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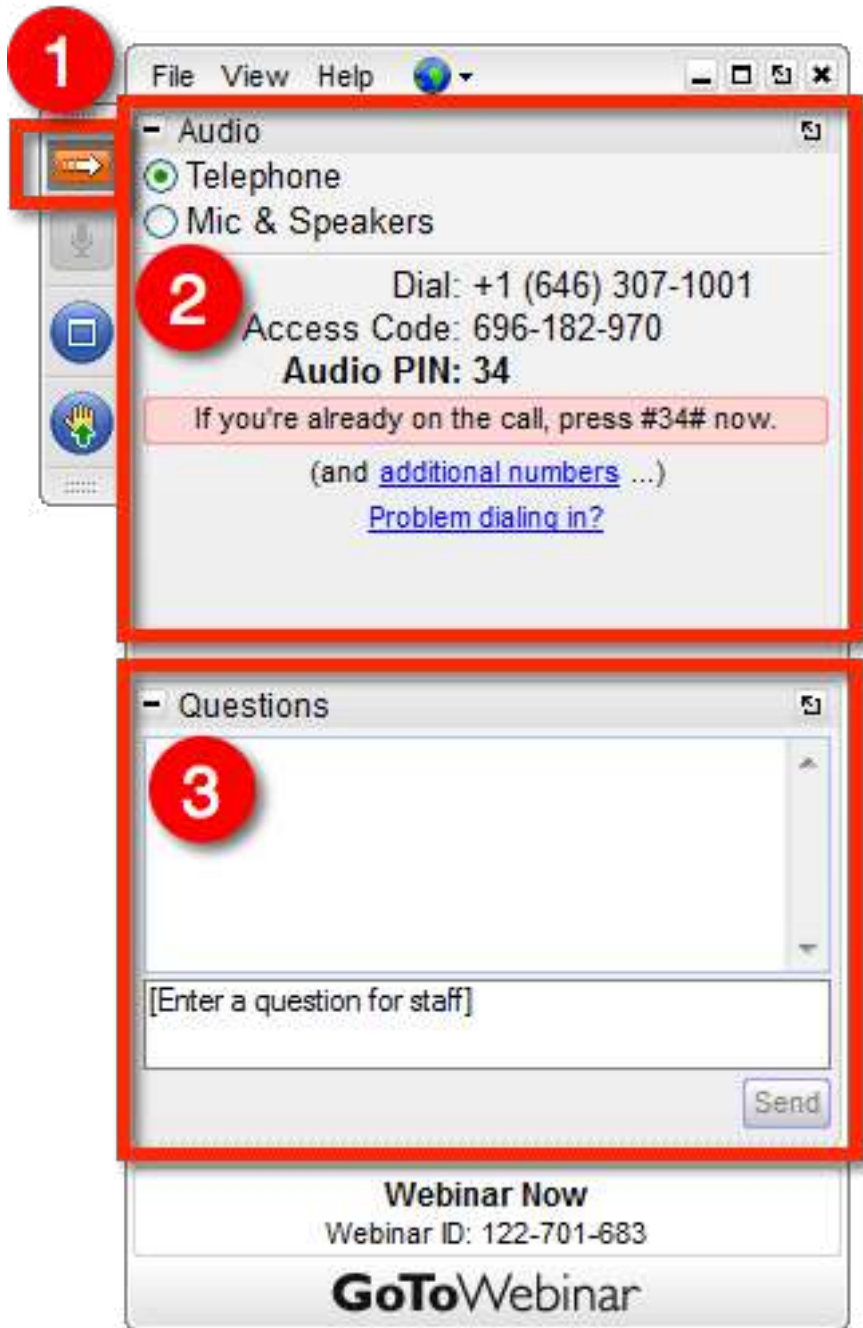
**PRESENTS**

**THE PSYCHOLOGY OF GIVING:**

**UNDERSTANDING YOUR DONORS**

*with William F. Bartolini, Ph.D., ACFRE*

#npapresents



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# The Psychology of Giving: Understanding Your Donors

For the Nonprofit Academy  
November 12, 2019

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# GOAL

To give you useful tools to understand your prospects and ask more effectively. We'll utilize research on donor predispositions, motivations & decision-making.

# How Do You Feel About Money?

# Set Aside Your Personal Concerns About Money

# You are a facilitator

**Giving money effectively is almost as hard as earning it in the first place.**

**--Bill Gates**

# You are part of a great and noble profession

## **Philanthropy helps people feel in control...**

- Especially cancer patients
- For those grieving
- For those who want to leave a legacy, who want to make their life matter



You are part of a great and  
noble profession

You are not asking for money.

