Literature Review

Frances Huehls

is Associate Librarian for the Joseph and Matthew Payton Philanthropic Studies Library at Indiana University-Purdue University Indianapolis. She holds Master's degrees in philanthropic studies and library science, as well as a PhD in higher education from Indiana University. Dr. Huehls is editor of *Philanthropic Studies Index*, an online periodical literature index and *PRO: Philanthropy Resources Online*, a full-text resource for the field of philanthropic studies.

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Rene Bekkers and Olaf Crutzen (2007) "Just Keep it Simple: A Field Experiment on Fundraising Letters," *International Journal of Nonprofit and Voluntary Sector Marketing* 12, 4, pp. 371–378

Getting potential donors to open mail solicitations continues to be a challenge of direct mail fundraising. Consumer research posits that if the direct mail envelope is attractive, people will open it. This should hold true more often for new donors than for renewing donors because those renewing should be motivated by their commitment to the organization rather than by the appearance of the solicitation.

According to Bekkers and Crutzen, this theory has not borne out in practice. In some cases, the more

attractive the envelope, the less likely it was to generate a response. To the authors, this makes sense in view of recent studies on confidence in nonprofit organizations (NPOs). Donors may not feel that fundraising costs are a good use of their donations.

This study tests the hypothesis that the use of color on the mailing envelope will lower the rate of response and subsequent donations. In addition, a negative perception of fundraising costs will vary depending on the level of confidence the potential donor has in the organization. Low-confidence donors are less likely to respond to a color mailing. Donors with confidence in the organization believe that a charity has good reasons to incur fundraising costs.

Methodology

Study participants were drawn from the donor database of Kirkenactie (Church in Action) in the Netherlands. The organization has two classes of donors. "Planned" donors have agreed to give a specified amount per year and have made a donation in the last 24 months. "Incidental" donors have made at least one gift in the last 24 months but have not made an ongoing commitment to

Author's Contact Address:
Frances Huehls
Philanthropic Studies Collections
University Library
755 W. Michigan Street
Indianapolis
IN 46202, USA
Phone: +317 278 2313
Email: fhuehls@iupui.edu

donate. The entire donor population tested was 89,397–76,171 incidental donors and 13,766 planned donors. Both groups received either an envelope with a color picture or a mailing with a plain envelope. Data were collected on whether or not a contribution was made and the amount given.

Results and conclusions

For all groups, the plain envelope package resulted in a higher rate of response and a higher average donation. It remained unclear as to whether the reaction to the picture reflected a negative reaction to fundraising costs.

In addition, Bekkers and Crutzen question other effects of the picture on the envelope. It may have been seen as unattractive or even repulsive. The participants may also have differed so significantly in their giving behavior and reaction to perceived fundraising costs that they were not representative of donors in the Netherlands. In addition, people in the Netherlands receive far fewer appeals than Americans and may pay more attention to individual solicitations.

Fundraisers are advised to start with a plain mailing and test more expensive packages selectively to see how they are received.

Debra Z. Basil (2007)
“Charitable Donations as a Reflection of National Values: An Exploratory Comparison of Canada and the United States,” *Journal of Nonprofit & Public Sector Marketing* 18, 1, pp. 1–19

Factors including geographic proximity, heritage, and language suggest that the

United States and Canada are ideologically similar. Basil suggests that there are differences in the national values of each country and that charitable donations reflect those differences.

Values have a bearing on which causes people decide to give to, as well as on decisions about where they will volunteer. In this study, donations are used as a measurement of personal values held by Americans and Canadians. Americans are perceived to be more individualistic or focused on the importance of opportunity for individual achievement. Because education is seen as a vehicle for individual achievement, support of education should be important to Americans. Canadians are more collectivist in their orientation, placing higher value on each person achieving some reasonable standard of living. Consequently, support of social programs that focus on wealth redistribution should be reflected in Canadian charitable giving. Basil tests two related hypotheses:

H₁: *Canadians and Americans differ in terms of individualism.*

H_{1A}: *Canadians are more collectivistic than Americans.*

H_{1B}: *Americans are more individualistic than Canadians.*

H₂: *Charities that deal with issues reflecting national values receive higher levels of financial support than other types of charities.*

H_{2A}: *Canadians display more support for charities championing collective causes.*

H_{2B}: *Americans display more support for charities championing individualistic causes (p. 5).*

Measuring national values

Healthcare was used as a measure of commitment to collectivist causes, while education was used as a measure of individualistic causes. The study used secondary data on government spending for healthcare and education in Canada and the US. Results were then compared to charitable contributions to both healthcare and education. The Canadian government provides for 70 percent of the cost of healthcare (per capita) as opposed to 45 percent in the US. Although government support for education is essentially identical for the two countries, if US private spending for education is included, expenditures for education are 12 percent higher in the US. Educational attainment at the secondary and higher education levels is also higher in the US, suggesting that education is of higher importance to people in the US than in Canada. These results support hypothesis H₁.

