing government spending to a large health organization increase their giving to this organization, because their donations can compensate for the budget cuts?

There are many empirical studies dedicated to the relationship between government spending and individual private donations (see for a review De Wit & Bekkers, 2017). Laboratory experiments have provided support for the hypothesis that taxes and voluntary donations are partial substitutes: participants demonstrate a tendency to give more to a nonprofit organization when they know that the organization receives less funding from subsidies financed by taxes. The assumption in virtually all these studies is that people have perfect information about government policies. Thus far, only a handful of studies examined how charitable giving and volunteering are affected by different levels of exposure to knowledge about public policies (De Wit, Bekkers & Broese van Groenou, 2017, Horne et al., 2005, Jones, 2015, Yörük, 2012). Given that behavioral responses to government policies are partly dependent on the available knowledge, we should shift our attention to the information on which social preferences are based.

Our research aim is threefold. First, we examine how information about government support affects indidivual charitable giving. We provide a random selection of participants in a large representative panel survey with information about a reduction in government funding to a well-known nonprofit organization in the Netherlands and observe the change in their be-

havior by comparison to a control group in which we provide no information.

Second, we examine to what extent such information has the ability to draw non-donors into donating. It might be that information about a specific nonprofit organization attracts existing donors from other organizations rather than non-donors, which would not increase the total size of the fundraising market (Ek, 2017; Reinstein, 2006, 2007).

Third, we examine how the effect of providing information differs across social groups. Effects of government policies on charitable donations are likely to be heterogeneous across individuals (De Wit et al., 2017). Because the experiment is part of a larger panel survey, this research design provides us with the possibility to analyze how the effects of information varies across groups of citizens with different characteristics.

The results of this study show how information about public policy shapes civic engagement. Evidence that public budget cuts can lead to a larger sum of charitable income would have important consequences for public policy. It would show that information about government policy can not only change attitudes, but also actual citizen participation outside the political sphere. Nonprofit organizations have increasingly important roles in the implementation of public policy through contracting, collaborations and partnerships (Ansell & Gash, 2008; Milward & Provan, 2003; Smith & Lipsky, 1993). Especially in times of fiscal stress, governments seek to outsource services (Geys & Sørensen, 2016). It is therefore important to know how information about public policies affects engagement in the nonprofit sector.

THEORY

Information on government funding

In collaborative and networked governance, nonprofit organizations are important actors (Ansell & Gash, 2008; Milward & Provan, 2003). A distinct feature of nonprofits is that many of them are partly or even fully dependent on income from charitable donors. They use income from government support, charitable donations and other sources to produce the desired outcomes. However, these revenue streams are not independent from each other.

The argument that extensive government programs "crowd out" charitable donations is formulated and tested in different disciplines across the social sciences (for a review, see De Wit & Bekkers, 2017). In the current academic debate, the crowding-out hypothesis is mostly based on econom-

ic theories that argue that, at least to some extent, people donate to public goods because they care about the welfare of the recipients (Andreoni 1989, 1990; Roberts, 1984; Warr, 1982). This is what behavioral economists call altruism, a motivation for charitable giving that is based on the need of the recipient.

Most experimental research suggests that private donors are sometimes willing to replace cuts in government financial support, as people give higher voluntary donations to a public good when their mandatory contribution is lower (Andreoni, 1993; Chan et al., 2002; Eckel et al., 2005; Hsu, 2008; Korenok et al., 2014; Reeson & Tisdell, 2008) and when the beneficiary organization is not funded by public money (Kim & Van Ryzin, 2014).

Experiments find much stronger crowding-out effects than studies using survey data or archival data, which is likely due to the assumptions that are made in different research designs (De Wit & Bekkers, 2017; Tinkelman, 2010). In laboratory experiments, participants are presented with the choice to give money (partly) away or not. In different experimental conditions, a part of their endowment is transferred to the recipient organization before they make a choice, which simulates a government tax. This procedure makes it clear to participants that a third party is also funding the organization, ensuring that the assumption of full information about levels of government taxation is satisfied.

It is an empirical question to what extent this assumption is true in real-world donation decisions. The empirics are not in favor of the assumption of full information. In Germany, only 2.7% estimated total government spending on education within 10% of the actual value (Lergetporer et al., 2016). In the United Kingdom citizens strongly underestimate the amount of public funding that goes to medical research (Shah, Sussex, & Hernandez-Villafuerte, 2015). A survey in the United States in which people were asked to estimate the percentage of public funding to nonprofit organizations showed that 45% answered "don't know", whereas 28% guessed within 10 percentage points of the correct percentage (Horne et al., 2005). The majority of Canadians who are asked to classify firms as public, non-profit or for-profit fail to do so correctly for most organizations (Handy et al., 2010). Given that popular knowledge about public funding is often not accurate, it is the question to what extent decisions in charitable giving are based on actual government spending.

