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The Social Marketing of Giving

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Abstract

Despite significant government efforts to bolster individual philanthropy, giving by individuals (as a percentage of household income) has remained remarkably static and participation in many western countries is declining. This article explores the role that governments might play in facilitating growth, from a social marketing perspective. Drawing on research from multiple domains this article proposes an easily accessible and actionable framework (1) to inform public policy and (2) to guide further impactful academic research, with the objective of increasing both participation in, and the monetary value of, individual giving.

Key words

Charity, fundraising, giving, social marketing

THE SOCIAL MARKETING OF GIVING

A framework for public policy intervention

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INTRODUCTION

The non-profit sector has become the third largest economic sector after government and business around the world (Salamon *et al.* 2004). In the United States there were 1,064,191 registered 501(c) (3) organizations garnering total support of \$306 billion in 2007 (Giving USA Foundation 2008) with the contribution from individuals increasing by 2.6 per cent to \$229 billion. In the United Kingdom, individual giving for the fiscal year 2005/6 stood at £8.9 billion (National Council for Voluntary Organizations 2007), while in Australia in 2004/5 (the last year for which figures are available), the total was estimated at \$7.7 billion (Philanthropy Australia Inc. 2007).

As impressive as these figures are, the data must be set in context. In the USA for example, charitable giving per household is estimated to be only 2.2 per cent of average household disposable (after tax) income (Giving USA 2008). Regrettably this is also the forty year average for this figure, indicating that despite an increasing marketing effort on the part of non-profits (Sargeant and Jay 2004), individuals are no more generous than their predecessors were over four decades ago. The picture is very similar in other countries (e.g. National Council for Voluntary Organizations 2007).

While giving has remained static, demands on the sector have not. The number of natural disasters has tripled since the 1960s and the number of armed conflicts almost doubled (Forman and Stoddard 2002). In the USA and the UK the sector has also found itself with increasing responsibility for social welfare provision. The 1980s saw governments in both countries progressively withdraw from this domain and non-profits were a 'convenient' policy alternative. As Salamon (2003: 39) notes 'suddenly, attention to the nonprofit sector and philanthropy became a central part of the policy dialogue'. It is interesting to note that as the political pendulum swung back to the left in the 1990s non-profit organizations remained very much on the policy agenda as the rhetoric of the 'Third Way' in the United Kingdom and 'Reinventing Government' in the United States, took hold. As Giddens (1998: 78) puts it 'the fostering of an active civil society is a basic part of the politics of the Third Way' since governments working from this perspective seek to work in partnership with the sector to meet societal need. Encouraging voluntary contributions to fund jointly this work is thus a critical component of public policy. Former British Home Secretary Charles Clarke makes this clear:

Of course the decision to donate ... is a private one. And it is one in which the Government has no interest at all in interfering. Nevertheless, we have a vision of a society where voluntary activity flourishes and where all are enabled to play a full part in civil society. To this end the Government is determined to do all that it can to make it as easy as possible for those who want to contribute to do so, and to help develop a culture in which charitable giving is a natural part of everyone's life.

(Active Communities Unit/Home Office 2005: 2)

The public policy literature is generally supportive of the notion that governments have a role to play in encouraging giving not only as a consequence of the incremental benefit that may be delivered by non-profits, but because of the benefit that the act of giving itself may confer on society (Smith and Grønberg 2006). Conover and Searing (2000: 98), for example, argue that ‘publicly oriented behavior turns on citizens’ understandings of their role as citizens’, thereby increasing participation, social capital and a sense of belonging (Sandel 1996). Public policy is therefore a critical arena where citizens can learn the rights and responsibilities of citizenship and develop the skills and motivations necessary to function more effectively in this role (Denhardt and Denhardt 2000). Encouraging giving can finance additional voluntary sector provision that benefits society directly but such a policy can also provide indirect benefit through fostering citizenship (Campbell 2003).

For both these reasons it is important that public policy in respect of philanthropic giving is consistently reviewed with a view to facilitating growth (Brody 2005; Hall 2006; Simon *et al.* 2006). However, the question remains how governments may best achieve this goal in the face of the stubbornly static patterns of giving we allude to above (Economic and Social Research Council 2007). In this article it is our intention to address this issue, suggesting a framework of policy options that governments and public sector managers may consider. We recognize that a number of these alternatives will not be available to every national government but believe a review of the options to be essential in stimulating policy debate in a number of different countries and contexts. Critically, since our goal is to suggest how a change in public behaviour may be facilitated, the review is conducted through the lens of social marketing. We elaborate on the utility of this perspective below.

THE SOCIAL MARKETING PERSPECTIVE

Kotler and Zaltman (1971: 5) defined social marketing as ‘the application of the principles and tools of marketing to achieve socially desirable goals . . . (which) includes the control of programs calculated to influence the acceptability of social ideas’. These programmes drew heavily on the traditional 4 P’s of marketing, namely, product, price, place and promotion. Andreasen (1995: 7) preferred to emphasize the nature of the social marketing intervention in his definition arguing that what distinguishes it is the desire to ‘influence the voluntary behavior of target audiences in order to improve their personal welfare and that of society’. This requirement to achieve behaviour change is significant. As Niblett (2005: 11) puts it, the goal of the social marketer ‘is to affect behaviour change, or create action that leads to behaviour change’. Social marketers may thus engage in raising awareness of an issue or attempting to change attitudes but such activities are conducted with the ultimate purpose of influencing behaviour. Andreasen (2002: 7) further holds that the social marketing approach is distinctive because it is ‘customer driven and emphasizes creating attractive exchanges that encourage behavior.’

