

## **Perceived fear, empathy and financial donations to charitable services**

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### **ABSTRACT**

Charities are non-profit services that address diverse social needs. As securing financial donations is critical to their continued operation, they engage in a range of fundraising activities. Central to successful fundraising is understanding what motivates people to give money. Thus, this research investigates the role of donors' perceived fear and empathy, and how these influence the size of self-reported financial donations. Findings from the initial qualitative study (n = 32) informed the subsequent national quantitative main study (n = 400). Logistic regression revealed perceived fear and empathy as significant predictors, with perceived fear playing a lesser role and empathy playing a greater role in the self-reported donation of larger amounts of money to charities. These findings can assist charities with maximising their fundraising efforts considering the growing competition for donors' dollars, enabling them to provide a range of services which benefit society.

**KEYWORDS:** motivations, non-profit, fundraising, donating money, charitable behaviour

## **Introduction**

Donating money is the primary way people engage with charitable services (Charities Aid Foundation, 2017). In recent years, there has been increasing interest in the factors that motivate individuals to make financial donations to non-profit organisations (NPOs) (see Khodakarami, Petersen, & Venkatesan, 2015; Kleber, Florack, & Chlandek, 2016; Sargeant & McKenzie, 1999; Scharf, 2013). While motivations for prosocial behaviours such as financial donation have been explored from a number of different perspectives, why people give money to charities is complex and many gaps remain in the extant literature (Shehu, Langmaak, Felchle & Clement, 2015; Themudo, 2009).

Charities are NPOs whose role is to provide a range of individual and community services for public benefit (Australian Government Charities Act, 2013; Lyons, 2009). Charitable services pursue societal rather than commercial goals (Harris, Mainelli, & O'Callaghan, 2002), and thus are lauded as an essential part of society (Muthaly, Rugimbana, & Voola, 2000). Nonetheless, charities are resource-dependent and expend substantial effort to secure income from a variety of sources including the government, corporations and individuals (Lyons, 2009). Additional to charities' perennial pursuit of income, the environment in which they operate is more complex and less hospitable than previously experienced (Bennett, 2014; Hibbert, 1995). In particular, they are faced with providing an ever greater range of services to increasing populations, with a constricting resource base (Bennett, 2014; Clohesy, 2000).

Understanding donor motivations to give money is a multifaceted phenomenon. Donors' perceived fear is a means motive with an egoistic orientation, and while touted as a key driver of prosocial giving behaviours (Sargeant, Ford, & West, 2006) there remains a dearth of empirical studies investigating the role of perceived fear. Indeed, no direct assessment of perceived fear is apparent in the related literature.

The capacity to recognise emotions in others, or empathy, is a means motive with an altruistic orientation that is thought to underpin prosocial giving behaviours (Hoffman, 1982). There is a large body of empirical research about empathy and its role in prosocial giving; however, much of the empirical work focuses upon narrow aspects of empathy. The ability of the broad notion of empathy to influence the size of a financial donation remains under-investigated. Rather than accounting for the presence or absence of these antecedents, our study focuses on determining whether perceived fear and empathy motives can distinguish between small, medium and large self-reported donation amounts and the nature of the role they play in each instance. Accordingly, the question that frames our study is: *‘Do donors’ perceived fear and empathy influence the amount of money given to charitable services?’*

This paper is organised as follows. Our review of the relevant literature centres on the marketing of NPOs, people’s motives and orientations when giving to charitable services, and perceived fear and empathy as prosocial financial giving motivations. Next, the two stages of the methodology are detailed with the findings of the qualitative study presented in advance of the main quantitative study. The results of logistic regression data analysis are presented prior to a discussion of the findings, acknowledgement of the study’s limitations and identification of areas of future research.

### **The marketing of non-profit organisations**

Prosocial behaviour may take different forms (such as volunteering or financial donation) and can be organised into micro, meso and macro level activities (Penner, Dovidio, Piliavin, & Schroeder, 2005). When helping occurs via a group or organisation such as an NPO, it is regarded as macro level prosocial behaviour (Penner et al., 2005). NPOs such as charities are not statutory nor profit maximising organisations (Morris, 2000), they may be religious or nonreligious (Clain & Zech, 1999; Eckel & Grossman, 2004), and provide a

diverse range of individual and community services (Salamon & Anheier, 1999) that focus up activities seeking to improve quality of life (Drucker, 1989). The number of NPOs has grown dramatically and as a result there is intense competition among NPOs for financial donations (Botner, Mishra, & Mishra, 2015). Indeed, individual financial donors are key stakeholders and securing adequate funds on a regular basis from financial donors is essential not only in terms of catalysing social innovations and change, but also for the mere survival of NPOs (Bendapudi, Singh, & Bendapudi, 1996; Guy & Patton, 1989).

