

DIGITAL FOR GOOD:

A Global Study on Emerging Ways of Giving

China



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About the Global Study on Emerging Ways of Giving

The Indiana University Lilly Family School of Philanthropy (school) conducted the *Digital for Good: A Global Study on Emerging Ways of Giving* to explore the emerging vehicles of philanthropy such as crowdfunding, online giving, mobile giving, workplace giving, online volunteering, and social impact initiatives.

Eight countries with significantly diverse cultures participated in this global study: Brazil, China, India, Kenya, Singapore, South Africa, South Korea, and the United Kingdom. For the study, the school worked closely with partner organizations and experts in these countries, from identifying relevant ways of giving and determining approaches of data collection to co-developing the tools for data collection and finalizing country reports to disseminating research findings locally as well as globally.

Findings from this global study are shared in a series of reports, including eight country reports and one global report.¹ The current report shares data and insights into the emerging ways of giving in China.

With the release of the *Digital for Good: A Global Study on Emerging Ways of Giving*, the school aims to promote the practice of philanthropy globally by enhancing accessible information and public knowledge on the emerging forms of giving across the globe. These reports provide a deeper understanding of the concept and practice of new ways of philanthropic engagement in the eight participating countries, and offer new insights and tools for civil society leaders, philanthropists, industry regulators, scholars, and the public to understand and shape the development of philanthropy in the years to come.

¹All reports published in this series can be downloaded at <https://globalindices.iupui.edu/additional-research/index.html>

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INTRODUCTION

Chinese philanthropy is growing rapidly, and the further expansion of domestic philanthropy can be partly attributed to technological innovations and China's economic development. China is the world's largest economy by purchasing power parity and the second largest economy by gross domestic product (International Monetary Fund, 2022; The World Bank, 2022). Additionally, China provided the second highest household wealth worldwide and had the second highest number of ultra-high-net worth individuals in 2021 (Credit Suisse, 2022). China has also become one of the world's largest digital economies, with a vast digital consumer base and an innovative ecosystem (McKinsey, 2021). Furthermore, the COVID-19 pandemic accelerated digitalization in various fields, including charitable giving. Online giving and crowdfunding have become an emerging form of giving in China.

China has a long tradition of philanthropy. The formal philanthropic environment has been slowly improving in the country, especially the regulatory environment for tax incentives for domestic giving (Indiana University Lilly Family School of Philanthropy, 2018; Wang, 2022). According to the *2020 China Charitable Giving Report* (2020年度中国慈善捐赠报告), charitable donations from mainland China, Hong Kong, and Macao totaled CNY 225 billion (equivalent to USD 34.5 billion) in 2020 (China Charity Alliance, 2021). Included are cash donations from mainland China amounting to roughly CNY 147 billion (equivalent to USD 22.5 billion), up by 38 percent from 2019. The number has been consistently above CNY 100 billion from 2016 to 2019 (equivalent to USD 15.5 billion in 2020). Cash donations represented around 71 percent of total donations. In-kind donations from mainland China reached CNY 61.2 billion (equivalent to USD 9.4 billion) in 2020, up by about 32 percent from 2019. The vast majority of donations to Chinese organizations are domestic, due to the restrictions on foreign funding for charities, which led to a decline in foreign funding in the country.

The *2020 China Charitable Giving Report* also discusses the rise in online giving, noting that CNY 8.2 billion (equivalent to approximately USD 1.3 billion) was given in 2020 through the 20 approved internet fundraising platforms, which constitutes a 52 percent increase from 2019 (China Charity Alliance, 2021). According to the 2016 Charity Law, nonprofits are allowed to post fundraising information on a limited number of officially approved platforms. By 2018, the Ministry of Civil Affairs approved a total of 22 crowdfunding platforms—nine new ones in addition to the 13 platforms that were approved in 2016 (Asian Venture Philanthropy Network, 2019).

