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Philanthropy in the welfare state

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2018

document version

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

citation for published version (APA)

de Wit, A. (2018). *Philanthropy in the welfare state: Why charitable donations do not simply substitute government support*. [PhD-Thesis - Research and graduation internal, Vrije Universiteit Amsterdam].

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Chapters 3 and 4 explored resources and values as possible moderators in the relationship between government support and charitable giving, suggesting that responses to changes in government support vary across social groups. The current chapter examines an even wider range of possible correlates of the willingness to compensate for government budget cuts. A large sample of the Dutch population is asked how they would respond to a reduction of government funding to organizations in different parts of the nonprofit sector, and their actual change in donations is examined two years later. Citizens who have a higher education, who have stronger prosocial values, who have more confidence in charitable organizations, who have lower trust in government and who receive more donation solicitations are more likely to increase donations after government budget cuts. The findings provide useful tools for fundraising in the context of decreasing revenues.

Chapter 5

Look who's crowding-out!

René Bekkers and Arjen de Wit

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

A previous version of this chapter was presented at the 42nd Annual Meeting of the Association for Research on Nonprofit Organizations and Voluntary Action in Hartford, CT (USA), November 2013.

Data, syntax and supplementary materials are available through the Open Science Framework at <http://osf.io/zqay5/>.

INTRODUCTION

Who is willing to donate more when the government is lowering financial support? There is a wide array of studies dedicated to the crowding-out hypothesis, stating that higher (lower) government contributions lead to a decrease (increase) in donations from private donors. In the academic debate the relationship between government contributions and private donations is studied from different angles and with different research designs, not yielding conclusive results (reviews by De Wit & Bekkers, 2017; Lu, 2016). The inconclusive findings ask for more empirical research on factors that might have a moderating effect on the relationship between government support and charitable donations. Here, we focus on the question *among whom* crowding-out occurs.

Previous studies often do not examine individual heterogeneity in responses to varying levels of government funding. Only a handful of studies explored individual differences in psychological traits, socioeconomic status and ethnicity (Luccasen, 2012), resources and prosocial values (De Wit et al., 2017), income groups (Kingma, 1989) or different donor groups (Reeson & Tisdell, 2008), yielding no conclusive findings. The lack of tests of individual heterogeneity with large study samples is an important lacuna in crowding-out research, while it has important consequences for fundraising and nonprofit research.

This study is the first to offer a theoretical framework that might explain individual heterogeneity in responses to changing government funding. Based on the Civic Voluntarism Model (Verba et al., 2005), we propose that citizens who have more *resources*, who are more *engaged* and who are more sensitive for *recruitment* are most likely to substitute government budget cuts. With a large sample of survey data from the Dutch population we are able to examine individual heterogeneity in willingness to increase donations in the case of government budget cuts in different subsectors. First, we present respondents with scenario questions about hypothetical budget cuts in different nonprofit subsectors, and examine correlates of the responses to those scenarios. Second, we examine the correlates of actual changes in donations over the course of two years.

The conclusions of this study have important implications for professionals in the nonprofit sector. It is uncertain to what extent nonprofit organizations succeed in receiving more revenues from private donations when income from government support decrease. With more knowledge about

the profiles of donors who are willing to adapt their giving as a response to changing government support in different parts of the nonprofit sector, fundraising might be better targeted at specific social groups.

THEORY AND HYPOTHESES

Civic voluntarism

We base our answer to the question which characteristics of donors determine their responses to changes in government support for nonprofit organizations on the Civic Voluntarism Model (Verba et al., 1995). The Civic Voluntarism Model explains civic voluntarism – citizens' voluntary contributions of money and time to public and club goods – with three requirements: resources, engagement and recruitment. Here we use the model to explain *changes* in levels of donations to nonprofit organizations in the Netherlands facing cuts in government support. Further support for our hypotheses comes from a review of the literature on philanthropy, which identified eight mechanisms as the major drivers of philanthropy (Bekkers & Wiepking, 2011b). The civic voluntarism model includes several of these mechanisms.

Mechanisms in resources, engagement, and recruitment

Resources influence giving through the mechanism of costs. Wealth and income are well-known correlates of charitable giving, and they might also increase the capability to change giving. For citizens with a higher financial capacity, an increase in their donations of a certain amount represents a smaller proportion of their expenditure budget. Also a higher financial capacity lowers the costs of donating for citizens in progressive income tax systems that allow deduction of charitable donations. There has not been many crowding-out studies that examined resources as a moderating factor in the relationship between government support and charitable donations. Kingma (1989) shows partial crowding-out in all income groups, with the strongest association among lower middle incomes. De Wit et al. (2017) do not find significantly different correlates among citizens with a higher education, a paid job or an own home.

Resources in the Civic Voluntarism Model also include the availability of time and civic skills. While the available time is less likely to explain financial donations, civic skills might be important in explaining changes in donations. Civic skills are developed through education, which is argued to be

related to charitable giving partly because it expands one's information set and because it has a socializing effect, which make children develop a more prosocial world view (Brown, 2005; Wiepking & Maas, 2009).

Engagement with the cause incorporates the mechanisms altruism, awareness of need, psychological benefits, values and efficacy. In the classical crowding-out literature, the mechanism of altruism is the foundation for the hypothesis that citizens will crowd out government support for non-profit organizations. It is assumed that citizens will reduce their donations when they learn that others are contributing to a cause because the contributions of others are already enabling the organization to reach their objectives (Roberts, 1984; Warr, 1982). A reduction of government support for a specific organization will lead donors motivated by altruism to increase their donation levels. In this context, the mechanism of altruism is closely related to the awareness of need. If social needs increase because budget cuts reduce total contributions to the public good, citizens are more likely to increase their donations.

In economic theory, citizens will not easily change their giving behavior in response to changes in government support to the extent that they derive private benefits from their donation (Andreoni, 1989, 1990). The assumption in this prediction is that changes in government support do not affect the psychological or social rewards obtained by giving. However, non-altruistic motives such as a concern for one's self-image could also lead citizens to increase their donation levels when they learn about a reduction in government support for a cause they support. Citizens who raise their giving as a response to budget cuts derive increasing psychological benefits from their donation, because giving is more desirable in this situation. Psychological benefits thus motivate increased donations: the joy of giving that donors experienced upon an initial donation will increase with further contributions.