The requirement for exchange warrants some elaboration. Although in the context of giving donors typically receive no economic benefit in return for their donation, social exchange theory provides a broader perspective on the nature of things that may be exchanged than simply money for goods. The transfer of emotional, moral and normative value is also considered (Alford 2002) and social exchange theory also allows for the exchange to be generalized (Levi-Strauss 1969 [1949]), involve multiple actors (including the individual, non-profit, beneficiary, government and wider society) and to offer only diffuse and/or delayed reciprocity (Ekeh 1974). From this broader perspective on exchange, giving is thus an appropriate domain in which to apply social marketing techniques and ideas.

There is increasing recognition that these activities may be either upstream or downstream in nature. The former involves the creation of a supportive policy environment, while the latter involves the design of specific programmes to produce the desired change in behaviour (Bentz *et al.* 2005). In respect of the former, the implementation of appropriate policy, regulation or law is now embraced as a legitimate component of social marketing (Donovan and Henley 2003) although authors such as Dann (2008) believe that such activity should stop short of compulsion as this negates the notion of exchange discussed above. In the case of giving, the purpose of such 'upstream' activity would therefore be to create a policy environment in which individual philanthropy can be allowed to develop and flourish (Bentz *et al.* 2005). There is now ample evidence that upstream social marketing activity can be highly successful in facilitating behaviour change (e.g. Andreasen 2005; Kavita 2008; Piacentini and Banister 2009) making it a relevant approach to explore in the context of giving.

To this end Rothschild (1999) proposed three categories of strategic tool available to manage social issue behaviours, namely, education, laws/regulation and marketing. As we shall demonstrate below each of these modalities has something to offer government in stimulating giving, yet the focus in many countries has historically rested on 'pricing' and adjustments to fiscal policy alone. In the UK, for example, the Active Communities Unit notes that: 'up until now the government's focus has been on the fiscal aspects of giving – primarily tax relief . . . It is clear that equal attention needs to be given to the broader cultural aspects of giving' (Active Communities Unit/Home Office 2005: 4). We seek to address this need by proposing a typology of possible policy interventions and highlighting areas where further research would be warranted to inform both these and other alternatives.

THE TYPOLOGY

Our proposed typology develops Schervish's (2000) 'physics of philanthropy' recognizing that both donor-directed and sector-directed interventions may be appropriate. Public policy on the donor side of the equation is designed to harness

individual motives and instil greater giving responsibility by 'convincing donors they have money to give and (the) purposes to give it to' (Schervish 2000: 2). By contrast, sector directed initiatives are more concerned with changing the nature and/or quality of the philanthropic opportunity, what Schervish (2000: 3) regards as the 'circumstances of donors'.

This study proposes a framework in which each of these two foci for increasing giving can be addressed through the development and implementation of effective action orientated interventions classified into four sub-categories adapting Rothschild (1999), namely, economic, regulatory, educational and structural. In this context we prefer the label 'structural' to 'marketing', since the role of government is not to develop a marketing mix for specific organizations, rather it should enhance the environment in which that marketing will take place by providing the necessary structures to support it. We also prefer to consider economic factors separately because of the enhanced significance of this aspect of policy for giving. As was noted previously government intervention has historically focused in this area. Each category of the typology is discussed below with a summary table provided in Appendix 1.

POLICY OPTIONS

Economic – donor directed

In seeking to foster giving government attention has historically focused on the 'price' of giving by providing tax benefits such as a deduction (flat or progressive) or tax credits (Simon *et al.* 2006). In general, increasing charitable tax relief reduces the cost of giving and thus encourages it by enhancing donor motivation (Feldstein 1980; Boadway and Keen 1993; Kaplow 1996). It is less clear, however, whether tax benefits actually increase charitable giving to the point that they can make up the loss in coercive tax income for the Government to provide the same level of public goods. Some commentators are more optimistic (Steinberg 1990; Pelozo and Steel 2005) than others (Jones and Posnett 1991; Andreoni 2006) and further research to inform this aspect of policy is therefore warranted.

A further key decision faced by policy makers is the issue of to whom any tax benefit should accrue. In this respect the approach adopted in the UK differs from that in many other countries including the USA. The GiftAid scheme facilitates tax effective giving, but in the case of donors paying the lower rate of income tax it is the charity, not the donor who must reclaim the tax. Donors must make a GiftAid declaration (to the charity) indicating they have paid sufficient tax and non-profits thereby maintain an audit trail to justify their claims. The position is more complex for higher rate tax payers who may claim back the difference between the higher rate of tax they have paid and the basic rate tax reclaimed by the non-profit (Giving Campaign 2007). They may also elect to donate this additional tax if they wish. The success of this scheme in

encouraging giving is difficult to determine. Although in its first year of operation it appeared to attract an additional 7 per cent of the population to give for the first time (Pharoah and Walker 2002) and 34 per cent of donors now use the scheme for at least one donation (National Council for Voluntary Organizations 2007), it has been the focus of considerable social marketing effort (not least by the UK government's 'Giving Campaign') one outcome from which was undoubtedly to raise the profile of giving in general (Pharoah and Walker 2002).

