UNDERSTANDING THE ROLE OF EMOTIONS AND SOCIAL INFLUENCES IN
CHARITABLE GIVING DECISIONS

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UNDERSTANDING THE ROLE OF EMOTIONS AND SOCIAL INFLUENCES IN CHARITABLE GIVING DECISIONS

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CHAPTER I
INTRODUCTION

Emotional and personal connections to an organization have been found to be very important in the donation decision-making process. By understanding how emotions and personal social networks affect charitable giving decisions, fundraising professionals will be able to create stronger solicitations and relationships with donors that will in turn increase funding for their organizations. Research has shown that individuals often rely on others to validate their decisions thus potentially impacting charitable giving. Having knowledge of how to utilize these two factors during the solicitation process could positively impact solicitation strategies and help alleviate one of the major challenges in fundraising today: competition with similar organizations. This very issue has proven to be a significant challenge for the theatre company, Cleveland Play House (CPH).

Cleveland Play House, America’s first regional theatre, was founded in 1915 by a group of eight prominent Clevelanders on a mission to produce plays of substance for the community. Ninety-nine years later, CPH remains dedicated to their mission “to inspire, stimulate and entertain diverse audiences in Northeast Ohio by producing plays and theatre education programs of the highest professional standards” (Cleveland Play House).
Although Cleveland Play House has been a long-standing figure in the community, the company, like many nonprofit organizations, was not immune to the economic recession in 2008 and experienced significantly reduced financial outcomes. During that time, CPH was close to bankruptcy and in significant debt, due largely in part to their 300,000-square-foot facility which had a multitude of infrastructure issues due to age and cost $1.2 million to operate annually (Johnston). In 2009, CPH formed a partnership with PlayhouseSquare, the nation’s second largest performing arts complex, and Cleveland State University (CSU) to renovate the Allen Theatre and build two new theatres in the PlayhouseSquare district, thus saving CPH from closing forever (Johnston). The Allen Theatre renovation was completed in September of 2011 and the other two theatres were completed during that 2011-2012 season (Johnston). In September 2014, Cleveland Play House opened their 99th season, the fourth season in the new theatres (Cleveland Play House).

With the recent move downtown and CPH’s upcoming centennial, the company has revised many of its strategies to adapt to their new environment. While the move was necessary to keep operations going, one of the most glaring issues of this new environment is the similarity between the Cleveland Play House company name and its new neighbor, PlayhouseSquare. Differentiation between the two company names has become a major challenge between the two brands to this day, and leaders are constantly brainstorming strategies to find the proper message to present the different companies to the public. During the past three seasons as the Annual Fund and Campaign Manager for Cleveland Play House (CPH), I have contemplated daily how we can increase the number of donors and donations for our organization. Analyzing the effectiveness of our
solicitations has become an ongoing priority for my work as Annual Fund and Campaign Manager. It is for this reason that I have become interested in exploring how emotions and social influences can affect charitable giving decisions.

This project will offer a review of existing research on the role of emotions and social influences in charitable giving decisions. After discussing existing research, this project will present results of a survey conducted with supporters to Cleveland Play House. The research for this project aims to understand how donors make charitable giving decisions as well as understand the connections they have with the organization and how those influence their giving.

Finally, this project will offer suggestions to the development field on how to maximize their results by using emotions and social influences during the solicitation process. The suggestions will be focused on arts and culture organizations and how they can utilize certain strategies that are often seen in social service and health organizations.
CHAPTER II

OVERVIEW OF FUNDRAISING AND THE SOLICITATION PROCESS
IN THE UNITED STATES

Status of Charitable Giving in the United States

In the United States in 2012, there were nearly 1.6 million nonprofit organizations registered with the Internal Revenue Service (IRS) (Roeger, Blackwood, and Pettijohn 2), that represented categories concerning the arts, education, health, advocacy, labor unions, and business and professional associations (Pettijohn 2). This figure does not include data from smaller organizations that earn less than $5,000 annually or religious congregations. The number of organizations including small organizations and religious congregations is an estimated 2.3 million. Pettijohn reports that from 2001 to 2011, the number of nonprofits in the United States increased by about 21.5%, and that an estimated 300,000 new nonprofit organizations have been created since 2001 (1-2).

Of the more than thirty types of nonprofit organizations as defined by the Internal Revenue Code, approximately one million of the 1.6 million nonprofits are classified as public charities and categorized as 501(c)(3) organizations to which individuals can make a tax-deductible donation (Pettijohn 2). Arts and culture organizations, the focus of this study, make up about 10.5% of public charities. The remaining public charities represent the following sectors; health organizations (12.4%), education (17.5%), religion
(6.4%), environment and animals (4.5%), international and foreign affairs (2.1%), public and social benefit (11.8%) and, the largest sector is human services organizations (34.8%).

Charitable giving undoubtedly fluctuates with changes in the economic climate. During the recession, from 2007 to 2010, charitable giving from individuals, foundations, and corporations decreased about 11%. Donations were at a high of $310.57 billion pre-recession in 2007 and at an estimated low of $278.65 billion in 2009 (Roeger, Blackwood, and Pettijohn 83). Charitable giving increased in 2010, with contributions reaching an estimated $290.89 billion. In 2012, Pettijohn reported that private giving exceeded $300 billion for the first time since the recession (5). Furthermore, private giving from individuals, foundations, and corporations was recorded at $316.23 billion (Pettijohn 5). This statistic should come as good news to nonprofit organizations indicating that the economy is improving, and that individuals feel that they have the financial freedom to give more than they have in the past several years.

It is important to note that giving from individuals accounted for almost three-fourths of all private giving, with corporations and foundations being responsible for the remaining fourth (Roeger, Blackwood, and Pettijohn 85). Therefore, individuals represent the greatest opportunity for nonprofit organizations to increase funding for their organization. Gifts from individuals are undoubtedly the most important source of funding to organizations as changes in the economy affect the majority of donations from foundations and corporations.

Nonprofit organizations may fall victim to economic recessions. However some, such as arts and cultural organizations, may experience a greater impact than others.
Revenue for public charities grew at an average rate of 29.4% from 2001 to 2006, and then slowed to an average growth rate of 10.7% from 2006 to 2011 during the recession. Arts and culture organizations saw the largest decline in revenue during the recession; from $33.2 billion in 2006 to $30.8 billion in 2011, a 7% decrease in revenue (Pettijohn 4). Pre-recession, the arts and culture sector only experienced a 9.6% growth in revenue when every other sector saw, at minimum, a 22.5% growth from 2001 to 2006. Much of the total increase in giving over the past decade is attributed to the health care industry as health organizations have seen revenue increase from $620.7 billion in 2001 to $942.4 billion in 2011 (Pettijohn 4) (see Appendix A). Furthermore, in 2010, religious organizations received the greatest share of private charitable dollars at 34.6%. Other selected sectors received the following shares; education at 14.3%, human services at 9.1%, health organizations at 7.8%, and arts and culture organizations at 4.6% (Roeger, Blackwood, and Pettijohn 88) (see Appendix B).

Finally, while it is positive that there are currently increases in charitable giving, a decreasing donor population remains to be a concern for arts and culture organizations. The 2013 Fundraising Effectiveness Project conducted by the Association of Fundraising Professionals (AFP), reports that from 2011 to 2012, there was a positive $34 million net growth in giving from the 2,840 survey respondents (2). “For the first time in five years, charity respondents… saw positive gains in giving, but still continued to lose donors faster than they gained them” (“Charities Raising More”). What AFP found was that for every $100 gained, nonprofit organizations experienced losses of $96 through gift attrition in 2012. Also, there was a loss of 105 donors for every 100 donors gained. This news is both encouraging and discouraging as it shows that those who are giving are
giving more, but the overall population of donors is decreasing. If the number of donors continues to diminish, nonprofits may begin to worry about the impact of a decreasing donor base.

Current Challenges in Fundraising

In today’s society, fundraising professionals are faced with many obstacles such as competition, and donor and gift retention. While some obstacles are more challenging than others, the use of emotions and social influences during the solicitation process can help nonprofit organizations overcome such barriers. Major challenges in fundraising from individuals include competition for their support from similar organizations, stagnant or declining gifts, and issues with donor and gift retention. It is paramount for organizations to identify such challenges and develop strategies to address these issues.