Up to now a couple of studies examined how donations are affected by different levels of exposure to information about government support. How-

ever, findings are inconclusive. In their follow-up analyses on people who estimated the levels of public funding correct and people who did not, Horne et al. (2005) find no differences in reported charitable giving. Yörük (2012) shows that people who are informed about a nation-wide fundraising campaign in the US tend to do more voluntary work, but do not increase their charitable giving. In the Netherlands, there is no overall association between newspaper coverage on government funding and charitable donations (De Wit et al., 2017). Hence, the effect of policy information on charitable donations is not certain.

In an experimental design that most closely resembles the one as presented here, Shah et al. (2015) provide respondents with scenarios about levels of government spending on medical research and about hypothetical changes in spending. They find that citizens are more likely to increase private giving when they are informed about actual government spending, and that the willingness to donate further increases in the case of hypothetical budget cuts.

In sum, exposure to information about decreasing levels of government funding equals a condition of full information that is present in many laboratory experiments. When citizens are provided with information about government budget cuts, they are expected to give more than when they do not have such information.

Substitution between organizations

Nonprofit organizations do not operate isolated from each other. The strong competition in the fundraising market might raise the expectation that donations to one organization go to the expense of the other. This is likely especially if citizens have a mental account for charitable giving, which separates the decision to give from other financial decisions (Thaler, 1999).

There is considerable empirical support for substitution between charitable organizations both with longitudinal survey data (Reinstein, 2006) and in laboratory experiments (Ek, 2017; Reinstein, 2007). When the price of giving to one organization decreases, for example through a matching scheme, the increase in donations goes to the expense of giving to other organizations (Reinstein, 2007). Especially when charitable organizations are similar to each other and/or serve the same purpose, donations to these organizations are likely to be substitutes (Ek, 2017; Reinstein, 2007).

New information or shocks in social needs may draw new donors into giving. The campaign after the 2004 Tsunami, for example, attracted many

donors who previously did not donate to international aid (Bekkers et al., 2017).

In the current research design, respondents have the possibility to give away a reward to four existing nonprofit organizations. They receive information about only one of these organizations, which is expected to increase giving. This closely resembles experimental designs that find substitution between organizations in the U.S. (Reinstein, 2007) and Sweden (Ek, 2017). Thus, the expectation here is that increasing donations to one organization goes to the expense of donations to the other organizations.

Moderating variables

Citizens differ in their demands for different types of government information (Piotrowski & Van Ryzin, 2007), which makes it likely that behavioral responsiveness to public information varies between social groups, too. Although previous studies have examined how crowding-out effects differ by income, gender, social class and prosocial values (Chan et al., 1996; De Wit et al., 2017; Güth et al., 2006; Kingma, 1989; Luccasen, 2012), there are no strong theoretical grounds from which we would expect different groups of citizens to react different to changing levels of public funding, so we examine individual heterogeneity in an explorative way. We examine four moderating factors.

First, we examine the information effect among a group of individuals from relatively wealthy households. Because of the sizeable value of their donations, High Net Worth (HNW) donors have received increasing attention (e.g. Bekkers, 2013b; Center on Philanthropy, 2011; Rooney et al., 2014; Schervish & Havens, 1995) and it is interesting to see whether reactions to changing government funding are different for this socio-economic group. The marginal value of a Euro is smaller for citizens with larger wealth, so it is less costly for them to give money away. Because a change in donations by a relatively small group of wealthy donors can have an important influence on total amounts donated, it is important to study how wealthy donors respond to information about government funding to nonprofit organizations. The design of our survey poses a rare opportunity to compare responses in a group of relatively wealthy respondents with responses in a representative sample.

Secondly, we examine the difference between citizens who previously donated to a nonprofit organization and citizens who did not. Previous donors are more committed to the goals of the organization and value the need ad-

dressed by the organization as more important than non-donors. The crowding-out hypothesis would predict that donors who care more strongly about the needs addressed by a nonprofit organization are more responsive to changes in funding by third parties, including government. Thus, providing information about government funding could have a stronger effect on previous donors.

A third possible moderator is empathic concern, the "other-oriented emotion elicited by and congruent with the perceived welfare of someone in need" (Batson, 2010). Citizens who are more empathic are more touched by what recipients go through. Bekkers (2008) shows that giving to the Dutch Heart Association is higher among people who know someone with a cardiovascular disease, who are the people that are more exposed to the needs of possible recipients. He shows that the association between knowing a sick person and charitable giving is stronger when having a high empathic concern, which suggests that empathic citizens change their preferences more strongly when exposed to a need.