The difficulty in determining the utility of GiftAid lies not only in the complexity of measuring its impact on individual giving, but also of measuring the additional costs incurred by the non-profit organizations who must claim the tax benefits. The necessity for non-profits to obtain a GiftAid declaration has been criticized by some commentators (Maier 2007) who see little advantage in the additional costs to charities that maintaining an audit trail entails. Instead they argue that government could simply undertake periodic research to establish the percentage of UK tax payers on a 'typical' non-profit database and apply a fixed rate calculation to the voluntary income from individuals the organization was able to garner. There is some precedent for this suggestion since small businesses in the UK may elect to calculate their VAT (Value Added Tax) on this basis (H. M. Revenue and Customs 2007).

Aside from generic tax incentives, giving may also be stimulated by a targeted tax approach. For example, several states in the USA provide selective tax credit on donations. State policies range from providing tax credit to only educational institutions in Indiana, to education, human services, environment, arts, culture and humanities, youth development and private and community foundations in North Carolina. Feldman and James (2003) conclude that the availability of tax credits in Michigan increases annual credit-eligible contributions by more than \$40 million, although the authors acknowledge that the impact may be redistributive, drawing funds away from other categories of cause. Future research would be useful to study the additive versus redistributive nature of the tax credit system and to understand how such a system may influence different donor segments in their contributions to a variety of different social causes.

A further policy option may be to incentivize particular giving channels. In the United Kingdom, for example, payroll giving benefited for three years from government adding in an additional 10 per cent to the gross value of donations made through this channel. In the first year of this incentive payroll giving grew by 29 per cent (Pharoah and Walker 2002). A related option that governments may wish to consider is the short-term incentivizing of new forms of giving until they are established, particularly those forms of giving that are inherently low cost and/or target new segments of society. Sargeant (2005), for example, suggests the examples of internet giving or giving by text-message. Longitudinal studies on how short-term and permanent governmental incentives influence giving and how donor perceptions of channel incentives influence the social causes to which they direct their philanthropic resources are thus important.

Economic – sector directed

Government may also facilitate giving by developing the range of philanthropic products available to donors. From Schervish's (2000) perspective this has the impact of changing the nature of the philanthropic opportunity. In the UK for example, it only became possible to donate stocks and shares tax effectively in 2000. Many non-profits have called for this benefit to be extended to include gifts of tangible or intangible property and even fractional gifts, for example works of art (Arts and Business 2005). Governments may also consider the degree to which it is appropriate to relax the Partial Interest Rule and thus eliminate the common stipulation that donors may not retain any interest in their gifts. In the UK this would pave the way for more US style planned giving products which have proved highly attractive to donors (National Committee on Planned Giving 2001). The UK government has so far resisted such moves in the belief that these products merely offer the wealthy a convenient mechanism to avoid the payment of tax (Sargeant 2005) despite the fact that the wealthy in that country are proportionately less generous than their counterparts elsewhere (Pharoah and Walker 2002).

More radical policy alternatives exist. The psychology literature tells us that giving can be cultivated by family traditions and social cultures (Jones 2006) and the social norms in which one develops (Brown and Ferris 2007). Governments may therefore drive the creation of giving products that strengthen these norms and seek to inculcate 'appropriate' behaviour. Products designed specifically for the young (or indeed other segments where philanthropy is under-represented) therefore have much appeal and Sargeant (2005), for example, has called for a charitable dimension to be introduced to the UK's Child Trust Fund account, thereby offering every young person the opportunity to make at least one planned gift to charity by age 18.

The complexity of designing, administrating and using new philanthropic products by non-profit organizations and donors, the difficulty of co-ordinating financial and non-profit sector professionals and the cost of promoting these philanthropic initiatives have all created barriers to how far the Government can go in shaping the social norms of giving. Further research in each of these areas would greatly benefit policy makers.

Regulation – donor directed

Donor-directed policies (Schervish 2000) serve to build philanthropy by changing factors that convince donors they have appropriate causes to give to and the genuine ability to make a difference. Critical here is the provision of high quality information to donors, allowing them to make informed decisions about their giving, secure in the knowledge that their donation will have the impact promised and not be squandered in unnecessary organizational expenditures. The public reporting of non-profit performance is therefore key and there have thus been moves in many western

countries to make the accounts of non-profits more readily available to the public (McCarthy 2007). Governments are generally supportive of such information provision and as an example the UK Treasury recently invested \$4.6 million in the introduction of a Guidestar service in that country allowing interested parties to access the published accounts of all registered charities online. There has, however, been considerable debate within the sector about whether the provision of accounting data to the public offers utility commensurate with this investment (Sargeant and Lee 2003), particularly given that both the UK government itself concluded that published accounts are 'ill-suited to the public's needs' (Cabinet Office 2002: 63) and that the latest scholarly research has identified better forms of reporting (Keating and Frumkin 2003).

