Researching Giving and Volunteering in Australia

Mark Lyons, Myles McGregor-Lowndes and Philip O'Donoghue

Abstract
The giving of time and money, mainly to private nonprofit organisations is not trivial, but in Australia has been little studied. This article introduces a special issue of the Australian Journal of Social Issues which draws on data collected in the largest study of giving and volunteering conducted in Australia hitherto. It seeks to establish terminological guidelines and reviews past Australian research on giving and volunteering, arguing that there has been a disproportionate interest in volunteering. It seeks to put to rest some common myths about giving and explores whether the increase in giving and volunteering can be attributed to government policy. It concludes by introducing the other papers in the collection.

Keywords: Nonprofit organisations; philanthropy; volunteering
Introduction

During 2004, 13.4 million adult Australians (87% of all adults) gave $5.7 billion to organisations. Most of these organisations were private nonprofit organisations; around 64% were to government-owned organisations. Australians also transferred another $2 billion through the purchase of raffle tickets and participation in special events such as charity auctions organised to raise funds for organisations. Australian businesses transferred a further $2.3 billion in money and $1 billion in goods and services, a total of $3.3 billion (Lyons and Passey 2005; McNair Ingenuity Research 2005). Around 6.3 million or 41% of adult Australians gave $8.6 billion hours of their time to a similar range of organisations. When converted to monetary terms (using the wage rate adopted by the Australian Bureau of Statistics (ABS 2002a) adjusted for inflation) it was equivalent to a further gift of $14.6 billion. Again, the beneficiaries of this generosity were mainly nonprofit organisations. Indeed, it is these gifts, particularly of time, that sustain the vast majority of Australia's 700,000 nonprofit organisations. These organisations are in turn an important site for the generation and regeneration of social capital and constitute the core of civil society.

These are not trivial issues, neither in the amounts transferred, in the numbers who participate in them, nor their consequences. Expressed as a percentage of GDP, the $5.7 billion given by individuals is greater than that given by Canadians, equivalent to British giving, but less than half the proportion given in the United States (Lyons and Passey 2005).

The Giving Australia Project

These data are drawn from research undertaken as part of the Giving Australia project. The project was an initiative of the Prime Minister's Community Business Partnership (PMCBP) with the research commissioned on its behalf by the Australian Government's Department of Family and Community Services and the Centre of Philanthropy and Nonprofit Studies (CPNS) at the Queensland University of Technology. It was coordinated by the Australian Council of Social Service (ACOSS) and included the Centre for Australian Community Organisations and Management (CACOM) at the University of Technology, Sydney, the Centre of Philanthropy and Nonprofit Studies (CPNS) at the Queensland University of Technology, Roy Morgan Research, McNair Ingenuity Research and the Fundraising Institute Australia (FIA). The project consisted of four distinct collections of data, each the basis of a separate report. One reports a survey of giving and volunteering, a random sample of 6200 adult Australians (Lyons and Passey, 2005). A second reports a survey of the philanthropic behaviour of a random sample of 2700 Australian businesses. A third reports a survey of resource mobilisation strategies adopted by a non-random, broadly representative sample of nonprofit organisations. Four strategies were explored: fundraising (in its many forms), business partnerships, commercial ventures and volunteer recruitment. Zappala and Lyons, 2005. The fourth reports a qualitative study of philanthropy built on 34 focus group discussions and 38 in-depth interviews with a range of businesses, nonprofit organisations and individual donors conducted by CPNS (Centre of Philanthropy and Nonprofit Studies, 2006). An overview report summarising findings from the other pieces of research was also published (ACOSS 2005). To assist further research and analysis, the questionnaires and data sets from the two quantitative surveys are available from the Australian National University's Australian Social Science Data Archive (http://ssds.anu.edu.au/).

The Giving Australia project was designed to add to knowledge of philanthropic behaviour by individuals and businesses in Australia and to begin to provide some trend data on these behaviours.

The article that follows will provide clarification of terminology and describe what is and is not in the scope of the Giving Australia research and of this issue of ASJI. It then suggests that Australian researchers have paid a disproportionate attention to the giving of time or volunteering by comparison with research into the giving of money. It is the giving of money which is the primary focus of the Giving Australia project and of this issue of ASJI. The article then addresses some common misconceptions about giving and policies designed to encourage it and attempts to assess the success of government policies by reviewing changes in the giving of money over the past decade. It concludes by introducing the other papers in this issue, all of which draw on data collected by the Giving Australia project.