In order to cope with such demands, NPOs have adapted marketing strategies generally employed by for-profit services (Bennett, 2014; Botner et al., 2015). Unlike the for-profit sector, NPOs operate in a complex environment comprised of multiple stakeholders and a dependence upon financial donations as a source of income (Cordery, Smith, & Berger, 2017; Knox & Gruar, 2007; Octon, 1983). Regarding NPOs, there is a separation between those who provide the financial income and those who benefit from it; this creates challenges in articulating and determining the value such a mediated and intangible exchange offers for financial donors (Bekkers & Wiepking, 2007; Octon, 1983). Thus, giving money to charitable services elicits a greater level of perceived risk for donors (Beldad, Snip, & van Hoof, 2014; Hibbert, 1995).

While the main intention of fundraising campaigns is to raise awareness of a ‘helping opportunity’ for financial donors, they are increasingly viewed as intrusive with donors overburdened by the sheer volume of requests for assistance (Fine, 1990; Thornton, 2006). This ‘compassion fatigue’ has triggered financial donors to question the proportion of funds raised that are directed towards marketing activities (Bruce, 1995; Hibbert, 1995; Hind, 2017). Concern that donors will simply switch allegiance between charities rather than increase the overall donation pool means reductions in fundraising efforts are unlikely, rather the focus has shifted to the management of fundraising expenditure (Taylor & Taylor, 2013;

van der Heijden, 2013). Beyond the vagaries of fundraising, success is clearly linked to an understanding of what motivates people to give money to a charitable service (Buraschi & Cornelli, 2014; Khodakarami et al., 2015). This is the focus of our study.

### **Why people give to charitable services: motives and orientations**

The reasons behind prosocial giving behaviours are many and varied. For our study, we consulted the motivated behaviour literature to review what factors may initiate and direct prosocial giving and how that explains differences in intensity of giving behaviours.

Motivated behaviour literature features in related seminal work such as Bateson, O'Quin, Fultz, Vanderplas and Isen (1983); Batson, Ahmad and Tsang (2002); Bekkers and Wiepking (2011); Sargeant (1999); Sargeant, Ford and West (2006); and Maner and Gailliot (2007).

Motives are goal-directed forces (Batson, Ahmad & Tsang, 2002) that can be organised into two general categories—means motives and end motives (Reiss & Havercamp, 1998). Means motives occur when behaviour is performed for some instrumental purpose. End motives arise when a person performs a behaviour for no apparent reason other than its own sake (Reiss & Havercamp, 1998). In today's competitive NPO environment, efforts to understand why people engage in prosocial giving behaviours begin with the identification of their means motives (Reiss & Havercamp, 1998); that is, what do donors set out to achieve by giving to charitable services? Donors' means motives may have either an egoistic or altruistic orientation (Eisenberger, Rhoades, & Cameron, 1999; Hoffman, 1982).

Egoism is an orientation towards self-interest by seeking to reduce one's own distress while altruism is an orientation towards the welfare of others by seeking to reduce another person's distress (Schroeder, Dovidio, Sibicky, Matthews, & Allen, 1988). In a broad sense, egoistic orientations are thought to be associated with lower dollar donations (e.g. Batson et al., 2002; Bendapudi et al., 1996); however, this is yet to be supported with empirical

evidence. Altruistic orientations are generally thought to have a positive association with financial donation amounts (Mesch, 2009), although it is unclear if this leads to higher dollar donations to charitable services.

In terms of egoism, people may give to a charitable service to relieve their own feelings of sadness as giving may make the donor feel better. In a different scenario, a person may serve their community primarily to benefit themselves in that their efforts may be focused on reducing their own distress at seeing suffering (Bendapudi et al., 1996; Petri, 1996). In addition, a person may give to a charitable service in order to gain rewards such as praise from others and/or pride in oneself (Burnett, 1981; Guy & Patton, 1989; Piliavin, 1990; Sargeant, 1999). Perceived fear was regularly mentioned in the relevant literature as a means motive with an egoistic orientation (e.g. Batson et al., 2002; Shehu et al., 2015). Thus, perceived fear was selected as the focus of our study.

Regarding altruism, people may give to charitable services out of concern for the welfare of others. Maner and Gailliot (2007) refer to altruistic orientations as the ‘charitable impulse’, whereby people reach out to help another in need. The empathy-altruism relationship is nuanced, with some research suggesting the relationship is influenced in certain situations by a donor’s sense of self (Cialdini, Brown, Lewis, Luce, & Neuberg, 1997), the mode of ask (Andreoni, Rao, & Trachtman, 2017), donors altruistic self-image, and their dispositional empathy (Bekkers & Wiepking, 2011). Empathy, however, remains one of the most commonly cited manifestations of an altruistic orientation (e.g. Bateson et al., 1983; Cameron, Spring, & Todd, 2017; Sargeant, 1999) and describes the situation whereby a person attempts to put themselves in the place of another to experience their emotions (Dovidio, Allen, & Schroeder, 1990; Schmid, 2002; Shaw, Batson, & Todd, 1994). Hence, empathy was selected for our study as the means motive with an altruistic orientation.

