

The Dependent Variable of the Independent Sector: A Research Agenda for Improving the Definition and Measurement of Giving and Volunteering

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Now that we have established a substantial research foundation for philanthropy, I suggest that we focus more directly on the central dependent variable about which we are concerned, namely the definition and measurement of giving and volunteering.¹

There are three intertwined subjects to which we might turn our attention in regard to the dependent variable:

- (1) Theoretical definition of giving and volunteering
- (2) Measurement problems that emerge in survey and case-study research
- (3) Research activity to obtain better measures and understandings of giving and volunteering

Theoretical Definition of Giving and Volunteering

Two lines of theoretical understanding should be explored to better ground our practical use of giving and volunteering in research. The first is the notion explored in anthropological literature revolving around the notion of "gift" and the relational contexts of exchange. The second is the theological virtue of charity and the emotional dispositions of

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care, altruism, and love of neighbor. Research on these issues would help us develop a broader understanding of giving and volunteering than that presently provided by legal definitions of charity, or by institutional demarcations whereby philanthropy occurs in conjunction with the non-profit sector.

Such explorations would expand our conception of giving and volunteering. Still, all developments should be linked to current conventional understandings so as to preserve continuity in research. Such an approach should yield a more encompassing definition of philanthropy, which will also retain the narrower legal and sectoral definitions.

For instance, I envision a definition that, in addition to what we normally consider to be philanthropy, includes certain forms of intra-family transfers of time and money, giving of money to individuals, political contributions of time and money, and the business expenditures to provide benefits to employees and customers that exceed market standards (e.g., employee health insurance benefits that competitors are not providing). Drawing on the broader anthropological notions of gift and philosophical notions of charity, we would thus better encompass in our measures the giving orientations and activities central to the "charitable impulse" that is at the heart of what mobilizes people's care for others.

Measurement Issues

Survey and case-study research face numerous measurement problems revolving around operationalizing giving and volunteering and obtaining a consistent unit of analysis. Every survey on giving and volunteering with which I am familiar can do more to solicit information about the broader forms of giving I have mentioned. The Independent Sector biennial survey has consistently made progress in this direction, with the recently

completed 1992 survey asking questions about political contributions and intra-family transfers. In addition, we need to be especially careful to reduce missing data in the dependent variable. If extra effort should be devoted to a specific area of data gathering during the interview process, it would be most fruitfully spent on obtaining more complete and accurate information in the sections of a questionnaire dealing with the dependent variable of giving and volunteering. Unless that is done, we must find ways to impute missing data on giving and volunteering or else drop cases from the analysis. As research on philanthropy becomes more established, we should begin to conduct periodic validity checks on the data by interviewing some respondents more in greater detail to gage the accuracy of the self-reporting made by the typical respondent. Moreover, in addition to obtaining more information about the extra-legal gifts of time and money I have already mentioned, we should consider obtaining information about specific types of in-kind gifts such as used clothing and various assets.

Along with improving the measurement of the dependent variable of giving and volunteering we need to obtain much of the same information from everyone in the population including non givers. This will enable us to better analyze the factors that distinguish givers from non-givers and subsequently to develop analytic multivariate models to explain giving. At present we are able to describe givers in terms of certain values, motivations, attitudes, and relationships. But without comparable information from non-givers, we are unable to analyze and model adequately the social-psychological processes that distinguish givers from non-givers. The 1990 Independent Sector Survey on Giving and Volunteering already obtains some of the theoretically relevant information that is required for such modeling, and the 1992 survey acquires even more.

My colleague, John Havens, and I have begun modeling such a theoretical analysis for giving. We are developing a two-step probability model revolving around explaining

(1) the decision to give and (2) for givers, the factors that explain levels of giving. In both cases, the key latent dependent variable is the existence of a philanthropic identity, defined as a self-conception in which philanthropic activity is a regular and integral part of how an individual distributes resources of time and money. Our explanatory framework includes the following theoretical categories which vary considerably in how amenable they are to being operationalized with data from current surveys: a communities of participation, frameworks of consciousness, mediating agents, an anticipatory or initiatory philanthropic involvement, disposable resources, and experience of intrinsic rewards in previous philanthropic involvements.