The fourth and final possible moderator is a moral principle to care about others. While empathic concern is a psychological reaction to others in need, the principle of care refers to the moral standard that helping is the right thing to do. Bekkers and Wilhelm (2016) and Wilhelm and Bekkers (2010) show that the principle of care is a strong predictor of different helping behaviors and that the principle of care mediates the relationship between empathic concern and helping. If the principle of care is the motivation to give, it is likely that information about decreasing public funding has a strong impact. Budget cuts will affect all recipients, irrespective of their relationship with possible donors, increasing a general awareness of need.

RESEARCH DESIGN

Context

The nonprofit organization under study is the KWF Kankerbestrijding (the Dutch Cancer Society). KWF Kankerbestrijding funds medical research related to cancer, patient care and prevention programs and is the largest fundraising organizations in the Netherlands with a private income of 137 million Euros in the year 2012 (Central Bureau on Fundraising [CBF], 2014). The organization receives no structural government funding. Rather than deliberate policy shifts, funding changes are the result of incidental project

subsidies. Incidental government funding forms a very small share of KWF's total revenues and although the financial information is publicly available on the internet, it is likely that they are unknown to the larger audience.

The main channel through which citizens could have heard about government subsidies to KWF is news media. To examine the available information, we carried out an analysis on seven large national subscribed newspapers in the 2012-2014 period[1]. This analysis shows no mention of actual government funding to the organization, which confirms our assumption that citizens are not likely to know about the existence of these government subsidies.

In 2013, the organization appeared in the news with a large controversy about the invoices of the founder of Alpe d'HuZes, a popular sponsor ride to collect money for cancer research. The organization operated independently but was largely funded by KWF Kankerbestrijding to make the sponsor ride happen. Articles about the controversy started to appear from the summer of 2013, a year before respondents took our survey experiment, until December 2013. This might have affected respondent's perception of the organization, although KWF's overall fundraising income has not structurally suffered from the incident (CBF, 2014).

Data

In an experimental design we examine the effect of providing information about actual government subsidies to KWF Kankerbestrijding.

Data were collected in May and June 2014 as a part of the Giving in the Netherlands Panel Survey (GINPS), a nationally representative survey on giving and volunteering among Dutch households (Bekkers et al., 2016). The 2014 wave of the GINPS included an experiment that allows for examining the effect of information about government funding on donations. The sample consists of a group (n=1,271) that is representative for the population in terms of socio-demographic characteristics, and a group (n=1,187) of High Net Worth (HNW) individuals who are disproportionally wealthy[2]. Because a

[1] We conducted a search query in the LexisNexis database on seven large national subscribed newspapers from 2012 till 2014, collecting articles with both the name of the organization (KWF Kankerbestrijding) and the Dutch words "subsidie" or "overheidssubsidie" in the title and/or text. This query resulted in a total of 31 newspaper articles in 2012 (5), 2013 (21) and 2014 (5). A few articles consider (the development of) different income sources of charitable organizations in general, mentioning KWF Kankerbestrijding as an example of a large fundraising organization, but there is no specific information about actual government funding to KWF, nor about changes in such funding.

[2] Average household wealth is 271,693 Euros in the HNW sample versus 72,273 Euros in the representative sample, excluding the value of one's primary residence and Winsorized at 99%.

part of the HNW sample filled out a shorter version of the questionnaire, not all moderating variables are measured in the full sample.

Participants in the survey received a reward that, depending of the number of questions they had to fill in, had a value of about 3.5 Euros. The reward came in points which respondents could divide between five vouchers for personal use, Air Miles and donations to four major charitable organizations. A similar version of this dictator game is described in Bekkers (2007). The most popular charitable organization is KWF Kankerbestrijding. The other organizations were Aidsfonds (HIV/AIDS Foundation), Rode Kruis (Red Cross) and Nederlandse Hartstichting (Dutch Heart Foundation), which we grouped in the analyses as "other organizations". The different possibilities to keep the reward as a voucher or Air Miles were grouped as "kept reward".

First experimental treatment: Real decision

When respondents arrived at the end of the survey, they could see how many points they had earned with filling out the questionnaire. They were offered the possibility to divide the reward between vouchers, Air Miles and charities. The awareness of need among all respondents was evoked by the sentence "The charities could use your support". While the control group made their decision right after that sentence, the treatment group additionally received information on the amount of government funding that KWF lost. The complete text they were shown was: "The charities could use your support. KWF Kankerbestrijding, for example, received € 361,000 government subsidies in 2011, but received no subsidies at all from Dutch government in 2012." These are actual numbers, adopted from annual reports as collected and published on the website of the Dutch Central Bureau on Fundraising (CBF, 2014). The control group received no information about government funding.

