

# Reversing the Materialistic Tide: The Effect of Message Framing on Charitable Giving

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## ABSTRACT

Industry reports indicate that charitable giving in the U.S. is in stagnation. This paper aims to better understand factors that influence charitable giving. Specifically, based on circumplex model of value (Schwartz 1992), the present research posits that materialism influences the likelihood of engaging in charitable giving and that the framing of fundraising appeals—self-benefit versus other-benefit—can moderate this relationship. Our experiment offers evidence that the effect of materialism on charitable giving depends on the way fundraising appeals are framed. Consistent with previous research on materialism, charitable giving was lower among materialistic participants relative to their non-materialistic counterparts. However, this was only the case when the appeals highlighted the benefits of donation to the recipients (“other-benefit”). When appeals were focused on the benefits to the donor (“self-benefit”), materialistic participants were willing to donate a greater amount than their non-materialistic counterparts. Future studies are proposed to delve deeper into the relationship between materialism and charitable giving.

Key Words : Donation, Charitable Giving, Nonprofit Marketing

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## I. Introduction

Every year, over 55,000 applications are filed for “non-profit” status with the Internal Revenue Services (IRS), and, in 2011 alone, 49,677 out of 55,319 applications were approved (Blackwood and Roeger 2011). According to Independent Sector, there are over 1.1 million non-profit organizations in the United States alone(2011). However, this figure does not include many of the 327,000 religious organizations which are not required to register with the IRS (although many do). Furthermore, given that those non-profits with annual revenue of less than \$5,000 are also not required to register with IRS, the actual number of non-profit organizations in the U.S. is estimated to be over 1.6 million (Independent Sector 2011). The sheer number of non-profit organizations in the U.S. is not the only thing that highlights the significance of this sector of the economy. For instance, an annual report by Giving USA revealed that the total amount of charitable giving stands at \$316.23 billion in 2012 alone, which represents a 3.5% increase from the previous year and 2.0% of the gross domestic product (GDP) in 2012 (Giving USA, 2013).

However, more research is required to help charitable organizations do their job, because the situation is not all that rosy. For instance, even though charitable giving represents 2.0% of the entire GDP in 2012, total giving as a percentage of GDP has demonstrated a slight downward trend for more than a decade. Specifically, the figure was constant at 2.2% between the years of 2002 and 2007, after which it went down to 2.1% in 2008 and has remained at 2.0% since 2009. In fact, Giving USA 2013 Report concludes that “while total charitable giving is growing, if it continues to grow at current rates, giving will not reach the high of \$344.48 billion in 2007 for at least six years.” Moreover, while the total amount of giving may appear impressive, a quick glimpse at the amounts of money spent in other sectors of the economy helps to put things in perspective. For instance, National Retail Federation’s (2013) data revealed that consumers spent \$312.4 billion on retail shopping in the month of December of 2012 alone, an amount on par with the total amount of charitable giving for the entire year of 2012.

It is not the contention of this paper that spending money on retail shopping should be frowned upon or that the amount of charitable giving should be

increased to be on par with that spent on retail shopping. The point is that while it seems that people are readily open to spending money on consumer products, they are not as willing to give money to enhance the well-being of others. The main objective of the current paper is to examine potential reasons behind stagnation in charitable giving and propose some potential ways to help reverse such trend.

One of the most likely culprits of the stagnant growth in charitable giving is the rise of materialism and the accompanying decline in concern for others and civic orientation (Twenge, Campbell and Freeman 2012). Conceptually, materialism and civic orientation are motivationally opposed to one another, as supported by the circumplex model of values by Schwartz (1992). In this model, the authors proposed and showed empirical evidence for a circular structure of ten general human value types that fall along two major dimensions. The first dimension is related to the extent to which values are self-versus other-oriented with the former called “self-enhancement” (power, hedonism, achievement) and the latter “self-transcendence” (benevolence, universalism) values. The second dimension is related to the extent to which values are highlight change versus preservation with the former called “openness to change” (self-direction, stimulation) and the latter “conservation” (conformity, tradition, security). While both are important dimensions, the focus of this research will be on the first dimension because materialism has consistently been understood to be a self-enhancing orientation, which entails wanting to have more power, resources, and material goods than others, while charitable giving is a manifestation of self-transcendent orientation acting to for the welfare of and concern for others (Richins and Dawson 1992; Burroughs and Rindfleisch 2002).