Studies have found that the primary complaint of donors is over-solicitation. Over-solicitation is one of the top three reasons for a donor to discontinue support and therefore presents a major challenge to an organization (Burk 5). Other top reasons for discontinuing support include deciding to support other organizations and no longer feeling connected to the current organization (“Study Reveals” 11). Clearly, it is critical for fundraisers to create solicitations that motivate and inspire donors to give, and in turn avoid over-solicitation of those donors. The more effective the solicitation, the fewer times an organization has to ask for a gift, saving resources and maximizing the return on investment.

As the number of nonprofit organizations increases, competition for charitable gifts will also increase. Bray reports that an average of 65% of households choose to
make charitable gifts to organizations (86). As we have seen, charitable giving, as well as the numbers of new nonprofits, is on the rise. Therefore, it is the ultimate challenge for fundraising professionals to secure funding for their organization in an environment heavily populated with similar organizations. For example, why should a donor support one theatre if there are also five other theatre companies in the community? This situation is no different for museums, hospitals, human service organizations, and a host of other non-profit entities.

The second challenge in fundraising is stagnant or decreased giving. A decreased gift sends the message that the donor may not be fully satisfied with the performance of an organization. If the organization does not provide enough information to the donor about the progress of the institution, “[it] cannot blame the donor… for becoming disenchanted with the cause or for having other priorities. Responsibility rests with the charity… for giving [the donor] the information that would facilitate a different decision” (Burk 25). As fundraising professionals, it is our duty to provide the donor with updated information on how their donation affects the organization. Better communication with donors can help alleviate the sense of disconnect and may allow for a potential increase in giving.

The third challenge, and one of the most crucial issues in fundraising for nonprofit organizations, is donor and gift retention. Burk has found that the industry standard for donation renewals after the first gift to an organization is 50% and that 90% of donors will stop giving to an organization within five renewal campaigns (5). The author notes that new donors are likely to hold their giving at the introductory level and never increase their gift and that they will move on to another organization if they decide to stop giving
to the current organization. This tells us that many individuals are choosing to make
donations, but will frequently decide to choose different nonprofits to support as opposed
to supporting one organization for many years. Our challenge as fundraising
professionals is to find ways to decrease donor attrition and increase retention. If
nonprofit organizations are not successful in retaining new donors, they are never given
the opportunity to show the donor the value of their work. Furthermore, it is important to
note, “stewardship of the connection with existing supporters is not just less expensive
than prospecting for new ones, it also offers important opportunities to communicate
about the value of the work being done and thus sustain the organization’s standing in the
community” (Barber and Levis 5). Building loyalty among a donor base can strengthen
the image of the nonprofit within the community and thus may help acquire new donors
as well as encourage increased giving from current donors.

In this demanding economic climate, it is becoming increasingly important to
place the focus on the donor by recognizing their interests to make them feel better
connected to the organization. This approach is known as donor-centered fundraising, or
“an approach to raising money and interacting with donors that acknowledges what
donors really need and puts those needs first” (Burk 22). Focusing on a donor-centered
approach may help build loyalty from donors and in turn help address all of these
challenges nonprofits face during fundraising. A well-connected donor may then
continue to support the current organization instead of seeking out a similar organization
as well as consider increasing their gift. A loyal and generous donor base allows for the
organization to focus on fulfilling the mission of the organization as opposed to spending
funds on numerous solicitation efforts.
Solicitation Methods

Nonprofit organizations utilize many different methods to solicit donations from individuals. These methods can include solicitations by mail or phone, fundraising events, or face-to-face meetings. Each method requires a different amount of time and resources to acquire a gift successfully. As Engvig and Engvig state, “money is raised by people from people for people” (14). When utilizing each of these solicitation methods, it is important to remember that we, as fundraising professionals, are reaching out to individuals to support our organization that in turn is serving the community. Each solicitation method lends itself to different levels of personalization during the solicitation process.

The first solicitation method often used by nonprofit organizations is a direct mail campaign. Direct mail campaigns are useful in reaching hundreds, even thousands, of potential donors at one time in a relatively cost-effective way. The direct mail packet consists of four to five components: the external envelope, a letter, return device, return envelope, and an optional informational insert (Wolf 242-244). With the amount of promotional materials received in the mail today, it is easy for the recipient to ignore responding to this type of solicitation. However, for nonprofits “direct mail allows great efficiency in time spent and people reached… [it must be] carefully tailored to give the impression of a personal approach [or] it is often unsuccessful” (Wolf 241). Direct mail is useful for renewing donations, as well as acquiring new donors. Although it lacks a direct connection with another person, nonprofit organizations can take steps to personalize the appeal. These steps could include personalizing the salutation or adding a handwritten note from a board member or volunteer.
Another useful solicitation method for reaching donors is the utilization of telephone solicitations. When selecting staffing for such a role, organizations can choose to use trained solicitors or volunteers, the latter being the most cost-effective method. The organization must provide proper training as well as scripts to use during the phone call, and it is important to note that the phone call “should be directed towards targeted audiences, and is best suited as a follow-up to mailings or for renewal requests” (Engvig and Engvig 19). Telephone solicitations allow the potential donor to interact with a person representing the nonprofit organization. These solicitations allow for a more personal approach as the donor can ask questions and the caller is able to tailor the conversation to better suit the donor’s interests. Telephone campaigns consist of two parts; calling and securing the pledge and collecting the money. Many organizations will not secure payments for all pledges; if possible callers should try to get a credit card at the time of the call to ensure that funds are received (Engvig and Engvig 19).

Next, fundraising events can be “grand occasions that mobilize volunteers, bring you into direct contact with your friends and supporters, and create a festive atmosphere for everyone involved. Unfortunately, special events can also set the stage for huge public embarrassments and spectacular losses of money” (Bray 229). Fundraising events often involve a great deal of time and money in the planning and execution of the event. There is a great variety of options when it comes to planning special events. They can include black-tie galas, walk-a-thons, auctions, fairs, benefit concerts, and many more. Events give an opportunity for a nonprofit organization to tell its story to a concentrated group of individuals, and if well planned and executed, the event can generate excitement around the cause. While these events can have a positive impact on the organization and
its donors, it is important to remember that a poorly planned and executed event can be catastrophic to the organization – for the organization’s finances, relationship with its supporters and more.

Finally, face-to-face solicitations and meetings allow for the most personalized approach when asking for a donation. This approach is generally reserved for major donors as several steps are required before asking for a major gift. These steps include: deciding who to ask, arranging and preparing for the meeting, holding the meeting, asking for a donation, and following up with the donor (Bray 177). Properly preparing for a face-to-face solicitation takes considerable time and effort from the staff. After gathering a list of potential prospects, organizations should first take the time to research the prospects’ giving history. Once this research is complete, organizations must then identify the capacity for giving and conduct research to discover the prospects’ giving interests. After completing this research, organizations should then feel comfortable to move forward with requesting a meeting and asking for a donation. Overall, a nonprofit organization will benefit from developing effective face-to-face solicitation strategies since they are the most personalized and intimate form of donation solicitations.

Engvig and Engvig report, “an average of seventeen contacts with a prospect are made before a major gift is secured. This indicates that the major parts of the solicitation for larger gifts are to introduce, motivate and inform” (21). Proper cultivation should happen before a face-to-face meeting is even requested. Cultivation strategies could include inviting the prospect to special events, providing opportunities to connect with the organization, sending invitations for drinks with key leadership, or regularly following up via email or phone. Such strategies help to strengthen the relationship
between donors and the organization. Overall, the organization should work to solidify the foundation of a relationship with donors prior to asking for a large gift. When it is finally time for the meeting, the solicitation team (many times comprised of a member of the staff and a volunteer who knows the prospect) must be prepared to talk about the organization and the project that needs support, and be ready to ask for a specific donation amount (Bray 183). After the meeting, proper follow-up should be completed with the prospect to either thank them for the gift or answer any questions that might arise while making their decision. Although this process is time consuming, it can also be the most rewarding when a gift is successfully secured.

Since over solicitation and lack of connection to an organization were cited as top reasons for discontinuing support, maintaining strong emotional and social connections with donors may help remedy donor retention issues. This project seeks to understand how an individual’s personal emotions and influences from their social network affect donation decisions.