*You are asking people to do  
wonderful and amazing things!*

# Approach

## Predispositions

- Culture
- Generation
- Prince & File

## Motivations

- Needs
- Empowerment
- Attitudes

## Decision-Making

- Bartolini
- Daniel Kahneman
- Petty & Cacioppo

# Using Stereotypes Appropriately

Stereotypes should be...

- Consciously held
- Descriptive, not evaluative
- Accurate
- The first, best guess
- Modified

*Adler, 1996*

# Understanding Diverse Cultures

## Four Dimensions of Culture

- Individualism vs. Collectivism
  - Uncertainty Comfort Level
  - Large or Small Power Distance
  - Masculinity vs. Femininity
- *Hofstede, 1991, 1996*

# Understanding Diverse Cultures

## Individualism vs. Collectivism

- Individualists view the self as a unique combination of preferences, traits, values, motives, and rights.
- Individualists are socialized to meet personal needs before helping others.
- Individualists often express emotion, speak louder and longer, and believe in directness.

# Understanding Diverse Cultures

## Individualism vs. Collectivism

- Collectivists consider themselves part of the larger group – family, culture, co-workers or nation. Self-concept is based on role in the group.
- Collectivists often believe it is important to fit in, act appropriately, and rely on hints.
- People should know certain information, rules, or roles.

# Understanding Diverse Cultures

## Uncertainty Comfort Level

- Some cultures are socialized to accept the uncertainty of the future and take risks.
- Other cultures feel anxiety over the future and are more nervous, emotional, and aggressive.

# Understanding Diverse Cultures

## Large or Small Power Distance

- Some cultures have a higher tolerance for inequity and are more mindful of authority.
- Other cultures approach power critically, strive for equity, and question authority.



# Understanding Diverse Cultures

## Masculinity vs. Femininity

- Masculine cultures place values on things, money, and assertiveness
- Feminine cultures value people, quality of life, and nurturance

# Understanding Diverse Cultures

## Four Dimensions of Culture

- Individualism vs. Collectivism
- Uncertainty Comfort Level
- Large or Small Power Distance
- Masculinity vs. Femininity

How can you apply  
this to your work in  
Philanthropy?

- *Hofstede, 1991, 1996*

# Seven Faces of Philanthropy

- **Communitarian (26%)** “Give where we live”
- **Devout (21%)** “Doing God’s will”
- **Investor (15%)** “Doing good is good business”
- **Socialite (11%)** “Doing good is fun”
- **Repayer (10%)** “Doing good in return”
- **Altruist (9%)** “Doing good feels right”
- **Dynast (8%)** “It’s a family tradition”

*--Prince & File, 1994*

# Seven Faces of Philanthropy

## Communitarians (26%)

*“Give where we live”*

- My community will prosper if we support local charities
- Makes good sense to give, I want to give back for the advantages I have received
- Believe Nonprofits are more effective than gov't
- 79% believe giving is good for donor and NFP

# Seven Faces of Philanthropy

## **Devout (21%)**

*“Doing God’s will”*

- Giving is a religious act, a moral obligation
- Supportive of outreach and mission work
- Act on faith in the institution
- Nearly all of their gifts (96.4%) go to religious institutions

# Seven Faces of Philanthropy

## Investor (15%)

*“Doing good is good for business”*

- Philanthropy is a business relationship
- Tax avoidance is a high motivator
- Look for measurable returns on investment
- Give to a wide range of NFPs, often to umbrella groups or community foundations

# Seven Faces of Philanthropy

## Socialite (11%)

*“Doing good is fun”*

- Sensitive to social criticism
- Select socially-approved NFPs like arts, education or religion, don't use financial advisors
- Need individual attention reflecting back their reasons for giving, need reassurances
- Desire formal recognition for their activities

# Seven Faces of Philanthropy

## Repayer (10%)

*“Act of Gratitude”*

- Believe the wealthy have a responsibility to give and they think NFPs can do more than government
- Insist on organizational effectiveness and rarely use advisors
- Want NFPs to focus on constituents not donors
- Have little need to be involved in the NFP
- Do not want recognition or individual attention



# Seven Faces of Philanthropy

## Altruist (9%)

*“Doing good feels right”*

- Generally not interested in taking an active role in the NFP
- Selecting a NFP is a people process – and a solo decision (little attention to social network or advisors)
- 95% think it is very important that others recognize, respect, and acknowledge their motivation to give
- Yet since giving is self-fulfillment, formal recognition is of less importance.