Even though data on giving via crowdfunding platforms in China are limited, the total funds raised online increased by 47 percent and the number of donors grew by 52 percent from 2015 to 2016 (Yuan, 2022). The Asian Venture Philanthropy Network (2019) reported that the 13 approved crowdfunding platforms in 2017 raised more than USD 388 million, with Tencent Charity raising the highest amount of funds (USD 243.75 million) and Taobao Charity having the highest number of donations (nearly 6 billion). In 2018, the most successful charitable crowdfunding platforms were Tencent Charity (belonging to Holdings Ltd.) and Ant Financial Charity, which is linked to Taobao Charity (belonging to Alibaba). These two platforms accounted for 92 percent of all donations in the first half of 2018 (Corsetti, 2018).

To promote and support online donations, the “9/9 Philanthropy Day” was launched by Tencent Holdings Ltd. in 2015. On the “9/9 Philanthropy Day,” participating corporations provide matching gifts to online donations made on designated platforms. In 2020, this initiative collected CNY 3.04 billion (equivalent to USD 465.6 million) within the three-day long campaign (Wang, 2022).

According to a survey of more than 4,000 individuals aged 15-69 and who lived in Beijing and five provinces, giving online was the most popular way of donating in 2018 (Han et al., 2020). Social media (e.g. WeChat and weibo) was the primary source for donors to receive information on fundraising campaigns. However, most people did not seek such information actively; instead, fundraising appeals were usually shared with them by others. Moreover, over half of surveyed individuals did not follow up on the use or impact of donations. Health, particularly assistance for critical illnesses, was the main cause area for online donations.



ABOUT THE STUDY

In this study, an online experiment was conducted in October 2021 in mainland China to examine the separate effects of three factors—social information, message framing, and nonprofit overhead ratio—on individual donations to an online crowdfunding campaign. Eight hypothetical fundraising scenarios were designed based upon a 2x2x2 factorial research design, where donations were solicited to help patients with critical illnesses receive surgeries. More than 1,700 Chinese aged 16 or above participated in the study. This study seeks to answer the following three research questions:

- Does the awareness of other donors affect individual charitable giving to a crowdfunding campaign?
- Is other-benefit message framing more effective than self-benefit framing in attracting individual charitable giving to a crowdfunding campaign?
- Does overhead ratio affect individual charitable giving to a crowdfunding campaign?

Overview of the Experiment

The experiment explored the solicitation effects of a hypothetical fundraising scenario on individual charitable donations through crowdfunding. Participants were asked whether they would like to donate to a crowdfunding campaign to help patients with critical illnesses. Three factors were studied in the experiment—social influence from others' giving (i.e. awareness of other donors versus no other donations having been received), the framing effect of the solicitation messages (i.e. a self-benefit versus other-benefit appeal), and overhead costs (i.e. 100 percent of the donations to be used for patients versus 90 percent for patients and 10 percent for administrative costs). The varying combinations of these three factors were included in eight fundraising messages. Participants in this study randomly received one of the eight messages at the beginning of the online survey. After receiving the message, participants were asked whether they would like to donate to the crowdfunding campaign if they received a hypothetical cash award of CNY 100 (equivalent to USD 15.6). Participants then completed a short survey.

Key Findings

- **Social Information**

The experiment found a crowding-out effect of social information on individual giving. Participants who were not aware of prior donations indicated a higher amount of intended donation, on average, than those who were presented with this information regarding prior donations.

- **Message Framing**

The experiment found no evidence for the framing effect. In this study, participants who received a self-benefit appeal indicated a slightly higher amount of intended donation than those who received an other-benefit appeal; however, this modest difference is not statistically significant.

- **Overhead Ratio**

The experiment found overhead aversion in individual giving. Participants who were told that there were no overhead costs indicated a higher amount of intended donation than those who were told that 10 percent of their gifts would be used to cover overhead costs.

BACKGROUND

A growing number of studies have examined the factors and tactics that affect individuals' willingness to donate. This section presents a summary of existing research on the effect of social information, message framing, and overhead ratio on donation behavior.