As previously stated, studies have shown that arts and culture organizations experienced the smallest growth in revenue, whereas health organizations experienced the largest growth in revenue, even during the recession. Arts and culture organizations may be able to utilize some strategies often used by health organizations to form better connections with their donors and in turn increase funding for the organization. After conducting a thorough literature review on the topic and a web survey, a plan of action for arts and culture organizations detailing the use of emotional and social influences during each of the solicitation methods discussed will be rendered.
CHAPTER III
THE ROLE OF EMOTIONS AND SOCIAL INFLUENCES IN CHARITABLE GIVING DECISIONS

Individuals rely on many different factors during the decision-making process, including referencing their own personal beliefs and opinions and seeking out validation from peers. The roles of emotions and social influences in the decision-making process can have important applications in the nonprofit field as it applies to charitable giving decisions. Angie et al. suggest that individuals do not have clear and organized preferences prior to making decisions and that those preferences can be influenced by external factors (1397). Therefore, the use of emotional appeals and personal social networks during the solicitation process are likely to have impacts on charitable giving decisions. Fundraising professionals can benefit from using both of these tools to solicit donations for their organizations.

As previously mentioned, one of the top reasons for discontinuing support included a loss of feeling connected to the organization; this connection could be either emotional or social in nature. It is critical for nonprofit organizations to be aware of this fact and to focus on fostering relationships with donors that will help maintain key emotional and social connections.
The Role of Emotions

Emotions have been found to be an influential component in decision-making. As Small reports “emotions create a mental spotlight, whose intense focus rapidly promotes an urge to act in a distinct way associated with the specific emotion at hand” (150). Additionally, previous research has found that discrete emotions influence decisions. These emotions are those that “are considered to be short-lived, intense phenomena that usually have clear cognitive content that is accessible to the person experiencing the emotion” (Angie et al. 1394). Emotions are commonly triggered by a specific event or situation and, therefore, can have an effect on an individual’s actions. During the donation decision-making process, an individual may reference both their past and current feelings toward the organization, or they may be moved by a particular emotion felt at the time of the solicitation. Nonprofit organizations must focus on creating emotional appeals that inspire donations as well as cultivating existing relationships to build a loyal donor base.

Individuals experience a multitude of emotions such as joy, sorrow, love, and hate, depending on their current situation. Many donors report feeling a “warm glow” after making a donation (Johnson and Ellis 5). Nonprofit organizations should strive for their donors to feel good about their decision to donate, as opposed to creating a sense of guilt. When a donor feels good about their decision, they are more likely to repeat that action in the future. In addition to a nonprofit organization’s desire to harbor positive feelings in its donors, it could also be beneficial to focus on a person’s moral norms and personal experiences during the solicitation process.
Focusing on personal moral norms or “an individual’s internalized moral rules” (Smith and McSweeney 367) is the first way to utilize emotions during the solicitation process. Sargeant and Shang found that shared beliefs and values between the individual and organization led to a greater intent to give a charitable donation (986-7). Individuals who believe that an organization’s mission and values closely align with their personal values feel a stronger connection to the organization and therefore have a stronger desire to contribute to the organization’s success. Reasoning along these lines could explain why religious organizations receive the greatest share of private giving, as the donor’s personal beliefs and values closely align with that of their congregation. In relation to arts and culture organizations, crafting messages that focus on the mission of the organization may attract those donors who share the same beliefs. Overall, these efforts could help reduce the perceived distance between the donor and the organization, allowing it to utilize personal moral norms to enhance emotional connections.

The second way to use emotions during the solicitation process is to emphasize an individual’s personal experience. Individuals tend to care more about issues when they have a personal connection with the issue. Past research has found “that people who know someone with a particular misfortune are more sympathetic and helpful toward other people with the same misfortune” (Small 154). For example, an individual might be inclined to support a cancer research organization if they or someone they know has been affected by cancer. However, they may not be as inclined to support a theatre or art museum due to lack of connection. This theory works well for those organizations that address human suffering, since it creates a sense of empathy in donors. Therefore, it is useful to encourage perspective taking of this manner as it helps the organization develop
a passionate donor base. Donors are likely to experience personal distress while imagining themselves in the sufferer’s place, thus encouraging the pro-social behavior of supporting the organization to relieve their personal discomfort (Small 152). Arts and culture organizations (that would not necessarily have a suffering individual as the face of the organization) may want to try approaches that ask a donor to recall their first experience with the arts as a child. This tactic may create a lasting impression with a donor that personally values the importance of educational programs, as many arts and culture organizations offer similar programs that are now often missing from schools. The donor will then be able to recall their own personal experience to relate to the organization they are considering supporting. Also, when possible, it would be helpful for the organization to offer opportunities for the donor to participate in the organization’s programs for them to feel better connected to the cause. These opportunities create a connection and reference point for the donor, which is accessible when making future donation decisions. Overall, since individuals tend to care more about issues when they have a personal connection, it is essential for nonprofit organizations to utilize approaches that focus on a donor’s personal experiences.

While focusing on emotional appeals can be lucrative for nonprofit organizations in securing funding, it can also have some drawbacks. Some critical challenges organizations may have to overcome when focusing on emotions during the solicitation process include, but are not limited to, compassion fatigue, psychic numbing and immediacy bias.

When attempting to stimulate a response from a potential donor, nonprofit organizations often emphasize the urgency of the request. When this type of appeal is
overused, donors may experience compassion fatigue, or “an emotional stalemate resulting from the intersection of repeated urgent appeals coupled with the perception that intervention is ineffective in curtailing suffering” (Schervish “Inclination” 116). When donors are constantly presented with urgent requests, they may begin to feel that their support will not make a difference and thus choose against making a donation. Nonprofit organizations must be mindful to find a balance between asking for an urgent need and asking for ongoing support. Reporting periodically to donors on the progress of the institution could help alleviate this problem, because it provides the donors with information on how their gifts have helped the organization.

The second challenge is the phenomena of psychic numbing, or the process of becoming more insensitive to large-scale suffering (Huber, Van Boven, and McGraw 181). As the numbers of those suffering increase, individuals experience a dissipation of emotions as they begin to think about the statistics of the cause. Huber, Van Boven, and McGraw found “that people can move from valuing the outcomes of donation decisions in a primarily ‘hot’ emotional way to primarily a ‘cold’ calculating way” (181). When presented with statistics about the population of individuals served by the organization, donors tend to think in a calculated way regarding the “cold” statistics rather than approaching the issue on an emotional level. One suggestion is to find ways to represent large-scale issues in an emotional way, such as showing an image of several pairs of shoes to represent all of the lives lost due to illness. This type of image represents the statistic in an emotionally charged way and could help prevent the donor from experiencing psychic numbing.
Finally, immediacy bias, or the perception of the most recent emotion being more intense, can pose a challenge for nonprofit organizations (Huber, Van Boven, and McGraw 183). Immediacy bias occurs for two reasons. First, immediate emotions capture and hold individuals’ attention making them seem more intense than previous emotions. Second, information about present emotions is more readily available and is, therefore, remembered and perceived as more intense. This effect presents a challenge for nonprofit organizations if an individual is not motivated to make an immediate donation after the appeal. Following the initial solicitation, a donor could receive an appeal from a competing organization that is also emotionally appealing and thus the individual is likely to recall and remember the second solicitation more readily than the first.

The emotions a donor might feel during the donation decision process are likely to be related to the closeness they feel with the organization. Focusing on personal experience and shared beliefs between the organization and individual will help create stronger connections with donors. Organizations can benefit by employing efforts that help reduce the perceived distance between the organization or cause, and the potential donor. Donors are more likely to continue supporting an important cause when they feel a heightened connection with the organization.

The Role of Social Influences

An individual’s personal social network can have a strong influence during the donation decision-making process. Moussaïd et al. report “individuals rely on the observation of others to adapt their behaviors, revise their judgments, or make decisions”
Belonging to a group with shared opinions has been found to validate and strengthen an individual’s decisions, or it is possible an individual will adjust their own personal beliefs if those differ from their peers (Moussaïd et al. 1). Influences from friends, family members, or coworkers have been found to shape individual’s opinions on different issues such as the willingness to get vaccinated, political preferences, or climate change (Moussaïd et al. 1). Due to the growth of communication technology and social media, individuals are frequently presented with a steady flow of potentially influential opinions. It is then up to the individual to filter those opinions and determine which ones closely align with their personal beliefs. This discernment leads the individual to either change their opinion or serves as validation for their original decision.