### **Perceived fear: a means motive with an egoistic orientation**

Fear is subjective and perceptual (Teachman, Stefanucci, Clerkin, Cody, & Proffitt, 2008), shaping people's expectations and behaviour (Lied & Pritchard, 1976; Rogers, 1983). In addition to individual differences in the registering of danger and risk (Wildavsky & Dake, 1990), there are differences in what people fear (e.g. fear of illness) (Riezler, 1944).

Models of perceived fear, being egoistic in orientation, are described as negative-state, relief models (Batson, 1987), whereby the decision to help is based on the helper's perception that their prosocial action will ultimately relieve their own negative state (Cialdini & Baumann, 1982; Dovidio et al., 1990). Perceived fear underpins giving in two main ways—fear of proximal consequences and fear of distal consequences. First, a person may give to a charitable service because they fear criticism, punishment or censure will be directed at them now or in the immediate future if they do not give (Batson et al., 2002; Burnett, 2002; Piliavin, 1990; Sargeant, 1999). Second, people's fear may be linked to the notion of 'forward reciprocity' (Peloza & Hassay, 2007); that is, they give to a charitable service to ward off the fear they may be afflicted with the problem in the distant future, or of not being helped if the situation was reversed (Burnett, 1981; Guy & Patton, 1989).

Two gaps were identified in the literature. First, existing empirically-based measurement scales for perceived fear were problematic. Specifically, perceived fear has not been measured independently as a discrete variable. For example, in the seminal study by Sargeant, Ford and West (2006), perceived fear was conceptually subsumed into the larger 'emotional utility' construct; however, the final scales for this construct are comprised of two items, one measuring guilt and the other perceived fear in the form of a personal punishment (i.e. 'feeling bad about myself').



Second, the literature suggests there is an inverse relationship between an egoistic orientation and financial donation amounts in that those oriented towards self-interest give lower dollar amounts (e.g. Bateson et al., 2002; Bendapudi et al., 1996). It is unknown, however, if this inverse relationship applies specifically to perceived fear as an egoistic orientation and if perceived fear can distinguish between small, medium and large amounts of money given to charitable services.

In sum, we hypothesised that:

**H1.** Donors' perceived fear is a significant predictor in differentiating between small, medium and large amounts of money given to charitable services.

### **Empathy: a means motive with an altruistic orientation**

Empathy is a broad and multifaceted concept that comprises emotional and cognitive dimensions (De Waal, 2008; Lee, Winterich, & Ross, 2014). Empathy has been defined in many different ways but generally refers to an individual's capacity to recognise emotions being experienced by others (Hodges & Klein, 2001). Several researchers have highlighted the intuitively important role of empathy as underpinning financial giving behaviour (see Clohesy, 2000; Guy & Patton, 1989; Hoffman, 1982; Mesch, 2009). Even so, there is a dearth of empirical studies to support this link beyond Sargeant and colleagues' (2006) study, which examined only one aspect of empathy.

Discussion in the literature about people's 'charitable impulse' to help those in need, triggered a line of enquiry as to the role of empathy in prosocial behaviour and, specifically, whether empathy is delimited to only those individuals most like ourselves (Batson et al., 2002). There is evidence that people respond more empathetically to others of the same race, sex, and to those more similar to themselves in abstract terms such as personality traits (Hoffman, 1982; Piliavin & Charng, 1990). For example, a person may have empathy for a

particular cause as a result of a personal link via a family member or friend who may have experienced the cause (e.g. homelessness, mental illness) and, accordingly, the donor's sense of kinship connects them to this cause (Sargeant et al., 2006).

There are gaps in the empathy literature. Beyond references to empathy as a driver of giving behaviour in numerous conceptual papers (e.g. Clohesy, 2000), empirical investigations are limited. Sargeant and colleagues (2006) developed a 'familial utility' scale to measure a narrow aspect of the broader notion of empathy. More recently, Lee and colleagues (2014) developed an 'emphatic emotion' scale comprised of emotion adjectives; however, this scale overlooked the cognitive elements of empathy. Also, the relationship between empathy and different dollar donation amounts has not been empirically established in the literature. In general, altruistic orientations form more positive reasons for donating to charitable services and are proposed to have a positive association with financial donation amounts (Mesch, 2009). Accordingly, the following hypothesis was offered:

**H2.** Donor's empathy is a significant predictor in differentiating between small, medium and large amounts of money they give to charitable services.