Can we substantiate the argument that materialism is in fact on the rise and civic orientation on decline? Using nationally representative survey of more than 9 million high school seniors and entering college students spanning from 1966 to 2009, Twenge and her colleges(2012) found this to be the case. For instance, when asked to rank order the relative importance of 20 life goals, the goal of “being very well off financially” came out on top of the list with 74.4% indicating it is essential or very important in 2009. This was especially remarkable given that only 44.6% of first-year college students said it was the case in 1966, which represented a

significant increase over the years ( $r = .88$ ,  $p = .001$ ,  $d = .63$ ). On the other hand, the trend was just the opposite for other civic orientation items such as “becoming involved in programs to clean up the environment” (32.8% → 20.9%,  $r = -.50$ ,  $p = .01$ ,  $d = -.27$ ), “participating in a community action program” (30.8% → 25.2%,  $r = -.40$ ,  $p = .05$ ,  $d = -.13$ ) and “keeping up to date with political affairs” (49.5% → 34.6%,  $r = -.81$ ,  $p = .001$ ,  $d = -.30$ ). Moreover, in a meta-analysis of change in prosociality among different birth cohorts, Konrath and her colleagues(2011) found a significant negative trend in empathy and perspective taking. Notably, when the researchers computed the effect sizes of the declines in these prosocial orientations, they found that they were in the medium to large range ( $d_s = .65$  and  $.44$ , respectively). In addition, similar longitudinal studies over the generations found an increase in narcissism, or “being emotionally invested in establishing one’s superiority” (Bushman and Baumeister, 1998, 220) (Twenge and Foster 2010), a trait significantly correlated with materialism (Kasser and Ryan 1996).

Can we substantiate the claim that the rise of materialism is related to the stagnant growth of charitable giving? In one of the most cited and earliest studies on materialism, Belk(1985) examined responses to a series of sentence completion tasks regarding giving and receiving, spending and acquiring, and saving and consuming. He found that more materialistic individuals held less positive attitudes toward giving money to the poor and believed that even if you help others, your help would not be appreciated. Similarly, Richins and Dawson(1992) found that, if they were given an unexpected gift of \$20,000, those high on materialism indicated that they would be significantly less willing to donate to charitable organizations than those low on materialism (\$733 vs. \$1,782,  $t = -3.79$ ,  $p < .001$ ) or give or lend to friends or relatives (\$1,089 vs. \$2,631,  $t = -3.08$ ,  $p < .01$ ), but likely to spend three times as much money on things they want or need (\$3,445 vs. \$1,106,  $t = 5.38$ ,  $p < .001$ )(p.313). Burroughs and Rindfleisch(2002) also found that materialism is negatively correlated with benevolence ( $r = -.19$ ,  $p < .001$ ), universalism ( $r = -.12$ ,  $p < .03$ ), community values ( $r = -.17$ ,  $p < .01$ ), family values ( $r = -.19$ ,  $p < .001$ ) and religious values ( $r = -.22$ ,  $p < .001$ ).

As can be seen, there is much evidence to support the notion that materialism might be a likely reason behind the stagnant growth of charitable giving. However,

most studies are correlational in nature and thus cannot substantiate a causal role of materialism. One of the reasons for the lack of experimental evidence in the literature might be attributed to the difficulty in manipulating materialism. However, a growing body of evidence suggests that it is possible for different values to be activated by situational factors present in one's surroundings. For instance, Bauer, Wilkie, Kim and Bodenhausen(2012) showed that referring oneself as "consumer" versus "citizen" or exposure to images of luxury products can trigger self-enhancement values while "turning off" self-transcendence values. This accords with research on circumplex model of value, showing that when one of the values is activated, those on the opposite side of the circular structure tend to be inhibited (Maio, Pakizeh, Cheung and Rees, 2009).