Social Information

Social information refers to the awareness of the amount donated by an individual or group previously. In general, existing research suggests that social information has a positive effect. Field and classroom experiments found that individual donors increased their donation amount by an average of 12 to 18 percent when they were presented with the donation amount of previous donors (Alpizar et al., 2008; Shang & Croson, 2009; Smith et al., 2012; van Teunenbroek, 2016), but if the reference amount is too high, social information can be less productive (Croson & Shang, 2013).



A number of mechanisms could explain why others' giving could increase someone else's donation to the same campaign (van Teunenbroek et al., 2020). First, social information may imply a descriptive social norm: because others are donating, it presents a socially acceptable way for other donors to join in on the giving (Martin & Randal, 2008; Bekkers, 2012; Croson et al., 2009; Chen et al., 2021). Second, social information may increase the awareness of need and encourage altruism: since other people are donating, there must be a real need for help (Bekkers & Wiepking, 2011). Third, information on previous donations may increase the perceived trustworthiness and performance on a nonprofit: if others are donating, donors perceive this as a signal that this organization is trustworthy (Vesterlund, 2003).

However, social information does not always result in a positive effect and sometimes even decreases donation amounts. For instance, if there are already donations from others, some people might feel that their donation will not make a difference and is needed less, which leads to lower donations or no donation at all (Duncan, 2004). Another study about donations made to a crowdfunding campaign found that social information did not help increase the number of donors, even though it increased the amount of individual gifts (van Teunenbroek & Bekkers, 2020).

Framing Effect

Message framing, as a communication strategy, can significantly influence individuals' attitudes and behaviors towards giving. Nonprofits usually use two types of message appeals: self-benefit versus other-benefit appeals, which are congruent with egoistic and altruistic motives (Jin et al., 2021; Kim & Childs, 2021; White & Peloza, 2009). Self-benefit appeals usually emphasize that donors' own contributions will yield personal benefits, for example, receiving a gift, being entitled to a tax incentive, or feeling good. Other-benefit appeals mean that the main beneficiaries of donations are other individuals or organizations, and donors are often reminded that their donations will alleviate the suffering of others, such as feeding the hungry or offering help to the homeless (White & Peloza, 2009).

Existing studies have found mixed results as to whether self- or other-benefit appeals would yield more donations (Falk, 2004; Newman & Shen, 2012; Feiler et al., 2012). There are several reasons that might explain the mixed results: for example, the efficacy of self- and other-benefit appeals can be moderated by diverse contextual characteristics and individual differences such as whether the donation is made in public or privately; whether the benefit is conditional versus unconditional, or immediate versus long-term; whether there is a relationship between the donor and the beneficiary; the characteristics of an individual donor; and even the donor's culture and traditions (Baek et al., 2019; Chang & Lee, 2009; Chang & Lee, 2011; Jin et al., 2021; Park & Lee, 2015; White & Peloza, 2009;

Ye et al., 2015). Therefore, when framing solicitation messages, nonprofits need to consider who their potential donors are and the situations under which they solicit donations in order to improve the efficacy of the organizations' fundraising appeals.

Overhead Ratio

Overhead ratio, measured by the proportion of donations spent on administrative and fundraising costs, has emerged as an indicator for evaluating nonprofit efficiency. Several studies suggest that donors are conscious of how nonprofits spend their funds: as an organization's overhead ratio increases, donors' charitable contributions decrease (Charles et al., 2020; Gneezy et al., 2014; Tian et al., 2020). The tendency for donors to be turned off by giving to support an organization's overhead costs causes nonprofit starvation. Nonprofits then under-invest in their organizational infrastructure or underreport their expenditure in response to unrealistic expectations from donors for low overhead expenditure (Gregory & Howard, 2009).