### **Qualitative study**

While there are empirically-based measures of perceived fear in prosocial studies (e.g. Zaleskiewicz, Gasiorowska, & Kesebir, 2015), none of these measures are relevant to this study. In addition, there are discrepancies in the extant literature regarding the meaning and measurement of empathy (Eisenberg & Lennon, 1983; Mesch, 2009). Thus, we conducted a qualitative study to ascertain conceptual clarity regarding perceived fear and empathy. Furthermore, this provided a solid platform upon which we could develop measures for perceived fear and empathy for our quantitative test instrument.

Our qualitative study comprised convergent interviews with a purposive sample of financial donors in Australia. Using quasi-snowball sampling, an initial invitation was

circulated to academic and administrative staff at a multi-campus regional university ( $n = 200$ ) through the email system. The only stipulation was that the respondent be a regular financial donor to a charity. Next, those who chose to participate were asked to invite others outside the university who were regular financial donors to be involved. Rather than asking respondents to identify potential participants to the researchers—this was deemed too intrusive—the initial participants were given the opportunity to choose whether to refer others. If they knew other financial donors they could choose to invite them to participate by distributing the researchers' details and inviting them to make contact. This had the added benefit of including a wider range of respondents from the broader community outside staff of the university.

A total sample size of 32 respondents was achieved in this manner. The sample included respondents from two states and both urban and regional settings. Details of the qualitative study respondents are summarised in Table 1.

#### TABLE 1 NEAR HERE

Respondents were between 25 years and 65 years of age and mostly females ( $n = 24$ ). Although preferable to have a greater balance of gender participation, the purpose at this stage was to generate insight into prosocial financial giving rather than specifically investigate gender. Also, given that previous studies identify females as more involved donors (see Newman, 1996; Schlegelmilch, Love, & Diamantopolous, 1997), this sample was deemed adequate for its purpose. Semi-structured interviews, lasting between 40 minutes and an hour, were coded to identify key themes and analysed using the NVivo software program.

Perceived fear emerged as a strong theme in the qualitative study. We found that perceived fear presented as a motive for prosocial financial giving in two forms: a) a general

fear of the condition experienced by potential beneficiaries of the charity; and b) an apparent form of insurance or ‘karmic reciprocity’. This was characterised in terms of donors’ perception that giving money today would earn them similar levels of assistance should their own circumstances change in the future. Indicative statements drawn from the qualitative study included:

*... there is an element of selfishness if you want to call it that, in that I might be affected by that one day.*

*... you feel a bit ... there but for the grace of God ... that could have been us ... so that’s what would motivate us I guess.*

While the excerpts above illustrate the general nature of perceived fear and concern regarding issues supported by charities, those presented below provide a clearer picture of the insurance-oriented perceived fear:

*Oh hell, if I don’t donate I might get cancer myself because of karma and so on. I would imagine that some people do it as an insurance policy—somehow karma will look after you.*

*It’s like salt over the shoulder, am I protecting myself from these evil vibes if I do the right thing here?*

Empathy, in its broad sense, is commonly thought to be a motivation to donate (Batson et al., 2002; Clohesy, 2000) and empirical evidence from our qualitative study supported this association. Indeed, empathy featured strongly in the views expressed by respondent financial donors. Respondents expressed a range of rationalisations related to empathy-based prosocial financial giving—from a need to protect those who cannot fend for themselves to a strong ability, almost vicariously, to experience the distress of those needing charitable assistance. Indicative quotes include:

*[I support] the animal charities because animals can’t help themselves, they are usually tortured by people ... so the animals can’t defend themselves.*

*... you think, oh ... you could do with a hand.*

*I've always felt that it's the most debilitating handicap that a person could have ... I could put up with a lot of others but being blind ... so I've always had a stronger sympathy for blind persons.*

*... those people's lives are unutterably miserable, you know, misery on a basis that you and I know nothing whatever about.*

For some respondents, their empathy did link back to the recipient, and to judgements regarding their level of need and ability to contribute to their own state. Those perceived as being most vulnerable incited the greatest levels of compassion and empathy. For example:

*The other thing which increases my motivation is when it is a vulnerable, you know, when it's children and animals there's a vulnerability and there's a difference [in donating to those that cannot help themselves].*

Following the qualitative study, we undertook a quantitative main study. For the main study survey, we predominantly developed measures from our qualitative study as: a) perceived fear had not been measured independently; and b) empathy scales in the literature focused upon narrow aspects, such as 'familial utility' (Sargeant, Ford, & West, 2006) or 'emphatic emotion' (Lee et al., 2014) rather than the broader notion of empathy that was the focus of our study. Our measures asked respondents to indicate their level of agreement/disagreement on seven-point Likert-type scales (1 = strongly disagree to 7 = strongly agree). The quantitative study, including our pre-testing of the survey, is detailed next.

### **Quantitative study**

Our quantitative study commenced with the pre-testing of our survey using a convenience sample of known financial donors to charity. In the same manner as the qualitative sample was accessed, an email invitation was sent to approximately 200 academic, administrative and technical staff employed at a regional university. The survey was open to

all staff on the mailing list whether working full or part-time across four campuses. The survey was then emailed to those who responded, with those who participated in the qualitative study excluded from participating in pre-testing of the survey. This sample produced 34 completed surveys.