We emphasize two defects in the provision and regulation of information available to donors. First, although donors are interested in the ratio of administration costs or fundraising costs as a percentage of total expenditure (Tinkelman 1998; Margolis 2001) there is evidence that many non-profits simply exaggerate this performance in the absence of a well regulated reporting regime, thereby misleading the public. In the USA for example, in their analysis of Forms 990 (a report tax-exempt non-profits must file with the Internal revenue Service), Cordes and Wilson (2000) found that 59 per cent of non-profits receiving direct public contributions did not report any fundraising expenses including nearly a quarter of those receiving more than \$5 million in contributions. Similarly, Krishnan *et al.* (2005) document that non-profit hospitals in California report greater programme spending on their Forms 990 than they do in state regulatory filings which are subject to audit by the state government. Such blatant manipulation can only serve to damage the public trust (Rooney 1999; Sargeant and Lee 2002) and ensuring *meaningful* disclosure is therefore a critical facet of public policy (Harrow and Douthwaite 2007).

Second, although there appears to be a correlation between donation levels and reported programme ratios (Weisbrod and Dominguez 1986; Callen 1994; Tinkelman 1998), the disclosure of financial information has only been shown to increase directly contributions in laboratory settings (Parsons 2001). In fact, Frumkin and Kim (2001) demonstrated that the practice of efficiency positioning (*i.e.* the reporting of administrative expense to total expense ratio) does not trigger significantly more giving. So what information should be provided?

Tinkelman and Mankaney (2007) argue that a 'one size fits all' requirement for information disclosure or a simple view on 'the more information the better' are not the best ways to promote giving (Horne *et al.* 2005). Herman and Renz (2004) showed that different constituency groups (in their case board members, funders and senior staff) judge organizational effectiveness differently. Therefore, providing the same information to all constituency groups about how efficient the organizations are in soliciting funds cannot really change stakeholders' behaviour. Small *et al.* (2007) argue that focusing the minds of donors on 'inappropriate' measures of performance may actually serve to hinder other motives a donor may have for giving.

Perhaps in recognition of this, the UK government has suggested moving away from a focus solely on financial data through the introduction of a Standard Information Return to accompany audited accounts. In this scenario charities would be required to focus on their objectives and measure outcomes against these. Government policy would then support the introduction of ‘benchmarking, social audit and other quality tools’ (Cabinet Office 2002: 9). The sector response has been lukewarm, with organizations preferring instead a voluntary effort to disseminate mission based achievements (National Council for Voluntary Organizations 2007). This reaction echoes with Frumkin and Kim’s (2001: 272) conclusion that ‘giving may still be driven more by donor identification with organisations than by economizing and positioning based on low administrative expense ratios’.

There remains much work to be done to identify the categories of information of most value to donors and to ensure that this is effectively disseminated. Furthermore, as Martin (1994: 48) notes ‘trust makes philanthropy possible. We give only when we trust our money and efforts will not be misused’ and thus our capacity of meeting social needs will be realized. Accurate disclosure is a key driver of the trust upon which the voluntary sector is built (Seddon 2007). It is therefore insufficient for governments to facilitate or require the provision of information, controlling the quality of that information is also an issue.

Regulation – sector directed

In seeking to enhance the nature of the philanthropic experience, governments may also need to consider regulation of the tools and techniques employed by non-profits to raise funds (Cabinet Office 2002). Some fundraising techniques garner a disproportionate amount of negative media coverage (e.g. direct dialogue or face-to-face fundraising) and well publicized abuse by a number of charities has been associated with damage to the public trust (Sargeant and Jay 2004).

To regulate fundraising, governments have many options to build the public trust, involving greater or lesser centrality of control (Harrow and Douthwaite 2007). The consensus from the literature is that ‘command and control’ regulatory practice may be easily critiqued and that a ‘government telling others doing’ approach has numerous cases of failure (Black 2002: 2). Nevertheless the approach adopted in the USA has generally tended to be driven by such legislation, with much variety in the approach of individual states (Hopkins 1996). In the UK the Government has generally adopted a different perspective (excepting the Charities Act 2006), recently sponsoring a new self-regulatory body for fundraising, the Fund Raising Standards Board. Members of the scheme must ensure that their fundraising adheres to the standards laid down in the Codes of Fundraising Practice (and ethics), produced by the Institute of Fundraising and also abide by a ‘Fundraising Promise’ drafted by the Board. This includes a commitment ‘to answer all reasonable questions about (their) fundraising activities and costs’

(Fundraising Standards Board 2007). At the time of writing a mere 600 charities have joined the scheme some way short of the 20,000 or so that are estimated to fundraise; a key weakness of the voluntary approach to regulation (Lee 2005).

Further, undoubtedly international research would be necessary to establish the optimal approach to the regulation of fundraising and indeed, the primary foci for such an initiative. It would also be instructive to learn more of the interaction between fundraising, regulation and the public trust it is designed to foster. Ultimately, all regulation, regardless of whether it is initiated by the Government without being monitored by it, or is created and monitored by it, needs to have the potential to change donor perceptions of the sector, in order to change the direction and the level of donor support. More academic research is therefore necessary to understand how such reporting requirements change donor behaviour, develop measurements to demonstrate quantitatively the behavioural impact of such regulation and then help policy makers to make informed policy decisions and justify the inevitably high costs incurred in the promotion, implementation and enforcement of any resulting regime.

