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The Consistency of Charitable Behaviour and Its Fund Raising Implications

This paper tries to take an initial step toward a deeper understanding of the differences and similarities between corporate, individual and 1% philanthropy. Though both corporate and individual giving have a huge international literature (e.g. Adam 2004; Archambault & Boumendi 1998; Burlingame 1997, 2001; Halfpenny 1999; Schervish & Haven, 1997; Wang & Graddy 2008; Zamagni, 1995) and 1% philanthropy is also discussed by several, mainly Eastern European authors (e.g. Bódi 2001; Chano 2008; Gerencsér & Oprics 2007; Török & Moss 2004; Vajda & Kuti 2002), the connections between these different kinds of philanthropic activities have not yet been scrutinized. Correspondingly, very little attention has been paid to the issues of how third sector organizations could develop an efficient 'fund raising mix'; how they should combine their efforts to solicit contributions from different kinds of donors. In order to answer these questions, the author takes an interdisciplinary approach; she uses several different types of analytical and statistical methods. The statistical analysis of the donors' motivation is based on the results of three empirical surveys¹ of individual giving, 1% philanthropy and corporate donations which were carried out in Hungary over the last couple of years. The third sector organizations' fund raising behaviour is analyzed using both official statistical data (KSH 1998–2008) and information gathered through interviews (Laki & Szalai 2004; T. Puskás 2006) and case studies (Kotler & Lee 2007; Török 2005b).

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1% Philanthropy and Traditional Forms of Giving

While both individual and corporate giving have a long tradition, the system of 1% designations (at least as a special form of state support to civil society organizations) is completely new. It was established in Hungary in 1997² (Bódi 2007). The essence of the

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¹ All three were representative sample surveys. The percentage philanthropy survey (1839 in-home personal interviews) was carried out in 1999 (Vajda & Kuti, 2000). Owners and managers responsible for the corporate giving decisions of 1405 firms were interviewed in 2003 (Kuti, 2005). The individual giving and volunteering survey (5000 in-home personal interviews) was carried out in 2004 (Czike & Kuti, 2005).

² Since then, this technique of the indirect public support has become a model: similar supporting schemes have been developed in Lithuania, Poland, Romania, Slovakia (Török, 2005a), and in a municipality in Japan (Chano, 2008).

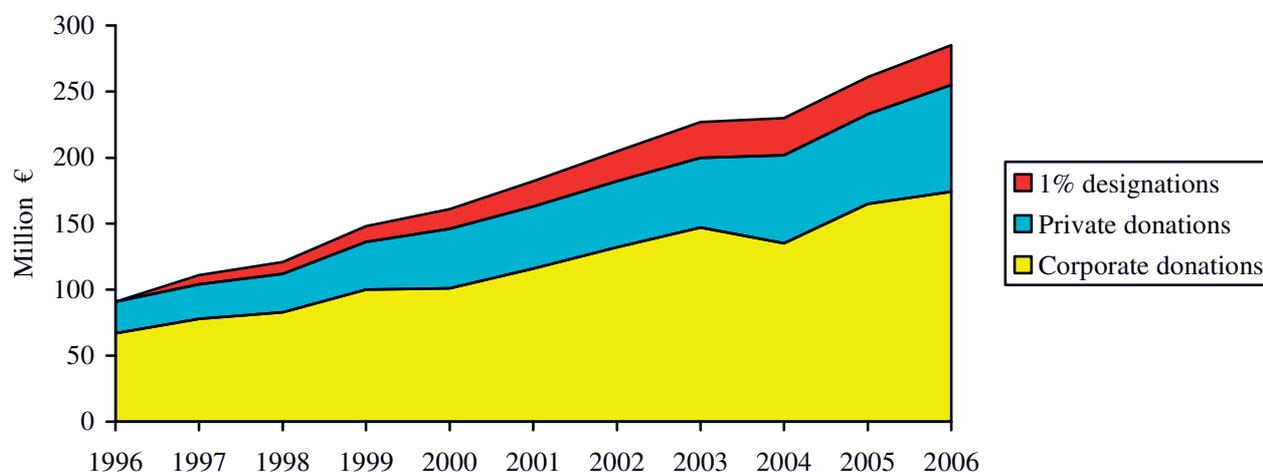
new funding scheme is that the government cedes some part of its redistribution power to taxpayers. They are authorized to choose the civil society organizations to which one percent of their personal income tax payments has to be transferred by the tax authority. When taxpayers designate a recipient organization, they do not make any personal sacrifice, they decide on the use of pure public money.

However, the actual decision makers are the very same people who are also asked for individual gifts (and eventually, in their capacity as entrepreneurs or top managers, for corporate donations). This is why some worries emerged in the debates surrounding the introduction of the 1% system. The central issue of these debates – certainly unresolvable at the time – was the impact of the 1% contributions on the level of private giving. Several experts feared that taxpayers would interpret their 1% designation as a sufficient philanthropic act, thus they would decline other kinds of solicitations and, consequently, nonprofit organizations would become less able to attract private donations. Those in the optimistic camp predicted that exactly the opposite would happen. They hoped that taxpayers, already persuaded to exercise the new form of costless ‘percentage philanthropy’, would also gradually be persuaded to give money from their own pockets.

