

Spring 5-17-2020

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Cortni Megan Huffman

Eastern Washington University, chuffman2@eagles.ewu.edu

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Recommended Citation

Huffman, Cortni Megan, "What Motivates People to Give" (2020). *2020 Symposium Posters*. 12.
https://dc.ewu.edu/srcw_2020_posters/12

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What Motivates People to Give

Cortni Huffman
Eastern Washington University



Abstract

Giving in the form of donations is crucial to a university's success. A lot of research has been done on alumni giving, it's importance and why alumni give, but little research has been conducted on how to get current students involved and what's important to them. In this presentation I will be discussing the theoretical approaches used to understand alumni giving and how we can translate the relationships marketing theory to get current students to donate to their future alumna matter. I conducted a pilot study where I asked current students if they would donate to Eastern Washington University (EWU) after they graduated and why or why not they would donate to EWU. My study suggests that students' positive experiences with their sororities/fraternities and the opportunities that EWU provided them encourages them to want to give back. It also suggests that student's value other organizations and don't see the importance of donating when they have already paid tuition. It's important to understand the reasoning behind these answers and discuss the possibilities of things that EWU could do in the future to further influence the students who

Introduction to Giving in Higher Education

Giving in higher education is very important today for many reasons. For starters, grants and federal funding to higher education is continually decreasing. Whether it's federal, state or local, donations from the federal government to higher education institutions are slim. This is because they are fighting other government institutions like prisons and other universities across the country. Specifically, higher education institutions are fighting each other as each university want to offer the best educational experience whether that be increasing their technological needs or creating a better atmosphere off the campus, every university is competing for students.

Now let's look at corporations. When corporations do decide to donate to a university usually, they are targeting specific prestigious schools that offer something to them in return. For example, corporations would be more likely to give to Gonzaga's basketball team than Eastern Washington University's (EWU) because Gonzaga has a much better success rate and is viewed by a lot more people. Therefore universities rely on alumni donations now more than ever and why we need to understand why alumni decide to donate to their alumna matter. It's important to be able to define characteristics that can help predict donor potential.

A lot of studies have been done around the subject of alumni giving. However, all these studies look at the current alumni rather than the current students at a university. If we could predict why future alumni would want to donate rather than current alumni, we could change the atmosphere of the campus or how universities train faculty to interact with their students, so they have the best experience possible.

Background of Alumni Giving

Fransen (2007) describes higher education as being a \$300 billion industry where about 10% or \$30 billion comes in the form of charitable contributions. It is estimated U.S. colleges and universities raised \$49.6 billion during the 2019 academic fiscal year, 6.1% more than in 2018, with 22.6% being contributed by alumni (Council for Advancement and Support of Education, 2020). This is an extremely significant increase over the past 12 years and it's important to recognize and understand why this is happening. In the past a lot of research has been conducted on alumni giving. Areas of research include microeconomics, charitable giving, management, relationship marketing, educational science and services marketing.

Six Theoretical Approaches to Alumni Giving

1. Microeconomics
 - University is seen as an economic system
 - Alumni focus on the price and income effects of voluntary charitable giving and the tax deduction they could receive
2. Charitable-giving approach
 - University is seen as a hybrid organization
 - Focuses on motivations for donations including altruism, reciprocity and direct benefits
3. Management
 - University is seen as a business entity
 - Uses psychological theory of discretionary collaborative behavior which in simpler terms describes how an employee behaves
4. Relationship marketing
 - University is seen as a services organization
 - Most current form of research
 - Uses commitment-trust theory of relationship marketing which says that trust and commitment must exist for a relationship to be successful
 - Trust and building relationships are the foundation to this approach
5. Educational science
 - University is seen as a social system
 - Involves Tinto's model of student dropout which means that factors outside of a student's life like institutional commitment, grade performance, peer-group interactions, academic and social integration can all determine whether an individual would dropout or not
6. Services Marketing
 - University is seen as a services organization
 - This approach uses Lehtinen & Lehtinen's (1991) services marketing theory
 - Defines quality in three dimensions; physical, interactive and corporate image quality.
 - When alumni feel they receive professional service from their alma matter they are more likely to have a positive perception and attitude towards them

Pilot Study

This pilot study conducted was a convenience sample survey with the first question being a closed-ended question and the second followed the first one and was an open-ended question

The two questions asked were:

1. After graduation would you donate to Eastern Washington University?
2. If you answered yes/no, why?

A total of 28 people answered my questions where 12 people answered yes and 16 answered no.

Results

The reasons why people answered yes:

- Wanted to help improve food on campus
- Help support scholarships
- Help support financial aid
- Volunteer time
- Provided them a future/opportunities
- Wanted to support their fraternity/sorority

The reasons why people answered no:

- They have student loans they need to pay off
- There are other organizations that they are passionate about
- I've paid tuition why should I have to give?
- Want to make sure their financial situation is stable

Further Research

Although this was a pilot study, I obtained significant responses. Two things that stuck out to me within the yes responses included:

- The fact that individuals want to donate because of the positive experience they had from their fraternities and sororities is significant.
 - How can the alumni association at EWU reach out to those organizations to influence more of their members to donate?
- Eastern providing them with a future/opportunity.
 - What are those opportunities specifically? How did they vary from one another?

Two things that stuck out to me within the no responses included:

- There are other organizations that they're more passionate about.
 - What are those organizations? Are they related to their personal characteristics or is it something that EWU isn't doing that they could be?
- I've paid tuition why should I have to give
 - If EWU could communicate the importance of giving and explain to the students what those donations go towards, they might feel more passionate to give.

Limitations

- The questions weren't very specific causing answers to be vague
- The sample size was quite small with only 28 people
- This study is specific to one university and results could probably not be generalized as each university is different

Conclusion

- Philanthropic giving by alumni is an increasingly important source for higher education.
- Alumni give more than corporations and the government, which is why this topic needs to be researched even more
- When talking about alumni giving there are six theoretical approaches the literature seems to follow however, relationship marketing is the most current trend in giving research as it involves social media and statistics.
- There are plenty of different reasons why students may or may not want to donate after they graduate but being able to communicate with them effectively about why it's important to give and understanding their values as an undergrad can impact whether or they give as a future alum

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