In a similar way, citizens who give as an expression of their values might increase donations after government budget cuts. Examples are altruistic values (Bekkers & Schuyt, 2008), social trust (Brown & Ferris, 2007) and the moral principle of care (Bekkers & Wilhelm, 2016). Citizens who endorse such values are more strongly engaged with nonprofit organizations, and are likely to increase their giving as a response to budget cuts.

The perceived efficacy of organizations is another mechanism that can be shared under the heading of engagement. Political efficacy is one of the indicators that Verba et al. (1995) use to measure political engagement. In the context of charitable giving, "[e]fficacy refers to the perception of donors

that their contribution makes a difference to the cause they are supporting” (Bekkers & Wiepking, 2011b: 942). The more citizens believe their donation can make a difference, the more effect a change in government funding to the same cause will have. In this context, confidence in the government might also enhance perceived efficacy. If citizens trust their government, they are likely to believe that changing government policies will have consequences for the provision of public goods, and more likely to adapt their giving behavior accordingly.

Recruitment of citizens refers directly to the mechanisms of solicitation and reputation. Citizens who receive more solicitations inviting contributions to an organization tend to increase their donation levels. We also include the reputation mechanism here, referring to the approval of giving in the social environment. The same reputational concerns that motivated giving to a certain cause can also motivate increasing the level of donations to that cause after a reduction in government support, if giving to that cause is still socially rewarded.

Different mechanisms in different nonprofit subsectors

A well-known distinction is the one between instrumental and expressive nonprofit organizations (Gordon & Babchuk, 1959). Referring to the expressive dimension of the nonprofit sector, Frumkin (2002, p. 24) states: “For donors, volunteers, and particularly staff, the very act of attempting to address a need or fight for a cause can be a satisfying end in itself, regardless of the ultimate outcome”. Government expenditures can affect social needs, but are less likely to affect the engagement that donors express. Thus, government support less likely to displace charitable giving in parts of the nonprofit sector where the expressive dimension prevails than it is in parts of the nonprofit sector where the instrumental dimension is more important.

This is consistent with the argument that crowding-out is more likely in service subsectors like social assistance or health, where organizations are mostly instrumental, than it is in “expressive” subsectors like culture and international aid (Pennerstorfer & Neumayr, 2017; Sokolowski, 2013). This is only partly supported by a systematic literature review of non-experimental crowding-out findings, however, which 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 (Lu, 2016).

The current research design provides an excellent opportunity to com-

pare (correlates of) responses to government support in service subsectors and expressive subsectors of the nonprofit sector.

DATA AND METHODS

We test our expectations using data from the 2012 wave ($n=2,459$) of the Giving in the Netherlands Panel Survey (Bekkers et al., 2016).

Scenario questions

The 2012 wave of the Giving in the Netherlands Panel Survey (GINPS) included scenario questions designed to capture the responsiveness of citizens to changes in government support for nonprofit organizations. Respondents first read a general introduction, after which the online survey software selected a subsector in which nonprofit organizations in the Netherlands are actively raising funds: religion, health, international aid, environment, nature conservation, animal welfare, education and research, culture and arts, sports and recreation, and public benefits. Respondents were shown their response to a previous question about the amount their household donated to nonprofit organizations in that particular subsector and were shown a potential cut in government funding of organizations in this sector, with randomized sizes: 5%, 10%, 20% or 33%. An example is: "With your household you donated €100 to health in the past year. If the government cuts 5% in this area, how would you react?" Participants could respond "I will give the same as last year", "I am willing to give more" or "I will also give less". In the latter two cases, the participants answered the follow-up question "What will be the new amount?" Participants that did not report donations by their household in a particular sector received the question "With your household you did not donate to [sector] this year. If the government cuts 5% in this area, how would you react?" Participants could respond "I will give the same as last year" or "I am willing to give more" – giving less than nothing is impossible.

Because religious organizations do not receive government funding in the Netherlands, the answers on the religion subsectors are excluded from the analyses. The total number of observations is 6,580 scenarios. It is important to note that the scenarios are not randomly allocated over respondents. Participants who had donated to nonprofit organizations in three or more nonprofit subsectors (56% of all GINPS12 respondents) responded to scenarios

about three randomly selected sectors in which they had made donations. The remaining participants, who had donated to organizations in fewer than three subsectors, responded to scenarios about randomly selected sectors. This non-random distribution of subsectors over respondents complicates inferences for the total population in the Netherlands. In the way we treat the answers to the scenario questions in the current study, they are a regular survey module rather than an experiment.

Actual change in donations

Besides the willingness to increase donations after cutbacks as measured in the scenario questions, we also examine the actual change in donations by using the panel nature of the dataset. Respondents who participated both in the 2012 wave and the 2014 wave of the GINPS reported their household donations for 2011 and 2013 respectively. Although issues like social desirability and recall bias might play a role here, self-reported donations tend to be pretty accurate (Bekkers & Wiepking, 2011c). We adopt a dichotomous variable measuring whether household donations increased or not in service subsectors (health and public benefits) and expressive subsectors (international aid, environment, nature conservation, animal welfare and culture).

Other measures

From the responses to the question on the highest level of *education* achieved we created three dichotomous variables: primary education, secondary education and tertiary education. *Household income* was measured with a series of questions on the respondents' income and the spouses' income (if present) from different sources. Income quintiles were calculated. *Income from wealth* is included as a dummy variable, measuring whether the respondent's household obtains income from equity, real estate, shares etc. A dummy variable measures whether the respondent is a *home owner*, which is another indicator of wealth. *Current financial security* is measured with the question "How financially secure do you feel on a scale from 1 (financially insecure) to 10 (financially secure)?" *Expected financial situation* is the response to the question: "What do you expect the financial situation of your household to be in the coming 12 months? (1) Will be much better; (2) Will be better; (3) About the same; (4) A bit worse; (5) Much worse".

Perception of need and *knowledge about need* are two variables created from responses to four questions testing the participants' knowledge about societal needs: (1) What proportion of the Dutch population lives in pover-

ty?; (2) What proportion of the world population lives in poverty?; (3) What proportion of the Dutch population suffered from depressive symptoms in the past year?; (4) Which disease is the most common cause of death among the Dutch? For each of the first three questions we recoded the proportions mentioned by the participants into three categories: an underestimation (-1), a correct answer (0) and an overestimation (1). The sum of these values is the perception of need variable, ranging from -3 to 3. Knowledge about need is the number of correct answers in response to all four questions.

