

Individual Giving to Support Cultural Heritage

Enrico Bertacchini, Walter Santagata, Giovanni Signorello

In this article we analyze the motivations for individual giving to benefit cultural heritage. Although donations in support of culture generally rank low among the priorities of donors, they are a crucial funding source considering the decreasing financial resources available to the arts and culture sector. Therefore, from a policy perspective, it becomes essential to determine the incentives for private giving.

In recent decades the cultural policy agenda has focused on tax incentives as leverage for charitable giving (Schuster, 2006). Lowering the cost of giving follows the economic rationale of a negative relationship between the monetary cost of giving and the supply of charitable acts by individuals.

Also in recent decades, however, even economists have begun to recognize and study the determinants of prosocial behaviour other than purely monetary and price incentives (Arrow, 1972; Titmuss, 1970; Andreoni, 1988; Frey and Oberholzer-Gee, 1997; Benabou and Tirole, 2006). Prosocial motivations such as altruism, codes of conduct and civic responsibility may be factors driving the voluntary contribution of collective goods. At the same time, reputational concerns may act as substitutes for monetary incentives, representing social forms of compensation that induce prosocial behaviour. Such findings have received little attention in the debate on cultural policy.

In this article we focus on the demand side of charitable giving in order to assess the determinants of private individual giving to cultural institutions and their implications for cultural policy. We argue that, to more effectively tailor fundraising strategies to cultural heritage, we need to address different sets of motivations and conditions of accountability. Based on this broader approach, we present the results of a recent survey conducted in Italy. We provide empirical evidence of voluntary donations to national museums and investigate factors and conditions that influence individual giving towards the preservation of cultural heritage.

Individual charitable giving is both a universal value driven by ethics and moral standards and a phenomenon influenced by the local culture and institutional factors. This means that every theory of giving contains general explanations of and takes local cultural conditions into account. Thus this exploration of the Italian case is a contribution to both the general theory and the influence of local contexts.

The article is organized as follows: In the next section we discuss the limitations of private individual giving as a funding strategy for arts and culture. We then describe the general model of private donations. In the fourth section we present details about the design and implementation of our survey. In the fifth section we discuss the main results. Finally, we conclude with policy recommendations.



Enrico Bertacchini, PhD (Economics), is a researcher in the economics department (Cognetti de Martiis) at the University of Torino, Italy. His main research interests are cultural economics, law and economics, and intellectual property rights.

Walter Santagata teaches cultural economics at the University of Torino. He is the editor of *White Paper on Creativity in Italy* (available at www.css-ebla.it) and the founder of World Heritage at Work, a project of UNESCO, ITC-ILO and the University of Torino.

Giovanni Signorello teaches resource valuation at the University of Catania, Italy. He is head of the Environmental Valuation Laboratory (ENVALAB), a research unit on the non-market valuation of environmental and cultural goods and on the economics of ecosystems and biodiversity.

Individual Support of Cultural Heritage: Residual Choice, Misplaced Emphasis

Charitable giving to cultural heritage appears to have two main drawbacks. The first is the low priority accorded by individuals to cultural heritage compared to other charitable sectors. The second is a misplaced emphasis on cultural policy, with tax incentives apparently being the preferred mechanism of policy-makers in search of an easy and popular means of supporting fundraising activities.

Among the different recipient sectors, arts, culture and cultural heritage organizations rank low in terms of the amount of charitable giving. Globally, roughly 10% of private philanthropy is directed towards culture (Inkei, 2001). In the United States, of the \$307 billion donated in 2007, only 4.8% went to organizations dedicated to arts and culture and the humanities (Giving USA Foundation, 2008). In Italy, of the estimated €5.5 billion in charitable donations collected in 2007, arts and culture organizations ranked equally low. Additionally, recent surveys of donor behaviour in Italy reveal that the share of donations directed at institutions specializing in arts and culture and cultural heritage ranges from 1% to 3.2% (Doxa, 2006; Eurisko, 2006).

Culture thus seems to be a residual donor choice, falling behind other sectors such as religion, health, education and human services. In the competitive market for charitable giving, donors' preferences are likely to be directed towards sectors dedicated to fulfilling basic needs rather than towards the production of collective goods such as arts and culture. People may have a direct experience with a particular disease or have a strong affinity for certain religious values.

Moreover, there appears to be a misplaced emphasis on fiscal incentives, which in contrast have failed to match complexity of motivations

behind potential donors' giving to cultural organizations. As noted by Schuster (2006), the cultural policy agenda has centred mainly on tax incentives to lower the cost of giving and thus stimulate the voluntary contribution of resources to the collective good. However, there is no clear evidence that tax-based support has increased private giving in the cultural domain. Thus the economic effect of tax incentives on donations is dubious, as some empirical studies show that giving is moderately price elastic whereas others show that it is inelastic (Steinberg, 2003). In addition, from a policy viewpoint there is concern that the private contribution resulting from fiscal incentives is far less than the foregone tax (Field, O'Hare and Schuster, 1983), mainly because part of the total contribution provided under the tax-incentive scheme would have been donated even without fiscal support.

Both the residual choice of donors and the misplaced emphasis on fiscal policies to stimulate giving call for a reassessment of individual motivations and institutional incentives driving donor behaviour. For our analysis, Italy seemed an appropriate setting as in this country donations to cultural heritage represent a residual choice and are affected by a misplaced emphasis on tax incentives as a way to stimulate them.

Italy is rich in museums and heritage sites, boasting more than 3,500 museums and cultural institutions. Most of these institutions are in the public domain, and the system is highly centralized, leaving museums only a modest degree of financial independence. Furthermore, public funds at both the local level and the state level are limited. Fundraising activity targeting the individual is not fully developed. Italy does have a tax rebate of 19% for private donations either to art exhibitions or for the acquisition, preservation, and restoration of artworks or buildings. However, this fiscal

Acknowledgements

The idea for this study originated with the Cultural Economics Committee of the Italian Ministry of Cultural Heritage. We wish to thank the Associazione Civita of Rome for supporting the research. We also wish to thank Christopher Flinn, Ilde Rizzo and an anonymous reviewer for their comments.

ABSTRACT

The authors analyze patterns of private individual giving to cultural heritage institutions in Italy. Based on the emerging economic literature on prosocial behaviour, they conducted a survey to assess individuals' willingness to donate to museums and heritage institutions according to different conditions and sets of incentives. The findings reveal that the intrinsic motivations and accountability of the recipient institutions may be more effective drivers of charitable giving than the usual fiscal incentives. The results indicate avenues for future empirical research and suggestions for fundraising policies by cultural institutions.