The importance of terminological clarity

As so often in the social sciences, language is a barrier to good research. The Giving Australia project includes the terms "giving" and "philanthropy" in its title and subtitle. For some they are synonymous terms; philanthropy refers to the giving of money and/or time. To others philanthropy refers only to the giving of money and then only to help disadvantaged strangers, and never their own group. Sometimes this is described as charitable giving, but the term charity is used with widely different meanings (Lyons 2001).

The Giving Australia project collected data on both giving (of money) and volunteering. But following international conventions of research into giving and volunteering, data collected was narrower than the widest possible interpretation of these two terms might allow. By convention the research into giving is limited to giving to organisations, not to individuals, whether to beggars, neighbours, friends or family. Money given to a beggar is certainly charity and is a common behaviour in many less developed countries (Hocking and Lyons 2002); money given to family members is generally not considered philanthropy, though the remittance of funds to family or communities in countries of origin is an important obligation on many immigrants to developed nations. In a similar way, the data it reports on volunteering is limited to volunteering for organisations. Giving time to help a friend or neighbour, or another member of the family, is generally not included as volunteering, though it is sometimes studied as informal volunteering (Ironmonger 2000).

Another convention is that the gift is given freely and without an expectation of a tangible material return. Thus people who perform "voluntary" work along side genuine volunteers as part of a requirement to receive unemployment benefits are not volunteers. Nor are employees of a company who spend a paid work day working in a nonprofit as part of a "corporate volunteering" program volunteers. In a similar way, money obtained by some fundraising methods is not counted as giving. These are funds used to buy raffle tickets, but are not "given."
tickets or to buy donated goods at charity auctions and so on. The distinction is that if a person receives a substantial benefit (or in the case of a raffle ticket, a possible benefit) in return for a financial transfer it is not philanthropy. The Giving Australia research shows how important this source of revenue can be. Donations made in street collections for which a token pin or badge are received are usually counted as giving.

Research into volunteering and giving

It was claimed above that giving and volunteering are not trivial behaviours. Yet they have not been much studied in Australia - either in their own right or in ways that can inform policy making. Nonetheless, within that general caveat, volunteering has been far more extensively studied than the giving of money. There have been at least one scholarly study of volunteering (Warburton and Oppenheimer 2000), a special issue of Labour History and a dedicated bi-annual journal (the Australian Journal on Volunteering), that carries a mix of scholarly and practitioner articles. By contrast there have been only two or three scholarly articles on giving, and then only tangentially related (e.g. Berman and Davidson 2003). There are at least three possible reasons for this imbalance.

One is that volunteering has been assisted by its inclusion in at least two fields of scholarly interest that have attracted some following in Australia over the past forty years. The first was the wave of feminist scholarship, which picked volunteering (in a narrow understanding of it) as an example of the exploitation of women (Balod and Cass 1983, Balodk and Cass 1990). More recently, it has achieved a revived interest as a proxy for social capital, popularised in the late 1990s by Robert Putnam (2000).

A second reason, largely a product of the first is that for some time there have been several large data sets available for use by those who wish to study volunteering. The ABS conducted several state-wide surveys of volunteering in the 1980s and then national population surveys in 1995 (ABS 1996) and 2000 (ABS 2001). Data from the 2000 survey is available from ABS as a confidentialised unit record file (CURF). Another ABS survey, a component of the General Social Survey is collecting data for 2005/06. Several smaller surveys, such as the International Social Science Survey and the World Values Survey have collected data on volunteering as part of larger surveys since the early 1980s (Evans and Kelly 2002). The data set from the Giving Australia survey of individuals contains data on volunteering as well as giving, the first time in Australia that data on these two interrelated behaviours has been collected from the same sample.