The *principle of care* is the average score of responses to four statements expressing the moral principle that one should help people in need. The alpha coefficient for the reliability of the four items is .881. *Altruistic values* were measured using statements like: "I prefer to work for my own welfare rather than for that of others" and "I strive to work for the welfare of society" (six items, Cronbach's $\alpha = .727$). *Empathic concern* is the average score of responses to four statements expressing compassionate reactions in response to the needs of others (Cronbach's $\alpha = .792$). The *joy of giving* is the average score of responses to three statements expressing the intrinsic reward that people experience by giving (three items, Cronbach's $\alpha = .738$).

High charitable confidence and *high confidence in government* are dichotomous variables obtained by recoding "quite a lot" (4) and "very much" (5) to the questions "How much confidence do you have in charities in the Netherlands?" and "How much confidence do you have in the government in the Netherlands?" respectively.

The *number of areas* in which donations were made is a variable counting the number of areas in which donations were made in the past calendar year (2011). Responses ranged from 0 (no donations made) to 10 (donations in all areas mentioned in the questionnaire). On average, the respondents reported donations in 3 different areas. *Total amounts donated* were obtained by summing the amounts donated in the past calendar year as reported after the questions on donations in different areas. We created two separate variables distinguishing the amount donated to health and public benefits (*service giving*) and the amount donated to international aid, environment, nature conservation, animal welfare, and culture and arts (*expressive giving*). The amounts were log-transformed after adding 1 to avoid taking the log of zero.

Social pressure is the average response to four statements about the social norm on philanthropic behavior in the respondent's social network. The alpha coefficient for the reliability of the five items is .778. *Solicitations* are

measured by asking respondents whether they were asked for a charitable donation in the two weeks prior to taking the survey. Respondents were presented a list of 15 possible solicitation methods, like “door-to-door collection”, “direct mail” or “phone call”. A dummy variable is obtained indicating whether respondents received more than three solicitations.

Control variables include gender, age (measured with dummy variables for being born before World War II and being born after 1980), religious denomination (measured with dummy variables for Roman-Catholic, Protestant or another religious denomination) and whether or not respondents belonged to the selective subsample from the OCW study (Bekkers et al., 2016).

RESULTS

Vast majority is not responsive to changes in government support

A vast majority of GINPS respondents state that they would not change giving after government cutbacks. Participants responded “I will give the same as last year” in 86% of the scenarios. In 8.6% of the scenarios participants responded “I will also give less”, and in 5.7% of the scenarios participants responded “I am willing to give more”.

Crowding-in is more likely than crowding-out in most subsectors

In service subsectors (health and public benefits), 12% of the respondents say they will give less and 5% respond that they will give more. In expressive subsectors (international aid, environment, nature conservation, animal welfare, and arts and culture), crowding-out seems a bit more likely. In these sectors, 7% might give less while 6% is willing to give more after budget cuts.

Overall, the responses in the scenarios show that in most subsectors the participants responding they are willing to give more are outnumbered by participants responding they will give less in response to government cuts (see Figure 1). Only for animal welfare and arts and culture the proportion of citizens willing to give more is higher than the proportion saying they will donate less.

Interestingly, we find the largest proportions of respondents who say they will donate *less* after budget cuts in health and public benefits. These are the service subsectors in which we would have expected crowding-out to be more likely.

The net effect of cuts, however, depends not only on the prevalence of

Figure 1: Incidence of responses to government cutbacks in the Netherlands by sector (in percentages)

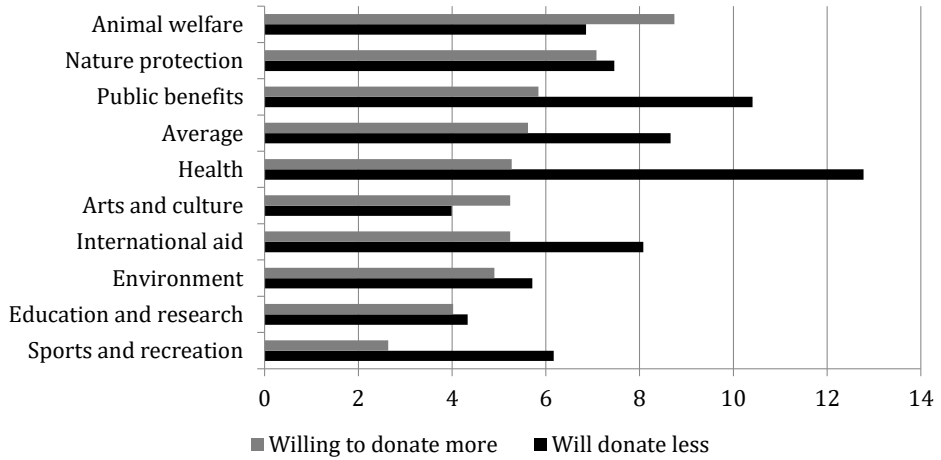
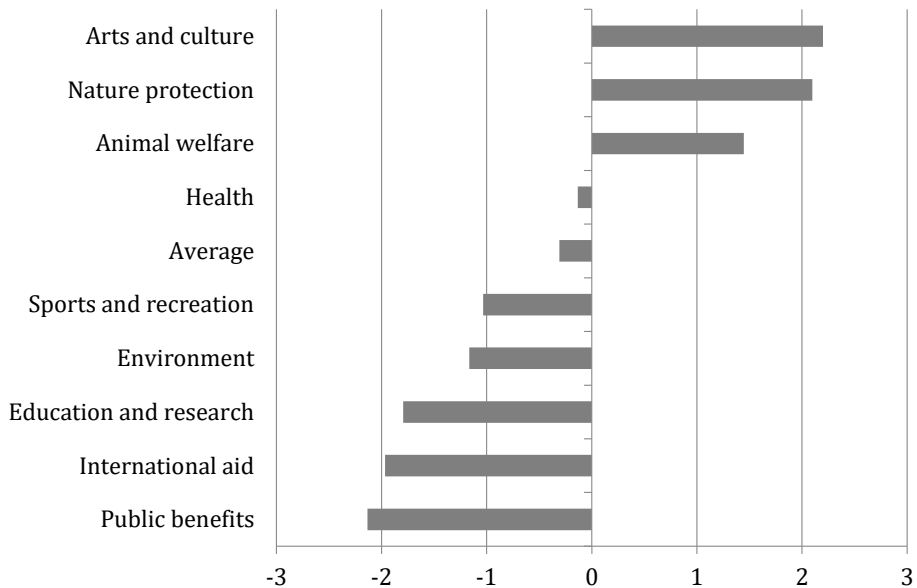


Figure 2: Net effects of government cutbacks on amounts donated in the Netherlands relative to previous donation levels by sector (in percentages)



willingness of citizens to give more and the tendency to reduce donations, but also on the changes in the amounts that respondents will give. Figure 2 shows that the net effect is positive for nonprofit organizations in the fields of arts and culture, nature conservation and animal welfare. Amounts donat-

ed to organizations in these sectors would increase by 2.2%, 2.1%, and 1.4%, respectively. For health and environmental organizations the effects are near zero. The other nonprofit organizations should expect losses in donations as a result of declining contributions by citizens.