Manipulation check: Perceived change in funding

After the donation decision, the perceived change in funding was measured with the question "What do you think, did KWF Kankerbestrijding receive more, an equal amount of, or less government subsidies in 2012 compared with 2011?". This question was the same for all respondents. For respondents in the treatment group, who received information, this serves as a manipulation check.

Second experimental treatment: Scenario decision

After the real donation decision and the knowledge question, respondents were exposed to an extra scenario experiment. Respondents were given a second, hypothetical choice what they would have done with their reward if they would have had different information. Respondents in the treatment group either received a scenario in which funding increased or a scenario in which funding did not change. The control group received one of three scenarios in which funding either decreased, increased or did not change.

The question was: "Imagine you would have heard that government subsidies to KWF Kankerbestrijding [decreased/did not change/increased], what would you have done with your reward?". Respondents could divide their reward in exactly the same way as the actual donation decision, this time without consequences.

We should be careful with generalizing these results to real-life situations, since previous research has shown that people are more generous with hypothetical than with real money (Bekkers, 2005a).

Other moderating variables

The other moderating variables were adopted from questions asked earlier in the questionnaire.

To measure whether respondents are previous donors, they were asked "To which of the following charitable causes did your household donate in 2013?", followed by a list of 30 large fundraising organizations in alphabetical order, one of which is KWF Kankerbestrijding. A part of the HNW sample filled in a shorter questionnaire in which this question was not asked, so those respondents were excluded from the analysis on this moderating effect.

As in previous research (Bekkers & Wilhelm, 2016), empathic concern is measured by four statements, with answer categories on a 5 points Likert scale ranging from "Totally disagree" to "Totally agree":

- "I often feel concern for people who are less fortunate materially than me"
- "Other people's problems do not usually bother me"
- "Other people's misfortune does not usually bother me"
- "I am often touched by what other people go through"

The four items have a high Cronbach's Alpha (0.791) and are recoded in a 1 to 5 scale. A dummy variable is created for people scoring higher than 3, indicating a high empathic concern.

Also following Bekkers and Wilhelm (2016), the principle of care is measured by four statements, with answer categories again on a 1 to 5 scale:

- "People should be prepared to help others who are less fortunate materially than themselves"
- "Everyone has the responsibility to help others when they need it"
- "It is important to help people who are less off, also when they are very different from us"
- "Personally helping people who have problems is very important for me"

Again, a scale is formed with an high internal reliability (Alpha = 0.866) and a dummy measures whether respondents score higher than 3 to measure a high principle of care.

Table 1 displays descriptive statistics.

Table 1: Descriptive statistics

	N	Min	Max	Mean	SD
Donated to KWF (real decision)	2,458	0	1	0.101	0.301
Amount donated to KWF (real decision)	248	0.15	4.65	2.254	1.107
Donated to KWF (scenario decision)	2,458	0	1	0.107	0.310
Amount donated to KWF (scenario decision)	264	0.15	4.65	2.205	1.083
Thinks funding has increased	2,458	0	1	0.040	0.197
Thinks funding has remained the same	2,458	0	1	0.384	0.486
Thinks funding has decreased	2,458	0	1	0.576	0.494
Reward	2,458	0.60	5.10	3.228	0.629
Wealthy individual	2,458	0	1	0.483	0.500
Donating in 2013	1,753	0	1	0.67	0.471
Amount donated in 2013	754	0	2000	22.53	85.356
Empathic concern scale	2,458	1	5	3.624	0.719
High empathic concern	2,458	0	1	0.754	0.431
Principle of care scale	2,458	1	5	3.529	0.706
High principle of care	2,458	0	1	0.715	0.452

RESULTS

Manipulation check

In our first experimental treatment, respondents receive information about an actual decrease in government funding. Table 2 shows the perceived change in government funding in the control and treatment group. Among those who received no information, a majority (51.8%) believes that KWF has lost funding, while only 5.1% thinks that there has been an increase.

Providing information about the actual change should increase the percentage who give the right answer. The second row of Table 2 shows that it does. In the information group, 63.7% says that KWF lost funding, while 2.9% says that funding increased. Providing information seems to work, although there are still 7 out of 20 respondents who give the wrong answer. An analysis on background characteristics (not shown) reveals that respondents who are younger and higher educated are more likely to give the right answer after being exposed to information.