As Croson and Shang suggest, “people do not give to causes; people give to people” (72). This statement suggests that social pressure is likely to be influential in charitable giving decisions. Previous research has found that charitable giving decisions can be affected by the following social influences: the need for social approval, the individual’s relationship with the solicitor, and participation in a social group. Nonprofit organizations must be aware of how to maximize social influences to garner donations for their organization. Successfully doing so will reveal the nonprofit organization’s understanding of the effect of social influences and the important role they play in charitable giving decisions.

Individuals often seek approval from others to validate their decisions. Image motivation or the tendency to be motivated by other’s perceptions (Ariely, Bracha, and Meier 544) as well as injunctive social norms, which are behaviors that garner approval in society (Croson and Shang 66) can be key influences on an individual’s decisions. If
an individual feels that their social network shares in the support of the same causes, they tend to feel validated and are more likely to feel good about their decision. Ariely, Bracha, and Meier conducted an experiment where they asked participants to support one of two charities, one with a positive image and the other with a negative image. Their results found that when a subject’s giving was made public as opposed to remaining anonymous; there was a greater interest in exhibiting pro-social behaviors and supporting the organization with a positive image. Thus suggesting, “the desire for social approval implies that… people will act more prosocially in the public sphere than in private settings” (Ariely, Bracha, and Meier 544). It is for this reason that many nonprofit organizations publicly publish their donor lists to show who supports the organization, thus encouraging others to do the same.

The effects of social norms were presented in a study by Martin and Randal, where they observed donation behaviors of visitors to a museum and the donations left in a clear donation box at the entrance to the museum. Through the manipulation of the beginning contents of the donation box (the combination of coins or bills) the researchers found “the decision to donate [appeared] to be driven by the ‘cost’ of a favorable social comparison” (Martin and Randal 97). Donors would observe the contents of the box, estimate how much money was in the box, and then calculate an average gift size. Depending on what they were prepared to donate, they would then make a decision compared to the donations of others. Martin and Randal found that donations increased as the apparent size of previous donations also increased (98). If the box contained only coins, the average donation was small. When the box contained a combination of coins and larger bills, individuals were more likely to leave a larger donation since other
visitors to the museum had done the same. To employ this strategy, nonprofit organizations should strive to find the right balance of cost comparison to maximize donations.

Social comparison was also found to be an important influence in a study conducted by Croson and Shang that concerned a telephone fundraising campaign to a public radio station. Their results found that when presenting information to a current donor regarding another person who had given a larger gift than the donor had previously given, the current donor would be more likely to increase their gift (Croson and Shang 67). This result suggests that donors, again, compare themselves to others and feel the need to conduct similar actions to gain approval and validation of their decision. On the contrary, the study results also found that when presented with downward social information (a person had given less) the donor was likely to decrease their gift significantly (Croson and Shang 69). Nonprofit organizations should be aware of this result to make sure that they are always presenting information that will help increase giving rather than accidentally encouraging a decreased gift.

Another key influence on giving is the relationship between solicitors and donors. Sargeant and Shang found that the relationships between solicitors and donors were as important as the communications received from the organization when donors were deciding to leave bequests to an organization (991). Also, personal relationships and “loyalty to the person asking for funds can override donors’ perception of the ‘worthiness’ of a cause” (Breeze 27). Therefore, choosing the right solicitor for a donor can be one of the most important decisions to make by fundraising professionals. Obviously, having a worthy cause is important to an organization, but for some
individuals who might not be as invested in the organization, having the right relationship with a solicitor could influence their decision to make a donation.

Similar to social comparison and individual influencers, donors’ communities of participation, or “the networks of formal and informal relationships with which people are associated,” (Schervish, “Inclination” 113) can also have a great impact on giving. These communities can include family and friends, or formal groups such as a group of volunteers working for a local organization. Participating in different groups allows for individuals to become aware of different needs. Also, belonging to different social groups arouses feelings of closeness, and individuals are thus inclined to help those who they perceive as similar to themselves (Kogut and Ritov 136-7). Rotemberg supports this argument as well with a correlation known as homophily, or the “positive correlation between similarity and the extent to which people are close in social networks, and thus tend to help each other” (4). It is not surprising then that peer-to-peer networks are becoming increasingly influential in encouraging donations amongst younger generations (Davis 57). When given positive recommendations from peers regarding a particular organization, young individuals were more likely to support those organizations. In addition, friends and family were reported as top influencers on giving decisions from the next generation of donors (Davis 56). Therefore, offering opportunities for donors to have social interactions with similar people can have positive effects on charitable giving. These interactions allow for donors to increase their social network and the potential to build stronger connections to the organization.

While some influences are discreetly social or emotional, some display the characteristics of being a hybrid of both. This combination of influences can be seen in
the “identifiable victim effect,” which has been described by Small as such; “when people with problems are nearby, they lose their anonymity and become identifiable. When they can be identified, people relate to them almost as if a true relationship exists” (153). Researchers have found that due to this effect, individuals are more inclined to support a single identified “victim” than a statistical group (Huber, Van Boven, and McGraw 180; Small 153). When donors were shown a picture, or told the story of a suffering individual, they were more likely to respond sympathetically (Small 153-4). This effect can have both social and emotional implications as it encourages an emotional reaction from the donor as well as encouraging the donor to feel as though they have a relationship with the “victim”. By utilizing strategies that focus on identifying a single person who benefits from the organization’s programs, donors are likely to respond both emotionally and socially, by identifying with the individual and feeling as though they have a relationship with that person.

In summary of the social influences previously discussed, a donor’s social networks, as well as their relationship with the solicitor are likely to have an impact on their decisions to support an organization. Also, offering opportunities for donors to interact can help build social networks as well help validate their decision to support the organization. Finally, when using techniques that inform a donor about another person’s giving it is important to remember always to present gift amounts that will encourage increased giving as opposed to decreased giving.

Fostering relationships between individuals and the organization not only helps enhance the emotional connection but also shapes relationships that can be utilized during the solicitation process. When combined, social and emotional influences offer great
opportunities for nonprofit organizations to increase donations. Taking steps to reduce the perceived distance between the donor and the organization, such as utilizing the “identifiable victim effect,” emphasizing personal experience, and encouraging social network connections, can have positive effects on charitable giving decisions.

As previously detailed, researchers have shown that emotional and social influences can be significant factors in the donation decision process. Based on the research presented here, suggestions on how best to use emotions and social influences in the different solicitation methods for arts and culture organizations are detailed in the following chapter. Finally, to test the theories presented in this report, an original web survey (see Appendix C) was conducted using supporters of Cleveland Play House as the sample population. The goal of this survey was to see how emotions and social influences affect intentions to give charitable donations. Based on the survey results, suggestions will be offered to CPH for future solicitation strategies.
CHAPTER IV

USING EMOTIONS AND SOCIAL INFLUENCES IN THE SOLICITATION PROCESS

Research clearly supports the fact that competition with similar organizations, stagnant or declining gifts, and issues with donor and gift retention are a few of the top challenges nonprofits face in this current age of fundraising. Also, since “loss of emotional connection” to an organization was a leading reason to discontinue support, nonprofits should not only focus on creating emotional appeals, but building and cultivating relationships with donors. Research also confirms that personal connections and personal experience with an organization are imperative to potential donors and that taking steps to foster relationships and the emotions a donor feels toward an organization could be helpful in maintaining funding especially when cultivating relationships focuses on both the emotional and social connections between the donor and a nonprofit organization.

After reviewing previous research on the use of emotions and social influences in the decision-making process, the following strategies could be useful in addressing the current issues in fundraising. Each solicitation method (direct mail, phone, special events, and face-to-face meetings) offers opportunities for nonprofit organizations to focus on emotions and social influences. When using a combination of
the proposed techniques, nonprofit organizations could experience steadier funding for the organization.

**Direct Mail**

When drafting a solicitation letter for a direct mail campaign, Warwick offers some advice:

> Your fundraising letter must persuade the recipient to take an action that much of humanity thinks peculiar: to give money away. To accomplish this seemingly unlikely objective, your appeal needs to be built on the psychology of giving. Forget your organization’s needs. Instead, focus on the needs, the desires, and the concerns of the people you’re writing to. Your job is to motivate them (9).