# Seven Faces of Philanthropy

## **Dynast (8%)**

*“It’s a Family Tradition”*

- Most careful in choice of institutions
- Over half use financial advisor
- Methodical in selecting a NFP to support
- Usually prefer a role in the wings rather than being onstage
- Expect NFP will stay the course and perform faithfully on their behalf.

# Seven Faces of Philanthropy

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Let's play the  
Seven Faces of  
Philanthropy Quiz!

*--Prince & File, 1994*

# Generations: Attitudes & Values

## Traditionalist (1922-1945) 74+

- Loyalty
- Respect for authority
- Conformity
- Dedication and sacrifice

## Baby Boomer (1946-1964) 55-73

- Optimism
- Involvement
- Team orientation
- Personal growth & gratification

## Gen X (1965-1980) 39-54

- Independence & self reliance
- Pragmatism
- Skepticism
- Informality

## Gen Y (1981-2000) 19-38

- Confidence
- Diversity
- Dedication
- Optimism

# Generational Approaches to Giving

## Traditionalists

- Loyalty and affinity
- Emotional appeals
- Unrestricted
- Religious organizations
- Wide support
- Make charity a part of donor's story

## Baby Boomers

- Donate the most
- Peer approach
- Community-oriented
- Strategic-leaning
- Productivity
- Value-oriented
- Goal-oriented

-- Nancy Koerner, Planned Giving Office, Ohio State University

# Generations: Traditionalists

- Feel they have earned the rewards of life by hard work and careful planning
  - Work is an unavoidable obligation
  - Look to the future as a rainy day to work for ... be patient about the time it takes to achieve results
  - Education is a dream not a birthright
  - Tends to trust large traditional institutions
- Security – Safety – Stability
- “We”

*-- Judith Nichols, 1994*

# Generations: Boomers

- Feel entitled to the rewards of life because they have earned them
  - Work is an exciting adventure
  - Orientation to the present not the future. Looks for tangible immediate outcomes
  - Education is a birthright
  - Limited trust in large traditional institutions
- Identity – Personal Growth – Meaning – Materialism
- “Me”

# Generations: Millennials

- Defining idea is diversity ... style is entrepreneurial
  - Feel entitled to rewards because they are needed
  - Work is a difficult challenge ... education is way to get where you are going.
  - Future is uncertain but manageable
  - Large institutions are suspect and traditions questionable
- Identity – Relationships – Community
- “Us”