Data collected by the Statistical Office for the period 1996–2006 (*Figure 1*) suggest that the 1% system has not overshadowed private donations, or reduced their importance.

Figure 1

Growth of 1% designations, individual and corporate donations in Hungary, 1996–2006



Sources: (KSH 1998–2008)

Both individual and corporate donations have significantly increased since the introduction of the 1% system. Its emergence is a net gain to the voluntary sector; the 1% provision has not produced a ‘crowding out’ effect.

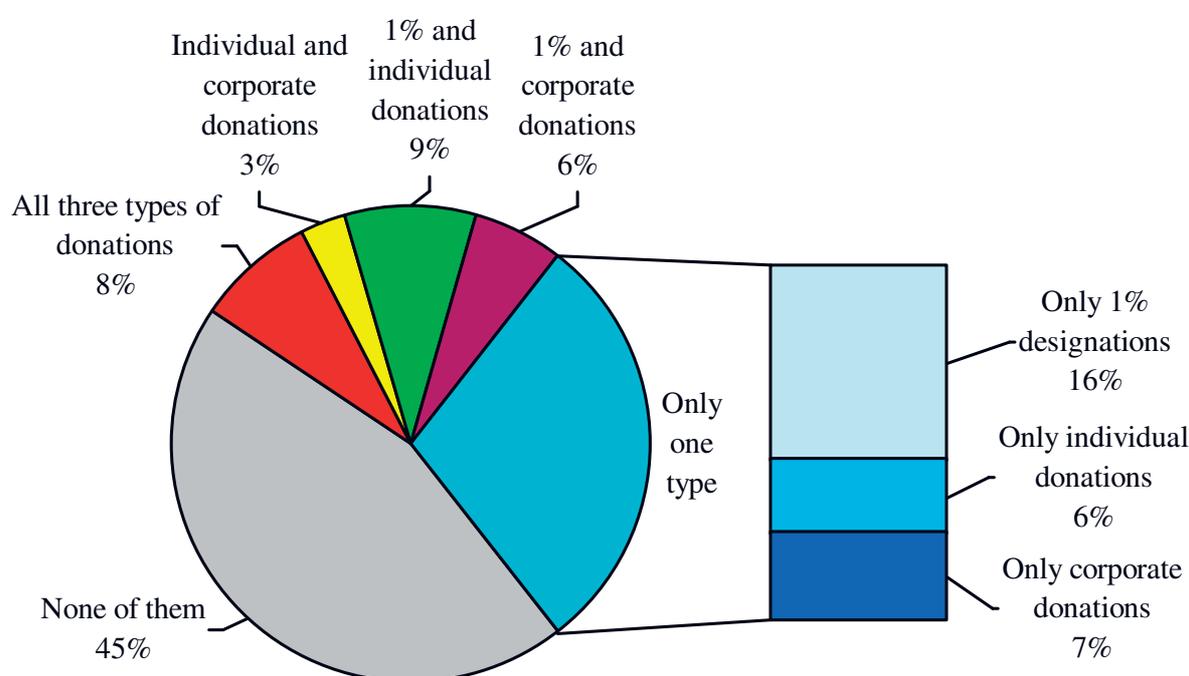
The delegation of distribution decisions to taxpayers has widened the availability of public funds. Even the small nonprofit organizations unable to find their way in the labyrinth of state redistribution have their chance of persuading taxpayers to select them as the recipient of their 1% contribution. The 1% support, then, is available for a large number of voluntary organizations which are not familiar with the rules, procedures and actors of the state redistribution process. In fact, the 1% scheme more than doubled the

number of nonprofit organizations supported from the central budget in the year of its introduction (*Vajda & Kuti 2000*) and this number has continuously increased since then (*KSH 1998–2008*).

More than half of Hungarian NPOs have access to the 1% support and/or donations (Figure 2). However, the share of organizations receiving all three kinds of contributions is strikingly low, less than one tenth of the voluntary sector. Almost one third of the organizations have access to only one type of the contributions that can be raised by persuading private decision makers. Focusing exclusively on obtaining 1% designations seems to be especially frequent.

Figure 2

Composition of nonprofit organizations by their access to 1% designations, individual and corporate donations in Hungary in 2005



Source: (KSH 2007)

This organizational behaviour is all the more surprising because the research results clearly indicate that there is a positive and close link between taxpayers' exercise of the 1% designation option and their willingness to make individual donations.