Other data on volunteering is available from the Time Use Surveys that have been conducted by the ABS in 1992 and 1997 (ABS 1998). A further Time Use survey is in the field in 2006. Time Use Survey data is available from the ABS as a CURF. Australia has been a leader in the use of Time Use Surveys, which are based on diaries kept by small samples of the population for limited periods, such as a week. These are then grouped into a data set that accurately represents the ways Australians spend their time. Much of the interest in Time Use Surveys has been in their ability to illuminate the gender division of labour within the home. But Time Use Surveys also can provide estimates of volunteering, both formal and as formal volunteering, however, they cannot say in which fields people do their formal volunteering. Neither can they estimate what percentage of the population might volunteer in the course of a year, one of the two most common comparative measures. Estimates of total hours of formal volunteering over a year derived from population surveys and from Time Use Surveys largely correspond (Ironmonger 2000).

Nonetheless, what is missing from Australian volunteering research is the methodological rigorous, hypothesis testing research that can be found overseas in economic, sociology and social psychology journals (e.g. Journal of Public Economics, Sociological Forum, American Sociological Review, American Journal of Community Psychology, Journal of Sociology and Social Welfare).

A third reason for the disproportionate attention paid to volunteering is that social science researchers have generally regarded the giving of money with distaste. It was an affront to beliefs about Australian egalitarianism it was viewed as an unfortunate residue of pre-welfare state days, associated with the churches, with the social mores of rich women and with the worst kind of noble oblige philanthropy (Horne 1964). Social science research in Australia has generally been a champion of progressive movements and giving, along with the reverse side of its coin, fundraising, was clearly a reactionary albeit fading presence in society. Giving and fundraising were associated with traditional voluntary organisations and church run charities, all soon to be replaced by the more efficient and non-stigmatised state provision of social services (Belz and others 1992).

Despite the dominance of social service provision in Australia by nonprofit organisations since the 1820s (Dicker 1987), few studies of Australia's post World War Two 'welfare state' pay them even the scantest attention. The only reference to nonprofit or voluntary organisations in Jones' (1990) popular social policy text is in the context of the 'charity failure' of the 1990s. Kewley 1973 and Graycar and Jarmovic (1989) are exceptions.

This attitude might help explain why the only scholarly study of tax arrangements designed to encourage giving criticised them for favouring the rich and proposed their modification to remove that bias (Krever 1991). It certainly explains why there are fewer publicly available data sets for the study of monetary giving. In Australia there have been two national population surveys on the giving of money: the survey for the Giving Australia project and an earlier survey by the ABS undertaken in 1997 as part of the Australian Nonprofit Data Project (ANDP). No data from this was published by the ABS, but estimates of amounts given and to where was published in the technical report from the ANDP (Lyons and Hocking 2000). In 2004 the data was made available as a CURF from the ABS. Market research firms such as Roy Morgan Research and McNair Ingenuity have over the last few years collected data on 'charitable giving' but such surveys are of limited value for analysis. Every few years the ABS conducts a Household Expenditure Survey, relying on sampled families keeping a diary of all their expenditure over several days (ABS 2006). Although there is an item for 'charitable gifts' little effort is made to ensure the reliability of this data.

Missing from the Australian literature are examples of the sophisticated econometric studies, including the use of panel data that have graced the US and UK literature (e.g. Abrams and Schmitz 1996, Posen and Sandler 1999, Steinberg 2003, Peluso and Steel 2005). Also missing are studies of the effectiveness of different approaches to fundraising, some of which rely on ingenious experimental methods (e.g. Eckel and Grossman 1999). Of particular interest in the US literature are studies that attempt to estimate the effects of tax rates on giving. While the increase in giving that has occurred in Australia over the past decade, when top marginal tax rates have been marginally
The Giving Australia survey reported above was designed to determine if there had been an increase in giving and volunteering in Australia in the use of surveys to collect data on business philanthropy (and other business activities) in the world. This data set, made available to the CPNS at QUT by the Australian Taxation Office (ATO), is both comprehensive and accurate in that it aggregates data from all claimants annually, but also limited in that it says nothing about the beneficiaries of the gifts (McGregor-Lowndes and Marsden 2006).

One important contribution that can be made by scholarly research into giving, of money and time, is the laying to rest of several myths. Many of these myths are propagated by the media, but some are actually embodied in parts of the scholarly literature. The Giving Australia research tried to address several of these.