Amounts donated to organizations in service subsectors would decrease by 0.8%, while donations to organizations in expressive sectors would increase by 0.3%. This is in line with the argument that crowding-out is more likely among service organizations, although both average effects are very small.

Donations to animal welfare organizations increase most strongly

We test the difference between nonprofit subsectors in a more systematic way in a regression analysis (not shown). Here, the data of the different possible scenarios on different nonprofit subsectors are stacked, and fixed effects on individuals are included. The fixed effects model specification rules out potential effects of participant characteristics as a result of non-random allocation of scenarios to participants.

Respondents are more likely to say that they *will give less* (crowding-in) when evaluating scenarios about international aid than when evaluating scenarios about other sectors. Formal tests are significant at 5% for contrasts with animal welfare, education and research, and sports and recreation. Participants were most likely to say they *would give more* (crowding-out) to animal welfare, and least likely to say they would give more to the environment. Donations increase most strongly in animal welfare (+4.6%) and in culture and arts (+3%).

The willingness to increase donations is larger when budget cuts are larger, although the differences are not statistically significant. Furthermore, respondents were more likely to say that they were willing to increase donations and less likely to say they were going to reduce donations in the second and especially the third scenario rather than the first.

The higher educated are willing to donate more

Tables 1 and 2 display the results of multivariate regression analyses on the likelihood that respondents are willing to increase donations after budget cuts in service (health and public benefits) and expressive (international aid, environment, nature conservation, animal welfare and culture) subsectors, respectively. Because scenarios are nested within respondents, we add random intercepts for respondents.

The willingness to increase contributions after government cutbacks is much higher among those with higher education (college/university) compared with those with lower levels of education, which is more strongly so in expressive subsectors (Model 1).

The willingness to contribute more also increases with household income. Among households in the top quintile of the income distribution, the willingness to increase contributions after government cutbacks in at least one of the scenarios is 135% (Table 1) and 22% (Table 2) higher than in the lowest quintile. The differences are not statistically significant. In expressive subsectors, the middle incomes are less likely to increase donations than the lowest incomes. There seems to be a U-curve in the willingness to compensate for budget cuts, with the lowest and highest income quintiles being the most likely to increase donations.

In expressive subsectors, financial security is significantly associated with the willingness to increase donations. Contrary to the expectation, home ownership is negatively related to the willingness to increase donations.

Committed donors are more willing to increase donations

The results also provides evidence supporting the hypothesis that engagement is positively correlated with the willingness to increase donations after government cutbacks. Model 2 in Tables 1 and 2 stepwise add different measures of engagement, showing that there are different correlates for the willingness to increase donations in service and expressive subsectors, respectively.

In service sectors, the willingness to increase donations is weakly and not significantly associated with how severe people perceive problems like poverty and depression to be, and how accurate their knowledge about these problems is. The joy of giving – a trait measure of the “warm glow” people feel by giving to charity – is associated with responses in the scenarios on service subsectors. Respondents who experience more joy of giving are about 78% more likely to increase donations. Respondents with a high charitable confidence are more willing to increase donations, which is a large and significant difference (Table 1, Model 2c). Interestingly, trust in government correlates negatively. Service donations in the previous year are not associated with the willingness to compensate budget cuts.

In expressive subsectors, the awareness of need also correlates with the willingness to increase donations (Table 2, Model 2a), but not statistically significant. The principle of care, altruistic values and the joy of giving are

all positively associated with the willingness to contribute more, albeit not significant either (Model 2b). Those who have much confidence in charities are about three times more likely to compensate for budget cuts, which is significant (Model 2c). This suggests that the perceived efficacy of nonprofit organizations might help to raise funds after budget cuts. The willingness to increase donations is significantly associated with the amount donated to expressive organizations in the past year (Model 2d).

Donors targeted already are willing to donate more, especially in service subsectors

The coefficients in Model 3 from Tables 1 and 2 show that the recruitment mechanism helps to predict the willingness to increase donations. In service subsectors, experiencing strong social pressure is associated with a 37% higher likelihood to compensate budget cuts, which is not statistically significant (Table 1, Model 3a). Citizens who are currently targeted by nonprofit organizations are more likely to increase donations if asked. Participants who received more than three solicitations in the past two weeks are 175% more likely to compensate than those who received less than three solicitations, which is strongly significant (Table 1, Model 3b). The odds ratios for expressive subsectors are in the same direction, but weaker and not statistically significant (Table 2, Model 3).

In expressive subsectors, resources influence willingness to contribute through engagement

What are the interactive effects between the mechanisms of resources, engagement and recruitment? In expressive subsectors, resources influence the willingness to contribute more in response to government cutbacks mainly through engagement, and not so much through recruitment. The relationships between resources and the willingness to contribute more are reduced when the level of engagement with nonprofit organizations in the past year are included as controls (Table 2, Models 2b, 2c and 2d). Controlling for the number of solicitations received, however, does not diminish the association between resources and the willingness to contribute more (Table 2, Model 3b).

The mediating effect of engagement only holds for expressive subsectors. In service subsectors (Table 1), adding measures of engagement and recruitment to the model does not substantially change the coefficients of education and income.