Warwick also suggests that donors will decide within twenty seconds of opening the solicitation letter whether they may or may not make a donation (32). If the solicitation letter has not captured the donor’s attention in those first twenty seconds, it is likely they are going to decide against making a donation. By crafting inspirational and emotional appeals, an organization might stand a better chance at receiving a donation. This approach is accomplished in a multitude of ways, such as focusing on a single person’s story, including information about another person’s giving, providing information about a giving challenge, or offering social incentives.

Nonprofit organizations could approach letter writing as though they are telling a story. Clarke’s book *Storytelling for Grantseekers* focuses on the use of storytelling for writing grants but could easily be applied to a solicitation letter for an individual. As Clarke suggests, “storytelling is a powerful art form. Stories entertain, educate, and enlighten. They have the ability to transport an audience to another location and teach
them about issues and people they may know nothing about” (xv). Telling the story of a single person could help create a specific emotional response that the nonprofit is aiming to produce from the donor. When a donor is moved by a particular story, they are more likely to make a donation to support the cause due to an emotional commonality that the organization has now created between the donor and the cause.

In an effort to utilize both social and emotional influences in the solicitation process, nonprofit organizations could combine storytelling with messages from peers to create stronger solicitations. This objective can be accomplished by having another donor give a personal statement explaining why they choose to support the organization. “Personal quotes … are also a powerful way to remind people that you’re not just making this stuff up” (Bray 116). The potential donor will feel validated in their decision if they think someone similar to them also supports the organization. Hearing from a peer on the importance of donating to the organization could lead to the donor’s assurance of support.

Another important factor to keep in mind when creating solicitation letters is to consider from whom the letter is being sent. Is there a particular person on staff or on the board that has good connections within the community? Is the executive director or artistic director particularly inspiring or revered among patrons? Considering who writes the letter could have a significant impact on the donor’s decision. A letter from a peer, or someone the donor identifies with, may influence the donor’s decision since they have been found to compare themselves to others.

Based on Croson and Shang’s research that another individual’s giving will have an influence on donor decisions, it could be beneficial either to utilize a giving challenge or to notify a donor about another’s gift. A giving challenge is a strategy that involves
donations being matched by either another institution or individual. Should the donor participate in a giving challenge, the donor might be more willing to give a larger gift if they know that another donor will match their gift for increased funding for the organization. Also, reading about another donor giving a similar gift might be influential in their current decision. Nonprofit organizations must be careful with this strategy to make sure that each appeal is personalized to fit each donor. As previously reported, Croson and Shang found that when a donor was told another donor had given less than their previous gift, they were likely to decrease their gift significantly. The appeals must always be personalized so that the suggested amount is either the same as their previous gift or slightly higher to encourage an increased gift.

For those donors who might be interested in social opportunities, it could be beneficial to include information about upcoming social events hosted by the organization. Offering different opportunities such as behind-the-scenes tours, meet and greets with artists, or special donor receptions might entice a donor to give a gift. These events also offer the opportunity for donors to interact with the organization and their peers in socially driven and informal atmospheres. Furthermore, the donor’s increased interest in new social opportunities may generate higher levels of donations beyond what was previously given.

Another effective strategy is to have board members or volunteers write a personal hand written note on the solicitation letter. This strategy offers the personal touch that a donor might need to make a decision and shows the personal investment from the organization in maintaining relationships with its donor base. This strategy is most effective when the person writing the note has a relationship with the potential
donor. The writer can then share their personal feelings about why the organization should be supported and also encourage their peer to do the same.

Since direct mail campaigns are commonly used to reach large groups of individuals, it might take some time and testing to find the right message to inspire donors. As Bray mentions, “people are complex and often have more than one reason for giving” (87). By combining strategies that focus on emotions and social influences, there are better chances that something within the letter will inspire a donor to make a gift. It is also encouraged to test different messaging to understand better what works for the organization.

Telephone

The benefit of conducting fundraising solicitations by phone is that the fundraiser can make a more personal connection with the donor, as opposed to a solicitation letter that can be somewhat impersonal. Although the caller might not have a prior relationship with the donor, it still allows for the fundraiser to create a more personalized relationship with the donor at that point in time. Phone solicitations offer the fundraiser the opportunity to give a personal testimonial, encourage giving based on other’s performance, and stress the urgency of the need for funding.

Whether the fundraiser is a paid professional or a volunteer, they make a deeper connection to a donor when they convey more about the organization than can be accomplished in a letter. They can share their experiences with the organization or tell the story of another individual that has benefited from the organization’s programs. During this phone call, the caller can answer any questions the donor might have and
provide the donor with more information. During the conversation with a representative, the donor can deepen their relationship with the organization, gaining a better understanding of its mission and available programs.

Similar to direct mail campaigns, phone solicitations also offer a great opportunity to encourage giving based on their peers as well as utilizing a match giving challenge. During the call, the fundraiser can stress the importance of giving to the organization and then encourage a donation that will be matched by another donor. Unlike direct mail, these conversations can be tailored during the call to enhance donor appeal.

For many organizations, phone campaigns may only last a few weeks. This campaign could encourage a sense of urgency to donate if the donor is told they need to raise a certain amount in a given time frame. Callers should try to create a level of excitement to encourage a gift as well as reinforcing the sense of urgency within the campaign. In contrast to direct mail campaigns, donors may be more willing to donate in the given moment than to let a letter sit on their desks for weeks before making a decision. Furthermore, if donors feel like they are participating with many other individuals under a time constraint, they may be more likely to make a donation.

Although fundraising phone campaigns can be successful, there are many individuals that do not wish to be solicited by phone and possess a general distaste towards telephone solicitations. If this is the case, the nonprofit organization is already starting out with a disadvantage; they are attempting to reach out to a potential donor that will not allow the fundraiser to continue with the call. In this situation, it might be beneficial to allow the fundraiser to simply update the potential donor on the great work of the organization to fuel them with information. Doing so will help build relationships
with the donor should they feel that they are being supplied with the information they need to make a donation decision in the future.

**Special Events**

Special events “are occasions outside your nonprofit’s usual activities, where your membership and/or the public is invited to attend and support your work, usually by paying an admission fee or buying things once they get there” (Bray 229). Special events are highly social in nature and also offer a great opportunity to enhance the emotional appeal during the event. For those purchasing sponsorships or tickets to the event, it is a great opportunity to invite friends to become acquainted with the organization, effectively allowing the donor base to expand naturally. Nonprofits will often consider whether an event is a fundraiser or a “friendraiser” (Bray 229). Special events allow for the organization to gather a large group of supporters together to either reinforce why it’s important to support the organization or to introduce the organization to new potential supporters.

Auctions, either silent or live, are popular to have at special fundraising events and are a great way to encourage social giving. During the auction, friends of a potential donor could influence their decision to bid higher on an item that they might want to purchase. Also, when a donor sees that others around them are supporting the organization, they might be more likely to make a donation.

Another useful way to raise funds for the organization is the use of a “fund-a-need” item during an auction. This type of item is when the organization would ask for donations for a specific program or need. Before the “fund-a-need” auction starts, the
nonprofit organization could have a person speak about the program or present a short video. This speech or video is the opportune time to find a message that elicits an emotional response from the donor. If the donor is moved by the “fund-a-need’s” message, they might be more likely to make a cash donation.

When planning for “fund-a-need” auctions, it is sometimes helpful for the organization to place a “plant” in the crowd who will start the bidding off with a large donation. By identifying someone who will make that first large donation, it can guarantee that the bidding will get off to an exciting start. When an individual steps up and donates the first large gift of the evening, others around them may sense the excitement and find that they are inspired to make a donation, generating many gifts for the “fund-a-need.” As seen from previous research, individuals are often concerned with social approval; in order to fit in with their surroundings and their peers at the event, they might be inclined to act in a prosocial way by making a donation.

Ultimately, special events offer great opportunities for emotional and social giving. Being “in the moment” and amongst peers who support the organization can be particularly moving for the donor. Events also allow for the potential donor to engage further with the organization and expand their social circle to include others who support the same cause as them. As seen previously, when an individual feels that their social network shares common causes, they in turn feel validated and upright about their decision to support the organization.
Face-to-Face

Finally, face-to-face meetings between a solicitor and a donor have the potential to elicit the strongest emotional reaction from a donor. These solicitations can be the most personalized as nonprofits will likely have spent many hours researching and strategizing how best to approach these donors. Due to the time intensive work, face-to-face solicitations are often reserved for major donors who are capable of making large gifts to the organization.