One myth is that giving is for charities and that it is charitable motivated; that it is a selfless act intended to assist disadvantaged strangers. For economists and psychologists, purely disinterested altruistic action is nonsense as all action must be self interested. Some benefit in return for the gift can be found in the warm inner glow (Andreoni 1990) or the relief that comes from acting according to deeply held beliefs or norms (Clary, Snyder and Stukas 1996). But analysis of where gifts go suggests that only some giving is altruistic. That over one third of monies given is to religious institutions where the giver worships suggests the presence of more tangible return. The Giving Australia survey found that 34% of donations, which constituted 49% of monies given, went to organisations with which the giver had a prior affiliation, as a member, a volunteer or as a user of its services (Lyons and Passey 2005). When religion is removed this effect is reduced, but it is still the case that over 35% of giving is to organisations with which the giver had a prior affiliation. The effect is stronger in some fields than in others: 87% in education, 73% in arts, 68% in sport and 62% for interest groups. This phenomenon has long been understood by fundraisers, but not by media popularisers or by many scholars. Arguably it has not been grasped by policy makers. Theoretically, tax deductions cannot be claimed if the donor may in turn benefit from the donation. Yet, apart from donations to religious and interest groups, which are not deductible, many of the donations made to organisations with which the donor is affiliated would be eligible for a tax deduction.

Another common myth is that giving is spontaneous. The response of Australians to natural disasters such as the Boxing Day Tsunami certainly supports such a view. But the Giving Australia research shows that not all giving is spontaneous. After collecting data on the various destinations of each respondents giving, the survey selected one of these for further scrutiny. Among other things respondents were asked if the donation had been spontaneous or planned. While 50% were spontaneous, 16% were planned and the rest a combination of the two, the result of an original donation being spontaneous but subsequent donations to that organisation in that year being planned. The big difference was in the average given by those who gift was planned and those for whom it was spontaneous: $238 vs $39. Clearly, if more people can be persuaded to view giving as a rational planned activity, as well as (or rather than) a spontaneous one, more will be given. Again fundraisers recognise this, but it is a finding with public policy implications, as will be explored in the final article in this collection.

Another common belief is that donations from the public go to help nonprofit organisations (or, more narrowly, charities). This is largely true, though a not insignificant portion of giving is to government agencies. Examples include government schools, hospitals and art galleries. Determining which gifts are to government organisations and which to nonprofits is not easy. Distinguishing between government and private schools is simple, but some medical research centres are legally independent of the government hospital that houses them and some foundations established by state art galleries are also legally independent and so properly a charity. Based on detailed examination of the destinations of gifts recorded in the Giving Australia survey, Lyons and Passey estimated that 8% of giving, just under $500 million was to government entities. They did not attempt a similar estimate for volunteering, but in 1997, with the assistance of ABS staff, Lyons and Hocking estimated that volunteering for government entities accounted for 13.8% of hours (Lyons and Hocking 2000). The ABS, in estimating the contribution of volunteering to the nonprofit sector in 1999-2000, calculated that 21% of volunteering in 2000 was for government (ABS, 2001, 2002a).

A final common assumption, that everyone who volunteers or gives is contributing broadly similar amounts of time or money, is entirely false. Most of those volunteering and giving money give relatively little. If we array all givers according to the amount each gave over the year and divide them into fifths or quintiles, we find that the bottom quintile gave on average $17 while those in the top quintile gave $1587 or $4.2 billion, 74% of all money donated. If we do the same with volunteers, using hours volunteered over the year, we find that those in the bottom quintile volunteered an average of 4 hours per year, while those in the top quintile volunteered an average of 506 hours, or nearly...
The few policy initiatives taken by the Howard government to enhance the nonprofit sector have been to encourage individual giving and volunteering and to encourage business support for nonprofits in the arts and community services. They are modest when compared to the raft of policies developed by the Blair government in the United Kingdom (Lyons and Passey 2006). They include tax changes to encourage workplace giving, the giving of goods and the establishment of private family foundations, the private prescribed funds (PPFs). The establishment of the PMCRP and the transformation of an earlier organisation into the Australian Business Arts Foundation were both designed to encourage greater business involvement with and support for nonprofits in community and arts organisations.