## Predispositions

- Culture
- Generation
- Prince & File

**Discussion:**  
How can you apply  
this to your work in  
Philanthropy?

## Predispositions

- Culture
- Generation
- 7 Faces of Philanthropy

## Motivations

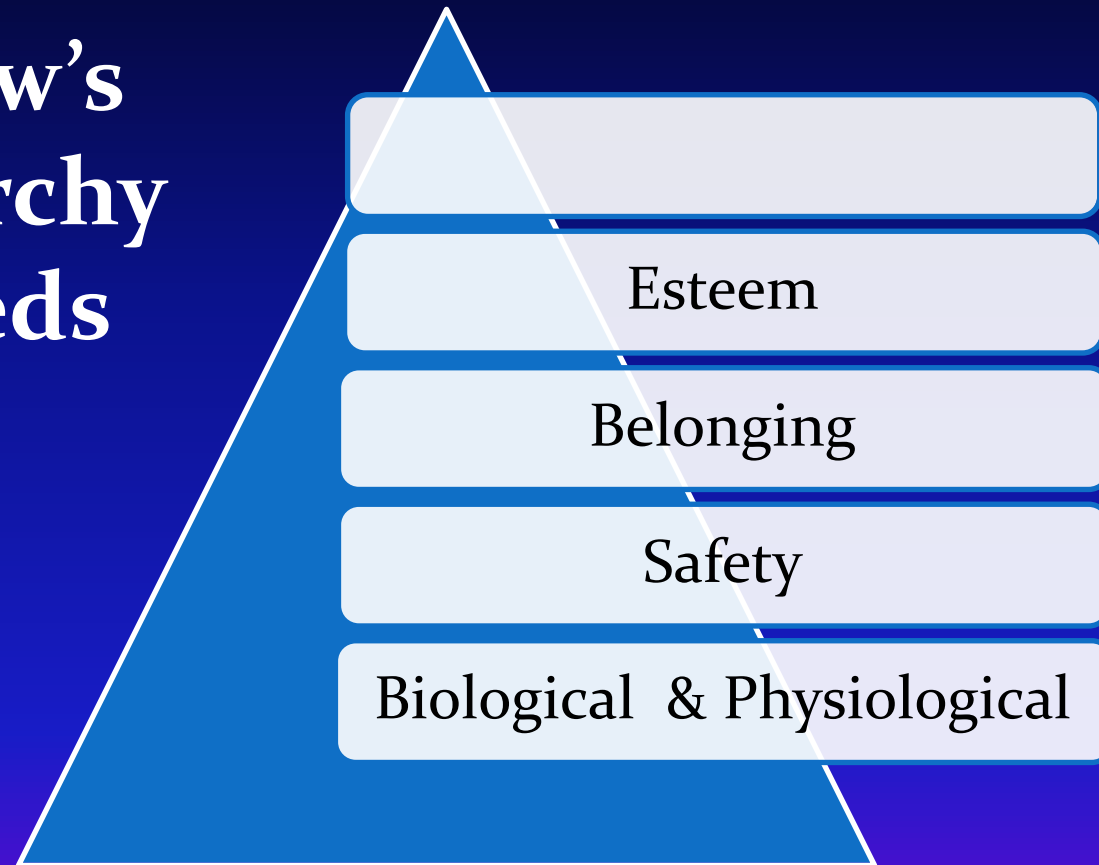
- Needs
- Empowerment
- Attitude

## Decision-Making

- Bartolini
- Daniel Kahneman
- Petty & Cacioppo

*The pursuit of needs, wants,  
desires*

# Maslow's Hierarchy of Needs



# Empowerment and Beneficence: Strategies of Living and Giving Among the Wealthy

Paul Schervish  
Social Welfare Research Institute  
Boston College  
[www.bc.edu/swri](http://www.bc.edu/swri)

# Empowerment and Beneficence:

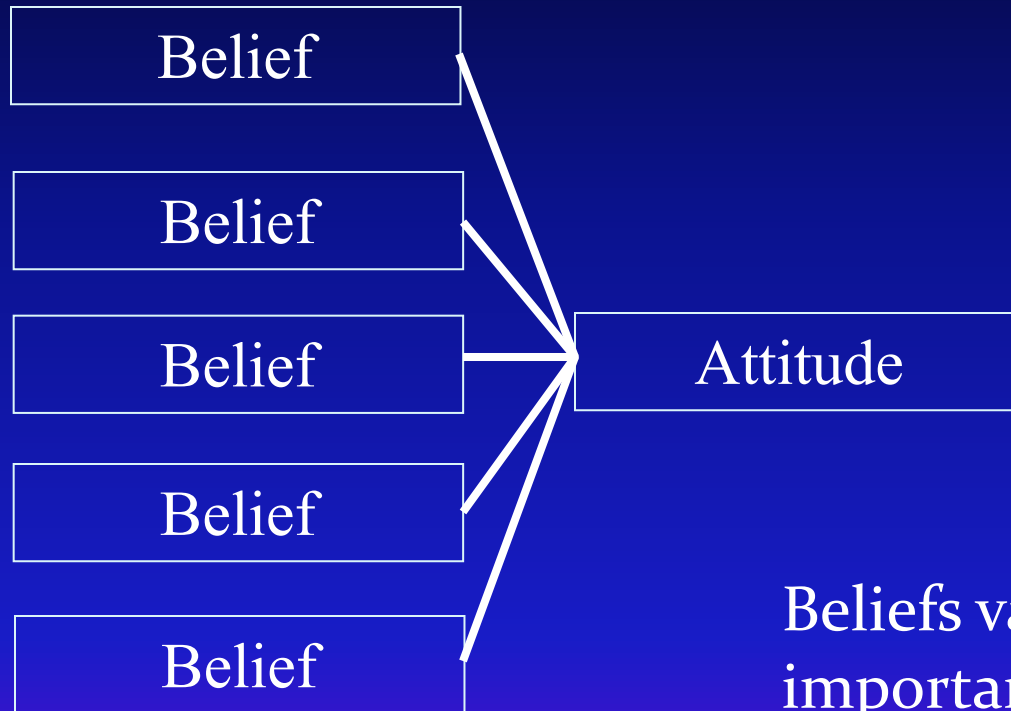
Wealth allows the wealthy tremendous freedom and empowerment to pursue making a difference

Wealth allows the wealthy to...

- consider life from a different perspective,
- think about how their wealth expresses their individuality, and
- create a different social world.