Table 2: Percentage of respondents who think that funding increased, did not change or decreased

	Thinks funding increased	Thinks funding did not change	Thinks funding decreased
No information	5.08	43.13	51.79
Information	2.92	33.36	63.72

First experimental treatment

The theoretical expectation is that providing information increases the number of donors as well as the mean amount given. Table 3 shows the percentage of people who donated (a part of) their reward to KWF, donated the full reward to KWF, donated the full reward to other organizations, kept the full reward, split the reward between KWF and another organization, split the reward between KWF and oneself, and split between KWF, another organization and oneself. The last three columns display the conditional average amounts that were donated to KWF, donated to other organizations, or kept as vouchers or Air Miles.

Table 3: Percentage respondents that donated or kept the reward, and conditional mean amount donated (between-subjects)

		%							€ (conditional)		
	Thinks that funding…	Donated to KWF	Donated 100% to KWF	Donated 100% to other org	Kept 100%	Split between KWF and other org	Split between KWF and self	Split between KWF, other org and self	Amount donated to KWF	Amount donated to other org	Amount kept
No information	…increased/ did not change	7.58	4.12	3.79	87.97	1.15	1.81	0.49	2.19	2.44	3.21
	…decreased	10.28	6.29	3.68	84.97	0.92	2.45	0.61	2.44	2.64	3.16
	Total	8.98	5.24	3.73	86.42	1.03	2.14	0.56	2.34	2.55	3.18
Information	…increased/ did not change	5.98	4.37	2.07	91.72	0.00	1.15	0.46	2.50	2.64	3.16
	…decreased	14.27	7.07	2.62	82.20	1.57	3.27	2.36	2.11	2.14	3.15
	Total	11.26	6.09	2.42	85.65	1.00	2.50	1.67	2.19	2.23	3.15

Table 4: Percentage respondents that donated or kept the reward, and conditional mean amount donated (within-subjects)

		%							€ (conditional)		
		Donated to KWF	Donated 100% to KWF	Donated 100% to other org	Kept 100%	Split between KWF and other org	Split between KWF and self	Split between KWF, other org and self	Amount donated to KWF	Amount donated to other org	Amount kept
Real	No information	8.43	5.10	3.33	87.58	1.11	1.55	0.67	2.48	2.49	3.18
Scenario	Funding decreased	11.53	6.87	2.66	85.14	1.77	2.44	0.44	2.52	2.23	3.12
Real	Information	11.26	6.09	2.42	85.65	1.00	2.50	1.67	2.10	2.23	3.15
Scenario	Funding increased/ did not change	10.43	5.42	2.92	86.16	1.25	2.25	1.50	2.05	1.98	3.14

In line with the crowding-out hypothesis, providing information increases the total share of respondents who donated the reward fully or partly to KWF from 9% to 11.3% ($X^2(1, 2{,}458) = 3.53$, $p=0.06$). The amount donated to KWF among donors is not significantly different in the treatment group (2.2 Euros) compared with the control group (2.3 Euros). The net effect of providing information is an increase of 17% in the total amount donated.

The percentage of respondents who donated the full reward to KWF increases from 5.2% to 6.1% when providing information ($X^2(1, 2{,}458) = 0.82$, $p=0.36$) and the share of respondents who keep the full reward decreases from 86.4% to 85.7% ($X^2(1, 2{,}458) = 0.30$, $p=0.56$), but those differences are not statistically significant. The largest differences occur in the donations to other organizations. In the information condition, less respondents (2.4%) donate the full reward to one of the three other nonprofit organizations compared with the no information condition (3.7%). The difference is significant at 10% ($X^2(1, 2{,}458) = 3.54$, $p=0.06$). There are significantly more respondents (1.7% versus 0.6%) who divide their reward between KWF, another organization *and* themselves ($X^2(1, 2{,}458) = 6.99$, $p=0.01$). Also, the average amount donated to other organizations is somewhat lower here ($F(1, 144) = 3.24$, $p=0.07$). This suggests substitution between organizations, with respondents giving a part of their reward to KWF when they are provided with information instead of donating the full reward to other organizations.

Next, we take the manipulation check into account. We compare the control group with those in the treatment group who think that funding decreased, which is the correct answer that respondents could have known after having read the information. Among these respondents, the share of donors to KWF is even higher (14.3%), providing stronger support for the crowding-out hypothesis under the condition of full information. Furthermore, the share of respondents who keep the full reward is substantially lower here (82.2%). This changes the picture of substitution. Rather than substitution between organizations, it suggests that the largest part of the increase in KWF donors can be attributed to the decrease in respondents who would not have donated without the information. The difference between the control group and this part of the treatment group is statistically significant for donating at least something to KWF ($X^2(1, 2{,}023) = 13.63$, $p=0.00$), donating 100% to KWF ($X^2(1, 2{,}023) = 2.84$, $p=0.09$), keeping 100% of the reward ($X^2(1, 2{,}023) = 6.57$, $p=0.01$) and dividing the reward between KWF, another organization and oneself ($X^2(1, 2{,}023) = 12.62$, $p=0.00$). These results suggest that information about government funding, when it is effectively communicated,

might draw non-donors into donating.[3]

Second experimental treatment

After the actual donation decision and the knowledge question, respondents were asked what they would have done with their reward in case they had heard about decreasing, increasing or equal funding. Comparing decisions in the actual experiment with those in the scenario experiment allows us to do an extra within-subjects test of the effect of information about government funding.