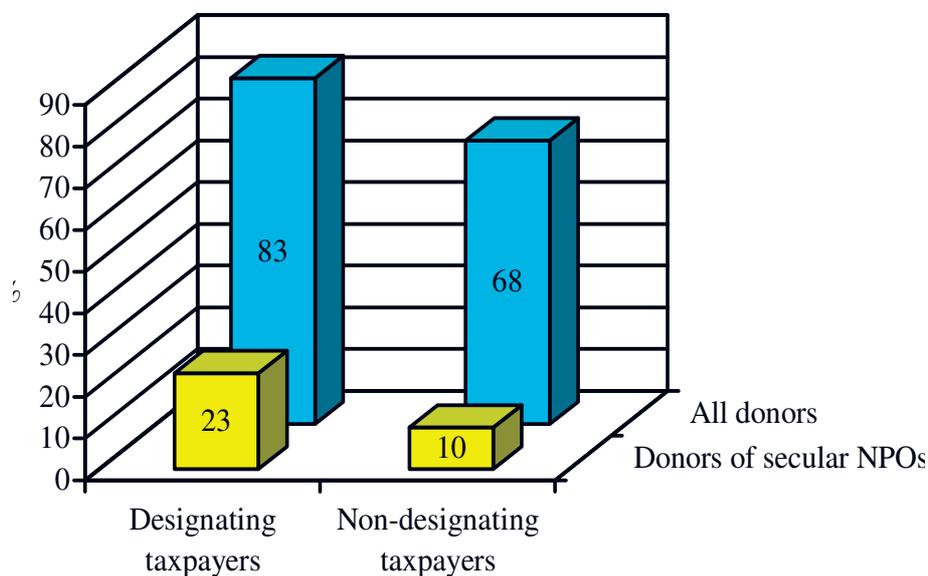
The Consistency of Individual Donors' Behaviour

As displayed in Figure 3, those taxpayers exercising the 1% designation option are in all respects better donors than those who – even though they pay taxes – do not fill out their designation declaration.³

³ The average share of donors within the adult population is 65 percent. Both groups of taxpayers are much better donors than those who do not pay tax (*Czike & Kuti, 2006*).

Figure 3

**Percentage of donors among designating and non-designating taxpayers
in Hungary in 2004**



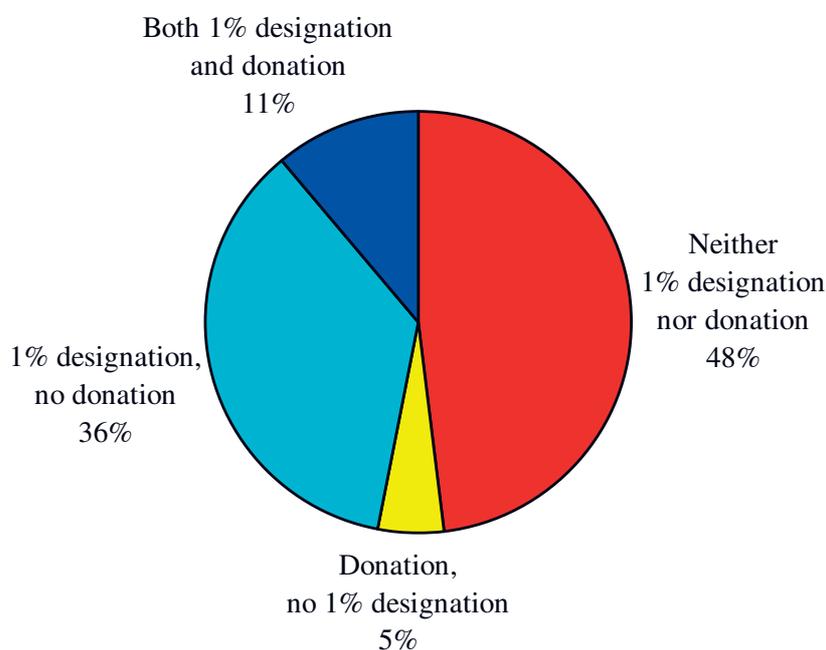
Source: Data base of the individual giving and volunteering survey.

Financial donations can take various forms. Their oldest and still very widespread form is the gifts given to beggars and the money dropped into a collection box set up at public places such as churches, post offices and airports. Donation lines operated largely by media support and collections using premium rate text messages are also gaining in popularity. Donations given through buying products and services (e.g. the participation in charity events, purchases of UNICEF postcards, artefacts, souvenirs, stamps or newspapers produced and/or sold by people in need) are quite frequent, as well. As a matter of fact, the cash donations made to secular nonprofit organizations we focus on in this paper are much less common than these other kinds of gifts. Only 12 percent of the adult population are involved in this kind of giving. Their cash donations to secular nonprofit organizations account for 29 percent of the total amount of the money given in different ways.

Figure 3 reflects that the behaviour of taxpayers is fairly consistent. There is a considerable amount of overlap between the pool of designating taxpayers and those giving from their own pockets, thus the fear of a crowding out effect seems to be ill-founded. If something is wrong, this is definitely not related to the 1% designators' willingness to respond to other kinds of solicitations. It has much more to do with the fund raising behaviour of the voluntary organizations. What was already indicated by the regular statistical data (Figure 2), is confirmed by the survey results (Figure 4): both the 1% system and potential private donations represent vast but hitherto untapped sources of nonprofit sector revenues.

Figure 4

The composition of taxpayers by their behaviour in relation to 1% designations and cash donations to secular nonprofit organizations in Hungary in 2004



Source: Data base of the individual giving and volunteering survey.

More than half of the taxpayers have remained virtually untouched by the 1% appeals for the last ten years. It is rather shocking that voluntary organizations have either failed to reach them or have not managed to persuade them to carry out the 5 minute task of preparing their 1% declaration. Another 40 percent of the taxpayers have supported secular nonprofit organizations in a single way, and only 11 percent through both the channels of 1% contributions and cash donations. This suggests that the efforts of nonprofit organizations to attract private donations and their campaigns appealing for 1% support are far from efficient. Though they may reinforce each other to help extend the circle of donors, these campaigns are rarely co-ordinated. The fund raisers do not seem to consider that both success and failure may have common roots when the target population of the two kinds of solicitations is the same or at least overlapping. It is likely that taxpayers make or do not make financial donations for the same reasons they decide to designate or not to designate the recipient of their 1% support. When they form their attitudes toward nonprofit organizations, they probably do not separate the impressions gained from different fund raising appeals, 1% designation campaigns, or other NPO-related news and press coverage.