Education – donor directed

Although there is a marked difference in scope between social marketing and education as social initiatives, education may certainly play a role in the fostering of behaviour change (Rothschild 1999). Notable in the context of giving is a role in dispelling barrier myths that serve to impede donor motivation (Sargeant and Woodliffe 2007). Charities regarded as inefficient or as spending too much of their income on marketing find it significantly more difficult to raise funds (Schlegelmilch *et al.* 1997; Bennett and Gabriel 2000; Sargeant *et al.* 2000), yet public perceptions of these dimensions are wildly inaccurate. The public believe that the actual ratio between programme and fundraising/admin expenditure is 50:50, while the actual ratio is closer to 80:20 (Bennett and Savani 2003). This matters since Harvey and McCrohan (1988) identified that 60 per cent was a significant threshold, with non-profits viewed as spending at least 60 per cent of their donations on charitable programmes achieving significantly higher levels of donation. Further work would be necessary to establish whether this issue is merely re-distributive in impact, or stimulates additional donations, but it does seem intuitive that educating the public about the realities of non-profit costs could offer considerable utility. Indeed, the UK has now seen two initiatives designed to do just this, the formation of the ImpACT Coalition (2007) and the public education website www.charityfacts.org.

Other policy alternatives exist to stimulate demand side pull for philanthropic giving. First, government initiatives can help promote a social culture that fosters the identities that will encourage giving. The blood donation context illustrates the benefits of fostering pro-social, social cultivation well. For instance, at the individual level, attitudes and subject norms predict well one-time blood donations and habit and role

identity have additional predictive power for repeated ones (Charng *et al.* 1988). It remains unclear, however, the role that norms may play in fostering giving and whether this might vary by segment of society. Second, government initiatives to promote giving at an early age, to help set up youth philanthropy programmes for instance, could inculcate a giving habit and increase the life time value of donors accordingly (Sargeant and MacKenzie 1998). The importance of habit cannot be over-emphasized in determining human actions (Ouellette and Wood 1998) and habit formation has already been shown to influence volunteering (Lee *et al.* 1999; Grube and Piliavin 2000 and the giving of monetary donations (Lee *et al.* 1999).

Assisting the design of such educational initiatives using the latest academic thinking and research and thus providing concrete educational programmes that the Government can help initiate, fund or both, are the most prominent tasks facing academic researchers.

Education – sector directed

In seeking to develop the quality of fundraising and thus enhance the donor's experience there is also scope for government intervention on the sector side of the equation. Three such interventions are specifically highlighted in our framework.

First, high quality training is intrinsic to developing fundraising capacity (O'Neill 2005). Recent research conducted by the Institute Of Philanthropy indicates that 'charities are not managing relationships with donors as effectively as they could' (Lannon 2003: 2) and that charities lack understanding of the value of implementing relationship fundraising (Sargeant and MacKenzie 1998; Burnett 2002). Burnett (2002) argues that the reason for this lack of uptake of a more marketing and strategic orientation to fundraising lies fundamentally in poor quality education and training.

Availability is also a problem, leading Fletcher (2005) to conclude that current educational initiatives do not yet satisfy the needs of non-profit students. Indeed, there remains only one undergraduate course in fundraising in the whole of the United Kingdom and only three at the post-graduate level (Sargeant *et al.* 2006). A dearth of qualified faculty and the absence of a professionally agreed syllabus, particularly in the domain of fundraising (Sargeant 2005) hampers growth and leads to wide variations in the quality of provision (Sargeant *et al.* 2006). Government may have a role to play in facilitating the development of such programmes and in fostering the creation of vocational standards that standardize quality. Funding of such initiatives could have a profound impact on the sector (Learning and Skills Council 2006). In the UK, for example, new National Occupation Standards for Fundraising were published in 2008 and a professional suite of industry recognized qualifications are now planned (Institute of Fundraising 2007).

Allied to this, in some countries the quality of fundraising practice is hampered by a lack of Trustee/Board knowledge and understanding of both the process of fundraising

and their own role within it (Arts and Business 2005). In the UK it is now a formal requirement with the National Occupational Standards for Trustees that they demonstrate such competence (UK Workforce Hub 2007) and both the Giving Campaign and the Charity Commission (the government agency responsible for regulating charities in England and Wales), have played a role in providing guidance and information.

Finally, we believe that there may be a role for government in facilitating either directly or indirectly, the education of intermediaries with the capacity to influence donor decision making; what Rothschild (1999) would regard as a distribution or 'place' issue. Legal and financial advisers are playing a markedly increased role in influencing giving (National Committee on Planned Giving 2001) and it is therefore important that they are fully cognizant of philanthropic opportunity and equipped to place this in front of clients (Madden and Newton 2006).

Academics, particularly in the domain of marketing also have a role to play in developing and delineating the body of knowledge for fundraising (Helmig *et al.* 2004), while a research agenda examining the needs of the stakeholders we identify above and the impact of fundraising education in growing the size of the 'philanthropic pie' would offer much utility.