Table 4 shows the differences between the real and the hypothetical decision for different experimental groups.

First, we examine respondents in the control group who did not receive information and then were asked what they had decided when they would have heard that government funding to KWF Kankerbestrijding decreased. The results largely confirm the between-subjects analyses. When informed about budget cuts, some respondents would decide to start donating a part of their reward to KWF, which is significant in a paired samples t-test ($t(450) = 3.80$, $p=0.00$). 3.1% indicate they would start donating if they would have heard that subsidies to this organization decreased. This is slightly more than the 2 percentage points difference between the treatment group and control group in the between-subjects design. Furthermore, some respondents change their decision to donating the full reward to KWF ($t(450) = 2.85$, $p=0.01$), no longer donating the full reward to another organization ($t(450) = -1.74$, $p=0.08$), no longer keeping everything for themselves ($t(450) = -3.35$, $p=0.00$), starting to split their reward between KWF and another organization ($t(450) = 1.74$, $p=0.08$) or starting to split between KWF and themselves ($t(450) = 2.01$, $p=0.05$). Again this points to both substitution between organizations and attracting new donors.

Second, we examine the crowding-out effect the other way around. What if respondents who know that government funding decreased would have heard that it increased or did not change? The percentage of KWF donors goes from 11.3% in the information treatment to 10.4% in the hypothetical decision ($t(450) = -1.72$, $p=0.09$). The percentage of respondents who change their minds toward splitting the reward between KWF and another organization increases from 1% to 1.25% ($t(450) = 1.73$, $p=0.08$). The other

[3] The numbers in the row of respondents in the treatment group who think that subsidies increased or did not change are very interesting. In this group, *more* people kept their reward for themselves and *less* people donated their reward fully or partly to KWF compared with the control group. It is possible that those respondents read, but misinterpreted the information.

differences are in the expected direction, but not statistically significant. The evidence for crowding-out is weaker here.

In both groups, respondents who change their decision are a minority and over 95% would not be affected by information about government funding.

Moderating variables

To explore individual heterogeneity, Figure 2 shows the percentages of respondents who (partly) donated their reward among different groups in the first experimental treatment.

Panel 1 of Figure 2 shows the information effect in the regular sample and in the sample among wealthy individuals. The information effect is stronger and statistically significant among wealthy individuals ($X^2(1, 1{,}187) = 3.67$, $p=0.06$) but is not statistically significant in the regular sample.

Panel 2 shows the information effect among respondents who donated to KWF in the year preceding the survey and those who did not. Providing information about government funding has a stronger effect among non-donors. In this group, the information effect is statistically significant ($X^2(1, 581) = 4.66$, $p=0.03$).

People with low empathic concern are more sensitive to information. Panel 3 shows that the information effect is stronger among respondents with low empathic concern, which is contrary to the expectation. Among those who score relatively low on empathic concern, the effect of information is statistically significant ($X^2(1, 606) = 9.62$, $p=0.00$).