Charitable support and national values

Charitable contributions for 1997 and 2000 were used to compare giving to healthcare and education. Parallel data from secondary sources were available for these dates. Based on information from Statistics Canada, Canadians give 51 percent of their charitable dollars to religion, 17 percent to health care, 11 percent to social services, and 4 percent to education. US donors (based on *Giving USA*, AAFRC Trust for Philanthropy) gave 52 percent of their

dollars to religion, 15 percent to education, and 10 percent to healthcare. The results support hypothesis H₂.

The data suggest that national leanings affect individual giving behavior. Fundraisers may find it useful to examine national orientation when trying to position a campaign for a particular cause.

Basil cautions regarding limitations of the study. The secondary data sources were not designed to answer the research questions. Also, the Canadian statistics were based on responses from individuals to a survey. *Giving USA* data is based on a survey of NPOs. Targets of philanthropy other than health and education need to be assessed for individualistic or collectivistic leanings.

Susan A. Ostrander (2007)
“Innovation, Accountability, and Independence at Three Private Foundations Funding Higher Education Civic Engagement, 1995 to 2005,”
Nonprofit Management & Leadership 18, 2, pp. 237–253

Private foundations in the US have a reputation for innovation and an ability to respond quickly to changing social needs. At the same time they are often viewed as being reticent and uncommunicative—controlled by elites who are not accountable to either the government or the electorate. The effectiveness of foundation efforts is subject to wide speculation, partly because so little research has been done on foundation activity and effectiveness. This case study attempts to partially fill this knowledge gap.

Ostrander looks at three foundations that curtailed support for civic engagement programs within higher education.

Methodology

During the late summer of 2004, the author began to monitor the websites of the three foundations—Carnegie Corporation of New York, Pew Charitable Trusts, and W. K. Kellogg Foundation—for changes in their funding priorities for higher education civic engagement. It was evident by fall of 2005 that support for this type of program was being phased out. During this same period, in-depth interviews were conducted with key foundation people and higher education civic engagement figures.

Why foundations took up the cause of civic engagement

During the 1990s, growing public concern about the lack of civic engagement among college students and a desire to find nongovernmental solutions to this situation led foundations to support curricular and pedagogical changes broadly related to civic engagement. Decreases in federal support for higher education forced colleges and universities to turn to foundations to support these initiatives.

Shifts in funding priorities

Education in civic values was the focus of Carnegie Corporation of New York. A report issued in 2001 noted three approaches to civic education—service learning vs political advocacy, voting, and youth moral development—that would result in increased youth

citizenship. Carnegie chose the third approach. An additional report in 2001 noted a rise in community service involvement accompanied by a decline in voter participation. Although still active in higher education in 2002, Carnegie was already moving away from higher education to funding programs at the K-12 level. By 2004, funding to universities and colleges for these initiatives had ceased. One reason given was that higher education was receiving too many foundation dollars while K-12 school programs were underfunded.

The Pew Charitable Trusts funded the National Commission for Civic Renewal in 1996. The Youth Engagement Initiative emerged from the Commission in 2001. The focus was not on student learning but more directed to election reform and campus–community partnerships aimed at solving community problems. In 2004, the emphasis more strongly moved to voting, primarily because the outcome was easily measurable. Impact from community initiatives is more difficult to assess.

The focus of the W. K. Kellogg Foundation starting in the mid-1990s was on transforming the academy into a viable institution for the future. The emphasis was on change that would make institutions more responsive to students, faculty, and the community. Defined measures were extensive, including learning outcomes, curricular change, faculty development, and governance. Interest in the initiative waned rapidly as foundation participants realized that colleges and universities do not change quickly. Kellogg shifted its focus to funding community issues more

directly. Higher education was funded only as a vehicle for this type of change.

Internal reasons were cited for why this type of support was curtailed. One was the “innovative” purpose of foundations—the idea that a foundation gets something started and then moves on. There was also pressure to demand clear and early results. A third factor was the changing interests of foundation leadership. Institutions who lost this support felt that vital programs had been cut off.

Implications and recommendations for foundations

The case study findings support the view of foundations as “idiosyncratic and subject to the personal priorities of the individuals who run foundations” (pp. 247–248). The tendency of foundations to set their own agendas can, however, also be interpreted as a manifestation of their autonomy.

Based on the study findings, Ostrander recommends changes in foundation behavior that will mediate their negative image. Foundations need to be more transparent and open to suggestions about what their priorities should be. They should be innovative in working with the issues that are most important to grantees and other partners. Foundations need to be accountable to external partners regarding their own effectiveness. Finally, foundations need to be independent in setting priorities about what they see as the most pressing societal needs and then hire people who can address those problems.

Altaf Merchant and John Ford (2007) “Nostalgia and Giving to Charity: A Conceptual Framework for Discussion and Research,” *International Journal of Nonprofit and Voluntary Sector Marketing* 13, 1, pp. 13–30

Nostalgia is an emotion that anyone can experience. It is a bittersweet longing for the past—even a past that the individual never experienced. The authors’ objective is to propose how charitable giving might be affected by nostalgia and how both donor characteristics and NPOs affect the interaction of giving and nostalgia.

What do we know about nostalgia?