Following pre-testing, we undertook our quantitative main study. We conducted an Australia-wide survey of financial donors to charities that was administered online by a privacy-compliant research panel provider. Of the 3,100 panel members who were sent the survey, 677 (21.8%) responded to the invitation. Of these 677 participants, 52 (7.7%) did not complete the survey and 215 (31.8%) were terminated from the survey as they financially donated to organisations other than non-profit charities or did not wish to reveal the amount of their financial donations. Data screening resulted in a further 10 (1.5%) responses removed from analysis. As a result, our main study yielded 400 usable questionnaires, representing a 61% response rate of those who accessed the survey ( $n = 677$ ), and 12.7% response rate of the total sample who were sent invitations ( $n = 3,100$ ).

A summary of the quantitative study respondents is provided in Table 2. In line with the general Australian population, respondents were predominantly aged 35 and over, with minimally more males ( $n = 201$ , 50.2%) than females ( $n = 199$ , 49.8%) (Australian Bureau of Statistics, 2012a). Income of the respondents was also comparable to population data from the Australian Bureau of Statistics (2012b). Except for Tasmania, all Australian states and territories were represented in the sample in proportions comparable to the overall distribution of the Australian population (Australian Bureau of Statistics, 2012a).

TABLE 2 NEAR HERE

Scales for perceived fear and empathy were subject to exploratory factor analysis followed by confirmatory factor analysis using SPSS software. No items were removed. The scale for perceived fear comprised three items ( $\alpha = 0.78$ , loadings 0.54—0.69) and the empathy scale comprised six items ( $\alpha = 0.87$ , loadings 0.53—0.72). The Appendix presents both scales and their individual items. Perceived fear and empathy were combined into composite variables prior to undergoing further analysis.

Respondents were asked to provide an estimate of how much they donate to their preferred charity annually (in Australian dollars), defined as the charity they most regularly supported. Respondents indicated their estimated donation amount on categorical scales, which were organised in \$50 increments ranging from less than or equal to \$50 up to \$801 or more per annum. The minimum donation amount was \$1.00. Examination of the financial donation amount data indicated that annual donations of \$50 or less was the largest category (29% of respondents); followed by \$51 to \$100 (23.8% of respondents); with the remaining 10 categories reporting a maximum of 9% and a minimum of 1.8% with no obvious trends or patterns apparent. As such, the frequency distribution of the financial donations categories indicated there were three groups: small financial donations (\$50 or less,  $n = 116$ , 29%); medium financial donations (\$51 to \$100,  $n = 95$ , 23.8%); and large financial donations (\$101 or more,  $n = 189$ , 47.2%). The data was grouped accordingly and a comparison of the means of the three groups was conducted to determine if there was a significant difference between the three groups. A  $t$ -value of 51.05 with a two-tail significance of less than 0.5 ( $p = 0.000$ ) was reported, indicating that the groups were statistically different.

As the dependent variable comprised three groups of financial donation amounts, multinomial logistic regression and an associated series of binomial logistic regressions were conducted. Logistic regression techniques do not require each group to be equal in size and could therefore accommodate the differences in the three groups (Tabachnick & Fidell,

2007). Furthermore, logistic regression does not require certain scale types or uniform scale types, thus, can be conducted using a combination of Likert-type scales and categorical scales (Tabachnick & Fidell, 2007), as was the case in this research.

## Results

First, multinomial logistic regression was undertaken to determine if perceived fear and empathy were significant predictors in differentiating between the three categories of financial donation amounts. SPSS software was used with the main effects, forward entry method employed. Data analysis found that the model was significant ( $\chi^2 = 22.43, p = 0.00$ ). Testing then continued with the likelihood-ratio tests consulted to ascertain if perceived fear and empathy could discriminate between the three groups of financial donation amounts. As summarised in Table 3, both hypotheses were supported as the likelihood-ratio tests reported that perceived fear ( $\chi^2 = 13.18, p < 0.01$ ) and empathy ( $\chi^2 = 12.58, p < 0.01$ ) significantly contributed to the prediction of annual financial donation amounts.