DETAILS OF THE EXPERIMENT

This study utilized a 2x2x2 between subject factorial design experiment to examine the independent effects of the three factors—social information, framing effect, and overhead costs— on individual charitable giving in a hypothetical crowdfunding campaign where donations would help patients who were seriously ill receive surgeries. In the experiment, a hypothetical organization was used so that participants' giving decisions were not affected directly by their prior knowledge of any existing nonprofit organizations.

Treatment Conditions

This factorial design experiment investigated three factors, each with two scenarios.

- The first factor was social information, specifically the awareness of other donors who gave to the same campaign, with Yes versus No defining the two scenarios.
- The second factor was the framing of solicitation appeals (i.e. other-benefit versus self-benefit appeals). Specifically, the other-benefit appeal highlighted the additional benefit that patients would receive from donations: i.e., free post-surgery care in addition to surgeries. The self-benefit appeal highlighted the benefit that donors would receive: i.e., free one-year health insurance for critical illnesses in addition to surgeries that patients would receive.

² The 10 percent overhead rate was selected here because public-fundraising foundations in China (i.e. foundations that are permitted to raise funds publicly) are required by law to keep their administrative expenses at no more than 10 percent of the total expenses in a given year. The eligible administrative expenses include the expenses related to the work of the board and other decision-making bodies; salaries and fringe benefits of administrative staff; and other expenses for the operation of the organization, such as rent, utilities, mailing, professional services performed by third-party agencies, etc.



- The third factor is overhead ratio. In one scenario, 100 percent of the donations would be used for patients, while in another scenario, 90 percent of the donations would be used for patients and the remaining 10 percent would be used for the administrative costs of the program.

In the experiment, a total of eight different treatment conditions were examined. Each treatment condition presented a unique combination of one of the two scenarios pertaining to each factor (see Table 1 for a detailed overview of these conditions).

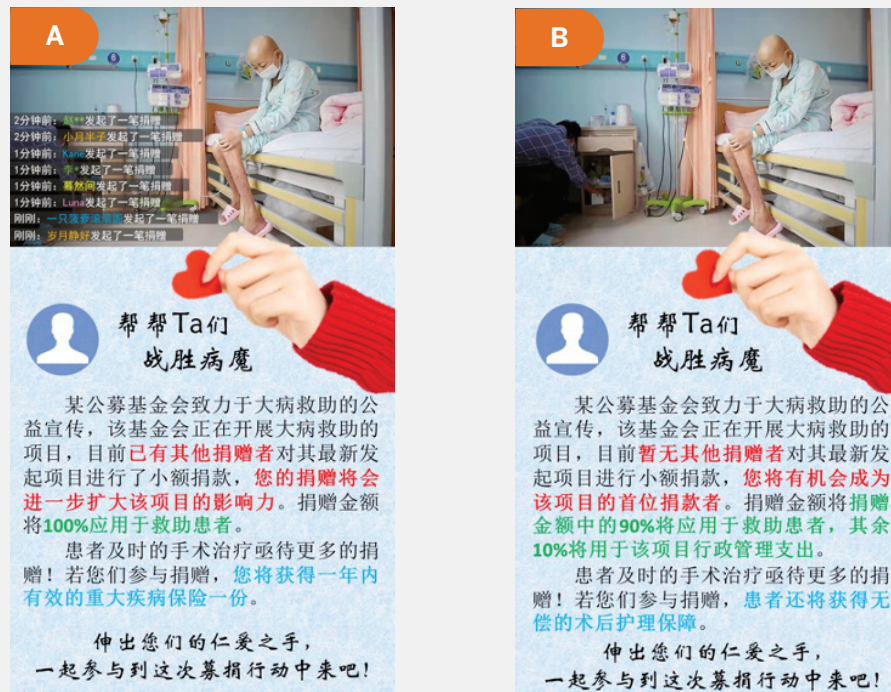
TABLE 1. Eight Treatment Conditions in the Experiment

Experiment Treatment Conditions	FACTOR 1: Social Information	FACTOR 2: Message Framing	FACTOR 3: Overhead Ratio	Number of Participants
1	Yes	Self-benefit	0%	222
2	Yes	Other-benefit	0%	222
3	No	Self-benefit	0%	221
4	No	Other-benefit	0%	222
5	Yes	Self-benefit	10%	224
6	Yes	Other-benefit	10%	224
7	No	Self-benefit	10%	224
8	No	Other-benefit	10%	226

A mock-up fundraising appeal for the crowdfunding campaign was designed for each of the eight treatment conditions. Figure 1 shows two mock-ups as examples.