These face-to-face solicitations could be an opportunity for a donor to see firsthand the work the nonprofit organization is doing. The solicitation team could schedule a personal visit between a donor and an individual who benefits from a program offered by the organization. This occasion provides the donor with an opportunity to witness the results of their donation firsthand, or to observe the program in action. When a donor is able to experience the work that the organization is doing, they are likely to feel a stronger emotional connection to the organization and be more willing to make a contribution.

Face-to-face solicitations are most effective when the right solicitor is chosen and paired with the donor. Many times loyalty to the individual asking for a donation could be more influential than the organization’s work itself. If the solicitor is someone the donor knows and trusts, they might be more inclined to make a donation purely based upon the relationship with that person, regardless about their feelings toward the organization.

When a nonprofit is able to pair the proper solicitor to the donor and properly cultivate the relationship prior to asking for a gift, there is a greater chance of securing a
donation. As previously stated, “people give to people” (Croson and Shang 72). This concept is probably the most important one to remember when working on an individual solicitation. If approached in the right way, donors will most likely make a donation based upon the strength of their relationship with the solicitor and organization.

The donors that are likely to be solicited in person are likely to be the most connected to the organization. They are the closest “friends” of the organization and face-to-face solicitations offer the opportunity to continue to strengthen the relationships and emotions felt toward the organization. These solicitations offer the chance for the nonprofit to update them on the great work of the organization to further help validate their previous decision to provide financial support. Nonprofits should strive to take advantage of every opportunity to update the donor and continue to build relationships with potential donors. This effort will ensure that they maintain a steady “prospect pool” of donors to continue supporting the organization.

In summary, focusing on telling the story of a single person who benefits from the programs, offering social incentives, including information about other’s giving, or providing a matching challenge can all be effective techniques to secure funding for the organization.
CHAPTER V
METHODS AND RESULTS

Research Methods

Nonprofit organizations can benefit from conducting surveys of supporters to better understand the feelings and opinions that will formulate future fundraising strategies. For this report, research was first conducted by reviewing previously published literature on the subject and then conducting an original survey specific to this project. This process included identifying potential survey participants, conducting the survey, analyzing results, and drawing conclusions. The survey was designed and completed through the website SurveyMonkey.com.

Participants completing the survey were selected from a list of recent donors and subscribers to Cleveland Play House (CPH) within the past three years. These individuals were chosen because of their recent interest in supporting an arts organization. Of the 3,999 names selected, 2,287 had an e-mail address on file to send the web link for the survey. In the end, 157 participants completed the survey for a 6.9% completion rate.

Questions were posed about influences on giving and evaluating statements gauging personal beliefs and social influences were presented to illicit thoughtful responses. With regard to responses that requested participants to rate statements,
median scores were calculated based on responses of either: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), or Strongly Disagree (1). The participants were presented with a series of questions to identify demographics and determine personal giving habits. For questions regarding potentially sensitive demographic information, participants were given the option of “prefer not to say” to opt out of the question.

Demographics of Survey Participants

Survey participants were primarily female (64.1%), over the age of 60 (79.1%), and Caucasian (97.7%, the remaining 2.3% chose not to respond to ethnicity). The majority of participants are either married (63.3%) or widowed (18.8%).

Based on the zip codes of participants, 36.7% reside in Cleveland. The remaining participants reside in the surrounding suburbs of Cleveland; 33.3% on the east side, 10% on the west side, 17.8% on the south side, 2.2% live either out of state or in another part of Ohio.

Participants were well educated, with the majority having graduated from a post-graduate program (52.3%) or from a four-year college or university (31.3%). 43.5% reported an average household income between $50,000 and $150,000.

74.2% of participants reported having made donations to CPH, and 88.4% are current subscribers. A third of participants, who had made a donation to CPH, reported having been a donor for more than twelve years. More than half have supported CPH for more than seven years.
Overview of Results

Results from the survey indicated that personal connections and experiences had an influence on the intention to give, but that the influence of others did not. During the studies in the previously published research, social influences were often tested in an indirect method where the donor did not consciously realize they were being compared or influenced by others’ actions. Due to the directness of this survey, the questions posed may have led participants to report not being influenced by others.

Survey Questions and Responses

Table 5.1 Question #5 “How did you learn about the organization(s) to which you donate? Select all that apply.”

<table>
<thead>
<tr>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth (friend, family, colleagues)</td>
</tr>
<tr>
<td>Website</td>
</tr>
<tr>
<td>Social Media (Facebook, Twitter, blog, etc.)</td>
</tr>
<tr>
<td>Organizational staff or board member</td>
</tr>
<tr>
<td>Traditional media (print publication)</td>
</tr>
<tr>
<td>Other (Special Events)</td>
</tr>
<tr>
<td>Other (Personal Experience)</td>
</tr>
</tbody>
</table>

Word of mouth, traditional media, staff or board members, and personal experience were the top ways survey participants learned about the organizations they support, with word of mouth and traditional media being the top two responses (Table 5.1).

When asked about influences on giving, 38.1% of participants reported being most influenced by their own personal decision than by the influence of others. Only
22.4% said that family was their biggest influence on giving decisions. Traditional media was the third highest influence at 18.7%, and the majority of participants said they do not ask others to support the organizations they support.

Survey participants were asked to rate statements regarding reasons for giving charitable donations. The results, as shown in Table 5.2, found that “supporting the same organizations or causes annually” was the top rated statement. Survey participants reported loyalty to the organizations they support. Knowing that a third of survey participants have supported CPH for more than twelve years further supports the high rating for supporting the same organizations annually.

Table 5.2 Questions #10 and #11 “Do you usually give to/because of…?”

<table>
<thead>
<tr>
<th>Reason for Giving</th>
<th>Median Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance business connections</td>
<td>1.85</td>
</tr>
<tr>
<td>Further legacy of others</td>
<td>3.28</td>
</tr>
<tr>
<td>Set example for young people</td>
<td>2.96</td>
</tr>
<tr>
<td>Remedy issues affecting me personally</td>
<td>3.14</td>
</tr>
<tr>
<td>An organization that is efficient</td>
<td>4.38</td>
</tr>
<tr>
<td>Support same organizations or causes annually</td>
<td>4.25</td>
</tr>
<tr>
<td>Social pressure from others</td>
<td>1.78</td>
</tr>
<tr>
<td>Being asked</td>
<td>3.29</td>
</tr>
<tr>
<td>Tax benefit</td>
<td>3.4</td>
</tr>
<tr>
<td>A need (i.e. hurricane relief)</td>
<td>3.52</td>
</tr>
<tr>
<td>Religious beliefs</td>
<td>3.41</td>
</tr>
<tr>
<td>Political/philosophical beliefs</td>
<td>3.8</td>
</tr>
<tr>
<td>Volunteering for the organization</td>
<td>3.77</td>
</tr>
<tr>
<td>Feeling financially secure</td>
<td>3.86</td>
</tr>
<tr>
<td>Being moved at how a gift can make a difference</td>
<td>4.22</td>
</tr>
</tbody>
</table>

The most disagreed upon statement from participants was “social pressure from others” (Table 5.2). Given that the majority of survey participants were over the age of 60-years-old, they are likely to be established in their giving preferences as they reported
their own personal preferences as the leading influence on giving decisions. The previous studies that were conducted regarding social influences (Ariely, Bracha, and Meier; Croson and Shang; Martin and Randal) were executed in a manner in which the donors would not directly realize that they were comparing themselves to their peers. The results of this study indicate that these respondents see their giving as a personal choice when asked directly if influenced by others.

The survey results indicate that personal connections, as well as the alignment of the organization’s mission with personal values, were considered to be most important. 93% of participants said that it was either “extremely important” or “quite important” for an organization’s mission and values to align with their own personal values. This result indicates that donors consider their personal feelings toward an organization to be crucial.

Table 5.3 Questions #16 and #17 “Please evaluate the following statements” Emotion Statements
As seen in Table 5.3, “I feel personally connected to the organizations I support” and “I feel a loyalty to the organizations I support” were the top agreed upon statements. Participants agreed with all statements gauging emotional connection with organizations which supports the theory that participants need to feel that they have a connection to the organization in order to make a charitable donation.