TABLE 3 NEAR HERE

Binary logistic regression analysis typically follows multinomial logistic analysis (Menard, 1995). Three separate binary logistic regression analyses were conducted—small versus medium, medium versus large and small versus large—allowing for closer exploration of each pairing of the three groups of the dependent variable. The first binary, small versus medium financial donation amounts, found that perceived fear and empathy reliably distinguish between the two groups ( $\chi^2 = 20.01, p < 0.01$ ). The Wald criterion confirmed that both perceived fear ( $z = 12.69, p < 0.01$ ) and empathy ( $z = 9.81, p < 0.01$ ) were significant predictors in this binary. The results of the second binary, medium versus large financial



donation amounts, also indicated that perceived fear and empathy reliably distinguished between the two groups ( $\chi^2 = 13.05, p < 0.01$ ) with both independent variables being significant predictors as confirmed by the Wald criterion (perceived fear,  $z = 5.02, p < 0.05$ ; empathy,  $z = 9.93, p < 0.01$ ). The final binary examined small versus large annual donation amounts and found that neither perceived fear or empathy reliably distinguished between the two groups ( $\chi^2 = 3.49, p > 0.05$ ; perceived fear,  $z = 3.43, p > 0.05$ ; empathy,  $z = 0.13, p > 0.05$ ).

The 'large' financial donations group was common to the second binary (medium versus large) and the third binary (small versus large). It was observed that for these two binary logistics the chi-square and  $z$ -scores were decreasing and the odds ratio increasing. In order to gain further insight, the means for perceived fear and empathy variables were consulted. A comparison of the means for perceived fear across the three groups of prosocial financial giving (small: mean = 4.19; StDv = 1.54; medium: mean = 4.25; StDv = 1.63; and large: mean = 3.69, StDv = 1.72) revealed that perceived fear plays a much lesser role in large prosocial financial donations. A comparison of the means for empathy across the three groups of prosocial financial giving (small: mean = 5.09; StDv = 1.13; medium: mean = 5.34; StDv = 1.16; and large: mean = 5.50, StDv = 1.10) found that empathy plays a much greater role in large prosocial financial donations. These findings regarding the means of the variables assists in interpreting the binary logistic results, in particular, highlighting that perceived fear and empathy operate differently in terms of large prosocial financial giving.

## **Discussion**

Charities are NPOs that provide a range of individual and community services to address diverse social needs (Salamon & Anheier, 1999). While such prosocial endeavours are admired (Lee et al., 2014; Muthaly et al., 2000), charities are dependent upon

contributions from many stakeholders, including financial donations from individuals (Khodakarami et al., 2015). The motivations for giving money to charity are multifaceted. Intuitively, perceived fear and empathy would play an antecedent role in prosocial behaviour; however, empirical investigations are limited. Our study generates useful and meaningful contributions to both theory and practice, as the findings have identified that donors' perceived fear and empathy can distinguish between three levels of prosocial financial donation—small financial donations, medium financial donations and large financial donations. The results of our hypotheses testing confirmed the broad notion that means motives with egoistic orientations, such as perceived fear, are associated with lower dollar donations (Bendapudi et al., 1996) and means motives with altruistic motivations, such as empathy, have a positive association with donation amounts (Mesch, 2009). Investigating such nuances are valuable to charities as fundraising is a core and perennial activity.

First, our multinomial logistic regression results reveal both perceived fear and empathy as significant predictors in differentiating between the giving of small, medium and large amounts of money to charities. In terms of perceived fear, the findings convey that individuals donate money out of a general perceived fear of a condition experienced by a charity's potential beneficiaries, or as a form of 'karmic reciprocity' where the donation is seen as a type of insurance, protecting themselves and those close to them into the future. The findings for empathy suggest the amount of money given to charities is influenced by the individual's compassion towards those in need: where they have a 'charitable impulse' or sense of obligation to help others; or to pay back cause-related support received by themselves or others they know. Research to date has tended to focus upon the mere presence or absence of perceived fear and empathy, as motives that underpin prosocial giving (e.g. Merchant, Ford, & Sargeant, 2010). The primary theoretical contribution of this research is that it extends and evolves the current stock of knowledge by empirically demonstrating that

a donor's perceived fear (measured independently) and empathy (as a broad notion) can be connected to the amount of money they give to a charity. This interplay has practical merit by adding to fundraisers' diagnostic toolkit, potentially enabling more precise fundraising goal setting, explaining observed trends, and as aspects to be intentionally embedded in forthcoming fundraising initiatives.

Second, the findings of the binomial logistic regression and analysis of the means provided further insight into the interplay between perceived fear, empathy and the amount of money given to charities. Specifically, perceived fear and empathy operate differently in instances of large financial donations than in instances of small and medium financial donations to charity. The findings reveal that those individuals who give larger financial donations to charities are less motivated by perceived fear when compared to those who give small or medium donations respectively. This being the case, charities can better calibrate their expectations regarding financial donation amounts by recognising that perceived fear motivates the giving of small and medium donations, but not larger donation amounts.

Furthermore, we found that empathy plays a greater role in larger financial donations than it does in small and medium financial donations to charity. The implication of this conclusion is that charities may adjust their marketing communications. For example, fundraising practices seeking larger financial donations per person may be designed to assuage the 'charitable impulse' by framing activities as 'giving opportunities' that draw on the individual's sense of abundance or gratitude.