- Example A presents treatment condition #1, where a rolling record of other people who had just donated to the same campaign is shown on the left side of the picture of a patient (i.e. yes for Factor 1). In this condition, the participant would receive free one-year health insurance after donating (i.e. self-benefit for Factor 2), and 100 percent of the donations would be used for patients (i.e. 0% overhead for Factor 3).
- Example B presents treatment condition #8, which contains the alternative scenarios for all three factors. More specifically, this would mean that the project had not received prior donations (i.e. no for Factor 1). Patients would receive free post-surgery care after participants donated (i.e. other-benefit for Factor 2). Lastly, 90 percent of each donation would be used for patients, while the remaining 10 percent would be used to help the organization cover overhead costs of this program (i.e., 10 percent overhead for Factor 3).

FIGURE 1. Two Examples of the Crowdfunding Platform Mock-ups in the Experiment



Below are the translations of the fundraising messages used in the two examples above.

EXAMPLE A

X is a public-fundraising foundation dedicated to promoting the awareness of providing assistance to patients with critical illnesses. The foundation is currently raising funds for a critical illness assistance program, and **has so far received small donations from other people.** Your charitable contribution will further **increase the impact of this program.** One hundred percent of the donations will be used for providing assistance to patients.

Your donation is needed in order to help patients in need receive timely surgeries. In addition, **donors will receive free critical illness insurance for one-year.**

Donate today and join us in helping patients in need!

EXAMPLE B

X is a public-fundraising foundation dedicated to promoting the awareness of providing assistance to patients with critical illnesses. The foundation is currently raising funds for a critical illness assistance program, and **has so far not received any donations from other people.** You have the chance to become **the first donor of this program.** **Ninety percent of the donations will be used for providing assistance to patients, and the remaining 10 percent will be used to cover this program's administrative expenses.**

Your donation is needed in order to help patients in need receive timely surgeries. In addition, **patients will also receive free post-surgery care.**

Donate today and join us in helping patients in need!



Experiment Procedures

The survey contains three sections. The first section randomly presented one of the eight fundraising appeals to each participant, followed by three manipulation-check questions designed to screen the validity of participants' answers. The questionnaire then asked how much the participant would donate—from zero to CNY 100— if they received an award of CNY 100.

Participants who failed the manipulation-check questions in the first section were thanked and exited from the survey with a partial study compensation. Only those who passed these check questions proceeded to the second section of the survey. Questions in the second section asked about participants' perceptions and values on charitable giving and nonprofit organizations in general, as well as personalities (specifically empathy and narcissism). Lastly, the third section surveyed participants' demographic characteristics and previous prosocial behaviors such as donating and volunteering in the past 12 months.

After completing the survey, participants received a payment of CNY 5 (equivalent to USD 0.78) for their participation in the study. They had a chance to donate a part or the full amount of this payment in the survey. If they indicated an intention to donate, they would receive the remaining amount after deducting their donations from the payment. At the end of the experiment, participants were presented with a debriefing form explaining the purpose of the study. Upon completion of the study, donations from participants were donated to the critical disease program of Lianquan—a famous crowdfunding platform based locally in Shanghai—to help patients in need.