Finally, we need to address the issue of unit of analysis. This is a difficult topic which I have struggled with in some work with the University of Michigan Institute for Social Research in its Survey of Consumer Finances, and as a member of the advisory panel for the Independent Sector Survey on Giving and Volunteering. This problem which, to my knowledge, faces all research surveys on philanthropy can be exemplified by the IS survey. Unless I am mistaken, the Gallup interviewer finds a respondent in a household and asks (1) about the respondent's own personal contribution of time, then (2) about the household/family contributions of money. Gender, age, and other demographic characteristics of the respondent can of course be associated with the respondent's responses about volunteer time and, for that matter, with the giving of money if the respondent is the only or at least co-determinate member of the household responsible for decisions about giving money. But in cases where respondents are reporting the giving of a household for which they are not at least 50% involved in the decision, it is not appropriate to report giving by demographic characteristics; nor is it appropriate to correlate giving of time and money, nor to analyze relation between the respondents' answers to subjective attitude questions and giving behavior, since such giving of money is decided upon by household members other than the respondent.

In no way does any of the foregoing mean that research should grind to a halt until we resolve these issues. We need, rather, to be aware of such problems and attempt to address them constructively over time.

New Directions for Research

A number of research strategies could be initiated to investigate the issues raised above:

- (1) Theoretical and conceptual research to develop the broad and narrow definitions of philanthropy of which I spoke in the first section.
- (2) Continued development of the various existing surveys of giving and volunteering to incorporate theoretical developments and resolve measurement and methodological issues raised in the second section.
- (3) Validity studies which follow up on interview surveys, to find whether there is a systematic bias among those who refuse to participate in a survey and to learn whether those who do respond to a survey provide relatively accurate estimations of giving and volunteering.
- (4) Methods to investigate philanthropic behavior more intensively such as: (a) A diary research project, beginning first with a pilot study, in which individuals are monitored closely for a period of time about the use of their time and money. This would equip us to measure philanthropy according to both current definitions and the broader definition I have suggested. We would also obtain

some insight into the validity of our national surveys, and into the relative importance of the categories of giving and volunteering not now counted. (b) In conjunction with the diary study, or in place of it, another approach would be to conduct intensive interviews with a random sample of people for the purpose of obtaining detailed accounts of giving and volunteering by asking respondents to look up receipts, cancelled checks, and tax records where possible. (c) Finally, it may be useful to think about using focus groups to learn the everyday conceptions and practices of various individuals and groups, especially among cultural minorities.

- (5) In addition to the research agenda set forth above, another important task is to investigate whether and in what way it can be said that the "poor pay more" in charitable contributions. This is connected in part to shifting analyses of giving from the income to the expenditure side. The conventional wisdom is that percent of income given to charity can be described by a U-shaped curve with income on the x-axis and percent of income given on the y-axis. That is, lower income and higher income groups give a higher percentage of their income than middle income groups. There are many conceptual and measurement issues that both support and undercut this finding. From examining the IS/Gallup survey on giving and volunteering as well as the Consumer Expenditure Survey we have begun to notice that the existence of the U-shaped curve depends on what one considers to be giving *for others* as opposed to giving for services *consumed by oneself* (for example, a substantial portion of contributions to one's church). The curve also depends on whether giving is calculated as a percent of income or as a percent of expenditures. A preliminary analysis of the Consumer Expenditure Survey indicates that *cash contributions as a percent of expenditures* are in fact lower for lower income groups than for middle and upper income groups. This is

largely due to the fact that lower income groups actually spend more money than they have in income. Lower income groups have persons unemployed and retired who are spending out of savings and not just out of income. The purpose of looking into this issue is not to replace the existing view of greater generosity among lower income people with a new stereotype of lack of generosity. Rather, the goal is to sophisticate our knowledge of giving practices and to demonstrate that what we say about patterns of giving across income groups depends on how we conceive and measure the variables being analyzed.

- (6) The foregoing set of issues raises a final important research question. I have already suggested that we might do well to shift focus from income to expenditures as the theoretical and numerical denominator for measuring the relative generosity of individuals and groups. But it may actually be the case that in addition to developing measures of giving as a percentage of income and expenditures, it may also be relevant to develop a theoretical and empirical rationale for studying giving in relation to wealth. Since the actual decision mechanisms that people follow are probably a function of the dynamics of income, expenditures, and wealth, it may be worthwhile to consider how one might construct some composite measure in addition to any separate income-, expenditure-, and wealth-based measures.