According to the literature reviewed by the authors, nostalgia can be defined in four ways. First, it can be a positive image of the past coupled with negative feelings about the present and future. Secondly, nostalgia may be evoked by sensory stimuli—a strain of music or a specific object. A third view is that it is tied to an earlier time in an individual’s life. Finally, it has been described as a longing and marked fondness for events and objects of the past.

Defining nostalgia in terms of emotions is also complex. The experience is a combination of both positive and negative, evoking joys of the past but also the sadness that those times are gone. It can be brought on by almost any sensory stimulus—things that make us feel secure, objects that remind us of the past, or those

associated with significant and meaningful life events. Nostalgia can be both personal and vicarious.

Nostalgia is personal if it is based on a true past experience. It is past experience that is often remembered for being far better than it actually was. The warmth of happy memories is buffered by the realization that the past cannot be relived. Nostalgia can also serve as a steadying force during times of change. Although it is an emotion associated with aging, nostalgia is actually experienced by younger people as well. Some individuals are more prone to nostalgia than others and scales have been developed to measure this propensity. The intensity of a personal experience or its connection to a major life passage such as graduation, marriage, or loss of a loved one also affects whether or not it is likely to evoke nostalgia. Experiences that disrupt a person's life—such as a career change—may evoke a nostalgic temporary retreat into the past as a way to cope with the instability of the present.

Nostalgia is vicarious if the longing is for a past that the individual never personally experienced. This type of nostalgia is not age related. Like personal nostalgia, how prone a person is to vicarious nostalgia can be measured. Disruption in life can make someone more prone to vicarious nostalgia for the sense of security that it brings. The pressures of modern life, including isolation and loss of a sense of community with others, can also encourage nostalgic withdrawal into an imagined past that is perceived as better and more value laden than the present. Authenticity or genuineness is an additional factor for those who feel

that nothing in the present is as good as it should be. This type of nostalgia can be acted out through activities like antique collection or participating in historic reenactments.

How is nostalgia related to charitable giving?

Giving results in both psychological and economic benefits to the giver. Out of existing research on the intrinsic and extrinsic benefits of giving, the authors developed a conceptual model and 11 research propositions linking nostalgia and giving behavior.

The conceptual model posits that the emotional components of nostalgia enhance commitment and relationships leading to charitable giving. The extent to which a nonprofit organization can encourage nostalgia depends on the individual's propensity for nostalgia, how important the evoked past experience was to the person, whether or not the gift will make the giver emotionally secure, and authenticity associated with the nonprofit organization.

Six propositions link nostalgia to charitable giving:

- *Personal nostalgia is likely to lead to higher levels of familial utility* (p. 21): nostalgia creates emotional bonds with family members both living and dead.
- *Personal nostalgia is likely to lead to higher levels of emotional utility* (p. 22): fond memories of the past (often idealized) evoke happiness and emotional warmth.
- *Personal nostalgia is likely to result in familial utility, which produces higher levels of commitment, which*

in turn is likely to drive giving behavior (p. 22): nostalgia connected to family members (both living and dead) may motivate giving in a family member's name.

- *Personal nostalgia is likely to result in emotional utility, which produces higher levels of commitment, which in turn is likely to drive giving behavior* (p. 22): an enduring commitment to supporting a nonprofit organization is more likely to develop when the relationship results in feelings of security for the individual.
- *Vicarious nostalgia is likely to lead to emotional utility* (p. 22): experiences that connect a person with an imagined past can create feelings of emotional fulfillment or a sense of community with others.
- *The emotional utility derived through vicarious nostalgia is likely to drive giving behavior mediated by commitment* (p. 22): charitable giving may result from situations where individuals develop commitments to organizations that support causes or activities that invoke vicarious nostalgia.

Five additional propositions suggest how nostalgic appeals by NPOs can create stronger bonds that have emotional benefits for individuals:

- *High nostalgia-prone donors are likely to derive more emotional and familial utility by associating with NPOs that evoke nostalgia* (p. 23).
- *Donors facing discontinuity are more likely to derive emotional*

utility from the personal/vicarious nostalgia evoked by associating with certain NPOs that can assure a sense of continuity (p. 23).

- *NPOs connected with "significant" personal events in the donors' lives are likely to benefit from the use of using nostalgic appeals, as they would enable the donor to derive emotional utility* (p. 23).
- *Donors seeking authenticity are likely to derive emotional utility from the vicarious nostalgia evoked by associating with NPOs that assure authenticity* (p. 24).
- *Donors experiencing alienation are likely to derive emotional utility by associating with NPOs that evoke nostalgia and help alleviate the sense of alienation* (p. 24).

Merchant and Ford point out that there is no existing literature connecting nostalgia with charitable giving behavior and that work is needed in many areas. We need to know how nostalgia contributes to giving behavior and how that relationship develops. We also need to know more about how vicarious nostalgia can influence giving behavior. Scales need to be developed to measure degrees of personal and vicarious nostalgia as they relate to the charitable giving context. The potential negative effects of trying to evoke nostalgia in donors who are not prone to nostalgia also warrant research. A final suggested area of inquiry is to examine how memorial giving is connected to grieving and how nostalgia relates to that process.