One of the values of research is as a tool to evaluate public policy. This was one of the objects of the Giving Australia project, although it was recognised that the best it could do was to provide some idea of the situation and that more detailed data than current data was available. If these government policy initiatives were designed to boost giving and volunteering, then at first glance they would appear to have been successful. A comparison of the 1997 ABS survey of giving and the Giving Australia survey in 2004, indicates that not only are more adults giving (67% vs 87%) but a far more money was given (total $3.3 billion vs $5.7 billion). When adjusted for inflation, this amounts to a real increase of 58%, or an average of a little over 8% per year. The percentage of adults volunteering also increased, from 24% in 1995 to 32% in 2000 to 41% in 2004. So too did the number of hours volunteered, from 512 million hours in 1995 to 836 million hours nine years later. However, the average number of hours volunteered by volunteers decreased, suggesting that those boosting the numbers volunteering did so for relatively few hours. Business support for nonprofit organisations increased from $1.2 billion to $3.3 billion. Comparisons between the two business surveys are less reliable than between the surveys of individuals. Nonetheless the differences are too great to be dismissed.

Internal comparisons of the two data sets are consistent with a notable increase in giving and other forms of support by business, including partnership projects with nonprofit organisations.

Despite difficulties in drawing comparisons, we can confidently say that in Australia over the past decade, philanthropy, both the giving of money and of time, by both individuals and businesses, is increasing. We can only speculate why this might be. Government policy probably played a part, but it is likely that other factors did as well. These were not around the supply and demand side of the giving equation. At this stage, sorting out their relative contribution is not possible.

While government policies almost certainly did encourage giving, as much by a general endorsement of such behaviour as by stimulating a specific policy-induced choice, other factors clearly played a part. Several high profile events over the past decade or so brought into sharp focus attention on giving and volunteering; events such as the 2000 Olympics, the International Year of the Volunteer (for volunteering) and several natural disasters, such as famine in Ethiopia that called forth Live Aid and the Boxing Day Tsunami (for monetary giving). In all such cases the media focused attention on volunteering and giving as praiseworthy behaviour. In the case of volunteering, the extensive encouragement of volunteering endorsed a more expansive definition of what it was: so volunteering also included coaching junior football, restoring native bushland and organising a community protest, as well as delivering meals or lighting fires.

On the business side, while there are still many supporters of the Milton Friedman view that business philanthropy is theft from shareholders (Friedman, 1970), the growing attention to corporate social responsibility and related practices internationally spread to Australia during the late 1990s and won influential adherents. And while these novel concepts motived the boards and CEOs of large corporates, most small businesses have operated as an extension of the owner and experienced the same factors that affected individual giving.

A second factor encouraging giving is an increasing demand for donations of money and time. Certainly, there is an impression that the number of nonprofit organisations seeking support is growing, and that the variety and scale of ways of asking is also growing, whether it is innovative special events or intrusive telephone calling and face to face fundraising. Helping to spur a more energetic and widespread search for the donated dollar is a perception that government support is harder to get, and comes with more restrictions. This is perhaps an unintended consequence of government policy.

Governments are no longer interested in encouraging the formation of new nonprofit organisations to receive government grants to deliver services, the dominant model of the 1970s. One interesting finding from the nonprofits survey is that nonprofit organisations providing community services that have been formed since 1991 are more reliant on fundraising than on government grants (Zappala and Lyons 2005).

Economic conditions also have played a part. A decade of increasing prosperity and falling unemployment has significantly increased the capacity of most Australians to give money. However, the impact of these economic changes would have had a mixed effect on volunteering. The data in the 2004 Giving and Volunteering survey shows that while the likelihood of volunteering as well as the amount given increases with income, increased income also increases the likelihood of volunteering, but reduces the hours volunteered. Moving from unemployment to employment increases all dimensions of giving and volunteering (Lyons and Passey 2005).