About the Sample

This online experiment was conducted in October 2021 in mainland China. A total of 1,785 Chinese individuals, aged 16 or above and living across the country, participated in the study. Slightly over half of the participants were female (55 percent) or aged between 21-30 (56 percent). The majority of the participants were highly educated (with 84 percent having an undergraduate degree or above), or employed (88 percent). Nearly 70 percent were married. Approximately one quarter had a monthly disposable income (i.e. after-tax income) of CNY 5,000 (equivalent to USD 781) or below, and less than one-third had a monthly disposable income between CNY 5,000 and CNY 8,000 (equivalent to USD 1,249).³ Table 2 presents the socio-demographic information of the participants.

³According to the National Bureau of Statistics (2022), national median disposable income of urban residents was approximately CNY 3,625 per month (equivalent to USD 566) in 2021.

TABLE 2. Profile of Experiment Participants

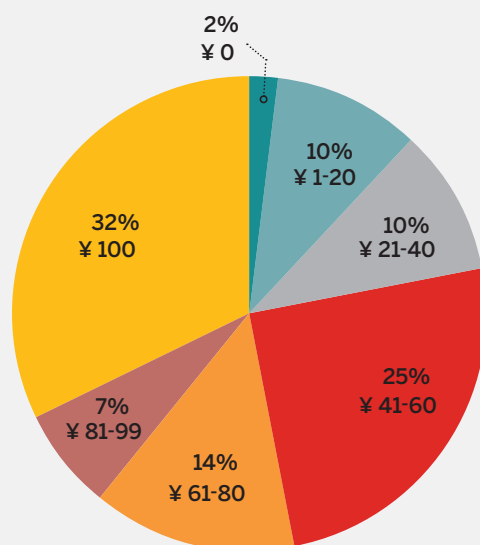
	% OF PARTICIPANTS		% OF PARTICIPANTS
All Participants	1,785		
Gender		Marital Status	
Female	55%	Married	69%
Male	45%	Single	30%
Age		Divorced/Widowed	1%
Age 16-20	4%	Employment Status	
Age 21-30	56%	Employed	88%
Age 31-40	33%	Unemployed	1%
Age 41-50	5%	Retired	1%
Age 51 or above	1%	Students	10%
Education		Top 10 Geographic Locations	65%
Middle school graduate or less	1%	Guangdong Province	13%
High school/ Associate degree	15%	Jiangsu Province	7%
Bachelor's degree or above	84%	Sichuan Province	7%
Monthly Disposable Income		Henan Province	6%
Under CNY 5,000	28%	Beijing	6%
CNY 5,001 - 8,000	31%	Zhejiang Province	5%
CNY 8,001 - 10,000	20%	Shandong Province	5%
CNY 10,001 - 15,000	15%	Hebei Province	5%
CNY 15,001 or above	6%	Shanghai	5%
		Hubei Province	5%