Meaningfully enough, the social and demographic characteristics of the donors and 1% designators are very similar. Women – who are generally better donors than men – are also more reliable when it comes to 1% designations. The influence of age is even more marked. The proportion of donors and those filling out 1% declarations is higher among taxpayers aged between 40 and 60 than either in younger or older age groups. Data on marital status reveal the relative passivity of unmarried people. Voluntary organizations seeking 1% designations and individual donations have the best chance of attracting support from people who are married and have one or two children.

Educational achievement is a very important determinant of all kinds of charitable behaviour. This is also confirmed by data related to 1% designations. The proportion of designating taxpayers increases in proportion with the level of education, and the rate is extremely high among those who have college or university degrees. An analysis of occupational status also naturally shows a much higher contribution rate among white collar employees than the average.

Relationships and networks also play a crucial role in forming the giving and 1% decisions. The closer and more extensive the social affiliations of the individuals, the more probable their contribution to the promotion of public benefit. It is likely that the explanatory power of some of the demographic features and social status indicators listed above also results from their importance in shaping the ties between the individuals and society. (For example, marital status and age affect the depth and breadth of people's relationships. The presence of children in the family brings people into contact with schools and kindergartens whose foundations are seeking grants and 1% contributions.)

Closer ties beyond the informal sphere – membership of voluntary organizations (associations, clubs), trade unions, professional bodies and political parties – have a strong effect on behaviour. The proportion of donors and 1% designators is higher among members than among non-members, probably because they are more committed and better informed. The same conclusion is reached if the relationships between contribution decisions and voluntary activities are examined. The proportion of donations and completed 1% declarations from people who do voluntary work is much higher than average. It is likely that voluntary work within the third sector affects giving behaviour through the closer relationships involved. Volunteers become familiar with the problems of the organization they work for, they participate in its success, identify with its objectives, and thus it becomes natural for them to also make financial contributions.

In all probability, the same holds true for those individuals who are in a position to influence the corporate strategy of philanthropy.

Corporate Giving and Corporate Decision Makers as Private donors

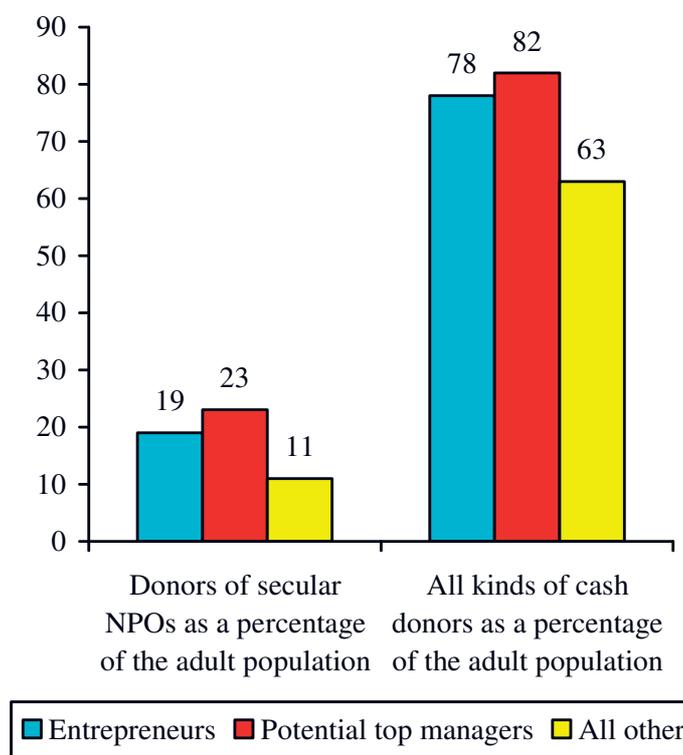
One of the most important findings of the survey of corporate giving (*Kuti 2005*) is the one concerning the structure of decision making. It has turned out that the owners play an outstanding role in the selection of the nonprofit organizations supported by their companies. Giving decisions are made solely by the owner(s) in 80 percent of the donor firms. Another 17 percent of them delegate this task to the top managers. The share of companies where the decision is made in other ways (e.g. by a corporate foundation) is only 3 percent. This obviously means that the personal attitudes of the owners and top managers are extremely important. One can also expect that there would be some connection between these corporate leaders' private and 'business-related' charitable behaviour. Unfortunately, questions on individual giving by the corporate decision makers were not included in the interviews of the corporate giving survey. However, other interviews with private entrepreneurs (*Laki & Szalai 2004; T. Puskás 2006*) have proved the existence of such a connection.