KEY WORDS

Charitable giving, cultural heritage, prosocial behaviour

scheme is apparently not very appealing. For instance, the funds collected in 2008 amounted to just €29 million, only 0.4% of which came from individuals. At the same time, the system of placing donation boxes at museum entrances has not been instituted; neither membership services nor other, auxiliary, services are being fully exploited for the purpose of collecting funds.

Given the almost complete lack of individual giving to cultural heritage in Italy, and the country's underdeveloped state of fundraising mechanisms, it is timely to explore how fundraising strategies might be implemented, starting from the needs and motivations of potential donors.



Motivations for Supporting Cultural Heritage

The preservation and valorization of cultural heritage are commonly seen as a public good; private giving for the benefit of cultural heritage is a form of prosocial behaviour in pursuit of this goal. Based on the literature on donating and philanthropy (Andreoni, 2008; Bekkers and Wiepking, 2007; Benabou and Tirole, 2006; Vesterlund, 2006), we propose a framework whereby one's prosocial behaviour reflects an endogenous mix of motivations, which must be inferred from one's choices and the context.

Intrinsic Motivations

Intrinsic motivations are those arising from within the person. According to Deci (1975), an action is intrinsically motivated when one receives no apparent reward beyond the action itself. Social psychologists and social scientists have long recognized that the joy of giving,

codes of conduct and a sense of civic duty may be factors driving prosocial behaviour such as voluntarily contributing to the collective good (Batson, 1998; Mansbridge, 1998). By contrast, standard economic theory has been challenged to understand why in many circumstances people act unselfishly without engaging in "free-riding" behaviour.

Four decades ago Richard Titmuss (1970) showed that in specific transactions, in this case the donating of blood, an individual's sense of civic duty is more effective than monetary rewards in ensuring quality and supply. Although the finding has been highly debated, this seminal insight served to introduce intrinsic motivations within the standard economic framework of human behaviour.

From an economic viewpoint, there are three possible ways to address the complex psychological process of intrinsic motivation in private giving (Andreoni, 1988). First, individuals may care in a purely altruistic way about the overall level of the public good to which their actions contribute. In this model of public good provision, intrinsic motivations reflect individuals' willingness to contribute to the public good according to their preferences. The second way to frame intrinsic motivations is to consider forms of "impure" altruism. For instance, agents may obtain some internal satisfaction – a "warm glow" – from the act of giving, in addition to caring about the public good (Andreoni, 1990). Third, intrinsic motivations may also be taken into account by assuming moral constraints, codes of ethics, and principles of reciprocity or the interdependent preferences of individuals (Sugden, 1984).

A mixture of the three determinants can be considered the main source of intrinsic motivation for individuals donating to cultural heritage. In summary, a willingness to donate to

RÉSUMÉ

Les auteurs analysent les motivations sous-jacentes aux dons individuels à des institutions du patrimoine culturel en Italie. S'inspirant de la littérature économique émergente sur le comportement prosocial, ils effectuent un sondage pour évaluer la volonté des particuliers de faire des dons à des musées ou à des institutions patrimoniales selon certaines conditions et ensembles de mesures incitatives. Les résultats révèlent que les motivations intrinsèques et la responsabilité des institutions bénéficiaires peuvent être des moteurs plus efficaces de la bienfaisance que les incitatifs fiscaux habituels. Les auteurs indiquent des pistes pour la recherche future et proposent l'adoption de politiques de financement par les institutions culturelles.

MOTS CLÉS

Dons de bienfaisance, patrimoine culturel, comportement prosocial

cultural heritage is positively related to the following:

- past cultural heritage consumption, whereby the addiction effect lowers the cost of accessing culture; greater consumption increases the benefits derived directly from contributing to the preservation of cultural heritage (Becker, 1988)
- a desire to enhance cultural heritage for the benefit of present and future generations (Throsby, 2001)
- the “warm glow” effect, which may be positively related to one’s past experience with donating; the sense of moral satisfaction experienced in the past may induce one to repeat the act of giving (Andreoni, 1988)
- the sense of civic duty and belonging to a community; an individual who is more embedded in a community that has historically engaged in charitable giving may be more willing to donate, as doing so is a form of indirect gift-giving and reciprocity (Titmuss, 1970)

Extrinsic Motivations

Extrinsic motivations are a set of economic incentives and conditions that are external to the individual. Individuals’ rational decisions are in fact based on the cost-benefit assessment of their engagement in prosocial activities.

The main class of extrinsic motivations is made up of monetary rewards and other economic incentives, such as tax rebates. Such forms of economic compensation lower the opportunity cost of engaging in prosocial behaviour and thus increase the overall supply of contributions to cultural heritage.

This argument is based on the assumption that extrinsic and intrinsic motivations are independent and that usually the former reinforce the latter in prosocial behaviour. For this reason, the additional monetary reward and tax rebate are commonly assumed to increase the supply of donations.

But what is the optimal level of monetary compensation necessary for extrinsic incentives to be effective? If individuals perceive a tax rebate as too small, the opportunity cost of contributing still outweighs the sum of monetary rewards and potential benefits expected from the public good. In this case, the economic incentive is ineffective. Moreover, scholars have reported the phenomenon of motivational crowding out, whereby extrinsic incentives, such as monetary rewards, crowd out spontaneous prosocial acts, decreasing the overall size of the contribution. For instance, Frey and Oberholzer-Gee (1997) report on a field experiment where direct monetary compensation by the government reduced people’s acceptance of a noxious facility; the main explanation for this phenomenon is that the monetary compensation generated a sort of *bribe effect* and crowded out the intrinsic sense of civic duty among the citizens.

To our knowledge, motivational crowding out of intrinsic motivation to donate has never been documented in the field of cultural heritage. As we will see, even the results of our survey are not able to support this appealing hypothesis.

Reputational Motivations

Reputational motivations stem from the search for social recognition. For cultural and historical reasons, giving to charitable organizations is viewed as a positive act in many societies.