Participants also reported that they were more likely to do their research before deciding to give to an organization than to make a donation decision “in the moment”. This result suggests that donors may take more time to decide to support an organization even if the solicitation was emotionally appealing.

Table 5.4 Questions #16 and #17 “Please evaluate the following statements” Social Statements

<table>
<thead>
<tr>
<th>Social Statements</th>
<th>Median Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am likely to attend social gatherings hosted by the organizations I support.</td>
<td>3.3</td>
</tr>
<tr>
<td>If a friend or family member asks me to support a new organization, I am likely to make a donation.</td>
<td>3.11</td>
</tr>
<tr>
<td>I feel pressure from others to make charitable donations.</td>
<td>1.82</td>
</tr>
<tr>
<td>I like to support organizations that others in my social network also support.</td>
<td>2.34</td>
</tr>
</tbody>
</table>

Survey participants reported not being heavily influenced by their social circles as evidenced in Table 5.4. Social statements were rated either slightly above neutral or slightly disagree. “I am likely to attend social gatherings hosted by the organizations I
support” and “if a friend or family member asks me to support a new organization, I am likely to make a donation” were both slightly higher than the neutral rating. This result could be promising since participants didn’t completely disagree with the statement. Given the right message and persuasion by someone with whom they have a relationship, they may be more likely to attend an event or give a gift.

Limitations of the Study

Limitations of this study include a small sample size, limited access to the survey, narrow demographics of participants, and personal self-monitoring of responses. Sample size may be of concern because only 157 people participated in the survey regarding one cultural organization. More research could be conducted with a larger number of supporters of additional types of arts organizations. Also, access to the survey may have limited participants as only those with valid e-mail addresses were asked to participate. Only conducting the survey online eliminates anyone who might not have access to a computer. Therefore, distributing both a print and electronic version of the survey may have increased the ability reach more participants. The limited demographics of the participants may not give a full picture of charitable giving to arts organizations. Since the majority of the participants were over the age of 60-years-old and Caucasian, results do not represent a broad range in demographics. Finally, personal self-monitoring of responses may have changed results as participants responded strongly against being influenced by others. This area may have benefited from being studied in a less direct manner as individuals often view their decisions as a personal choice as opposed to being influenced by others.
Summary

Understanding how an individual’s emotions and social networks affect decisions has proven to be influential in decisions regarding charitable donations. Nonprofit organizations are able to create stronger solicitations and relationships with donors that could positively impact funding for their organization by utilizing this research. It is important for nonprofit organizations to aim to build relationships and loyalty with their donors, as deciding to support other organizations and no longer feeling connected to the organization are leading reasons for discontinuing support.

Survey results and previously published research have shown that personal experiences, as well as shared beliefs between donors and the organization are important in the decision-making process. Proper stewardship of current donors will help strengthen their emotional connection to the organization, thus encouraging the donors to continue supporting a given organization through charitable donations. Crafting solicitations that focus on telling personal and individualized stories could be beneficial for donors as it presents an opportunity for them to feel as though they share the same experience. When successfully cultivated, this emotional “common ground” builds strong connections to the nonprofit organization, its mission, and future fundraising.
opportunities. Although emotional solicitations can be useful, nonprofit organizations must avoid asking for an urgent request too frequently as donors will often experience compassion fatigue if they do not feel that their contribution is aiding the organization. Overall, increasing the emotional connection between the donor and organization should help establish loyalty to the organization, which ultimately helps in securing funds and maintaining gifts.

Interestingly, survey results indicated that social influences did not impact giving decisions. However, previously published research has shown that participation in a social group, the need for social approval, and the proper relationship with the solicitor could all have influences on giving decisions. Due to the design of the survey, participants viewed their decisions as personally driven as opposed to being influenced by others. In the case of donors that view their decisions as personally driven, individuals still might find validation in their decision if they observe their social circle, or other donors like them also supporting the organization. Nonprofit organizations should offer opportunities for donors to interact in an effort to create moments that help validate decisions.

When survey participants were asked what inspires them to support arts and culture organizations, many of the responses included words such as “enjoyment,” “love,” “joy,” “passion,” and “entertainment.” Arts and culture organizations should create solicitations that focus on these types of words and show how the organization provides a necessary component to personal satisfaction. Emphasizing how much an art form is enjoyed by peers and other audiences could be an effective message in encouraging charitable gifts since shared emotions between peers have been shown to
have an influence on decisions. In addition, by supporting the organizations through charitable giving, donors are ensuring the success of the organization and in turn allowing them to continue to enjoy the artistic product. In summary, finding the right emotions to stress could be beneficial for arts and culture organizations to increase funding for their organization.

Suggestions for Further Research

Due to the small sample size, conducting further research with a larger sample size of supporters to arts and culture organizations is recommended. Gathering information from additional supporters of other arts and culture institutions may also provide different insights because of the differences in appreciation of different art forms. Additionally, conducting research on social influences should be conducted in a less direct manner in order to find out if social influences do, in fact, alter decisions. Since survey results indicated that participants viewed their giving as personal decisions they did not report being influenced by others, even though prior research suggests that their peers often influence decisions, therefore it is recommended that further research on social influences be conducted by observing giving behaviors as opposed to asking donors directly if they are influenced by others.

Conclusion

The results from this survey will inform Cleveland Play House’s development department in their use of solicitation strategies. For these participants, personal experience and the alignment of the organization’s mission with personal values were
imperative in the decision-making process. Therefore, utilizing stories that focus on personal experience with the theatre and also specifically with Cleveland Play House may be effective messaging for these donors. Additional messaging should focus on the mission of the CPH and how programs align with that mission.

Secondly, participants reported giving habits and preferences suggest strong loyalty to CPH. Of those who have supported CPH, over half have been doing so for over seven years, and participants agreed with the statement “I feel a loyalty to the organizations I support.” Knowing this fact and understanding CPH’s strong legacy in the community, finding ways to thank donors for their long-time support is key to retaining them for the future. The development department should craft messages that focus on the legacy of Cleveland Play House and illustrate how long-time donors are a part of that legacy. This strategy should help donors feel closer to the organization.

Another strong influence in donation decision-making was being strongly moved by how a donation could make a difference. CPH should focus efforts on reporting to donors about how their gifts have helped advance the mission of the organization and the progress of programs. Educating donors on how their donations are used will reaffirm not only the validity of their decision but also differentiate CPH from similar organizations.

Finally, although participants did not report being influenced by others, over 50% learn about organizations to support through word of mouth. This suggests that donors may be slightly influenced by others without realizing that influence. Cleveland Play House should employ efforts to increase word of mouth endorsements from current supporters to help build their name within the community. Using the combined
suggestions presented here, Cleveland Play House should see improvements in donor retention and funding for the organization.
BIBLIOGRAPHY


<http://www.alliancemagazine.org/members/pdfs/howdonorschoos-charities.pdf>


Small, Deborah A. “Sympathy Biases and Sympathy Appeals: Reducing Social Distance to Boost Charitable Contributions.” Oppenheimer and Olivola 149-60.


## APPENDIX A

### CHANGE IN REVENUE OF PUBLIC CHARITIES BY SUBSECTOR 2001-2011

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Revenue (Billions)</th>
<th>% Change in Revenue</th>
<th>2001-11</th>
<th>2001-06</th>
<th>2006-11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2006</td>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, culture, and humanities</td>
<td>$30.2</td>
<td>$33.2</td>
<td>$30.8</td>
<td>1.7%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Education</td>
<td>$207.4</td>
<td>$256.5</td>
<td>$269.2</td>
<td>29.8%</td>
<td>23.7%</td>
</tr>
<tr>
<td>Environment and animals</td>
<td>$11.1</td>
<td>$13.8</td>
<td>$14.9</td>
<td>34.2%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Health</td>
<td>$620.7</td>
<td>$822.2</td>
<td>$942.4</td>
<td>51.8%</td>
<td>32.5%</td>
</tr>
<tr>
<td>Human Services</td>
<td>$151.8</td>
<td>$185.9</td>
<td>$202.4</td>
<td>33.3%</td>
<td>22.5%</td>
</tr>
<tr>
<td>International and foreign affairs</td>
<td>$18.6</td>
<td>$29.0</td>
<td>$28.9</td>
<td>55.5%</td>
<td>56.1%</td>
</tr>
<tr>
<td>Public and societal benefit</td>
<td>$63.6</td>
<td>$87.2</td>
<td>$91.4</td>
<td>43.7%</td>
<td>37.1%</td>
</tr>
<tr>
<td>Religion-related</td>
<td>$9.4</td>
<td>$12.3</td>
<td>$13.8</td>
<td>43.2%</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

APPENDIX B

DISTRIBUTION OF CHARITABLE CONTRIBUTIONS IN 2010 (PERCENT)

Note: Percentages do not sum to 100 because of rounding.