Overall, our empirical study generated more nuanced findings than exist in the current literature. The contributions of our study extend beyond theoretical additions to meaningful practical insights. Particularly useful is the conclusion that while perceived fear and empathy may be antecedents to prosocial financial giving, they operate in different ways depending on the amount of money being donated by the individual. In addition to assisting charities

manage their expectations about financial donations resulting from ‘fear appeal’ oriented fundraising, our findings provide an empirical basis upon which charities may fine-tune their fundraising endeavours and enhance ‘empathy appeals’ when larger donation amounts per person are being sought.

### **Limitations and future research**

This research has limitations that constrain the generalisability of the findings. The study was cross-sectional, conducted in Australia, focused exclusively upon annual financial donations, and relied on self-reported measures of donation amounts in the absence of any other mechanism through which individual financial donations to charities in Australia are assessed. Our use of self-reported measures for financial donation amounts is no different from the self-reported measures used by other studies on financial giving internationally (see Bennett, 2003; Schlegelmilch, Love, & Diamantopolous, 1997; Srnka, Grohs, & Eckler, 2003) and in Australia (see Giving Australia, 2005). Similarly, we acknowledge that our qualitative study’s university-based sample is not representative of the general population; however, university-based samples have been used in other studies of financial donations to non-profit charities (see Strahilevitz & Myers, 1998; Webb, Green, & Brashear, 2000).

Future research is encouraged to continue to develop a fuller understanding of prosocial financial giving behaviour. Although based on international studies, this research was restricted to the Australian non-profit charity context. Consequently, there is an opportunity to replicate the same research in other geographical contexts in order to investigate the presence of country specific differences in financial giving behaviour. This research was solely concerned with financial donations to charity. However, other forms of giving in society are also important to NPOs. For example, NPOs such as the Red Cross are constantly seeking new ways to motivate additional levels of blood donation from the public.

Thus, research into perceived fear and empathy in other forms of prosocial giving is encouraged. In terms of methodology, future studies may be framed as longitudinal in nature rather than cross-sectional in order to assess changes to perceived fear and empathy and the triggers for changes to perceived fear and empathy that may occur over time, and subsequent impacts of these changes on prosocial giving behaviours. Finally, an explicit analysis of the non-linear effects of fear and empathy on donation amounts presents another interesting avenue for future research.

### **Disclosure statement**

No potential conflict of interest was reported by the authors.

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**Appendix.** Scale items.

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<b>Perceived Fear Scale<sup>1</sup></b> ( $\alpha = 0.78$ )	Item loading
1. I give to this charity to help ensure these problems do not affect me or someone close to me in the future	0.69
2. Donating to this cause gives me a sense of protecting myself	0.63
3. I might find myself in need one day and what if no-one gave?	0.54

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<b>Empathy Scale<sup>2</sup></b> ( $\alpha = 0.87$ )	Item loading
4. I believe it is important for me to help others	0.72
5. I like to give to others, to provide others the opportunities I had	0.69
6. I have an obligation to help those less well off	0.69
7. I feel compassion towards those in need	0.67
8. I have a good life – donating is my way of giving back	0.66
9. I am genuinely concerned about those I am supporting	0.60
10. Giving is an opportunity to return good fortune	0.53

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<sup>1</sup> all items developed from the qualitative study; <sup>2</sup> items 5 and 6 were adapted from Mathur (1996) and Perry (1996), items 7 and 9 were adapted from Sargeant, Ford and West (2006), all remaining items were developed from the qualitative study.

**Table 1.** Qualitative study respondents.

	Age	Gender	Education	Marital status	Family status	Location type
1	35-44	Female	Diploma	Married	Children	Capital city
2	25-34	Female	Tertiary	Married	Children	Major town
3	25-34	Female	Post Grad	Single	No children	Major town
4	45-54	Female	Tertiary	Married	Children	Regional town
5	45-54	Male	Tertiary	Married	Children	Regional town
6	35-44	Female	Post Grad	Single	No children	Major town
7	35-44	Male	Tertiary	Married	No children	Major town
8	55-64	Male	Certificate	Married	Children	Regional town
9	35-44	Female	Post Grad	Married	Children	Major town
10	45-54	Female	Post Grad	Married	Children	Major town
11	45-54	Male	Post Grad	Married	Children	Major town
12	25-34	Female	Tertiary	Married	No children	Regional town
13	55-64	Male	Post Grad	Married	Children	Major town
14	55-64	Female	Post Grad	Married	Children	Major town
15	55-64	Male	Post Grad	Married	Children	Major town
16	35-44	Female	Post Grad	Married	Children	Major town
17	35-44	Female	< Yr 12	Married	Children	Major town
18	35-44	Female	Tertiary	Married	Children	Regional town
19	45-54	Female	Tertiary	Married	Children	Rural town
20	35-44	Female	Post Grad	Married	Children	Major town
21	45-54	Female	Tertiary	Divorced	Children	Major town
22	35-44	Male	Post Grad	Divorced	No children	Capital city
23	45-54	Female	Tertiary	Married	Children	Regional town
24	55-64	Male	Post Grad	Married	Children	Major town
25	45-54	Female	Post Grad	Married	Children	Regional town
26	45-54	Female	Post Grad	Married	Children	Major town
27	45-54	Female	Post Grad	Married	Children	Major town
28	45-54	Female	Tertiary	Married	No children	Major town
29	45-54	Female	Tertiary	Married	No children	Regional town
30	35-44	Female	Post Grad	Married	Children	Major town
31	55-64	Female	< Yr 12	Married	Children	Major town
32	35-44	Female	Tertiary	Married	Children	Major town