RESUMEN

En este artículo se examinan las pautas de los donativos por parte de particulares a instituciones que forman parte del patrimonio cultural en Italia. Basándose en la literatura económica emergente sobre el comportamiento prosocial, los autores realizaron una encuesta para evaluar en función de las condiciones o incentivos ofrecidos la voluntad de las personas a donar a museos e instituciones patrimoniales. Los resultados revelan que más que los incentivos fiscales habituales, son las motivaciones intrínsecas y la responsabilidad de las instituciones beneficiarias las que impulsan más eficazmente los donativos. Los resultados indican también futuras líneas de investigación empírica y propuestas de políticas de recaudación de fondos por las instituciones culturales.

PALABRAS CLAVE

Donativos caritativos, patrimonio cultural, comportamiento prosocial

Although reputational motivations have been considered extrinsic, in the economic literature they are increasingly treated as a separate category because they do not concern a direct economic or monetary calculus (Benabou and Tirole, 2006). Therefore, beyond intrinsic and extrinsic motivations, donations may be driven by reputational concerns. Glazer and Konrad (1996) stress this point by presenting a model in which the main driver of monetary giving is the signalling of social status, such that, for rich people, donations substitute for the conspicuous consumption of luxury goods.

In more general terms, reputational giving includes not only signalling one's social status and wealth but also receiving public praise and enhancing one's image. These factors are more dependent on social pressures and norms (Benabou and Tirole, 2006).

Because acquiring reputation through giving follows a social signalling motive, this behaviour is ultimately affected by the visibility of the act. If the donation is anonymous or not easy to detect, it will hardly build a reputation. Therefore non-anonymous donations are considered the most valuable. This may be why charitable and not-for-profit institutions make ample use of donors' desire to demonstrate their generosity and selflessness, with displays ranging from lapel pins and T shirts to plaques in opera houses and museums to buildings named after large contributors. Furthermore, even if mechanisms of visibility exist, reputational giving is more effective if potential donors expect their action to be visible to a clearly defined peer group. Glazer and Konrad (1996) report that the high level of non-anonymous contributions to American universities made by alumni may be related to the desire to signal one's status and earn the praise of former classmates.

In the context of giving to cultural heritage sites and museums, affluent donors may be motivated by the opportunity to signal their own social status if mechanisms of publicity and visibility are available. However, it is not clear if image motivation and the quest for public praise have an effect on medium-sized and small contributors. Indeed, being included on a public list of donors or similar mechanisms of ex-post publicity might not be a sufficient social reward.



Survey Design and Implementation

There is a growing empirical literature on patterns of charitable giving. From a methodological perspective, empirical studies can be grouped into three categories. In the first group are studies that use data sets of present and past charitable donations to assess the determinants of private giving (Smith, Kehoe and Cremer, 1995; Buraschi and Cornelli, 2002). In the second category are studies that use laboratory and field experiments to test people's giving practices based on different sets of incentives and contexts, with an emphasis on the effects of matching gifts on charitable giving (Karlan and List, 2007; Rondeau and List, 2008; Landry et al., 2006). Finally, in the third group are surveys to estimate donations and investigate motives and attitudes behind donor behaviour (Santagata and Signorello, 2000; Thompson et al., 2002).

We used a dedicated survey for our empirical analysis. The main reason for analyzing hypothetical donations instead of actual donation data was, as noted, the limited number of individual donations to cultural heritage in Italy. Surveys on charitable giving might not be fully revealing due to potential free-riding and might run the risk of "hypothetical bias." However, as Champ et al. (1997) and Champ and Bishop (2001) argue, donation vehicles may be more useful than commonly believed, especially in the field of cultural heritage. In fact, donation mechanisms offer practical advantages that may outweigh the drawback of potential free-riding: They can estimate an empirically testable lower limit on the Hicksian surplus; they may be less subject to vehicle bias; donation mechanisms are more credible and more familiar than other mechanisms, as individuals usually have experience with giving; and, as noted by Kahneman and Knetsch (1992), when survey respondents are asked about willingness to pay, their responses include the "purchasing" of moral satisfaction by contributing to the public good. The last is known as bias in the measurement of willingness to pay, but in the case of donations it is in line with prosocial behaviour based on intrinsic motivation.

To collect the data, we used Computer-Assisted Telephone Interviewing (CATI). Data collection was carried out during April and May 2009 by a polling and market research company. From a probabilistic stratified sample based on sex, age and geographic location

selected from telephone directories, we obtained complete responses from 1,000 individuals from among the Italian population aged 25 or over who visited at least one museum during the preceding 12 months.

The questionnaire was designed according to best practice guidelines and had three parts. The first part began by asking respondents to select, from a list, one museum or heritage site that they considered representative of Italian cultural heritage in their local area (see Appendix 1). The variation of the good to be valued, and the object of potential giving across individuals, is a significant feature of our application, as other survey-based studies have focused on only one good.

The first question was followed by a series of questions about the individual's donating experiences.

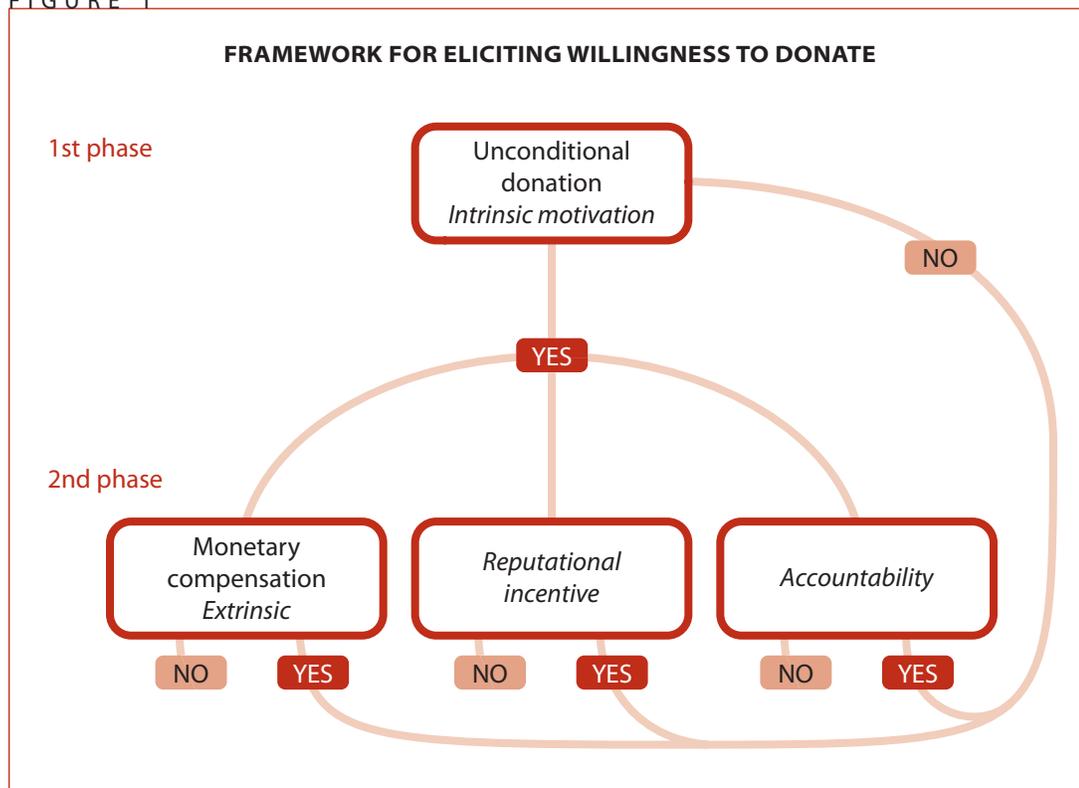
The second part of the questionnaire comprised questions eliciting information in a within-subject framework in two phases, as shown in Figure 1.