APPENDIX C

SURVEY QUESTIONS

1. Do you make financial contributions to nonprofit organizations either personally through workplace giving, or a family foundation?
   - Yes
   - No
   - Other (Please explain) ______________________________

2. How many nonprofit organizations do you donate to annually?
   - 0-5
   - 6-10
   - 11-15
   - 16-20
   - 21-25
   - 26-30
   - more than 30
   - Other (please specify) ______________________________

3. Approximately how much do you donate annually to all organizations?
   - $0-N/A
   - $1-$999
   - $1,000-$4,999
   - $5,000-$9,999
   - $10,000-$24,999
   - $25,000-$49,999
   - $50,000-$99,999
   - $100,000-$499,999
   - $500,000-$999,999
   - $1,000,000+

4. What is the largest financial contribution you make to a single nonprofit organization annually?
   - $0-N/A
   - $1-$999
   - $1,000-$4,999
   - $5,000-$9,999
   - $10,000-$24,999
   - $25,000-$49,999
$50,000-$99,999
$100,000-$249,999
$250,000-$499,999
$500,000+

5. How did you learn about the organization(s) to which you donate? Select all that apply.
   □ Word of mouth (friend, family, colleagues)
   □ Website
   □ Social Media (Facebook, Twitter, blog, etc.)
   □ Organizational staff or board member
   □ Traditional media (print publication)
   □ Other (please specify)__________________________

6. Who most influences where you make financial contributions?
   □ Friends
   □ Family
   □ Colleagues
   □ Traditional media
   □ Social Media (Facebook, Twitter, LinkedIn, etc.)
   □ Other (please specify)__________________________

7. Do you ask friends, family members, and colleagues to financially support causes that you care about?
   □ Yes
   □ No
   □ Other (Please specify)__________________________

8. Which types of causes are you most passionate about? (select all that apply)
   □ Arts and culture
   □ Education
   □ Environmental
   □ Health Care
   □ Human Rights
   □ Religion/Faith-based
   □ Other (please specify)__________________________

9. Which type of cause do you support the most?
   □ Arts and culture
   □ Education
   □ Environmental
   □ Health Care
   □ Human Rights
   □ Religion/Faith-based
   □ Other (please specify)__________________________
10. Do you usually give because of…?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being moved at how a gift can make a difference</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeling financially secure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteering for the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political/philosophical beliefs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious beliefs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A need (i.e. hurricane relief or other immediate need)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being asked</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social pressure from others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Do you usually give to…?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support same organizations or causes annually</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An organization that is efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remedy issues affecting me personally</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set example for young people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Further legacy of others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhance business connections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. What is the most important factor for you when choosing a charity or non-profit organization to donate to? _______________________________________________

13. What inspires you to make a donation? ___________________________________________________________________

14. How important is it for an organization’s mission and values to align with your personal values?

- Extremely important
- Quite important
- Moderately important
- Slightly important
- Not at all important

15. What inspires you to support arts and culture organizations? ______________________________
16. Please evaluate the following statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel personally connected to the organizations I support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel fulfilled when I made a donation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I make donation decisions “in the moment.”</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel a sense of responsibility to make charitable donations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like to support organizations that others in my social network also support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not make a donation to the same organization more than once.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. Please evaluate the following statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I need to feel a personal connection to the organizations I support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I spend time researching, analysing and deciding which organizations to support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If a friend or family member asks me to support a new organization, I am likely to make a donation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am likely to attend social gatherings hosted by the organizations I support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel a loyalty to the organizations I support.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18. Have you made a charitable donation to Cleveland Play House (CPH) before?
   - Yes
   - No (if no, please skip to question #21)

19. How long have you been a donor to CPH?
   - Less than one year
   - 1 to 3 years
   - 4 to 6 years
   - 7 to 9 years
   - 10 to 12 years
   - More than 12 years
20. How often do you donate to CPH?
☐ Less than once year
☐ Annually
☐ Quarterly
☐ Bi-annually
☐ Monthly
☐ Rarely
☐ Never

21. How likely are you to make another donation to CPH?
☐ Extremely likely
☐ Quite likely
☐ Moderately likely
☐ Slightly likely
☐ Not at all likely

22. Where does CPH currently rank in your philanthropic giving priorities?
☐ First
☐ In my top three
☐ In my top five
☐ One of many
☐ CPH is not among my giving priorities
☐ Other (please specify)______________________________

23. Are you a CPH subscriber (full season or flexible package)?
☐ Yes
☐ No
☐ Other (please specify)______________________________

24. What is the zip code of your primary residence?

25. What is your gender?
☐ Male
☐ Female
☐ Prefer not to say

26. Which category below includes your age?
☐ 18-20
☐ 21-29
☐ 30-39
☐ 40-49
☐ 50-59
☐ 60 or older
☐ Prefer not to say
27. Are you White, Black or African-African, Hispanic, American Indian or Alaskan Native, Asian, Native Hawaiian or other Pacific Islander, or some other race?
□ White
□ Black or African-American
□ Hispanic
□ American Indian or Alaskan Native
□ Asian
□ Native Hawaiian or other Pacific Islander
□ From multiple races
□ Prefer not to say
□ Some other race (please specify) __________________________

28. What is your approximate average household income?
□ $0-$24,999
□ $25,000-$49,999
□ $50,000-$74,999
□ $75,000-$99,999
□ $100,000-$124,999
□ $125,000-$149,999
□ $150,000-$174,999
□ $175,000-$199,999
□ $200,000 and up
□ Prefer not to say

29. Which of the following best describes your current level of education?
□ High school or less
□ Graduated High School
□ Currently in college
□ Graduated 2-year college
□ Graduated 4-year college
□ Graduated post-graduate program
□ Prefer not to say

30. Which of the following best describes your current relationship status?
□ Married
□ Widowed
□ Divorced
□ Separated
□ In a domestic partnership or civil union
□ Single, but cohabiting with a significant other
□ Single, never married
□ Prefer not to say

31. Any last thoughts or comments? ___________________________________________
APPENDIX D

IRB NOTICE OF APPROVAL

May 1, 2014

Kimberly Brundage
8801 Carmichael Drive
Chesterland, Ohio 44026

From: Sharon McWhorter, IRB Administrator

Re: IRB Number 20140429 "Understanding the Role of Emotions and Social Influences in Charitable Giving Decisions"

Thank you for submitting your Exemption Request for the referenced study. Your request was approved on May 1, 2014. The protocol represents minimal risk to subjects and matches the following federal category for exemption:

☐ Exemption 1 - Research conducted in established or commonly accepted educational settings, involving normal educational practices.

☒ Exemption 2 - Research involving the use of educational tests, survey procedures, interview procedures, or observation of public behavior.

☐ Exemption 3 - Research involving the use of educational tests, survey procedures, interview procedures, or observation of public behavior not exempt under category 2, but subjects are elected or appointed public officials or candidates for public office.

☐ Exemption 4 - Research involving the collection or study of existing data, documents, records, pathological specimens, or diagnostic specimens.

☐ Exemption 5 - Research and demonstration projects conducted by or subject to the approval of department or agency heads, and which are designed to study, evaluate, or otherwise examine public programs or benefits.

☐ Exemption 6 - Taste and food quality evaluation and consumer acceptance studies.

Annual continuation applications are not required for exempt projects. If you make changes to the study’s design or procedures that increase the risk to subjects or include activities that do not fall within the approved exemption category, please contact me to discuss whether or not a new application must be submitted. Any such changes or modifications must be reviewed and approved by the IRB prior to implementation.

Please retain this letter for your files. This office will hold your exemption application for a period of three years from the approval date. If you wish to continue this protocol beyond this period, you will need to submit another Exemption Request. If the research is being conducted for a master’s thesis or doctoral dissertation, the student must file a copy of this letter with the thesis or dissertation.

Cc: K. Stewart - Advisor
Cc: Valerie Callanan – IRB Chair

☐ Approved consent form/s enclosed