In addition to this anecdotal evidence, we can also rely on the empirical information produced by the individual giving and volunteering survey. Since its sample was quite big,

the subsamples of potential top managers (479 individuals with a university or college degree)⁴ and private entrepreneurs (350 respondents) are still large enough to be analyzed separately. The results of this analysis (Figure 5) reveal that both groups with the chance to influence corporate giving are significantly better donors than any other segment of the adult population. We find an especially big difference if we compare the willingness to support nonprofit organizations.

Figure 5

The share of individual donors and supporters of secular nonprofit organizations within the group of private entrepreneurs and potential corporate managers in Hungary in 2004



Source: Data base of the individual giving and volunteering survey.

These findings perfectly correspond with the results of the 2003 survey of corporate giving, according to which nearly two thirds of the Hungarian companies⁵ donate to voluntary organizations and only 16 percent of them say that they do not and definitely would not support the nonprofit sector (*Kuti 2005*). The rest of the companies indicate that they do not make donations but they might do so in some form in the future.

⁴ Admittedly, only a section (about one quarter) of those with a university or college degree have a chance to become top managers, thus the two groups can hardly be treated as identical. If we still dare to venture this rough estimation (the best possible approximation we can produce on the basis of the empirical data available from the 2004 giving and volunteering survey), this is because the somewhat more detailed 1993 survey (*Czakó et al., 1995*) proved that there was practically no difference between the top managers and other individuals with a higher education degree in this respect. In the two groups the share of donors were 59.1 and 60.0 percent; the share of supporters of the secular NPOs were 21.9 and 22.4 percent, respectively.

⁵ The companies studied were all 'independent legal entities', i.e. joint stock companies, limited liability companies, cooperatives, etc. The word 'companies' as used in this paper always refers to such entities.

A much higher proportion of companies operating in villages than those in large towns give support to nonprofit organizations. Living together with the local community tends to engender a kind of local identity and sense of responsibility. Relationships are stronger, NPOs and their leaders are probably better known and the use of donations is easier to check than in large cities. Managers of local companies often have personal or family connections to school foundations and recreational and cultural associations. It is almost inevitable that they become involved in community foundations, associations for rural tourism, neighborhood watch associations and other civil initiatives. Commercial interest is often attached to support for the local development organizations. Essentially the opposite is true in large cities, where economic and social roles tend to be separated, relationships are looser and funding activity is, therefore, much less personally-based.

Though local embeddedness is clearly an important factor of corporate donations, it is also true that corporate giving is not limited to local voluntary organizations. Over half of the donor companies (including those operating in small towns and villages) also make donations to unknown organizations enquiring from outside their hometown or village. Many of the fund raisers contact the companies without any previous acquaintance – by letter, personally, or by telephone. It is rather puzzling that such impersonal methods have become accepted and successful so quickly among business people who are normally better known for their caution and who are supposed to think of donation policy in terms of their company's interests.

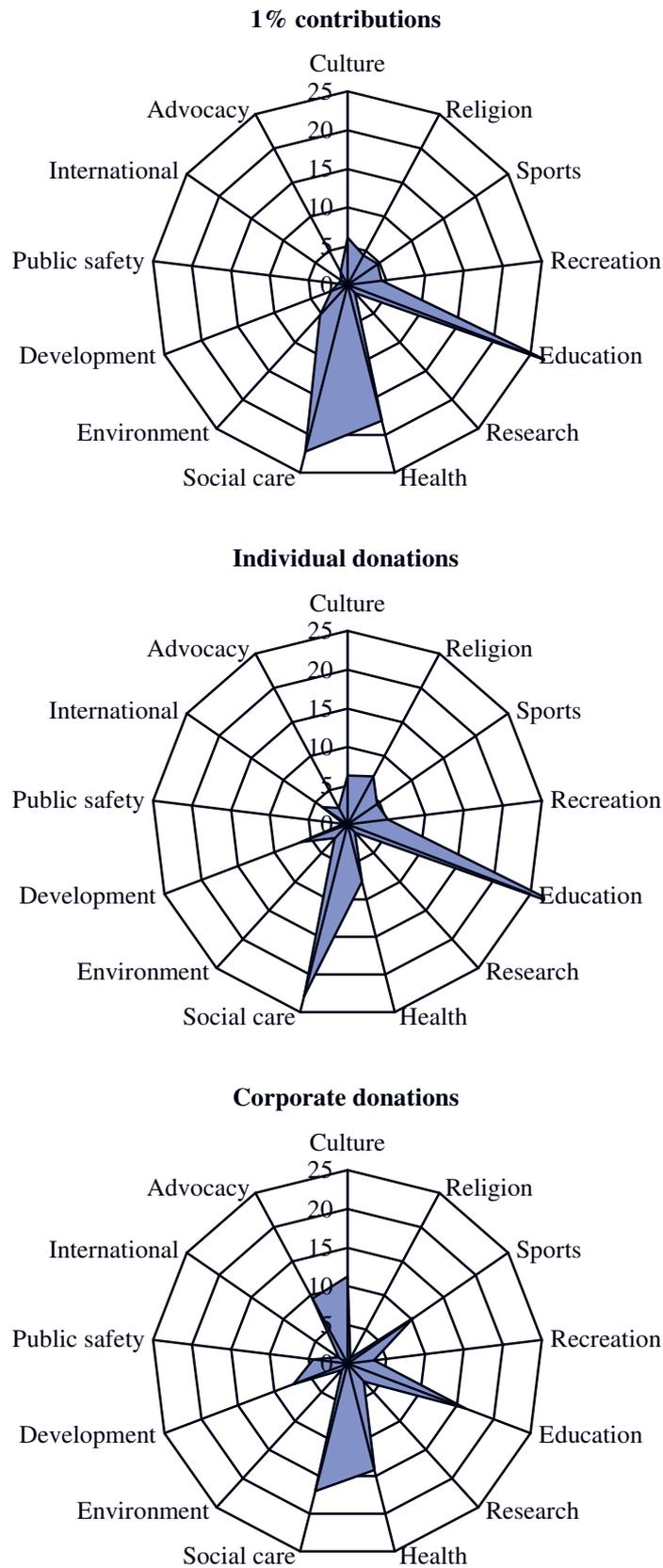
It seems that the owners, executives and managers of companies behave as 'private individuals' when deciding on corporate donations. Interviews with the members of the newly emerging Hungarian elite of entrepreneurs (*Laki & Szalai 2004*) also show that the requests for personal and corporate donations are treated very similarly. These entrepreneurs do not see much difference between their own social responsibility and that of their companies. They feel they are obliged to directly address social problems. Their individual and corporate financial contributions to the actions taken by nonprofit organizations mainly follow the patterns of traditional charity. The impact of corporate interests and other business-related considerations is rather weak, though recognizable, in the composition of donations by fields of activity of the recipient voluntary organizations.