Table 1: Multilevel logistic regression of the willingness to contribute more after government cutbacks in service subsectors

	Resources			Engagement			Recruitment		
	1	2a	2b	2c	2d	3a	3b	3c	
Secondary education	1.547 (0.563)	1.580 (0.574)	1.501 (0.533)	1.529 (0.547)	1.556 (0.563)	1.546 (0.561)	1.611 (0.592)	1.611 (0.592)	
Tertiary education	5.057*** (2.202)	5.261*** (2.297)	4.740*** (1.979)	4.742*** (2.007)	4.808*** (2.090)	4.755*** (2.071)	4.840*** (2.129)	4.840*** (2.129)	
Second income quintile	0.717 (0.382)	0.725 (0.385)	0.727 (0.379)	0.748 (0.394)	0.740 (0.393)	0.759 (0.404)	0.822 (0.440)	0.822 (0.440)	
Third income quintile	1.101 (0.564)	1.112 (0.568)	1.089 (0.550)	1.153 (0.587)	1.143 (0.586)	1.143 (0.588)	1.181 (0.611)	1.181 (0.611)	
Fourth income quintile	1.437 (0.744)	1.474 (0.763)	1.487 (0.756)	1.442 (0.738)	1.415 (0.732)	1.423 (0.738)	1.547 (0.809)	1.547 (0.809)	
Fifth income quintile	2.346 (1.286)	2.398 (1.312)	2.494* (1.339)	2.402 (1.298)	2.401 (1.312)	2.446 (1.341)	2.556* (1.411)	2.556* (1.411)	
Income from wealth	1.046 (0.492)	1.051 (0.495)	1.157 (0.527)	1.273 (0.580)	1.246 (0.572)	1.246 (0.574)	1.153 (0.537)	1.153 (0.537)	
Home owner	0.542* (0.175)	0.575* (0.185)	0.597 (0.188)	0.648 (0.204)	0.651 (0.207)	0.641 (0.204)	0.605 (0.195)	0.605 (0.195)	
Financial security	1.155 (0.105)	1.172* (0.107)	1.148 (0.102)	1.145 (0.102)	1.146 (0.103)	1.138 (0.103)	1.130 (0.103)	1.130 (0.103)	
Future financial situation	0.842 (0.140)	0.848 (0.140)	0.852 (0.138)	0.831 (0.136)	0.827 (0.137)	0.827 (0.137)	0.839 (0.140)	0.839 (0.140)	
Perception of need	1.183* (0.113)	1.183* (0.113)	1.147 (0.106)	1.149 (0.107)	1.159 (0.109)	1.156 (0.109)	1.150 (0.109)	1.150 (0.109)	
Knowledge about need	1.081 (0.185)	1.081 (0.181)	1.083 (0.181)	1.095 (0.184)	1.109 (0.188)	1.109 (0.188)	1.118 (0.191)	1.118 (0.191)	
Principle of care	1.435 (0.401)	1.435 (0.381)	1.435 (0.381)	1.351 (0.381)	1.357 (0.388)	1.237 (0.364)	1.200 (0.354)	1.200 (0.354)	

Table 1 (continued)

Altruistic values	1.473 (0.577)	1.364 (0.535)	1.389 (0.549)	1.347 (0.534)	1.367 (0.545)
Empathic concern	0.958 (0.266)	0.928 (0.260)	0.935 (0.265)	0.938 (0.267)	0.904 (0.259)
Joy of giving	1.781** (0.447)	1.628* (0.407)	1.649** (0.419)	1.558* (0.401)	1.558* (0.402)
Charitable confidence		2.945*** (0.916)	2.979*** (0.955)	2.859*** (0.917)	2.951*** (0.958)
Trust in government		0.528* (0.181)	0.525* (0.181)	0.514* (0.179)	0.515* (0.180)
Number of donation areas			0.912 (0.090)	0.904 (0.091)	0.881 (0.090)
Service donations (ln)			1.066 (0.095)	1.065 (0.095)	1.060 (0.095)
Expressive donations (ln)			1.024 (0.085)	1.021 (0.085)	1.037 (0.087)
Social pressure				1.378 (0.347)	1.327 (0.336)
More than three solicitations					2.743** (1.129)
(Constant)	0.002*** (0.002)	0.001*** (0.001)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
No. of scenarios	2,564	2,564	2,564	2,564	2,564
No. of respondents	1,987	1,987	1,987	1,987	1,987

Odds Ratios are reported; * p < .1; ** p < .05; *** p < .01; Controlled for gender, age, religious denomination, scenario order, size of the budget cut, and OCW subsample

Table 2: Multilevel logistic regression of the willingness to contribute more after government cutbacks in expressive subsectors

	Resources			Engagement			Recruitment		
	1	2a	2b	2c	2d	3a	3b	3c	
Secondary education	1.683 (0.570)	1.732 (0.588)	1.660 (0.563)	1.607 (0.548)	1.558 (0.537)	1.554 (0.536)	1.587 (0.549)	1.587 (0.549)	
Tertiary education	2.905*** (1.107)	2.983*** (1.139)	2.739*** (1.046)	2.595** (1.003)	2.196** (0.858)	2.180** (0.852)	2.165** (0.847)	2.165** (0.847)	
Second income quintile	0.428* (0.208)	0.429* (0.209)	0.439* (0.214)	0.448* (0.219)	0.436* (0.215)	0.438* (0.216)	0.440* (0.217)	0.440* (0.217)	
Third income quintile	0.902 (0.399)	0.897 (0.398)	0.888 (0.397)	0.905 (0.406)	0.895 (0.407)	0.893 (0.406)	0.882 (0.401)	0.882 (0.401)	
Fourth income quintile	0.875 (0.401)	0.879 (0.403)	0.896 (0.412)	0.862 (0.397)	0.821 (0.386)	0.823 (0.387)	0.828 (0.389)	0.828 (0.389)	
Fifth income quintile	1.220 (0.570)	1.242 (0.581)	1.272 (0.596)	1.183 (0.558)	1.071 (0.515)	1.073 (0.516)	1.070 (0.514)	1.070 (0.514)	
Income from wealth	1.428 (0.630)	1.427 (0.634)	1.400 (0.620)	1.557 (0.695)	1.434 (0.647)	1.440 (0.650)	1.417 (0.640)	1.417 (0.640)	
Home owner	0.620 (0.188)	0.649 (0.197)	0.668 (0.203)	0.739 (0.226)	0.762 (0.237)	0.757 (0.236)	0.741 (0.231)	0.741 (0.231)	
Financial security	1.194** (0.098)	1.207** (0.100)	1.195** (0.099)	1.176* (0.098)	1.153* (0.097)	1.150* (0.097)	1.152* (0.097)	1.152* (0.097)	
Future financial situation	1.221 (0.183)	1.228 (0.184)	1.206 (0.181)	1.170 (0.177)	1.204 (0.185)	1.205 (0.185)	1.210 (0.186)	1.210 (0.186)	
Perception of need		1.149 (0.104)	1.123 (0.102)	1.133 (0.104)	1.144 (0.107)	1.143 (0.107)	1.146 (0.107)	1.146 (0.107)	
Knowledge about need		1.115 (0.186)	1.117 (0.186)	1.148 (0.193)	1.141 (0.194)	1.139 (0.194)	1.149 (0.196)	1.149 (0.196)	
Principle of care			1.368 (0.375)	1.283 (0.355)	1.243 (0.347)	1.215 (0.348)	1.192 (0.341)	1.192 (0.341)	