As compared to a between-subject design, a within-subject approach elicits more information from each respondent and thus allows for

increased statistical power in the analysis of treatment effects. This approach has also been used to yield greater insights into motivational changes in prosocial behaviour and giving (Frey and Oberholzer-Gee, 1997; Eckel and Grossman, 2003).

Respondents were first asked about their willingness to donate to a selected cultural institution (see Appendix 1, question 1). A positive answer to question 1 could be considered as indicating pure prosocial behaviour without any additional incentive. The answer to this question represents the baseline case for testing the effectiveness of additional incentives and contexts linked to opportunities to give. In the second phase, we randomly divided the sample into four experimental treatments. Individuals from each group were asked if they would modify their stated amount if faced with four scenarios: (a) a fiscal incentive (tax rebate) of 19% of the amount donated, (b) a fiscal incentive (tax rebate) of 50% of the amount donated, (c) reputational incentives, and (d) transparent and efficient use of the funds donated. The question was posed to both those willing and those unwilling to donate in the first phase, to test whether the latter were positively attracted by the changed conditions (see Appendix 1, questions 2, 3 and 4). All the questions concerning the four scenarios were randomized in

FIGURE 1



each interview, to avoid question-order bias effects among the scenarios.

It is worth noting that the first scenario represents the standard fiscal scheme. For individual charitable donations, Italian law allows for a tax rebate of 19% of the amount donated. It is important to note that, because of the small number of cultural donors applying for this rebate, we assume that the proposed scenario was, unlike the baseline scenario, a completely new concept for the respondents.

We included an additional scenario with fiscal incentives up to 50% of the amount donated, to control for the consistent economic behaviour of respondents.

In the scenario of reputational incentives, recipient institutions would publicize donations through a social signalling and visibility mechanism based on the amount given (public list of donors, plaques recognizing donors).

The last scenario refers to accountability in the management and ultimate use of donations, such that donors would receive clear and detailed information about how their money would be spent.

The respondents' voluntary contribution to the preservation and enhancement of their selected heritage institution was elicited using the interval open-ended format recently pro-

posed by Belyaev, Håkansson and Kriström (2008) and implemented by Håkansson (2008). In the interval open-ended format, respondents state their willingness to donate in the form of an interval rather than a point estimate, as in the traditional open-ended format. In this way, it is possible to capture uncertainty and more information about individual preferences and also to identify the upper and lower boundaries of estimates.

Respondents were asked a series of follow-up questions to elicit their motives for donating/not donating to the good they selected and their preferred modes of donation.

The third part of the questionnaire consisted of standard socio-economic questions.



Results

In this section we present the main results of the survey. First we provide empirical evidence concerning unconditional giving to cultural heritage institutions and the individual factors affecting willingness to donate. Then we test the effect of the different incentives and scenarios on giving.

Table 1 shows the main characteristics of the sample. As can be seen, the number of people

TABLE 1

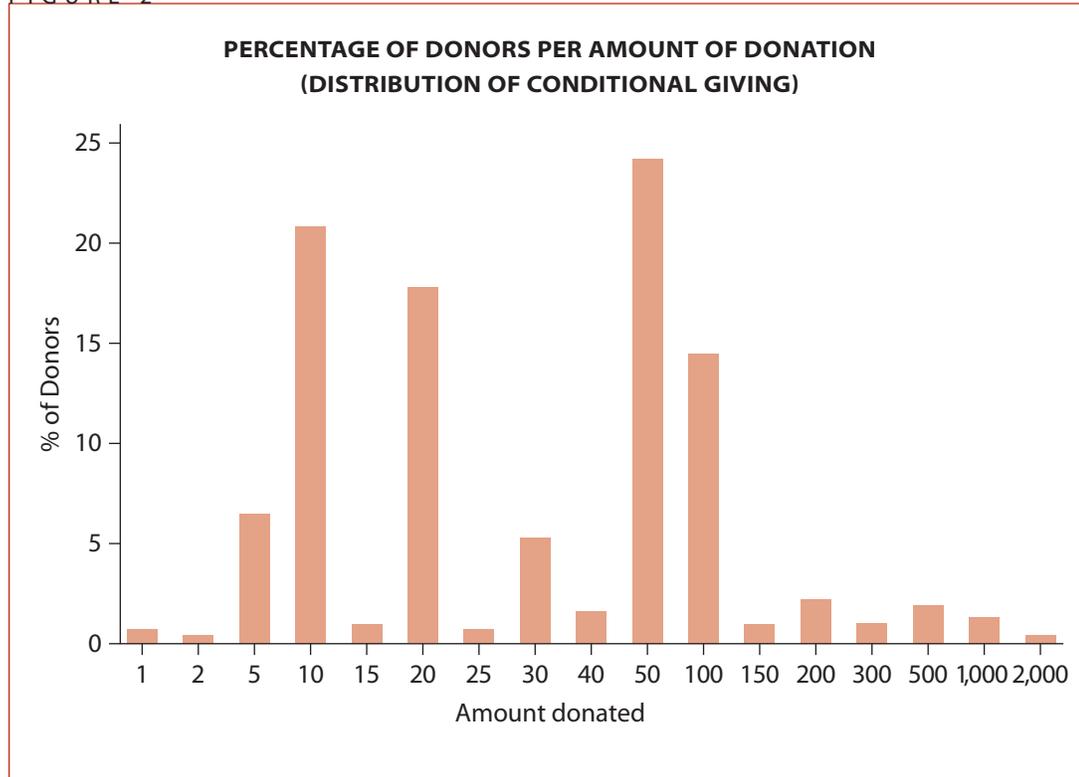
DESCRIPTION AND VALUE OF SOCIO-ECONOMIC VARIABLES			
Variables	Description	Mean	SD
Sex	Male = 1, female = 0	0.43	0.495
Age (years)	Categorical variable: 1 (25–44); 2 (45–64); 3 (65+)	1.89	0.706
North	Residents of Northern Italy = 1; other = 0	0.46	0.499
Centre	Residents of Central Italy = 1; other = 0	0.2	0.4
Education	Years of schooling	14.04	3.352
Employment	Employed = 1; other = 0	0.58	0.494
Cultural visits	Number of visits to museums and heritage sites in past 12 months	3.03	1.625
Donating history	Have given in past 3 years: yes = 1; no = 0	0.77	0.422
NumPastDon	Number of donations in past 3 years	2.84	1.91
DonCulture	Have donated to arts and culture institutions = 1; other = 0	0.04	0.205
Heritage Importance	Importance of cultural heritage: 1 (low) to 3 (high)	2.85	0.369
Visits	Number of museum visits in past 12 months	3.03	1.625
Voluntary organizations	Member of voluntary organization: yes = 1; no = 0	0.34	0.473
ValuePastDon	Largest amount donated in past 3 years (stated)	100.20	413.199