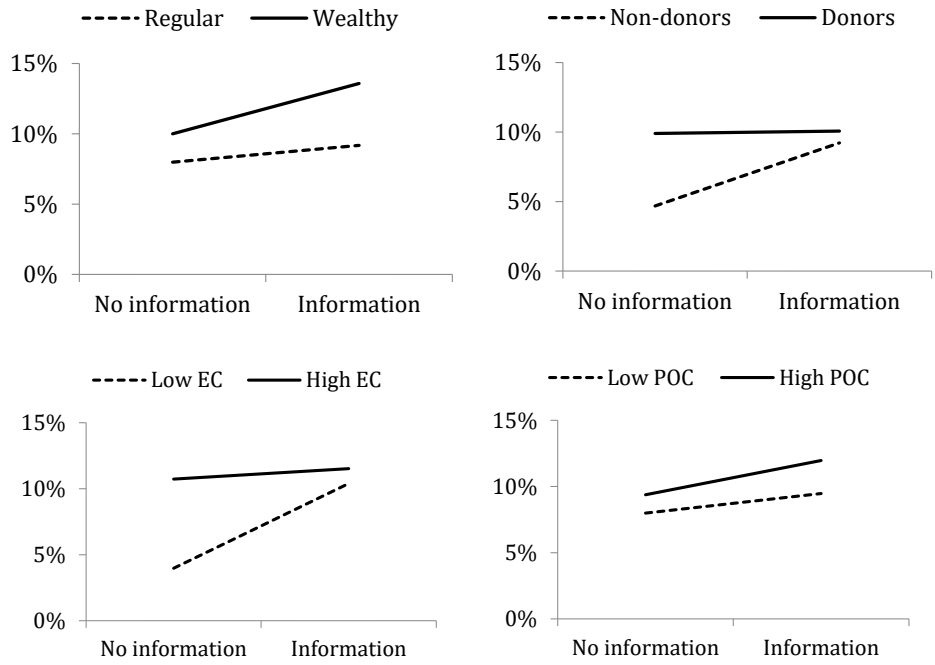
The fourth panel in Figure 2 shows the interaction between information and the principle of care. The information effect is somewhat stronger for respondents with a higher moral principle to care about others. In this group, the effect is significant at the 10% level ($X^2(1, 1{,}757) = 3.09$, $p=0.09$).

Regression analysis

In order to check results together in a regression model, we obtained a dataset in which the real and scenario decisions are pooled together so that every respondent appears twice in the data. Table 5 shows the odds ratios from a logistic regression model on the probability to donate, indicating the ratio between the odds to donate and the odds to donate nothing. A coefficient higher than 1 means that the variable is associated with a higher probability to be a donor, while an odds ratio lower than 1 indicates a lower probability.

Providing information is significantly associated with a higher likelihood to donate (Model I). Controlled for the level of the reward and being in a

Figure 1: Percentage respondents that donated to KWF Kankerbestrijding among people who received information and people who did not, interacted with (1) being from the sample of disproportionally wealthy households, (2) being a regular donor, (3) empathic concern and (4) the principle of care.



real or a scenario experiment, providing information increases the odds to donate with 20.9%, which confirms the increase from 9% to 11.3% donors in Table 3 and is in line with the crowding-out hypothesis.

The information effect is stronger for respondents who think that funding decreased (manipulation check), which is not statistically significant (Model II). The information effect is not different for real and hypothetical decisions (Model III).

The regression analysis confirms that respondents with lower empathic concern are more sensitive to information than those with higher empathic concern (Model IV), but the interaction term is not significant when all interactions are included (Model VI). Note that the sample size is smaller here because the variable for being a donor in 2013 is not measured in the full sample. The other interaction terms are not statistically significant.

The odds ratio of the size of the reward that respondents received, which

Table 5: Odds ratios of the probability to donate

	I	II	III	IV	V	VI
Information: Decrease	1.209*	0.977	1.229	1.605*	1.570*	2.108*
	(0.125)	(0.172)	(0.166)	(0.439)	(0.367)	(0.891)
Thinks funding decreased		1.435***	1.579***	1.573***	1.602***	1.631***
		(0.175)	(0.158)	(0.157)	(0.199)	(0.205)
Information * Thinks funding decreased		1.364				
		(0.289)				
Information * Scenario			0.942			1.294
			(0.202)			(0.337)
Wealthy household				1.365**		1.074
				(0.174)		(0.178)
High empathic concern				2.112***		3.322***
				(0.369)		(0.924)
High principle of care				0.925		0.831
				(0.137)		(0.158)
Donating in 2013					1.515**	1.407*
					(0.267)	(0.249)
Wealthy * Information				0.926		1.074
				(0.182)		(0.285)
EC * Information				0.607*		0.535
				(0.167)		(0.222)
POC * Information				1.229		1.127
				(0.302)		(0.346)
Donating * Information					0.751	0.781
					(0.203)	(0.214)
Reward	0.872*	0.862**	0.956	0.893	1.202	1.086
	(0.064)	(0.064)	(0.077)	(0.073)	(0.185)	(0.171)
Scenario decision	1.138	1.156	1.161	1.136	1.183	1.076
	(0.113)	(0.116)	(0.143)	(0.114)	(0.148)	(0.166)
(Constant)	0.171***	0.131***	0.076***	0.055***	0.024***	0.016***
	(0.041)	(0.034)	(0.023)	(0.018)	(0.013)	(0.009)
N	4,916	4,916	4,916	4,916	3,506	3,506

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

is dependent on the time it took them to fill out the survey, is below 1. This suggests that respondents who decide over a larger endowment are less generous.