Table 2 (continued)

Altruistic values	1.489 (0.548)	1.400 (0.517)	1.326 (0.497)	1.315 (0.493)	1.335 (0.502)
Empathic concern	0.916 (0.254)	0.874 (0.244)	0.846 (0.239)	0.847 (0.240)	0.852 (0.241)
Joy of giving	1.309 (0.309)	1.152 (0.274)	1.118 (0.271)	1.100 (0.271)	1.082 (0.267)
Charitable confidence		3.124*** (0.968)	2.618*** (0.825)	2.590*** (0.818)	2.634*** (0.835)
Trust in government		0.572* (0.187)	0.588 (0.194)	0.587 (0.193)	0.595 (0.196)
Number of donation areas			0.912 (0.079)	0.910 (0.079)	0.894 (0.079)
Service donations (ln)			0.941 (0.079)	0.942 (0.079)	0.943 (0.080)
Expressive donations (ln)			1.333*** (0.118)	1.331*** (0.118)	1.340*** (0.119)
Social pressure				1.087 (0.256)	1.064 (0.251)
More than three solicitations					2.019 (0.888)
(Constant)	0.001*** (0.001)	0.001*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
No. of scenarios	3,239	3,239	3,239	3,239	3,239
No. of respondents	2,112	2,112	2,112	2,112	2,112

Odds Ratios are reported; * p < .1; ** p < .05; *** p < .01; Controlled for gender, age, religious denomination, scenario order, size of the budget cut, and OCW subsample

Willingness predicts actual increase in expressive donations

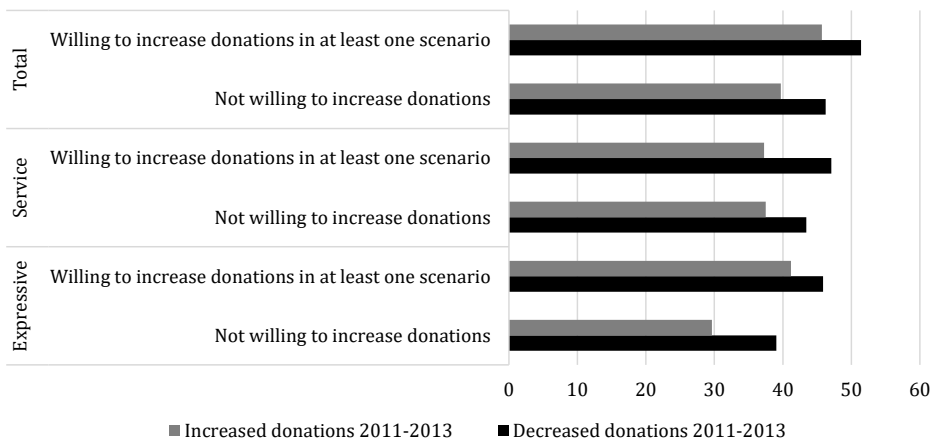
Respondents might respond that they are willing to increase donations after budget cuts, but will they actually do so? To explore this question, we make use of the panel nature of the data set to examine the actual change in donations from 2011 to 2013. This was a period with budget constraints for the Dutch government and decreasing government expenditures in different areas, including large and controversial budget cuts in the subsectors of international development and culture.

Figure 3 shows the percentage of respondents that increased, decreased or did not change their actual donations from 2011 to 2013. The percentage of respondents that actually increased donations is 46% for those who said to be willing to increase donations in the scenario questions, and 40% for those who were not. The difference only occurs in expressive subsectors (42% vs. 30%) and not in service subsectors (37% vs. 37%). Surprisingly, the percentage of respondents who *decreased* donations is also larger among those who said to be willing to compensate budget cuts in the scenarios. This holds for both donations to service organizations and expressive organizations.

Resources and engagement explain actual increases in giving

Tables 3 and 4 show regression models on the likelihood of increasing actual donations to organizations in service and expressive subsectors, respec-

Figure 3: Proportion of participants that increased or decreased actual donations 2011-2013 by response in scenario experiment (in percentages)



tively. Here, respondents that participated in two waves of the panel survey ($n=916$) are the units of analysis.

In service subsectors, the willingness to increase donations as indicated in the scenarios is negatively related to the likelihood to increase actual donations, which is not statistically significant (Table 3). Similar to the responses in the scenario, a higher education and a higher income are positively associated with increasing donations. However, respondents who perceive their future financial situation as more bright are less likely to increase their donations to service organizations. Stronger altruistic values and a higher charitable confidence are positively related to increasing donations. The amount donated in 2011 is negatively related to the likelihood of increasing donations, which might be the result of a ceiling effect. Contrary to the results of the scenario responses, the joy of giving and the number of solicitations are not strongly associated with an actual increase in donations. Resources and engagement seems the strongest mechanism to explain actual increasing donations to service organizations.

In expressive subsectors, the willingness to increase donations in the scenarios is positively related to actual increases (Table 4). Respondents who indicated they would increase donations after budget cuts are about 50% more likely to actually increase donations. The higher educated and home owners are more likely to increase donations. Similar to the correlates of the scenario responses, the lowest and highest income quintiles are the most likely to increase donations. From the engagement variables (Model 2), charitable confidence correlates strongly and significantly with the likelihood to increase actual donations. The previous level of donations to expressive organizations decreases the likelihood to increase giving, which can be a ceiling effect again, but the amount donated to *service* organizations *increases* this chance. Apparently, those who initially donate high amounts to service organizations are more willing to compensate for budget cuts in expressive subsectors. There is no evidence for mediating effects of engagement in these analyses.

It is striking that the mechanism of recruitment seems a stronger explanation for hypothetical increases than for actual increases. If organizations would become more active in the fundraising market after government budget cuts (Andreoni & Payne, 2003, 2011), we would expect that citizens who are targeted more by fundraisers are more likely to increase donations from 2011 to 2013.