Structural – donor directed

In seeking to inculcate societal norms, governments can play a role in facilitating events or national awards that celebrate individual philanthropy. National awards can help motivate donors with a need for prestige (Harbaugh 1998a, 1998b), create giving norms (Lloyd 2004) and channel philanthropic resources into the areas currently receiving insufficient funds (Dovidio *et al.* 1997). However, the impact of initiatives such as the Carnegie Medals of Philanthropy (Carnegie UK Trust), Philanthropist of the Year Awards (Artherton 2007) or events such as the Association of Fundraising Professional's National Philanthropy Day[®] remain under-researched. Of particular interest would be the development of the work of Paton and Foot (2000) who highlighted the potential pitfalls of awards, including 'badging' whereby participants in events seek external recognition without internal change, that is, developing an egotistical orientation. Whether interventions such as awards and the public display of individual achievements actually 'crowd out' what Paton and Foot (2003) refer to as the 'integrated' (those that live the values of the awards) and the 'emulators' (those that change without seeking display, i.e. 'altruistically orientated') by having a negative impact on these latter patterns of behaviour also requires further research.

We recognize that the creation of celebratory events or the administration of awards may not be a matter for government in the same way as the other policy options we allude to above, but governments can certainly play a role in the

encouragement and facilitation of philanthropic initiatives and where appropriate, seed fund the necessary support mechanisms and structures. As we have indicated, how best to achieve this and the impacts that are likely to result remains a matter for further research.

Structural – sector directed

The tools of market research and profiling/segmentation lie at the heart of a social marketing approach (Andreasen 2002). In seeking to develop philanthropy it is therefore essential that organizations understand the nature of the market, the segments that comprise it and their respective needs/wants from the exchange. It must be remembered, however, that the majority of non-profit organizations are very small and lack the market research budgets of their commercial counterparts (Andreasen 1995). There is therefore a role for governments to play in the provision of such data. Indeed, from a purely pragmatic perspective it is difficult to see how changes in public policy might be assessed in the absence of reliable market data against which to benchmark behavioural change. Studies such as Giving USA, Giving Australia and Giving in the Netherlands provide valuable data, but the picture in other countries is far from clear, with undue reliance often placed on self-reports of giving which authors such as Hall (2001) regard as fundamentally flawed. Other methodological problems are common. Brooks (2004) for example shows that ‘Don’t Know’ responses in self-reported giving surveys can skew the pattern of giving substantially in certain populations.

Of course it is not just the scale of giving that is at issue. Research is generally lacking in many areas that would facilitate fundraising. Indeed, Helmig *et al.* (2004) identify only five original contributions based on marketing in the mainstream voluntary sector journals between 1999 and 2003. Governments have a clear role to play in the stimulation and funding of work in this area, either on a project by project basis, or through the creation of Centres of Excellence for research in this field (Cabinet Office 2005).

Finally, there may be a need for governments to consider funding voluntary sector infrastructure deliberately designed to facilitate giving. It is clear from our foregoing analysis that a plethora of policy alternatives exist in this quest. Rothschild (1999) makes it clear that successful social marketing campaigns require the development of a balanced approach between the various categories of possible intervention. Given the diversity of options governments may decide to vest their co-ordination in an infrastructure body whose remit would be to develop the social marketing of giving. A clear precedent for such a suggestion is the UK government’s three year Giving Campaign which ended in 2004. The range of policy alternatives and the likely complexity of the interaction between the supply and demand side vectors make such co-ordination essential.

CONCLUSION

This article develops and integrates the work of Rothschild (1999) and Schervish (2000) by proposing a typology of action orientated public policy interventions to facilitate philanthropy. We recognize that the list of policy alternatives we generate is far from exhaustive (and focused solely on giving rather than other forms of pro-social behaviour), but from our review have specifically highlighted those most likely to be actionable in a variety of countries and to have the most profound impacts on giving. Our discussion has also highlighted numerous opportunities for the expansion of scholarly research that would be of direct benefit to policy makers and practising fundraisers alike. The discussion is summarized in Appendix 1.

The framework proposed in this study reflects the dynamism of government based public policy interventions and the categories are designed to become vantage points for policy debate. On the sector-directed side, government and the non-profit sector through mutual understanding and collaboration can seek to provide the systems, products, procedures and operational mechanisms required to facilitate access to and the uptake of, philanthropy. On the donor-directed side, the emphasis is on activities with the capacity to influence directly individuals, such as mechanisms to alter the price of giving, including removing many of the risks associated with it and, critically, the promotion of giving and the benefits it may offer. The interplay between the two sides of the equation is not static but is fluid and organic; constantly changing with each intervention having an impact on a respective counterpart. It would be interesting to assess at a supra-national level the degree and strength of such interplay. Indeed, for the framework to be truly global in its application such validation through macro-econometric analysis would be required and is therefore proposed as a critical component of further research.

In summary, with increasing human need at both the national and international levels, we believe there is a strong case for a more marketing oriented approach to the facilitation of individual giving. Previous public policy initiatives in both the USA and UK have tended to focus primarily on price, influencing the cost of giving through tax breaks. As we have established in our framework a multitude of other alternatives exist drawing on a wider social marketing mix. If individual giving is to be maintained at current levels and strengthened to meet future needs, it will be essential that policy makers adopt a broader yet integrated perspective on giving. Only then will lofty ambitions such as the UK Giving Campaign's challenge of doubling the value of giving prove attainable and only then will significantly more human need be met.