engaged in prosocial activities is relevant. The great majority of respondents (77%) made an average of 2.84 donations in the preceding three years, the largest amount being €100 on average. However, as expected, only a small number of respondents (4%) donated to cultural organizations. Further, 34% of the sample

exclusively intrinsic motivations – that is, with no explicit incentives or other potential benefits.

A glance at the distribution of the amounts donated (Figure 2) shows two natural focal points, at approximately €10 to €20 and €50 to €100.

FIGURE 2



belonged to a not-for-profit organization. Additionally, respondents considered heritage conservation a relevant issue. This result may be partly explained by the fact that these individuals were interested in cultural heritage, having been chosen from among those who visited a cultural site at least once in the preceding year. For instance, the average number of visits to museums was about three times a year.

Intrinsic Motivations and Contributions to Cultural Heritage

Of the 1,000 respondents, 327 (32.7%) were willing to donate to a prominent museum or heritage site in their region. The average donation was €70.81, with a median of €30, a minimum of €1 and a maximum of €2,000. This result comes from the basic scenario in which individuals are expected to behave according to

Table 2 presents the number of donors and the amount reported according to the sociodemographic characteristics of the sample. Compared to men, women were more likely to contribute and to donate a larger amount. Employed respondents had a greater propensity to donate, and to contribute a larger amount, than those who were not employed. The data also show that young people were more willing to donate to cultural heritage, yet the average amount increased with the age of the donor. Similarly, there were more donors from the South of Italy, but the amount per donor from the South was less than that contributed by donors from the North and the Centre. The educational level of donors positively affected both the propensity to give and the amount of the contribution.

Within the group of donors, additional questions revealed that anonymous donation

mechanisms accounted for 61% of donors. One explanation for this finding may be that the majority of purely prosocial donors preferred not to reveal their identity. Another explanation could be that the choice of anonymity was related to smaller donations. We were unable to test the first hypothesis. For the second, however, the correlation between the amount donated and the mechanism of publicity was positive ($p = 0.241$) and significant at 0.01%.

Furthermore, 78% of the sample of donors were motivated by passive use values of cultural heritage (existence, intergenerational and option values) and 17% were motivated by direct use values (e.g., improved visitor services, new acquisitions), whereas only a small fraction

TABLE 3

ANALYSIS OF DONOR BEHAVIOUR, TOBIT MODEL ESTIMATES (MARGINAL EFFECTS DISPLAYED)	
Dependent variable	Amount contributed
Constant	-114.292*** (21.54)
Age	-3.345 (3.32)
Sex	-6.372 (4.37)
North	-6.341 (4.74)
Centre	-6.896 (5.99)
Job	2.532 (4.80)
Education	1.927*** (0.70)
DonCulture	16.316** (9.35)
PastDonations	6.365 (5.36)
Importance	19.505*** (6.79)
Voluntary organizations	-4.156 (4.53)
Visits	1.885 (1.37)
Log-Likelihood	-2.490.801

Note: *t* ratios in parentheses; * significant at $\alpha = 0.10$; ** significant at $\alpha = 0.05$; *** significant at $\alpha = 0.01$

TABLE 2

DONATIONS ACCORDING TO SOCIO-DEMOGRAPHIC VARIABLES				
	Donors	% of sample	Mean	SD
Sex				
Male	126	29.23	63.37	94.71
Female	201	35.33	75.47	200.85
Region				
North	138	29.74	78.2	200.843
Centre	59	29.50	77.14	155.17
South	130	38.69	60.08	132.17
Employment				
Not employed	124	29.59	64.17	114.689
Employed	203	34.94	74.86	193.64
Age				
25–44	126	40.78	53.5	125.53
45–64	146	29.80	68.71	136.21
65+	55	27.36	116.02	285.13
Education				
Elementary school	34	25.00	27.74	28.39
High school	141	29.50	63.8	146.05
University degree	152	39.38	86.94	200.64
Total sample	327	100	70.81	168

(1%) expressly justified their contribution by the “joy of giving.” These results confirm that the main intrinsic motivational drivers were not directly connected to the use of the cultural good but were connected to affinity for cultural heritage as a public good.

Turning to the non-donors, the majority (47%) of those not willing to contribute to cultural heritage stated they gave higher priority to other charitable sectors and 25% said that it is unfair to expect contributions beyond state support.

To better analyze the determinants of donations due to individuals’ intrinsic motivations, we ran a Tobit model, testing the significance of the main characteristics of the respondents.

The econometric estimates (Table 3) confirm the expected results regarding donors’ behaviour based on intrinsic motivations. First, education increased the probability of donating and the amount contributed. Education level is indeed usually considered a proxy variable for cultural consumption, which in turn leads to greater valuing of culture and cultural heritage.