The Structure of 1% Designations, Individual and Corporate Donations

If we take a closer look at the composition of the three different kinds of contributions, (Figure 6), we can discover both similarities and differences. First of all, a large part of all three (about two thirds of the 1% designations, 60 percent of the individual donations and half of the corporate donations) are received by nonprofit organizations working in the traditional fields of welfare services, namely social care, health care and education. Education is a top priority for private individuals in both their roles of 1% designators and donors, while it has to share the top position with social care on the priority list of corporate donors.

Figure 6

Composition of 1% contributions, individual and corporate donations by fields of activity of the recipient nonprofit organizations in Hungary in 2005



Source: (KSH 2007).

Nonprofit organizations engaged in social care constitute the second most important target group of individual donations and 1% support. Health care is the third priority of all three types of donors. Culture, sports, advocacy, and public safety seem to be more important for corporate donors than for private individuals. About the same share of individual and corporate donations go to nonprofit organizations specialized in local and economic development while taxpayers transfer only a negligible number of their 1% designations to this field. Church-related foundations and voluntary associations attract some individual donations and 1% support but they are not supported by companies.

All in all, the main priorities are rather similar but there are also some important differences. The distribution of corporate donations among the fields of activities is less concentrated than that of the support distributed by private individuals. This more even distribution probably reflects more varied considerations, different interests, and perhaps a richer, more sophisticated interpretation of social responsibility. It is worth trying, then, to gain an insight into the motivation background of the different donors' decisions.

An Attempt to Compare Donors' and 1% Designators' Motivations

All of the three surveys which are analyzed in this paper included a series of questions on the donors' and designating taxpayers' intentions and motives, but these questions were far from standardized. As a consequence, the comparability of the answers is very limited. If we still want to compare the technically incomparable, we have to create a small number of new variables which aggregate the answers to questions which catch several dimensions of the same kind of motivation. As an outcome of such a grouping, I have developed three variables describing three different types of motives, namely those of

- charity, social responsibility,
- relationship, participation,
- private interest and benefit.

The 'charity, social responsibility' category consists of answers such as 'Helping makes me feel good'; 'I wanted to help the needy'; 'It is a moral obligation to help'; 'Solidarity and sympathy was the motive of the donation'; 'We gave for emotional reasons'; 'We wanted to contribute to the solution of a social problem'; etc.

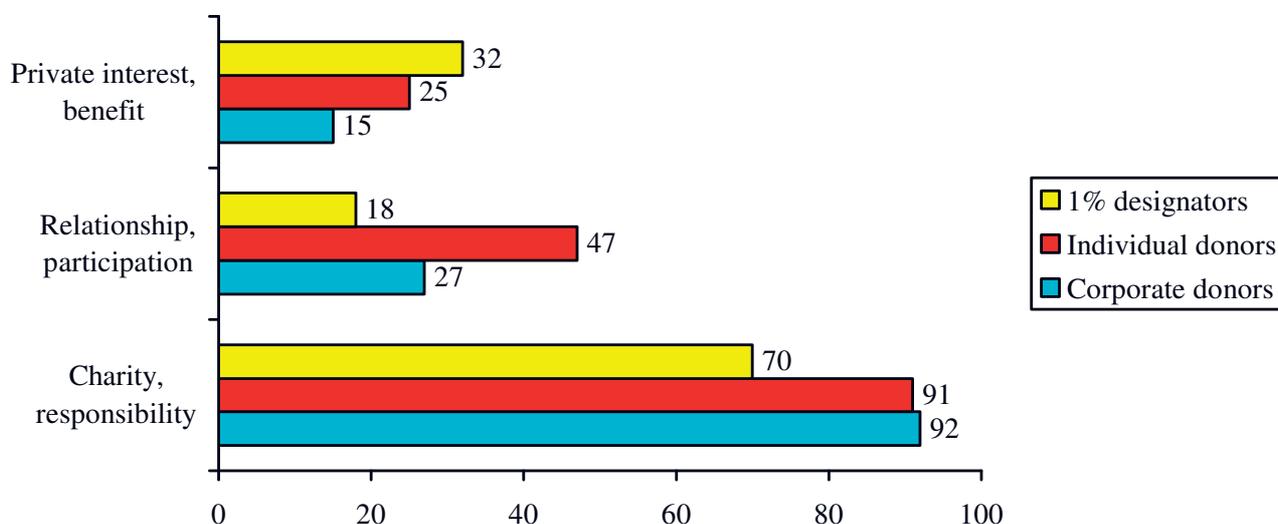
Answers are classified as belonging to the 'relationship, participation' category if they refer to some connection with the beneficiary organizations. For example: 'I am / my family members are / our employees are members of the voluntary association'; 'Social, emotional, and/or business relations with the beneficiary organization or with its leaders'; 'Former connections with the organization, gratefulness or nostalgia'; etc.