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Appendix 1: A framework for public policy interventions

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
Economic – donor directed	Modifying tax rates (tax deductions)	Alters price of giving	Unclear whether increase in giving will make up for loss in coercive tax revenue Benefit accrues disproportionately to the wealthy Focuses donor attention on tax breaks rather than benefit to the cause	Nature of the optimal tax structure to stimulate giving Utility of Giftaid versus tax benefit accruing wholly to the individual or organization International comparison of performance of specific tax regimes
	Modifying tax rates (tax credits)	Alters price of giving to particular categories of cause	Unclear whether effect is merely redistributive Distorts pattern of giving to reflect government priorities Costs of promoting the credit system	Whether effect is additive or redistributive in nature Impact of availability of tax credits on particular segments of donors to particular causes Impact of tax credits on existing giving patterns and whether the increase in giving can justify the cost of promoting, implementing and monitoring the tax credit system
	Incentivizing particular forms of giving	Alters price of giving in specific channels	Unclear whether effect is merely redistributive Unclear whether enhanced levels of giving are maintained in the longer term	Longitudinal studies on the past impact of channel incentives Donor perceptions of channel incentives and impact on behaviour

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
Economic – sector directed	Amend partial interest rule	Allows creation of new philanthropic products	Difficulty of forecasting a priori the likely cost to the public purse Costs of promoting the incentive Benefit accrues disproportionately to the wealthy Valuations of some likely 'products' (e.g. works of art) likely to be contentious Complexity of administration Added complexity for donors Costs of promoting the scheme	Profiles of donors likely to give through specific channels Potential new giving vehicles and associated audiences and donor motivation. International comparisons of impact of existing opportunities
	Add charitable dimension to existing financial service products	Develops societal norms of behaviour and creates new giving segments	Difficulty of co-ordinating financial and non-profit sector professionals	Opportunities for such philanthropic extensions and their feasibility Nature and motivation of the likely audience in each case Issues in and barriers to, cross-sector working
Regulation – donor directed	Enhance quality/utility of information available to donors	Allows donors to match their interests with appropriate societal need	Difficulty of deciding on appropriate information to provide High costs of providing and promoting necessary dissemination infrastructure	Factors driving donor selection of specific non-profits and causes Understanding of how donors use sources to gather, process and evaluate information provided by and/or about particular non-profit organizations and causes

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
			Complexity of developing appropriate methodologies to assess non-profit effectiveness	Perceptions of current information gaps by category of non-profit
	Require/encourage development of financial reporting standards	Promotes greater transparency and develops public trust and support in the sector	Diverse nature of voluntary organizations makes development of appropriate standards complex Requires co-operation and education of accounting profession Requires co-operation and education of Board members and trustees Likely to be ineffective without enforcement Costs of compliance for non-profits	International analysis of best practice Development of appropriate reporting standards for each category of non-profits Analysis of current levels of compliance where voluntary standards currently exist. Factors influencing such compliance Current level of public interest and concern in respect of non-profit financial reporting standards, and their relationship to public trust and public support
	Implement regulation of financial reporting practices	Promotes greater transparency and develops public trust and support in the sector	Possibility of resistance from non-profit groups Cost of implementing enforcement Costs of promoting awareness of the regulations	Current/likely compliance rates Impact of regulation on public trust and support sector-wide and in specific subsectors International comparisons of the impact of such regulation

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
Regulation – sector directed	Implement regulation of fundraising activity	Develops public trust and public support in the sector	High profile cases of enforcement may damage public trust in the sector Little evidence of a 'problem' with existing fundraising practice Difficulty of designing appropriate regulations for a diverse set of marketing practices Difficulty of designing appropriate regulations for diverse set of organizations Potential to damage trust in the short term as public perceive regulation designed to tackle a 'problem' Costs of implementation and enforcement Little evidence of a 'problem' with existing fundraising practice	Delineation of current public issues and concerns with fundraising practice Public awareness and perceptions of existing regulatory mechanisms Likely impact on the public trust and individual giving of the introduction of regulation Likely levels of compliance and the determinants thereof
	Require/encourage self-regulation of fundraising activity	Develops public trust and public support in the sector		Delineation of current public issues and concerns with fundraising practice

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
Education – donor directed	Provide information to the public in respect of the behaviour of charity costs	Promotes awareness, interest, involvement and trust by improving donor understanding of the behaviour of charity costs	Potential to damage trust in the short term as public perceive regulation designed to tackle a 'problem' Costs of implementation Costs of promoting awareness of the scheme to the public Voluntary scheme may not be joined by those likely to engage in poor practices Difficulty of identifying a source or 'home' for such data that would be perceived as impartial Costs of conducting regular research to update the information provided Costs of promoting the information and/or source	Public awareness and perceptions of existing self-regulatory mechanisms Likely impact on the public trust and individual giving of the introduction of self-regulation Likely levels of compliance and the determinants thereof Number and nature of complaints, adjudications and enforcements. Analysis of critical issues Identification of current levels of understanding and key misconceptions Perceived information needs broken down by target segment Data in respect of the current performance of non-profit organizations in relation to each dimension Identification of appropriate dissemination media