Second, past experiences with giving, and especially to arts and culture organizations, played a part in willingness to donate. Third, greater importance accorded to the conservation of cultural heritage led to a greater probability of donating and to a larger amount donated.

Scenario Analysis

The second step of the analysis dealt with the effect of different incentive schemes and contexts on donor behaviour. Our basic hypotheses were the following:

H1: The fiscal incentives schemes are effective only beyond a particular rebate rate.

H2: Reputational incentives are effective in stimulating prosocial behaviour.

H3: Accountability of the recipient institutions is a crucial factor in creating positive conditions for charitable giving.

To test the effect of the different scenarios on giving, the sample was randomized into four groups of 250 respondents each. For each group, an incentive scheme was proposed. The four groups were representative of the overall sample. As shown by *p* values of univariate ANOVA in Table 4, none of the differences in the means of characteristics is significantly different from zero. For this reason, we cannot reject the null hypothesis and conclude that there is a (statistically) significant difference among the population means.

Table 5 presents the summary statistics and provides the core experimental results of the scenario analysis. The four incentives increase the number of donors and the amount donated, even if there are substantial differences in their impact. In contrast to hypothesis 2, reputational incentives have a minor effect on attracting new donors (5.8%) and increasing giving (€1.52). A 50% tax rebate outperforms a 19% tax rebate in terms of both the average donation and the response rate. This confirms hypothesis 1 and suggests a positive relationship between the level of fiscal incentives and giving behaviour. More interestingly, the accountability scenario strongly increases the revenue per solicitation (€28.62) and the response rate (41.3%) (hypothesis 3). Transparency and accountability are also more effec-

tive than the other scenarios in attracting initial non-donors.

This result is particularly interesting considering that Italians' trust in institutions is generally low (European Commission, 2009). We believe that this result should be interpreted as a crowding-in of latent prosocial donors. Unlike fiscal and reputational mechanisms, transparency and accountability do not expressly represent an incentive for giving, but they can nevertheless increase the returns on prosocial actions by donors who are intrinsically motivated. Thus any lack of transparency and accountability of recipient institutions represents an additional cost for purely prosocial donors.

For all of the scenarios except reputational incentives, the distribution of individual giving is significantly greater in the amount donated as compared to the distribution of initial donations.

Next, we estimate the effect of the four incentive schemes on the likelihood of giving. Using a Tobit model, we estimate whether the different incentive schemes influence changes in willingness to donate (Table 6). As a reference, we use the group treated with the 19% tax rebate – the standard incentive scheme in Italy. Equation 1 confirms that the 50% tax rebate and the accountability scenario have a positive and significant effect on individual contributions. Because we are interested in who is more likely to change his/her contribution according to the different scenarios, equation 2 controls for those willing to donate in the first phase of the questionnaire (*PriorDonors*). We find that prior donors are more likely to react to the new incentive schemes. Finally, we make the treatments interact with the *PriorDonors* variable for checking differences in reaction responses across treatments. In this setting, the dummies for the treatments measure the effects of the scenario for the prior non-donors. The interaction effects between treatments and the *PriorDonors* are not significant. Interestingly, however, the estimate of the accountability scenario is significant and does not decrease as compared to the previous regression. This suggests that such a treatment has a positive impact on contributions from new donors.



TABLE 4

COMPARISON OF GROUP CHARACTERISTICS ACCORDING TO TREATMENT					
Variables	Treatment				P value for equality across groups
	Tax rebate 19%	Tax rebate 50%	Reputation	Accountability	
Sex	0.46	0.38	0.46	0.43	0.206
Age	1.9	1.81	1.93	1.93	0.209
North	0.49	0.44	0.46	0.47	0.637
Centre	0.19	0.21	0.22	0.18	0.605
Education	13.92	13.98	14.07	14.19	0.822
Employment	0.59	0.61	0.57	0.55	0.511
PastDonation	0.77	0.75	0.8	0.75	0.498
NumPastDon	2.88	2.84	2.93	2.72	0.639
DonCulture	0.05	0.05	0.04	0.04	0.814
Heritage importance	2.85	2.84	2.84	2.89	0.33
Visits	3.04	3.11	2.95	3.01	0.738
Voluntary organizations	0.37	0.32	0.33	0.33	0.696
ValuePastDon	95.46	138.32	90.45	76.6	0.375

TABLE 5

SUMMARY STATISTICS OF TREATMENT EFFECTS				
	Treatment			
	Tax rebate 19%	Tax rebate 50%	Reputation	Accountability/transparency
Observations	250	250	250	250
Prior donors rate	0.28	0.36	0.34	0.33
Post-treatment donors rate	0.31	0.46	0.36	0.45
% of change in donors rate	10.70%	27.80%	5.90%	36.40%
Ratio of Prior donors/ Donors after treatment	0.91	0.77	0.94	0.7
Initial average donation	18.1	24.92	24.42	25.17
SD	(46.07)	(99.56)	(103.14)	(136.66)
Post-treatment average donation	20.5	44.62	25.94	53.79
SD	(47.52)	(130.15)	(104.57)	(201.18)
<i>Difference in donation</i>	2.4	19.7	1.52	28.62

Conclusion and Policy Implications

This article has explored three issues. The first issue is whether there is room for cultural giving that is driven simply by intrinsic motivations and what might be the main socio-economic determinants of such purely prosocial behaviour. The second issue is the role of extrinsic and reputational incentives in enhancing contributions to cultural heritage. Finally, the third issue is contexts and conditions that might affect donor behaviour in the future, namely level of monetary compensation and accountability of the recipient institution.

The main empirical results of the survey reveal the strategic role played by intrinsic motivations as the principal determinants of the decision to give. Taking into consideration the issue of choice, accountability appears to be the key factor mobilizing latent donors and enhancing cultural giving in Italy.

Furthermore, the results raise some suggestions for policy-making. The current political debate about private financial contributions to culture and cultural heritage has focused on fiscal incentives and rebates. However, our findings suggest that decision-makers can rely on a more elaborate and comprehensive framework of incentives.

The strengthening of intrinsic motivations (the universal value of cultural heritage, ethical motivations) calls for policies addressing the medium and long term. Such policies should be directed at the education system, cultural consumption habits, and collective events such as telethons or campaigns to raise awareness about heritage preservation. Similarly, strategies should be developed to enhance the accountability of recipient institutions in order to earn the confidence of prosocial donors.

