Research
Giving Time vs. Giving Money
By Chana R. Schoenberger
merely ostensible embrace of the criticism can inadvertently invigorate the opposition, possibly worsening the crisis in the long run,” the researchers write. “To avoid greater peril, corporate leaders would have to authentically address the criticism by altering not just the facade but the substance of their operations.”

The paper’s importance lies in its finding that shareholder-focused companies’ efforts to appear fashionably sustainable made stakeholder-oriented firms even more determined to energize their movement against this form of governance, says Michael Lounsbury, a professor at the University of Alberta School of Business.

“The Kim and Schifeling paper shows that if one takes a broader, institutional view of the CSR movement, you can see how efforts of corporations to respond to CSR in merely symbolic ways can catalyze new reform movements (such as the B Corp movement) that can, in combination, lead to more substantive system-level change in favor of stakeholder capitalism,” Lounsbury says.

The research also points to a new finding about how organizations react to challenges from outside, Lounsbury adds: “Their paper suggests that as one movement wave gives rise to a new wave, the trajectory of institutional change can also shift from more evolutionary to more revolutionary forms of change.”

Malkoc says. John P. Costello and Selin A. Malkoc, “Why do charitable donors prefer to support nonprofits by volunteering their time rather than by giving money, even when the nonprofits would prefer to receive a check? And how can nonprofits encourage them to switch to giving money?”

In a new paper, two marketing researchers examine the psychological basis for this donor preference. John Costello, an assistant professor of marketing at the University of Notre Dame’s Mendoza College of Business, and Selin Malkoc, an associate professor of marketing at the Fisher College of Business of The Ohio State University, conducted a series of seven different studies to test potential donors’ reasons for choosing to give money or time. At the root of the question is the issue of perceived control: Donors like to have control over their giving and see themselves having a stronger grip over their donated time.

“We propose that potential donors feel more personal control over their giving (vs. money) donations, leading to greater interest in donating and donation amount,” they write. Once donors feel they are losing control over how their money would be used, they often decide to substitute volunteer time. This allows them to support a nonprofit while having direct access to what the charity is doing with the donated resources, as well as directing their own activities.

“Our results show that when donors’ sense of control is threatened, donations of time might be used as a compensatory strategy and that simple linguistic interventions can increase perceived control and donations for money, which we find to typically lag behind time,” they write.

Malkoc, who studies how time affects consumer behavior, began looking into this research question with Costello because they realized that “we cannot separate ourselves from our time,” she says. The pair wondered: “Is it possible that we are more likely to donate time because it’s so integral to who we are?”

Offering volunteer assignments is a kind of marketing tactic for nonprofits as a first step toward greater participation. “For the most part, it’s a way of getting people involved so that they can give money, or give more,” Malkoc says.

The critical factor is how people behave when confronted with the choice of giving money or time to support a cause.

“When I’m thinking about giving my money, I literally imagine myself separating it from myself,” Malkoc says. The converse is true with volunteering: “When I give time, I am not losing control over that time when I give it.”

Costello and Malkoc have conducted 40 studies over the course of their investigation into this phenomenon, and they have consistently revealed the same effect. “We do a lot of research and it’s rare to find something so robust,” Malkoc says, noting that this was the most surprising aspect of the paper for her.

The results make sense, she says, because of the innate human need to assert control over our surroundings. When we chose to be philanthropic, we prefer to give away the resource that allows us to keep our sense of control.

What can nonprofits that prefer monetary donations over volunteering do with these findings? The researchers tested different interventions, including different language choices in solicitations, that would affect potential donors. Prepping someone for donating money requires that we “highlight the separation of me from my resource,” Malkoc says. The word that worked best was “spend.” The researchers find: “If you ask people to give money and give time, people are willing to give time. If you ask them to spend money vs. spend time on a charity, they will spend money.” Although the choice of words seems inconsequential, it enables the listener to change his or her perception.

“When people talk about giving, they’re really talking about an exchange—control, other people will decide what’s done with it—whereas when they think about spending, they just think about themselves,” Malkoc says.