The 'private interest and benefit' category includes answers such as 'I am / my family members are / our employees are clients of the beneficiary organization'; 'The services provided by the organization improve our neighborhood or environment'; 'The support of a prestigious voluntary organization improves the image of the company'; etc.

The respondents of the surveys were naturally allowed to mention several motives since it is highly possible that the very same donor is guided by different emotions or considerations when answering to different solicitations. Thus the sum of the percentages in *Figure 7* exceeds 100 percent.

Figure 7

The percentage of 1% designators, individual and corporate donors mentioning different reasons for donating in Hungary



Sources: Data bases of the individual giving and volunteering survey, the corporate giving survey, and the survey of 1% designations.

The most important motives for donating are obviously willingness to help, solidarity toward the needy, and responsibility for the general well-being of the community. Private interests are the least frequently mentioned considerations, while the importance of relationships with beneficiaries is somewhere in between. However, the picture is not as simple as this general statement would suggest. There seem to be some rather unexpected differences between the motivations of the 1% designators, individual and corporate donors.

First of all, the charitable motivation is equally dominant among individual and corporate donors but significantly less important when taxpayers decide on the beneficiary of their 1% contributions. On the other hand, personal interests have a much stronger influence on taxpayers' and even private donors' behaviour than companies' interests are reported to have on corporate giving. Finally, close relationships (membership, voluntary work) are much more powerful factors of individual donors' behaviour than that of corporate decision makers and 1% designators.

The relatively low share of charity-guided and the relatively high share of interest-guided 1% designations are explained by a certain duality of the successful solicitation techniques. The bulk of the 1% support is raised in two specific ways by two different kinds of nonprofit organizations.

As we have already seen in Figure 6, the field of education is the number one beneficiary of the 1% designations. The recipient organizations of this support are almost exclusively foundations which raise funds for kindergartens, schools and universities. The parents of schoolchildren and students feel more or less obliged to help the institutions which provide their children with services, especially because the 1% requests are generally delivered by the children themselves. Similarly, the foundations of hospitals, some social care providers, and some nonprofit organizations specialized in rehabilitation and recreation services have direct access to their clients and the relatives of these clients, thus they can attract 1% support

without making too much effort or spending too much money. In these cases, taxpayers' decisions are based on their direct interest in improving the quality and/or increasing the quantity of services used by them or by their relatives.

On the other extreme, high amounts of 1% support can be mobilized by nonprofit organizations involved in causes (aid for ill and starving children, the fight against cancer, animal welfare) that are 'easy to sell' to a wide circle of taxpayers through completely impersonal publicity and media campaigns. The large number of these cases explains why the importance of relationships with the beneficiaries is reported to be relatively low by the 1% designators.

By contrast, almost half of the individual donors mentioned that close relationships with the supported voluntary organizations and participation in their work motivated the selection of beneficiaries. These findings are in line with numerous other research results from various countries, all confirming that philanthropy "is a matter not just of moral capital in the form of generosity. It is perhaps more a matter of associational capital in the form of social networks of invitation and obligation." (*Schervish and Havens 1997:257*).

Nevertheless, charity, sympathy and solidarity play an outstanding role in giving decisions. This is not surprising at all in the case of individual donors, but it is against all expectations (*Harsányi & Révész 2005*) in the case of corporate donors. More than nine tenths of the latter mentioned charitable motivations and only 15 percent admitted that companies' interests had some influence on their giving decisions. These statements are in marked contrast to the general belief that companies' priorities regarding donations are determined by their business interests. Even if the respondents exaggerate⁶ somewhat when they emphasize the charitable nature and underrate the interest background of their donations, it is still undeniable that the current Hungarian approach to corporate social responsibility is dominated by the ethical/altruistic model (*Burlingame 2001*) of corporate behaviour.⁷

From a practical point of view, these findings of the three surveys summarized above can be extremely useful for voluntary organizations seeking private support. They obviously have to know the behaviour and understand the motivations of potential donors and 1% designators in order to select the appropriate fund raising techniques (*Csizmár & Nemoda 2001*) and to find the right words and the right tone in composing their appeals.