# Delving Into Attitudes

- **Symbolic Attitudes**
  - moral beliefs
  - significant values
  - self image
- **Instrumental Attitudes**
  - Intrinsic values of the object
  - Desirable or undesirable actions or attributes



Beliefs vary in strength and importance

# *Change the Beliefs and You Change the Attitude*

- Introduce New Beliefs
- Increase the Strength or Importance of a Favorable Belief
- Decrease the Strength or Importance of an Unfavorable Belief



*Attitudes developed thru experience are  
more enduring and more likely to be used*

# Prospects' Path to Giving



Loyalty --- --- --- --- Passion



Gifts

Investments

No strings

Anticipated ROPI

Donors

Philanthropic Activists

## Motivations

- Needs
- Empowerment
- Attitudes

**Discussion:**  
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## Motivations

- Needs
- Empowerment
- Needs

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*The process of selecting from several choices, products, or ideas, and taking action*

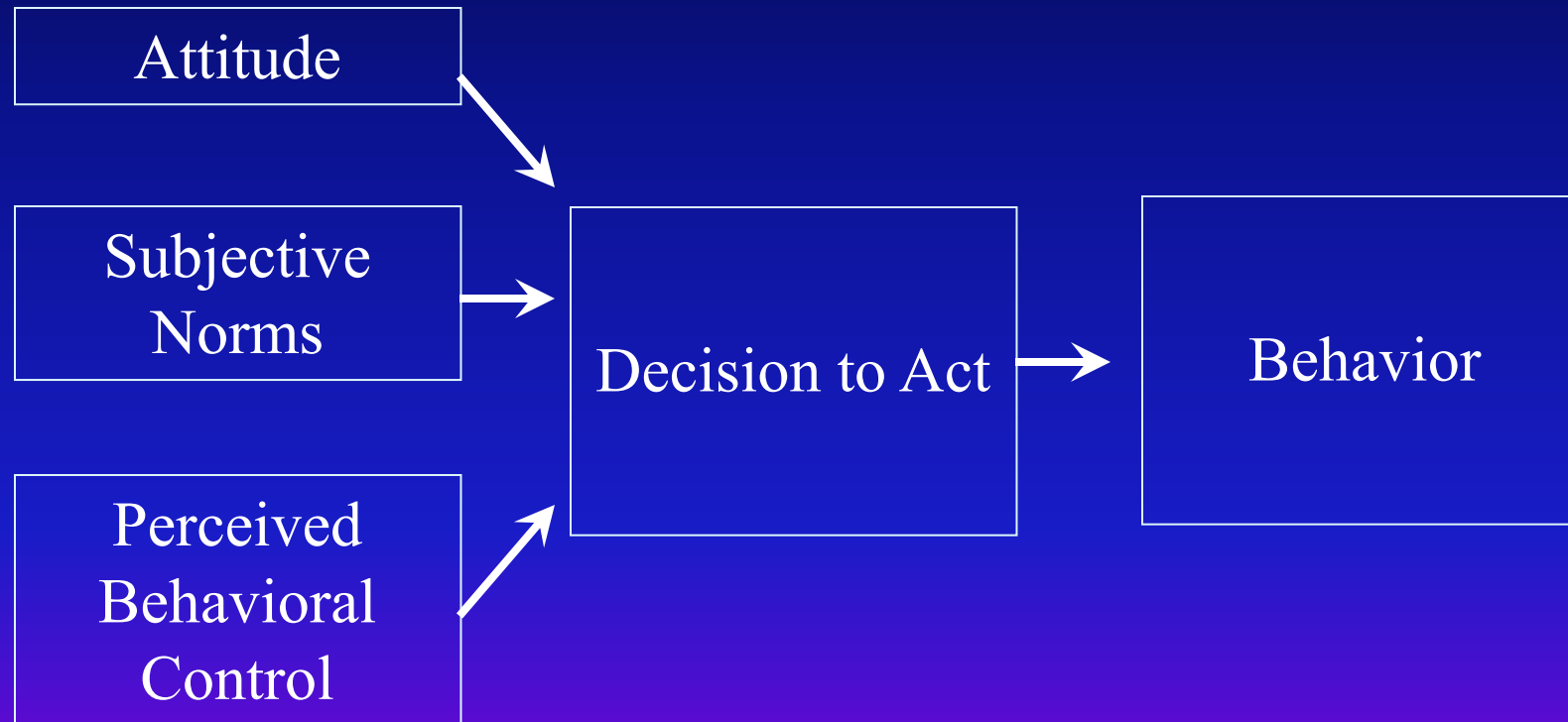
Before Giving Blood, people consider...