Then, if it indeed is the case that charitable giving is stagnant, and this stagnancy is related to the rise in materialism, how can we reverse this trend? It seems that there are two logical routes. The first is to find ways to make people less materialistic and the second is to find a way to motivate materialistic individuals to donate more. We build on the functional matching hypothesis (Lavine and Snyder 1996) to argue that it is possible to encourage more charitable giving among materialists by framing the donation appeals more relevant for them. To elaborate, Lavine and Snyder (1996) found that persuasion is more effective when the persuasive message is compatible with the dispositional orientation of the audience. Specifically, in the context of voting, they found that low self-monitors were more persuaded to request a "voter information guide" when the message they read stated that voting is "a way for people to express their support for such values as freedom, liberty, and living in a democracy" (i.e., voting has a "value-expressive" function), while high self-monitors were more likely to be persuaded to do that same when they were told that "the act of voting enhances a person's status, popularity, and attractiveness" (i.e., voting has a "social-adjustive" function; Lavine and Snyder 1996, 585). The authors argue that each of the value-expressive and social-adjustive framing of the message matched the primary motivational concerns of low and high self-monitors, respectively, and this compatibility subsequently resulted in greater persuasion.

Similarly, based on prior research, we argue that self-enhancement is the primary

motivational concern for materialists (Burroughs and Rindfleisch 2002; Bauer et al. 2012) and, as such, framing the donation appeal in a way that highlights self-oriented benefits will increase their participation in charitable behavior. At the same time, for non-materialists, going beyond the selfish desires is the primary motivational concern (Richins and Dawson 1992), and, as such, framing the donation appeal to highlight other-oriented benefits will increase charitable giving.

## II. Experiment

Data from an experiment examining the interactive effect of materialism and message framing on charitable giving are reported. Specifically, materialism is manipulated using a situational prime as in previous research (Bauer et al. 2012). Then, based on the functional matching hypothesis, we hypothesized that donation is likely to increase when those whose materialistic identity is primed are reminded of some of the self-oriented benefits of their donation behavior. On the other hand, donation is expected to increase among those whose non-materialistic or civic identity is primed, when the benefits of the donation is oriented toward others rather than themselves.

### 1. Method

#### *Participants and Design*

One hundred and four participants (41 females,  $M_{\text{age}} = 32.7$  years) recruited from Amazon's Mechanical Turk for a monetary compensation were randomly assigned to a 2 (materialism prime: consumer vs. citizen)  $\times$  2 (benefit type: self vs. other) between-subjects design.

#### *Procedure*

All participants were told that the researcher was helping the American Cancer Society (ACS) "with their new spring fundraising drive." Following the procedure