Finally, fiscal policies will not be effective in increasing donations unless tax rebate levels are raised dramatically. Policy-makers need to determine the minimal rebate levels necessary to maximize the number of people willing to donate or to increase their donation beyond the intrinsically motivated amount. However, it is difficult to increase fiscal incentives, mainly because of the high cost of foregone taxes and the little importance that is accorded to private support for cultural institutions.

TABLE 6

EFFECTS OF INCENTIVE SCHEMES ON LIKELIHOOD OF GIVING, TOBIT MODEL ESTIMATES			
Dependent variable	Change in amount given (marginal effects)		
Sample	1,000 (1)	1,000 (2)	1,000 (3)
Constant	-43.76*** (4.86)	-45.03*** (4.98)	-43.43*** (5.37)
Rebate 50	22.80*** (4.30)	21.25*** (4.16)	16.90** (5.05)
Reputation	-6.89 (5.50)	-6.82 (5.30)	-2.62 (6.30)
Accountability	22.96*** (4.30)	22.10*** (4.17)	21.79*** (4.99)
PriorDonors (1 = yes; 0 = otherwise)		8.55** (2.70)	5.87 (6.91)
Donors* rebate 50			9.34 (8.19)
Donors* reputation			-12.94 (11.86)
Donors* accountability			-0.062 (8.15)
Log likelihood	-1140.29	-1135.07	-1132.04

Note: t ratios in parentheses; * significant at $\alpha = 0.10$; ** significant at $\alpha = 0.05$; *** significant at $\alpha = 0.01$

References

- Andreoni, J. 1988. "Privately Provided Public Goods in a Large Economy – the Limits of Altruism." *Journal of Public Economics*, Vol. 83, p. 57–73.
- Andreoni, J. 1990. "Impure Altruism and Donations to Public Goods: A Theory of Warm Glow Giving." *Economic Journal*, Vol. 100, p. 464–477.
- Andreoni, J. 2008. "Charitable Giving." In *New Palgrave Dictionary of Economics* (2nd ed.), S.N. Durlauf and L.E. Blume, eds. (Palgrave Macmillan). Accessed 24 February 2011 at http://www.dictionaryofeconomics.com/article?id=pde2008_C000590.
- Arrow, K. J. 1972. "Gifts and Exchanges." *Philosophy and Public Affairs*, Vol. 1, n° 4, p. 343–362.
- Batson, D. 1998. "Altruism and Prosocial Behavior." In *Handbook of Social Psychology*, Vol. 2, D. Gilbert, S. Fiske and G. Lindzey, eds. (p. 463–484). New York: McGraw Hill.
- Becker, G. 1988. "A Theory of Rational Addiction." *Journal of Political Economy*, Vol. 96, n° 4, p. 675–700.
- Bekkers, R., and P. Wiepking. 2007. *Generosity and Philanthropy: A Literature Review*. Social Science Research Network working paper 1015507. Available online: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1015507.

- Belyaev, Y., C. Håkansson and B. Kriström. 2008. *Rounding It Up: Interval and Open Ended Questions*. Working paper 373. Umeå, Sweden: Department of Forest Economics, Swedish University of Agricultural Sciences.
- Benabou, R., and J. Tirole. 2006. "Incentives and Prosocial Behavior." *American Economic Review*, Vol. 96, n° 5, p. 1652–1678.
- Buraschi, A., and F. Cornelli. 2002. *Donations*. CEPR discussion paper 3488. Center for Economic and Policy Research: <http://www.cepr.net/>.
- Champ, P.A., and R.C. Bishop. 2001. "Donation Payment Mechanisms and Contingent Valuation: An Empirical Study of Hypothetical Bias." *Environmental and Resource Economics*, Vol. 19, p. 383–402.
- Champ, P.A., R.C. Bishop, T.C. Brown and D.W. McCollum. 1997. "Using Donation Mechanisms to Value Nonuse Benefits From Public Goods." *Journal of Environmental Economics and Management*, Vol. 33, p. 151–162.
- Deci, E.L. 1975. *Intrinsic Motivation*. New York: Plenum.
- Doxa. 2006. *Comportamenti di donazione degli Italiani*. Rome: Doxa.
- Eckel, C., and P.J. Grossman. 2003. "Rebate vs. Matching: Does How We Subsidize Charitable Contributions Matter?" *Journal of Public Economics*, Vol. 87, p. 681–701.
- Eurisko. 2006. *Gli Italiani e le donazioni: tra slancio etico e bisogno di assicurazione*. Rome: Istituto Italiano della Donazione.
- European Commission. 2009. *Standard Eurobarometer 71: Public Opinion in the European Union*. Brussels: Author.
- Field, A., M. O'Hare and J.M.D. Schuster. 1983. *Patrons Despite Themselves: Taxpayers and Arts Policy*. A Twentieth Century Fund Report. New York: New York University School of Law.
- Frey, B., and F. Oberholzer-Gee. 1997. "The Cost of Price Incentives: An Empirical Analysis of Motivation Crowding-Out." *American Economic Review*, Vol. 87, n° 4, p. 746–755.
- Giving USA Foundation. 2008. *Giving USA 2007: Annual Report on Philanthropy for the Year 2007*. Glenview, IL: Author.
- Glazer, A., and K.A. Konrad. 1996. "A Signaling Explanation for Charity." *American Economic Review*, Vol. 86, n° 4, p. 1019–1028.
- Håkansson, C. 2008. "A New Valuation Question: Analysis of and Insights From Interval Open-Ended Data in Contingent Valuation." *Environmental and Resource Economics*, Vol. 39, n° 2, p. 175–188.
- Inkei, P. 2001. *Tax Incentives for Private Support to Culture*. Council of Europe document DGIV/CULT/MOSAIC(2001)13. Budapest: Regional Observatory on Financing Culture in East-Central Europe.
- Kahneman, D., and L.J. Knetsch. 1992. "Valuing Public Goods: The Purchase of Moral Satisfaction." *Journal of Environmental Economics and Management*, Vol. 22, p. 57–70.
- Karlan, D., and J.A. List. 2007. "Does Price Matter in Charitable Giving? Evidence From a Large-Scale Natural Field Experiment." *American Economic Review*, Vol. 97, n° 5, p. 1774–1793.
- Landry, C., A. Lange, J.A. List, M.K. Price and N. Rupp. 2006. "Toward an Understanding of the Economics of Charity: Evidence From a Field Experiment." *Quarterly Journal of Economics*, Vol. 121, n° 2, p. 747–782.
- Mansbridge, J. (ed.) 1998. *Beyond Self Interest*. Chicago: University of Chicago Press.
- Rondeau, D., and J.A. List. 2008. "Matching and Challenge Gifts to Charity: Evidence From Laboratory and Natural Field Experiments." *Experimental Economics*, Vol. 11, n° 3, p. 253–267.
- Santagata, W., and G. Signorello. 2000. "Contingent Valuation and Cultural Policy Design: The Case of 'Napoli Musei Aperti'." *Journal of Cultural Economics*, Vol. 24, n° 3, p. 181–204.
- Schuster, M. 2006. "Tax Incentives and Cultural Policy." In *Handbook of the Economics of Art and Culture*, Vol. 1, V. Ginsburgh and D. Throsby, eds. (p. 1253–1295). Amsterdam: Elsevier.
- Smith, V.H., M.R. Kehoe and M.E. Cremer. 1995. "The Private Provision of Public Goods: Altruism and Voluntary Giving." *Journal of Public Economics*, Vol. 58, p. 107–126.
- Steinberg, R. 2003. "Economic Theories of Non-profit Organizations: An Evaluation." In *The Study of the Non-profit Enterprise: Theories and Approaches*, H. Anheier and A. Benner, eds. (p. 277–309). New York: Kluwer Academic/Plenum.
- Sugden, R. 1984. "Reciprocity: The Supply of Public Goods Through Voluntary Contribution." *Economic Journal*, Vol. 92, p. 772–787.
- Thompson, E., M. Berger, G. Blomquist and S. Allen. 2002. "Valuing the Arts: A Contingent Valuation Approach." *Journal of Cultural Economics*, Vol. 26, p. 87–113.
- Throsby, D. 2001. *Economics and Culture*. Cambridge: Cambridge University Press.
- Titmuss, R. 1970. *The Gift Relationship*. London: Allen & Unwin.
- Vesterlund, L. 2006. "Why Do People Give?" In *The Nonprofit Sector: A Research Handbook*, W.E. Powell and R. Steinberg, eds. (p. 568–590). New Haven, CT: Yale University Press.