Table 3: Logistic regression of increasing donations to service subsectors 2011-2013

	Resources			Engagement			Recruitment		
	1	2a	2b	2c	2d	3a	3b	3c	
Willingness to increase in scenarios	0.938 (0.292)	0.907 (0.284)	0.872 (0.275)	0.839 (0.265)	0.852 (0.277)	0.856 (0.278)	0.841 (0.276)	0.856 (0.278)	
Secondary education	1.621** (0.316)	1.638** (0.320)	1.555** (0.308)	1.532** (0.305)	1.590** (0.326)	1.593** (0.327)	1.606** (0.331)	1.593** (0.327)	
Tertiary education	1.456* (0.332)	1.489* (0.341)	1.433 (0.335)	1.386 (0.331)	1.427 (0.357)	1.445 (0.364)	1.449 (0.365)	1.445 (0.364)	
Second income quintile	1.620* (0.467)	1.647* (0.477)	1.812** (0.530)	1.820** (0.534)	1.909** (0.576)	1.896** (0.573)	1.928** (0.588)	1.896** (0.573)	
Third income quintile	1.374 (0.408)	1.411 (0.421)	1.502 (0.451)	1.476 (0.444)	1.541 (0.481)	1.533 (0.479)	1.550 (0.486)	1.533 (0.479)	
Fourth income quintile	1.384 (0.414)	1.413 (0.425)	1.495 (0.452)	1.463 (0.444)	1.632 (0.511)	1.622 (0.508)	1.644 (0.518)	1.622 (0.508)	
Fifth income quintile	1.244 (0.398)	1.248 (0.401)	1.387 (0.451)	1.355 (0.442)	1.443 (0.485)	1.433 (0.482)	1.446 (0.488)	1.433 (0.482)	
Income from wealth	1.020 (0.287)	1.011 (0.286)	1.017 (0.290)	1.041 (0.298)	1.067 (0.316)	1.066 (0.316)	1.056 (0.314)	1.066 (0.316)	
Home owner	1.036 (0.182)	1.067 (0.190)	1.031 (0.185)	1.069 (0.194)	1.154 (0.217)	1.155 (0.217)	1.151 (0.217)	1.155 (0.217)	
Financial security	0.995 (0.048)	0.998 (0.049)	1.005 (0.050)	1.001 (0.050)	0.998 (0.051)	1.000 (0.052)	0.999 (0.052)	1.000 (0.052)	
Future financial situation	0.802** (0.078)	0.808** (0.079)	0.803** (0.079)	0.796** (0.079)	0.767*** (0.079)	0.766*** (0.079)	0.768** (0.079)	0.766*** (0.079)	
Perception of need		1.076 (0.058)	1.063 (0.058)	1.065 (0.058)	1.053 (0.059)	1.053 (0.059)	1.053 (0.059)	1.053 (0.059)	
Knowledge about need		1.052 (0.106)	1.030 (0.105)	1.043 (0.107)	1.036 (0.109)	1.039 (0.110)	1.040 (0.110)	1.039 (0.110)	
Principle of care			0.933 (0.150)	0.922 (0.149)	0.939 (0.157)	0.954 (0.162)	0.947 (0.162)	0.954 (0.162)	

Table 3 (continued)

Altruistic values	1.915*** (0.431)	1.925*** (0.435)	1.865*** (0.436)	1.876*** (0.439)	1.882*** (0.441)
Empathic concern	1.031 (0.177)	1.016 (0.175)	1.038 (0.184)	1.037 (0.183)	1.035 (0.183)
Joy of giving	1.009 (0.148)	0.972 (0.144)	0.982 (0.151)	1.000 (0.158)	1.003 (0.158)
Charitable confidence		1.404* (0.261)	1.569** (0.310)	1.586** (0.316)	1.594** (0.318)
Trust in government		0.883 (0.184)	0.901 (0.194)	0.907 (0.196)	0.907 (0.196)
Number of donation areas			1.083 (0.065)	1.085 (0.065)	1.083 (0.065)
Service donations (ln)			0.702*** (0.042)	0.702*** (0.042)	0.701*** (0.042)
Expressive donations (ln)			1.086 (0.059)	1.087 (0.060)	1.089 (0.060)
Social pressure				0.924 (0.142)	0.923 (0.142)
More than three solicitations					1.131 (0.339)
(Constant)	0.479* (0.185)	0.396** (0.163)	0.292* (0.203)	0.345 (0.244)	0.462 (0.340)
No. of respondents	742	742	742	742	742

Odds Ratios are reported; * p < .1; ** p < .05; *** p < .01; Controlled for gender, age, religious denomination, scenario order, size of the budget cut, and OCW subsample

Table 4: Logistic regression of increasing donations to expressive subsectors 2011-2013

	Resources			Engagement			Recruitment		
	1	2a	2b	2c	2d	3a	3b	3c	
Willingness to increase in scenarios	1.496 (0.368)	1.512* (0.373)	1.491 (0.370)	1.432 (0.358)	1.567* (0.401)	1.573* (0.402)	1.584* (0.406)		
Secondary education	2.014*** (0.423)	2.010*** (0.424)	1.977*** (0.419)	1.974*** (0.420)	1.976*** (0.426)	1.980*** (0.428)	1.963*** (0.425)		
Tertiary education	1.495* (0.360)	1.482 (0.358)	1.428 (0.351)	1.402 (0.351)	1.419 (0.365)	1.395 (0.361)	1.398 (0.361)		
Second income quintile	0.801 (0.221)	0.782 (0.218)	0.794 (0.222)	0.799 (0.224)	0.741 (0.211)	0.748 (0.214)	0.736 (0.212)		
Third income quintile	0.699 (0.198)	0.678 (0.193)	0.676 (0.194)	0.668 (0.192)	0.626 (0.183)	0.630 (0.185)	0.626 (0.184)		
Fourth income quintile	0.464** (0.139)	0.458*** (0.138)	0.458*** (0.138)	0.453*** (0.137)	0.415*** (0.128)	0.420*** (0.130)	0.417*** (0.129)		
Fifth income quintile	1.112 (0.330)	1.109 (0.330)	1.142 (0.341)	1.127 (0.338)	1.077 (0.329)	1.089 (0.333)	1.082 (0.332)		
Income from wealth	0.950 (0.263)	0.944 (0.263)	0.934 (0.261)	0.992 (0.279)	1.033 (0.294)	1.040 (0.296)	1.043 (0.297)		
Home owner	1.454** (0.269)	1.394* (0.261)	1.404* (0.265)	1.448* (0.275)	1.349 (0.259)	1.347 (0.259)	1.351 (0.260)		
Financial security	1.027 (0.051)	1.024 (0.050)	1.028 (0.051)	1.024 (0.051)	1.030 (0.053)	1.024 (0.053)	1.025 (0.053)		
Future financial situation	0.871 (0.085)	0.863 (0.085)	0.856 (0.085)	0.852 (0.085)	0.853 (0.087)	0.855 (0.087)	0.851 (0.087)		
Perception of need	0.925 (0.050)	0.925 (0.050)	0.919 (0.050)	0.919 (0.051)	0.913 (0.051)	0.913 (0.051)	0.912 (0.051)		
Knowledge about need	1.017 (0.105)	1.017 (0.107)	1.025 (0.107)	1.040 (0.109)	1.040 (0.110)	1.035 (0.109)	1.033 (0.109)		
Principle of care	1.228 (0.205)	1.228 (0.205)	1.228 (0.205)	1.210 (0.203)	1.190 (0.202)	1.161 (0.201)	1.172 (0.204)		