To a certain extent the apparent increases in levels and amounts of giving and volunteering might also be a statistical artefact, the product of a halo effect. The various high profile events noted above, events that brought forth and focussed attention on giving and volunteering and highlighted such behaviours as praiseworthy, not only encouraged such behaviours but also made them worth remembering. Thus when questioned, people in 2004 are more likely to remember and want to report acts of philanthropy than when questioned in 1995 or 1997. They might also want to invent them, but taxation statistics provide a rough check on this. Only some gifts can be claimed as a tax deduction and only some who are entitled to seek a claim bother to
do so, so amounts claimed for tax deductions each year are far lower than amounts reported in surveys. Nonetheless, donations claimed for tax purposes have been rising at a roughly similar rate to survey data (McGregor-Lowndes and Marsden 2006).

Interestingly, though, the percentage of the population who claim tax deductions has not been rising as fast.

**This collection of articles**

The articles published below are mainly by researchers who were involved in the Giving Australia project. They represent efforts to draw on the data to explore certain aspects of giving and fundraising. They are far from exhausting the use that can be made of these data to explore the important behaviours associated with giving and volunteering in Australia.

For many nonprofit organizations, gifts of money and goods are an important income stream and are a characteristic shared by only a few organizations from the business or government sectors. Zapppala and Lyons use multivariate techniques to examine the influences on the proportion of a nonprofit organization's total revenue derived from fundraising activities. Those organizations with Income Tax Exempt Charity (ITEC) status are more likely to be dependent on fundraising and smaller organizations in terms of revenue were more likely to be dependent on fundraising compared to larger organizations. The age of the organization which has been shown in other research to be a factor in fundraising income reliance was not significant in this study and social service organizations were less likely to be dependent on fundraising compared to religiously-based or international organizations.

Lyons and Nivison-Smith draw data from the individual giving survey to explore the effect of religion on giving. With a renewed scholarly interest in the continuing impact of religion on Australians' behaviours, their particular interest is in the relation between religious identity and frequent religious participation and giving to non-religious causes. They find that frequent practice of religion (but not simply religious identity) predisposes people to give and give more, not only to religion but to other traditional charitable causes. However, such people are less likely to give and give less to civic or more contemporary charitable causes such as medical research.

The situation of indigenous causes is dire in Australia and philanthropic funding sources might play a role in facilitating projects unsuitable for other funding sources. Scaife presents research findings from indepth interviews and focus groups with those foundations that are making grants to indigenous causes. The stirrings of a grantmaking movement in this area are evident and growing, however there is a "crisis of confidence". Some philanthropists and corporate funders feel they lack the expertise and knowledge to grant appropriately into this sector and Scaife reports some paths to overcome this barrier.

Madden draws on qualitative data with affluent Australians to explore their giving behaviours. While such giving has increased in recent years it still lags behind other developed countries. The motivations and barriers to giving by this group are complex, but are crucial for fundraisers to understand if they are to engage successfully to boost giving. These issues are then compared and contrasted with the Giving Australia's broad based individual giving survey findings of the general population.

Greater taxation incentives are regularly advocated as the required catalyst to increased giving, but givers regularly report that they are not motivated by tax incentives and awareness of their availability appears to be low. McGregor-Lowndes, Newton, and Marsden marshal data from the Australian Taxation Office to ascertain whether the claiming of tax deductions for gifts has increased since the announcement of taxation incentives and whether any of this can be attributed to the new incentives. They also suggest some explanations of the seeming paradox between reported low awareness and tax incentive motivation with dramatically rising claims for tax deductible gifts.

Corporate giving appears to have blossomed in recent years. Sargeant and Crissman take data from the Giving Australia survey of business to explore the motives and barriers named by business for making monetary donations. They find that there is room for business to adopt a more strategic approach to their giving which would both strengthen giving by those already engaged and encourage others to join them.

The final paper by O'Donoghue, McGregor-Lowndes and Lyons identifies implications for public policy design flowing from the Giving Australia research. It examines policy issues designed to build trust, strengthen affinity and sustain planned giving.

The Giving Australia project was designed to add to our knowledge of philanthropic behaviours by individuals and businesses in Australia. This collection of papers does not exhaust the research issues contemplated in the project design and the complete data set of the two quantitative surveys is available for researchers through the Australian Social Science Data Archive at http://assda.anu.edu.au/.

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Endnotes
1 By law, for an organization to be a charity it must be independent of government. The position is modified by the ATO which considers public universities to be charities, despite the view of governments and most university staff that they are part of the public sector.