- Their attitude about giving blood
- How they think Significant Others will feel about their giving blood, and
- Do they think they can really give it?

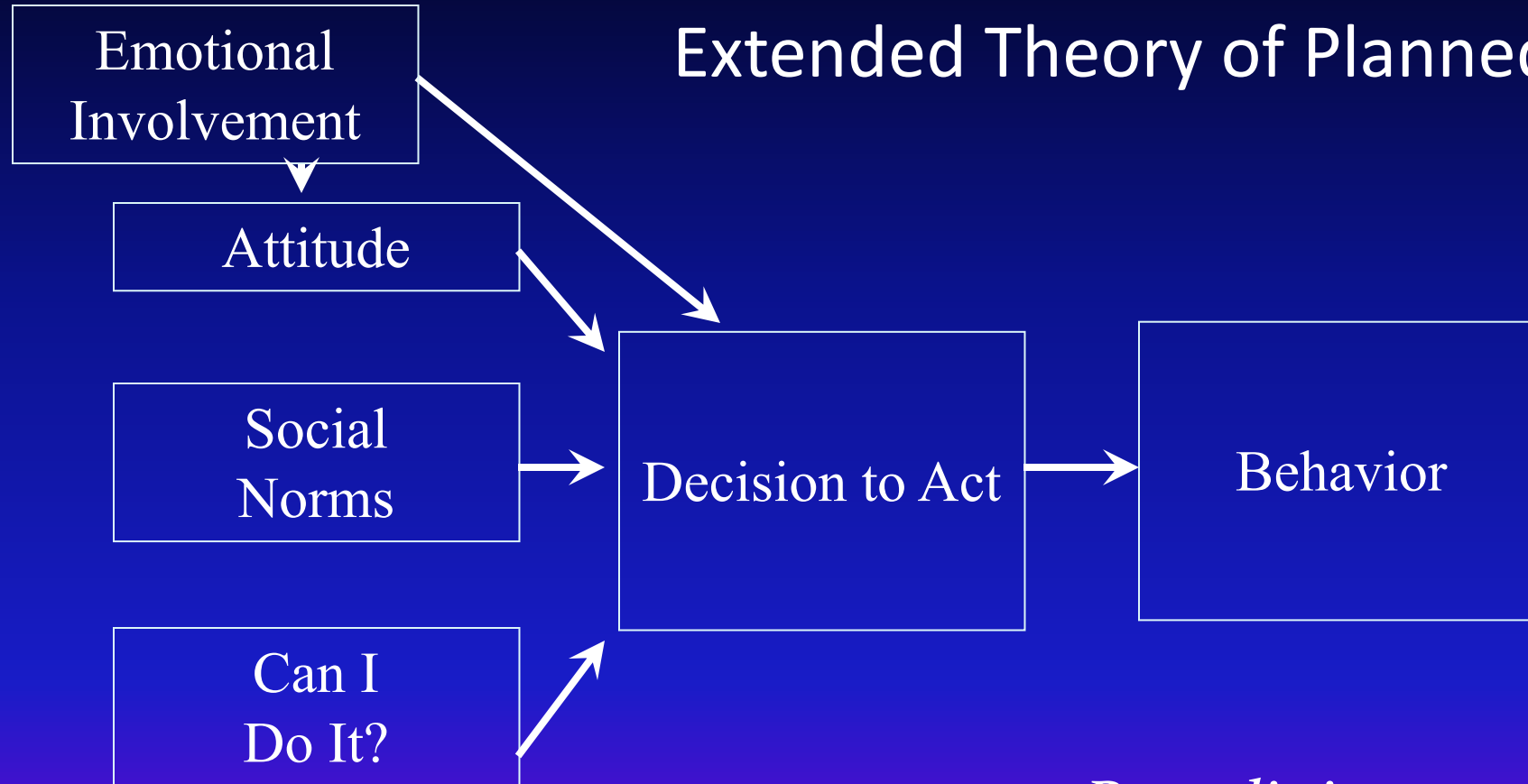
-- Ajzen, 1981

# Theory of Planned Behavior

-- Ajzen, 1981

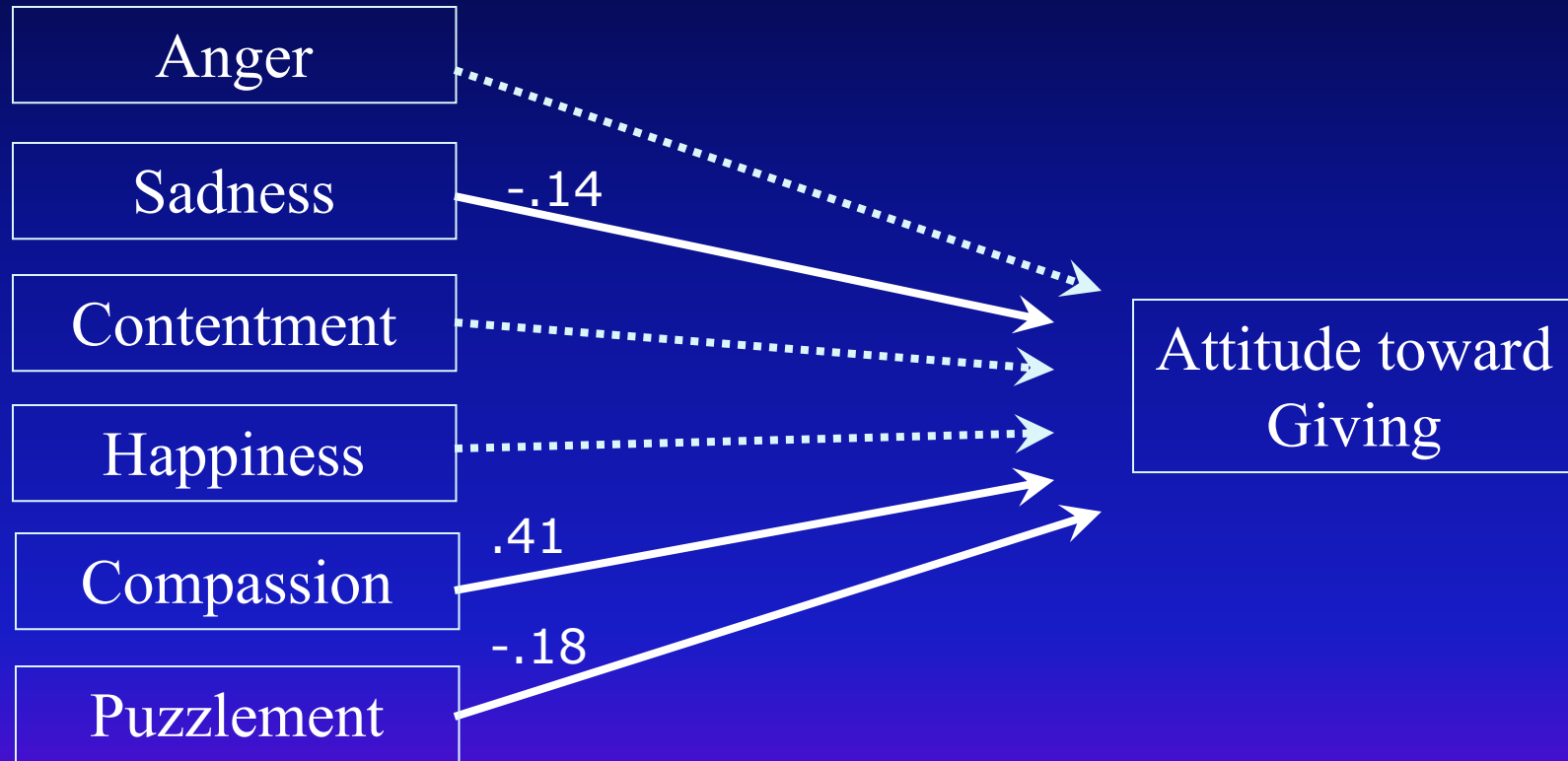


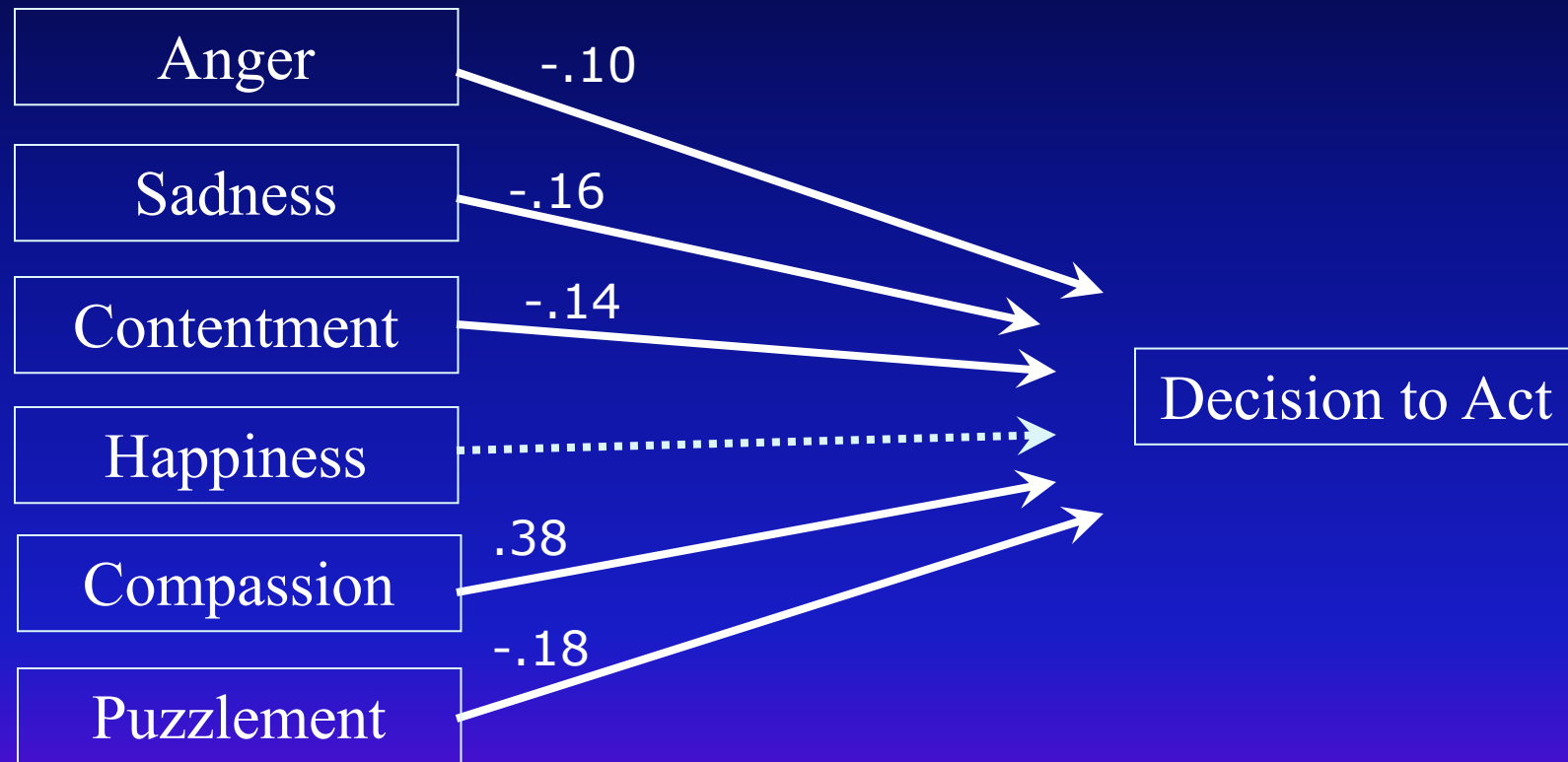
# Extended Theory of Planned Behavior



-- *Bartolini, 2005*







# Approach to Decision Making

1. Is the prospect emotionally engaged?
2. Does s/he have a positive attitude?
3. What will others think?
4. Can s/he really do it?

**\* What reinforcement does the donor need so intention becomes action?**

# Decision Styles

## Myers Briggs Type Indicator (MBTI)

How We Make Decisions:

*Thinking vs. Feeling*

Where We Focus Our Attention:

*Extroversion vs. Introversion*

How We Orient to the World:

*Judgment vs. Perception*

How We Take in Information:

*Sensing vs. Intuition*

# How We Make Decisions

## Thinking

- Analytical
- Logical problem-solvers
- Use abstract, cause-and-effect reasoning
- “Tough-minded”
- Strive for impersonal, objective truth
- Reasonable
- Just

## Feeling

- Empathetic
- Assess impact on people
- Guided by one’s personal values
- “Tender-hearted”
- Strive for harmony and individual validation
- Compassionate
- Accepting

-- Myers-Briggs Type Indicator,  
Interpreted by Robert E. Fogal, ACFRE

# System 1 vs. System 2

Daniel Kahneman: Thinking, Fast & Slow

## Intuition

- Fast, drawn from previous conclusions
- Provides first impression
- Useful when there are time constraints or predictability

## Cognition

- Slow, conscious consideration of the options
- Provides thoughtful analysis
- Useful when times are turbulent or feedback is helpful

How can you apply  
this to your work in  
Philanthropy?

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