Table 4 (continued)

Altruistic values	0.999 (0.223)	1.012 (0.227)	0.985 (0.224)	0.975 (0.222)	0.975 (0.222)
Empathic concern	0.934 (0.167)	0.908 (0.163)	0.886 (0.162)	0.885 (0.161)	0.885 (0.161)
Joy of giving	1.159 (0.173)	1.118 (0.169)	1.077 (0.165)	1.055 (0.165)	1.054 (0.165)
Charitable confidence		1.464** (0.278)	1.434* (0.282)	1.412* (0.279)	1.404* (0.278)
Trust in government		0.768 (0.164)	0.719 (0.156)	0.715 (0.156)	0.713 (0.155)
Number of donation areas			1.104* (0.060)	1.102* (0.060)	1.105* (0.061)
Service donations (ln)			1.166*** (0.064)	1.165*** (0.064)	1.166*** (0.064)
Expressive donations (ln)			0.887** (0.048)	0.885** (0.048)	0.884** (0.048)
Social pressure				1.117 (0.172)	1.118 (0.172)
More than three solicitations					0.858 (0.273)
(Constant)	0.327*** (0.127)	0.375** (0.154)	0.186** (0.132)	0.187** (0.135)	0.167** (0.124)
No. of respondents	787	787	787	787	787

Odds Ratios are reported; * p < .1; ** p < .05; *** p < .01; Controlled for gender, age, religious denomination, scenario order, size of the budget cut, and OCW subsample

DISCUSSION AND CONCLUSION

The vast majority of citizens in the Netherlands is not willing to change donations after changes in government support, which is similar to survey results from the U.S. (Horne et al., 2005) and the U.K. (Shah et al., 2015). Both among service and expressive organizations, decreasing subsidies are not likely to be made up with fundraising income. Yet, there is a small group of citizens who are willing to compensate for government budget cuts with their charitable donations. In the present paper we sought to explore a profile of this group.

Until now, only a few studies examined individual heterogeneity in responses to changes in government support, without a strong theoretical basis for the expected results (De Wit et al., 2017; Kingma, 1989; Luccasen, 2012; Reeson & Tisdell, 2008). This paper offers a first attempt to provide a theoretical framework for the question which groups of citizens are more willing to compensate for public funding than others. By introducing and exploring the Civic Voluntarism Model (Verba et al., 1995) in this context, we tested whether predictors of civic voluntarism are also associated with changes in charitable donations upon reductions of government support for nonprofit organizations.

The results provide considerable support for the predictions from the Civic Voluntarism Model on resources, recruitment, and engagement. Citizens with more *resources* like education are more likely to compensate for budget cuts. *Engagement* is generally correlated with a higher willingness to compensate for decreasing government funding. Citizens with a high level of general confidence in charitable organizations are more willing to compensate for budget cuts, which suggests that efforts to increase confidence in the nonprofit sector can also make citizens more willing to increase their contributions. In service subsectors, those with stronger altruistic values are also more likely to increase giving. The joy of giving – a trait measure of the “warm glow” people feel by giving to charity – is positively related to the willingness to increase charitable giving after government budget cuts in service subsectors, which is contrary to expectations from the impure altruism model (Andreoni, 1989, 1990). Regarding *recruitment*, citizens who are more frequently solicited for charitable contributions are more likely to say they are willing to donate more when government funding to nonprofit organizations is reduced.

In expressive subsectors, resources influence the willingness to compen-

sate partly through the mechanism of engagement, and not so much through recruitment. This finding is consistent with prior research on solicitation practices by nonprofit organizations in the Netherlands (Bekkers, 2005b), which showed that the association between resources and donations cannot be explained by solicitations.

Some findings do *not* confirm expectations from the Civic Voluntarism Model. In expressive subsectors, the correlation between household income and the willingness to contribute more after budget cuts takes a U-shape, with the bottom and the top of the distribution being more likely to increase donations. Expressive organizations tend to have lower number of donors in general, especially among lower income groups. It could be that the lower incomes are more sensitive to the awareness of need. This would explain why they generally tend to favor organizations that focus on social needs in their own environment, and why they are more sensitive to external signals about increasing need caused by governmental budget cuts in expressive areas. Second, citizens with high trust in government are found to be less responsive to changes in government support. This is a highly interesting finding. A possible explanation is that those citizens attach a different value to public goods as provided by the government than to public goods as provided by nonprofit organizations (Tinkelman, 2010). Third, we find empathic concern to be not strongly related to increases in private giving when other prosocial values are included in the model, which is consistent with findings on charitable giving by Bekkers and Wilhelm (2016). This shows that our measures of engagement do not perfectly predict changes in donations after decreasing government support.

For nonprofit professionals facing unstable revenues from public funding, the findings provide useful tools. In order to increase fundraising income, organizations should target specific social groups that are more likely to change their giving behavior. Citizens who are higher educated, who have stronger prosocial values, who have more confidence in charitable organizations and who are more frequently solicited for charitable contributions are the most interesting groups to target with fundraising appeals after government budget cuts. Service provision organizations should consider enhancing the “warm glow” of giving in order to reach out to possible donors who feel good by doing good. Organizations in “expressive” areas could approach those with more resources by appealing to their previous engagement with the cause. Building personal, long-term relationships seems especially fruitful in this area. In this way, organizations can use donor profiles in the spe-

cific context of changing government funding in order to be better capable of compensating financial uncertainties with increases in fundraising income.