Lessons to be learnt by fund raisers

The very fact that only about half of the taxpayers exercise their 1% designation option and 12 percent of the adult population help the nonprofit organizations with cash donations (while a much higher share of the very same people donate in some other ways) indicates that only the easiest and most obvious steps have been made in order to gain their support.

⁶ Specifically targeted, in-depth-interview research would be necessary in order to reveal whether corporate interests are really so little involved in giving decisions, or whether some kind of 'decent reticence' prevents entrepreneurs and top managers from admitting the economic considerations behind charitable acts.

⁷ Burlingame (2001, pp 93-94) identifies four different models of corporate engagement in social affairs, namely the neoclassical/corporate productivity model, the political model, the ethical/altruistic model, and the stakeholder model.

The same conclusion can be drawn from the very low share of nonprofit organizations having equal access to 1% designations, individual and corporate donations (Figure 2).

This also means that there is a vast, unexplored 'market' for nonprofit organizations which are ready and able to identify their potential supporters and to use more innovative and more sophisticated solicitation methods. Clearly, real improvements in the dissemination of information to reach taxpayers, other private individuals and corporate leaders so far untouched by NPO campaigns can only be made through the use of more flexible methods, more individually targeted and differentiated messages, and perhaps a more sincere intention on the part of nonprofit organizations to co-operate with potential donors and not just attract their contributions. Much more conscious, well thought out efforts and increased professionalism are absolutely necessary for success. This professional improvement should mean not only the use of more efficient solicitation techniques but also the task of building solid relationships between citizens and voluntary organizations.

The need for a partnership approach is also revealed by another finding of the above analysis. The fact that traditional charity apparently dominates the donors' behaviour (Figures 6 and 7) may have particular implications. Progress in other fields (such as human rights, community development, environment, etc.), probably demands more than the perfection of fund raising techniques; there is a need for a change of attitude, as well. A sustained increase in support for civil society issues is only likely if donors acknowledge the importance of this dimension of socio-economic development and recognize its implications for their own interests and responsibilities. The best way of engendering and fostering this new attitude would be to replace occasional cash-seeking campaigns with a conscious, professional fund raising strategy based on collaboration with those involved and to build up sustained contacts between donors and civil society organizations based on mutual esteem.

The surveys of individual and corporate donations also indicate that, paradoxically enough, there is a gap between the general opinion on nonprofit organizations and the actual reactions to their funding requests. As revealed by our interviews, there is widespread complaint, confusion and distrust regarding the nonprofit organizations themselves, their fund raising methods and uncivilized conduct. It is especially important to note that donors do not seem to have a much better opinion of voluntary organizations and their fund raising campaigns than non-donors. They are not satisfied with either the expressions of thanks or the feedback they get from the supported organizations. The deficiencies of the culture of asking for gifts and giving thanks may result in the loss of numerous former donors and a considerable amount of donations.

The critical comments of our interviewees are a warning that fund raising in Hungary has probably reached a turning point. The potential for extensive growth is likely to run out in a very short time, thus there is a need for radical qualitative changes. Even the increasingly professional fund raising campaigns can only be successful if

- the trustworthiness and credibility of those requesting support can be guaranteed,
- ethical norms for fund raising are established, and
- regulatory, organizational and infrastructural resources to enforce them are available.

It is essential to make these steps if the nonprofit sector wants to rely on donors' support in future.

To sum up, success in increasing donations calls for more than an improvement in fund raising strategies and techniques. It must be borne in mind that initial trust can easily be squandered. Nonprofit organizations should make serious efforts to make things clear and help donors to orient themselves in the voluntary sector. It is also important to stabilize contacts with donors and 1% designators and urge them to help voluntary organizations in several different ways.

Conclusions

Though the empirical basis of the analysis presented in this paper is limited to Hungary, the results are likely to be also relevant in other countries. One of the most striking research results is that numerous third sector organizations have a rather monolithic income structure. They are dependent on just one or very few kinds of donations. Many of them do not even try to profit from the fact that the very same supporter may be in a position to help them in several ways. If they attached more importance to the connections between the different kinds of donations, they could probably develop much more efficient fund raising strategies.

The research results also suggest that it is crucial to understand the motivations behind financing decisions. Rich as it is, the literature on fund raising techniques can only be useful if the third sector organizations are prepared to explore the characteristics of their actual revenue structure and to analyze whether it matches their organizational character, the nature of their services and activities. While correctly identifying the possible funders is a necessary precondition, the success of fund raising efforts mainly depends on the knowledge of the needs, interests, values, and considerations of potential supporters.

Nonprofit organizations supported through different mechanisms have to cooperate with different partners and the rules of cooperation are also different. Whether individual or corporate donations constitute the basis of financing, the donors' preferences, values, attitudes, and emotions must be discovered by the grant seekers. When they try to build strong, emotionally bonded relationships with their major donors, they must have in mind that even the same individuals can behave in different ways depending on their current position. Designating the recipient of a sum of public money, deciding on the recipients of corporate donations or giving from their own pocket may involve different kinds of considerations and different decision making mechanisms. However, the personal motivations are hardly negligible and the experiences gathered in one of these roles may influence the other kinds of philanthropic decisions, as well.

Both the theory of rational choice and the decisions led by norms or the feeling of responsibility should be studied if voluntary organizations want to raise different kinds of donations.

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