**Table 2.** Quantitative study respondents.

Age	Number	Percentage
18-24	28	7.0
25-34	65	16.2
35-44	85	21.2
45-54	97	24.2
55-64	90	22.5
65+	35	8.8
<b>Gender of Respondent</b>		
Male	201	50.2
Female	199	49.8
<b>Occupation of Respondent</b>		
Management	52	13.0
Professional	59	14.8
Technical & Trade	25	6.2
Community & Personal Service	27	6.8
Clerical & Administration	45	11.2
Sales	19	4.8
Machinery Operation	8	2.0
Labourer	12	3.0
Not working outside the home	48	12.0
Jobseeker	18	4.5
Student	15	3.8
Retired	72	18.0
<b>Household Income (\$'000)</b>		
0 – 20	43	10.8
21 – 30	42	10.5
31 – 40	42	10.5
41 – 50	51	12.8
51 – 60	39	9.8
61 – 70	51	12.8
71 – 80	22	5.5
81 – 90	28	7.0
91 – 100	28	7.0
101 – 120	29	7.2
121 and over	25	6.2
<b>Australian State or Territory Location</b>		
New South Wales	121	30.2
Queensland	78	19.5
Victoria	106	26.5
Australian Capital Territory	9	2.2
South Australia	40	10.0
Western Australia	44	11.0
Northern Territory	2	0.5
<b>Location Type</b>		
Capital City	173	43.2
City/Major Town	82	20.5
Regional Town	114	28.5
Rural	31	7.8

**Table 3.** Results of hypothesis testing.

<i>Multinomial Logistic Regression Findings</i>		
<p><b>H1.</b> Donor's <i>perceived fear</i> is a significant predictor in differentiating between small, medium and large amounts of money they give to charity.</p>		<p>Supported  <math>\chi^2 = 13.18, p &lt; 0.01</math>                      Exp(B) 0.88 – 0.98</p>
<p><b>H2.</b> Donor's <i>empathy</i> is a significant predictor in differentiating between small, medium and large amounts of money they give to charity.</p>		<p>Supported  <math>\chi^2 = 12.58, p &lt; 0.01</math>                      Exp(B) 0.99 – 1.09</p>
<i>Bivariate Logistic Regression Findings</i>		
<p>Small vs. Medium  <math>\chi^2 = 20.01, p &lt; 0.01</math>                      Exp(B) = 1.12</p>	Perceived fear	<p>Supported  <math>z = 12.69, p &lt; 0.01</math>                      Exp(B) = 0.93</p>
	Empathy	<p>Supported  <math>z = 9.81, p &lt; 0.01</math>                      Exp(B) = 1.04</p>
<p>Medium vs. Large  <math>\chi^2 = 13.05, p &lt; 0.01</math>                      Exp(B) = 2.45</p>	Perceived fear	<p>Supported  <math>z = 5.02, p &lt; 0.05</math>                      Exp(B) = 1.05</p>
	Empathy	<p>Supported  <math>z = 9.93, p &lt; 0.01</math>                      Exp(B) = 0.96</p>
<p>Small vs. Large  <math>\chi^2 = 3.49, p &gt; 0.05</math>                      Exp(B) = 3.21</p>	Perceived fear	<p>Unsupported  <math>z = 3.43, p &gt; 0.05</math>                      Exp(B) = 1.05</p>
	Empathy	<p>Unsupported  <math>z = 0.13, p &gt; 0.05</math>                      Exp(B) = 0.99</p>
<i>Composite Variables Means and Standard Deviations</i>		
<p>Perceived fear</p>	Small	<p><i>Mean</i> = 4.19, <i>StDv</i> = 1.54</p>
	Medium	<p><i>Mean</i> = 4.25, <i>StDv</i> = 1.65</p>
	Large	<p><i>Mean</i> = 3.69, <i>StDv</i> = 1.72</p>
<p>Empathy</p>	Small	<p><i>Mean</i> = 5.09, <i>StDv</i> = 1.13</p>
	Medium	<p><i>Mean</i> = 5.34, <i>StDv</i> = 1.16</p>
	Large	<p><i>Mean</i> = 5.50, <i>StDv</i> = 1.10</p>