DISCUSSION AND CONCLUSION

Charitable giving can fundamentally change the output of public policy. Given that the availability of resources is an important condition for successful governance collaborations between public, nonprofit and for-profit organizations (Ansell & Gash, 2008; Milward & Provan, 2003; Pfeffer & Salancik, 1978), it is important to know how charitable donations, as a source of income for many nonprofit organizations, are shaped by public policies.

Many papers in the literature on the relationship between government support and charitable giving ignore the fact that information is often not available. This paper took information uncertainty as a starting point, given the lack of accuracy of popular knowledge about public policy towards the nonprofit sector (Horne et al., 2005; Handy et al., 2010; Lergetporer et al., 2016; Shah et al., 2015). Charitable giving was examined in a context in which citizens were unlikely to know the actual change in government funding. This provides a good opportunity to test the effect of changing knowledge.

Providing information about decreasing government funding increases the number of donors. This confirms the findings from a similar scenario experiment in the United Kingdom (Shah et al., 2015). In our study, this information increased the share of donors with about 20%, which can make a considerable difference for nonprofit organizations who are dependent on fundraising income. This effect is statistically significant among citizens who are very wealthy, who do not regularly donate to the organization under study, who have a relatively low level of empathic concern and who have a relatively high principle of care.

An important question for the nonprofit sector is whether incentives leads donors from one organization to the other, or that they increase the total size of the fundraising market (Ek 2017; Reinstein 2006, 2007). Our results show support for both effects. There is substitution between organizations but information about government funding also has the ability to draw non-donors into donating. This is a very important finding and shows the potential of information. Attracting new donors, even when they give low amounts ini-

tially, may contribute to building a sustainable donor base in the long term.

Although the analyses showed significant effects on the percentages of citizens who donate, it should be noted that the vast majority does not change its giving behavior in response to information. This is in line with surveys in which more than 7 out of 10 people say they would not change their donations as a reaction on changing government funding (Bekkers & De Wit, 2014; Horne et al., 2005; Horne, Van Slyke, & Johnson, 2006; Shah et al., 2015).

Interestingly, information about government funding affects the number of donors, but does not substantially change the amount donors give. This result goes against experimental findings in the crowding-out literature, which on average shows that a $1 increase in government support is associated with a $0.64 decrease in charitable giving (De Wit & Bekkers, 2017). However, there are three reasons to be cautious in drawing strong conclusions from the current findings. First, the rewards that respondents could donate in this experiment were low, so there was not much room to increase or decrease the amounts of giving. Secondly, respondents were not made aware of the fact that government support is funded by their own tax money, which is common in crowding-out experiments and is known to have a strong effect on charitable giving (Eckel et al., 2005). Thirdly, the experimental design only enabled a test of the effect of a fixed amount of government funding. It could be that information on higher amounts would in fact lead citizens to change the amounts they give.

This paper showed that information about government policies can have consequences for non-political civic engagement. Three lines of future research are promising in this area. First, it is interesting to not only look at exposure to information, but also investigate the content of this information. Different types of information, for example on decision-making processes and policy effects instead of simple policy content, are expected to have different effects on citizen attitudes and behavior (Heald, 2006). Previous studies have touched upon effects of framing (Eckel et al., 2005) and news content (De Wit et al., 2017) on donations, but more research will give better insights in the effects of different messages. The information provided to respondents in the current research design was very specific, and more research is needed to test information effects in different contexts. Secondly, future studies should investigate effects of information about changes in funding versus information about levels of funding. Whereas the current study examined effects of information about policy changes, many other

(experimental) studies test effects of levels of government funding. Thirdly, more research is needed on individual heterogeneity in responses to government policies. In our analyses, we found a significant interaction effect for empathic concern. Low empathic citizens, who are less likely to donate to begin with, are more responsive to new information. Those are the ones who do not have a strong intrinsic motivation. Apparently, external incentives can encourage them to increase their giving towards levels comparable to those with high empathic concern. No strong theoretical expectations existed here, and this finding might contribute to further theory building. It is possible, for example, that empathy is related to the "warm glow" of giving, which makes citizens less responsive to changes in government contributions to the public good (Andreoni, 1989, 1990).

The benefits of government transparency on citizen participation are widely studied yet still contested. This paper contributes to the literature on government information by hypothesizing and testing effects on non-political participation. Given the important roles of nonprofit organizations in governance processes, changes in civic engagement can have large consequences for public policy. Previous research has shown that the right framing can increase popular support for retrenchments (Elmelund-Præstekær & Emmenegger, 2013; Rodriguez, Laugesen, & Watts, 2010). Our study goes a step further by examining whether information about budget cuts can lead to different civic behavior. If citizens are aware of budget cuts, they may compensate for them with their charitable donations. Professionals in the nonprofit sector might use information about public funding as a tool not only to raise support, but also to raise money.