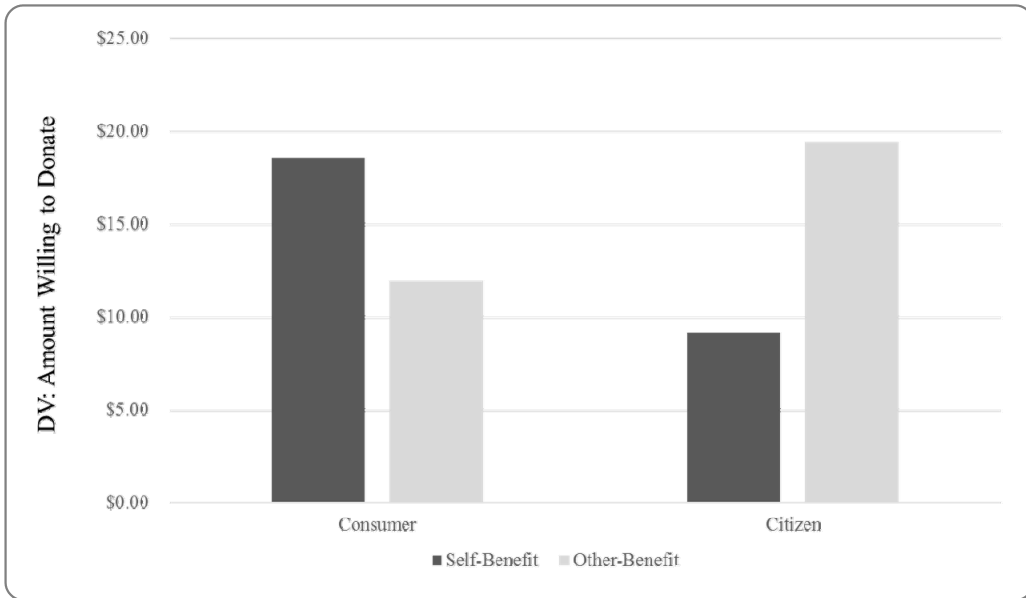
previously used, those in the materialism (non-materialism) prime condition were told that this was an “American Consumer (Citizen) Survey” (Bauer et al. 2012, Experiment 4). Then, the message framing was manipulated orthogonally. In particular, following the procedure used in prior research (White and Peloza 2009, Study 4), those in the self-benefit framing condition read: “it will give you a sense of satisfaction and fulfillment. Just imagine how your donation will enhance your life and make you feel.” On the other hand, those in the other-benefit framing condition read: “it will help other people and make a difference in the community. Just imagine how your donation will enhance the lives of those affected by cancer” (White and Peloza 2009, 117). Then, they indicated how much they were willing to donate using a slider anchored by \$0 and \$100.

## 2. Results and Discussion

*Exclusion criteria.* We excluded participants who took less than a minute to complete the study. Eight participants were excluded based on these criteria. We were left with 96 participants (38 females,  $M_{\text{age}} = 33.4$ ).

To test the hypothesis that materialism (non-materialism) prime would increase donation when self-benefit (other-benefit) is emphasized, participants’ willingness to donate (WTD) amount in dollars was used as our focal dependent variable. Consistent with the hypothesis, the results of a 2 (consumer vs. citizen)  $\times$  2 (self- vs. other-benefit) between-subjects ANOVA only revealed a significant two-way interaction ( $F(1, 92) = 7.33$ ,  $p = .008$ ) with none of the main effects being significant ( $ps > .56$ ). Planned contrasts using one-tailed tests provided support for the hypothesis. Participants in the consumer prime condition were willing to donate (marginally) more when the donation appeal emphasized how it will benefit themselves than how it will benefit others affected by cancer ( $M = \$18.57$  vs.  $M = \$11.96$ ;  $t(92) = 1.53$ ,  $p = .065$ ). In contrast, participants in the citizen prime condition were willing to donate more when the donation appeal emphasized how it will benefit the cancer patients rather than themselves ( $M = \$19.42$  vs.  $M = \$9.18$ ;  $t(92) = -2.28$ ,  $p = .025$ ). (See Figure 1).

[Figure 1]



The results of the experiment show support for the hypothesis that the type of framing in a charitable appeal moderated the donation behavior of individuals whose materialistic (vs. non-materialistic) identity was primed. In particular, individuals whose materialistic identity was made more accessible by the consumer prime were willing to donate a greater amount when the donation appeal emphasized how it will benefit the self. On the other hand, those whose non-materialistic, civic identity was made more accessible by the citizen prime were willing to donate a greater amount when the donation appeal highlighted how it can benefit others, namely the cancer patients.