LIST OF ITALIAN CULTURAL HERITAGE INSTITUTIONS PRESENTED TO RESPONDENTS ACCORDING TO THEIR LOCATION

North	Centre	South
Museo del Cinema (Torino) (PIEMONTE)	Musei Capitolini (Roma) (LAZIO)	Museo Archeologico Nazionale (RC) (CALABRIA)
Pinacoteca di Brera (Milano) (LOMBARDIA)	Galleria Nazionale delle Marche (Urbino) (MARCHE)	Museo di Capodimonte (NA) (CAMPANIA)
Basilica di Sant'Apollinare in Classe (RA) (EMILIA R.)	Museo di San Marco (Firenze) (TOSCANA)	Castel del Monte (Andria) (PUGLIA)
Galleria dell'Accademia (Ve) (VENETO)	Galleria Nazionale dell'Umbria (PG) (UMBRIA)	Area Archeologica Su Nuraxi a Barumini (SARDEGNA)
Galleria di Palazzo Reale (GE) (LIGURIA)	Villa Adriana (Roma) (LAZIO)	Templi di Agrigento (AG) (SICILIA)

Note: If the respondent did not know of any of the institutions listed, s/he was invited to name her/his own personal preference.

Baseline Question

Question 1

As you know, the financial resources available to support and develop Italy's historical, artistic and archaeological sites are extremely limited and are not sufficient to carry out all of the required work. As shown in other countries, the voluntary contributions of individuals can be relevant for cultural heritage. In this way, people express the artistic and historical identity linked to cultural heritage and donating may be seen as prosocial behaviour benefiting the community.

In light of what I have said, would you be willing to make a lump-sum donation to _____ [the name of the institution the respondent has selected] for necessary restoration work, the acquisition of artworks, improvements to the institution or the quality of its services?

YES (What are the minimum and maximum amounts you would be willing to give?)

NO

Incentive Schemes

[The following questions were for prior donors. For non-prior donors (WTP = 0), the questions were slightly different and are available from the authors upon request.]

Question 2 – fiscal incentives scenario

Now consider a different scenario from the initial one. As you may know, the Italian tax system provides donors to museums or other cultural institutions with a tax rebate equal to 19% (50%) of the sum donated. For example, if you donate €10, then €1.9 (€5) will be deducted from the amount of tax you will have to pay. If you donate €100, then €19 (€50) will be deducted. Given that you spontaneously stated that you would be willing to donate between €____ and €____, now, knowing that you will benefit from a tax rebate of 19% (50%), would you be willing to change, upwards or downwards, the amount of your donation to _____ [name of institution]?

NO (confirm the previously indicated amount between €____ and €____)

YES (change the amount between €____ and €____)

Question 3 – reputational incentives scenario

Now consider a different scenario from the initial one. Suppose that the institution you have selected, as a potential donation recipient, decides to reward donors by offering social recognition and visibility, which would take different forms depending on the amount donated (publication of the donor's name in the institution's bulletin or on its Web site; a plaque listing the names of donors; a plaque next to a restored work honouring the people who contributed to the restoration). Given that you spontaneously stated that you were willing to donate between €____ and €____, now, knowing about the social recognition and visibility offer, would you be willing to change, upwards or downwards, the amount of your donation to _____ [name of institution]?

Question 4 – transparency and accountability scenario

Now consider a different scenario from the initial one. Suppose that the institution you have selected promptly provides extensive, detailed information on how donated funds are used, including dissemination of the information on its Web site. Given that you spontaneously stated that you were willing to donate between €____ and €____, now, considering the institution's accountability and its provision of detailed information on the use of donated funds, would you be willing to change, upwards or downwards, the amount of your donation to _____ [name of institution]?

Data from the national survey of Italian museums and cultural institutions by the National Statistical Department (ISTAT) (the survey is available at http://culturaincifre.istat.it/sito/Pubblicazioni/presentazione_censimento%20musei.htm).

Data are for the years 2005–08 and are from the Ministry of Cultural Heritage in Rome.

The sampling error is $\pm 3.10\%$ at the 95% confidence level.