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
	Provide role models and norms of giving behaviour	Develops societal norms of behaviour	Potential for public resistance for taking on what might be seen as responsibilities of government Role models known to be less effective in routinized situations Performance of 'generic' campaigns difficult to evaluate	Giving contexts where role models and establishing norms of behaviour might be most effective Optimal approaches for establishing norms of behaviour Delineation of appropriate norms International and inter-generational comparisons of how norms may influence behaviour
	Educate children in relation to giving and philanthropy	Develops norms and habituates behaviour in youth	Limited space in school curriculum to develop further content Many countries do not specify a national curriculum making implementation problematic Difficulty of assessing the efficacy of such interventions	Long-term impact on behaviour of initiatives such as Giving Nation in the UK and Learning to Give in the USA Optimal syllabus and appropriate interventions for delivery in schools and communities Attitudes towards giving, understanding of giving and giving behaviour of the young Case studies of best practice Consensus of best practice in relation to each major form of fundraising
Education – sector directed	Facilitate development of occupational standards for fundraising	Improves the quality of fundraising practice and assessment	Costs of development and promotion Performance to occupational standards is not enforceable	

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
	Ensure adequate availability of fundraising training	Improves the quality of fundraising practice and its knowledge-based professional and academic training	<p>Difficulty of assessing take-up and impact</p> <p>Difficulty of incentivising training providers appropriately</p> <p>Limited supply of academics and trainers with fundraising expertise and knowledge</p> <p>Diversity of individuals currently fulfilling a fundraising role</p>	<p>Development of appropriate knowledge base to underpin the standards</p> <p>Identification and mapping of fundraising curricula</p> <p>Delineation of an appropriate body of knowledge for the fundraising profession</p> <p>Identification of optimal strategies to achieve a balance of skill and knowledge based fundraising training</p>
	Facilitate the development of formal fundraising qualifications	Heightens status of the profession and thus acts to facilitate recruitment and retention of appropriately skilled and knowledgeable fundraisers	<p>Limited supply of academics and trainers with fundraising expertise and knowledge</p> <p>Need to work with the fundraising profession to ensure that qualifications are appropriately valued by employers</p> <p>Potential need to subsidize costs for small non-profits to participate</p>	<p>Identification and mapping of fundraising curricula</p> <p>Delineation of an appropriate body of knowledge for the fundraising profession, distinguished by level</p> <p>Evaluations of the Return on Investment of formal fundraising qualifications to the individual and their employer</p> <p>non-profit organization</p>

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
	Require trustees, Board members and other legal and financial advisers to develop an understanding of best practice and essential knowledge in fundraising	Improves the quality of fundraising practice, management and reporting	Lack of any formal knowledge criteria for participation on a non-profit Board Current low levels of understanding (in many countries) of the fundraising function Potential for resistance to external 'interference'	Identification of current levels of Board understanding of the fundraising function Identification of current information gaps or misconceptions Development of an appropriate fundraising curriculum for Board members
Structural – donor directed	Provision/facilitation of philanthropy awards/medals	Reinforces positive behaviour and encourages high aspirations	Costs of administering and promoting an award Need to work through an appropriate intermediary or with an appropriate partner Potential for 'clutter' if awards proliferate	Impact of awards/medals on the development of philanthropic behaviours Costs/benefit analysis of the development of philanthropy awards Identification of appropriate target audiences and design of appropriate schema to meet their needs
Structural – sector directed	Facilitate/fund the provision of accurate data on giving	Improves the quality of fundraising practice and provides data against which to benchmark other initiatives	Difficulty of selecting an appropriate methodology Costs of implementation and subsequent dissemination	Derivation of an appropriate methodology to measure giving Analysis of giving by specific segments of donors

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Appendix 1: (continued)

<i>Class of intervention</i>	<i>Intervention</i>	<i>Nature of impact</i>	<i>Policy issues and constraints</i>	<i>Contribution of further research</i>
	Facilitate/fund the provision of fundraising research	Improves the quality of fundraising practice and its knowledge base	<p>Need for ongoing support and expenditure</p> <p>Need for infrastructure to ensure only quality projects are supported</p> <p>Need to consult with research users to establish appropriate research agenda</p> <p>Need to invest in the dissemination of research findings</p>	<p>Delineation/profiling of non-givers and barriers to giving</p> <p>Derivation of fundraising/giving research agenda</p> <p>Encouragement of fundraising research within the inter-disciplinary fields of marketing, non-profit management and philanthropic studies</p>
	Fund the social marketing of giving or a 'Giving Campaign'	Develop societal norms and social culture of philanthropic behaviour	<p>High costs associated with establishing and running a campaign</p> <p>Difficulty of assessing performance of a generic giving campaign</p> <p>Need to achieve sector buy-in to establish priorities and collaborate over initiatives</p> <p>Potential for public resistance for taking on what might be seen as responsibilities of government</p>	<p>Delineation of appropriate priorities for campaign</p> <p>Delineation of an appropriate social marketing mix (mixes) appropriate campaign objectives etc.</p> <p>Campaign evaluation and performance</p> <p>Bespoke research projects to address information needs of campaign management</p>