### III. General Discussion

Research has noted that there is a rise in materialistic tendencies in our society, as well as the simultaneous decline in civic orientation (Twenge et al. 2012). Given that such trends coincide with the general downward trend in charitable giving, this



paper started off on the conjecture that the rise (decline) in materialism (civic orientation) was at least partially to blame for the downward trend in donation. Working off of this assumption, this paper examined a possible way in which we can motivate even the materialistic members of our society to engage in charitable giving, a behavior commonly considered to be in tension with materialism (Richins and Dawson 1992; Burroughs and Rindfleisch 2002).

Building on the functional matching hypothesis (Lavine and Snyder 1996), we postulated that materialists would be persuaded to donate a greater amount to a charitable organization when the donation message was framed to emphasize the benefits of donation to the self, because materialism has been conceptualized and shown to be a self-enhancing value (Burroughs and Rindfleisch 2002; Bauer et al. 2012). Consistent with this hypothesis, we found that individuals whose materialistic, consumer identity has been activated indicated a greater donation amount when the donation appeal highlighted how it can benefit the donor. On the other hand, those whose civic, citizen identity was activated were willing to donate a greater amount when the donation appeal highlighted how their donation can help others.

From a theoretical perspective, this work adds to the literature on matching effects. For instance, whereas prior work has shown that different types of self-monitoring are compatible with different styles of persuasive attempts (low self-monitoring with value-expressive and high self-monitoring with social-adjustive) (Lavine and Snyder 1994), the current work represents the first known finding demonstrating that materialists are more persuaded by messages that emphasize self-enhancing concerns, while non-materialists are more persuaded by those that emphasize self-transcending concerns. To be more precise, even though prior work has shown that materialism as a personal value is located in the self-enhancement domain (Burroughs and Rindfleisch 2002; Bauer et al. 2012), no work to date has manipulated the framing of a message to reflect different type of motivational concerns in persuasion context.

From a practical perspective, this work represents an attempt to solve the problem of stagnation in charitable giving in the face of a rise in materialism and a decline in civic orientation (Twenge et al. 2012). Results of the experiment reported here suggest that even materialists can be motivated to donate more, if

the benefit of donation is framed in a manner that is compatible with their underlying motives. That is, in order to encourage charitable giving among materialists, the accompanying benefit of donation may have to deviate from the conventional strategy of trying to arouse sympathy and highlighting how it will make someone else's life better. Instead, the current work demonstrates that materialists are persuaded to engage in charitable giving when such behavior is in the service of their core interest of enhancing the self and of making them feel satisfied and good about they do.

### *Limitations and Future Research*

While the current research has some important theoretical and practical implications, it is not without limitations. First, given that only a single study is reported, it is not immediately clear how robust the hypothesized effect is. That is, it would be ideal to have demonstrated the effect with other operationalizations of materialism. For instance, rather than manipulating materialism, the commonly used Material Value Scale (Richins and Dawson 1992; Richins 2004) could also be used to see if converging pattern of results is documented. In addition, with the current results, it is difficult to substantiate whether the effect will translate into actual behavior. That is, even though the effect is found with a willingness-to-donate measure, further investigation is needed to confirm whether the pattern of results will in fact hold with actual donation amount. Moreover, given the marginal significance of the contrast in the consumer identity condition, future work should examine whether or not a significant contrast will be present with a bigger sample size to have more confidence in the results.

Another way in which this work can be extended is to look at other moderators of materialism's negative effect on charitable giving. For instance, Arnett and his colleagues(2003) found that donation increased as a function of the extent to which people identified with the charitable organization. Specifically, in their research, they found that alumni of a university were more likely to donate, if they were active members of the university while they were students and hence identified with the university to a greater extent. Based on this work, it might be reasonable to postulate that even materialists might exhibit higher levels of willingness to donate,

if they are able to more strongly identify with the charitable organization seeking donation.

In conclusion, despite its areas of improvements, this work represents a good initial step in deepening our understanding of how we can counter the rise of some of the more self-enhancing trends we observe in our society. Future research can build on this to identify ways to manage other self-enhancing motives so that even though who place much importance on such motives can engage in behaviors to improve the lives others.

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