RESULTS

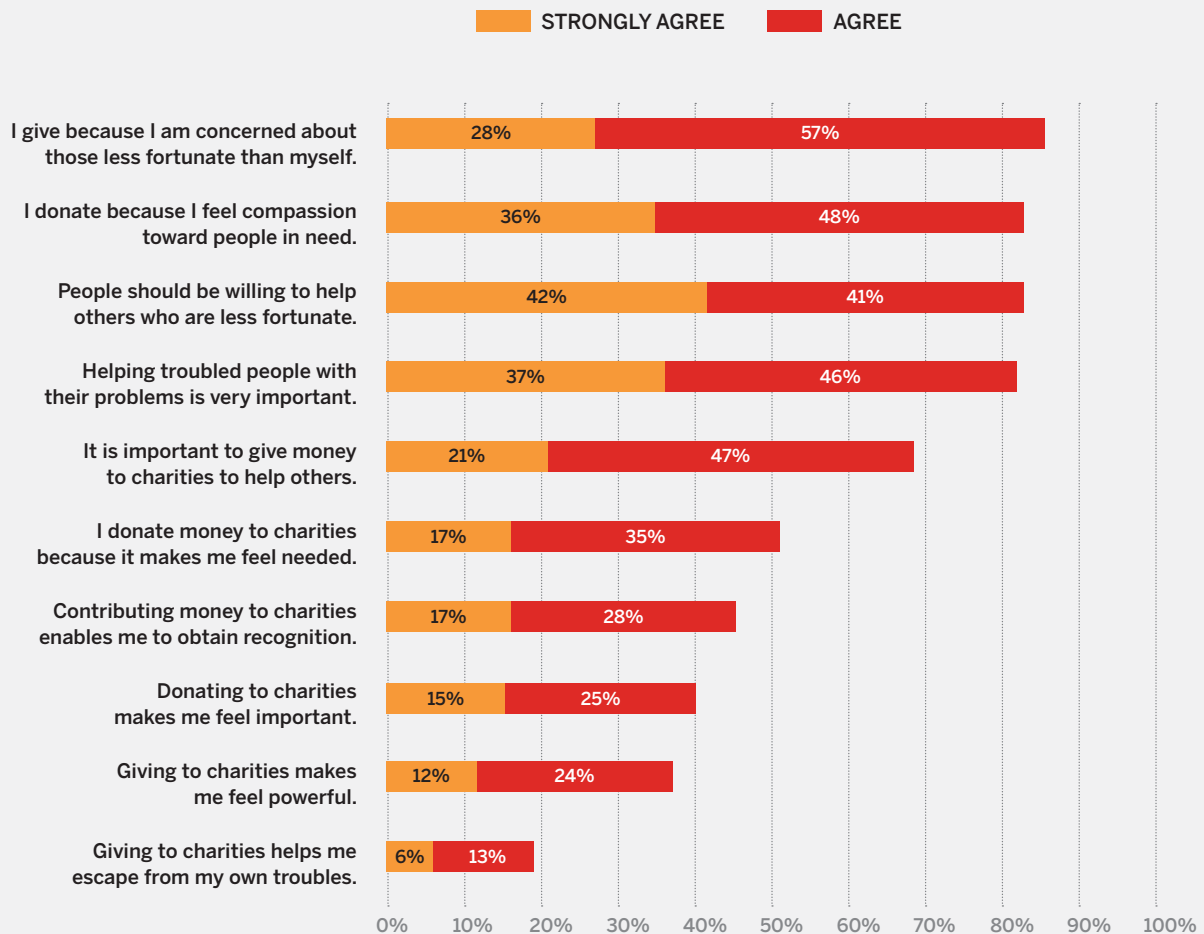
The survey asked participants how much they intended to donate, from zero to the full amount of this award, if they were awarded CNY 100. Around one-third of participants indicated that they would donate the full amount of the award (see Figure 2). Another one-fifth shared that they would donate more than CNY 60 out of the CNY 100.

FIGURE 2. Amount of Intended Donations if Participants Were Awarded CNY 100



When asked about their perceptions of charitable giving, a majority (86 percent) of the participants reported that their concern for people who are less fortunate than themselves is why they donate (see Figure 3). Over 80 percent of participants also strongly agreed or agreed that they give because they feel compassion toward those in need, that people should be willing to help those who are less fortunate, or that it is important to help those in trouble. In addition, more than two-thirds (68 percent) of participants strongly agreed or agreed that nonprofits have the ability to allocate resources effectively in order to achieve their mission.

FIGURE 3. Perceptions of Charitable Giving among All Participants



Effect of Social Information

The results revealed a crowding-out effect of social information on giving. Participants who were not aware of prior donations intended to donate a higher amount than those who were presented with information regarding prior donations. Specifically, participants who were not aware of other donations shared that they would donate CNY 69 (equivalent to USD 11), on average, if they were awarded CNY 100 (see Figure 4). Participants who were presented a list of people who had just donated indicated that they would donate an average of CNY 66 (equivalent to USD 10). This result is statistically significant, suggesting that the awareness of other donors led to a lower amount of donation.

FIGURE 4. Amount of Intended Donations if Participants Were Awarded CNY 100, for Participants Who Received Different Information on Prior Gifts

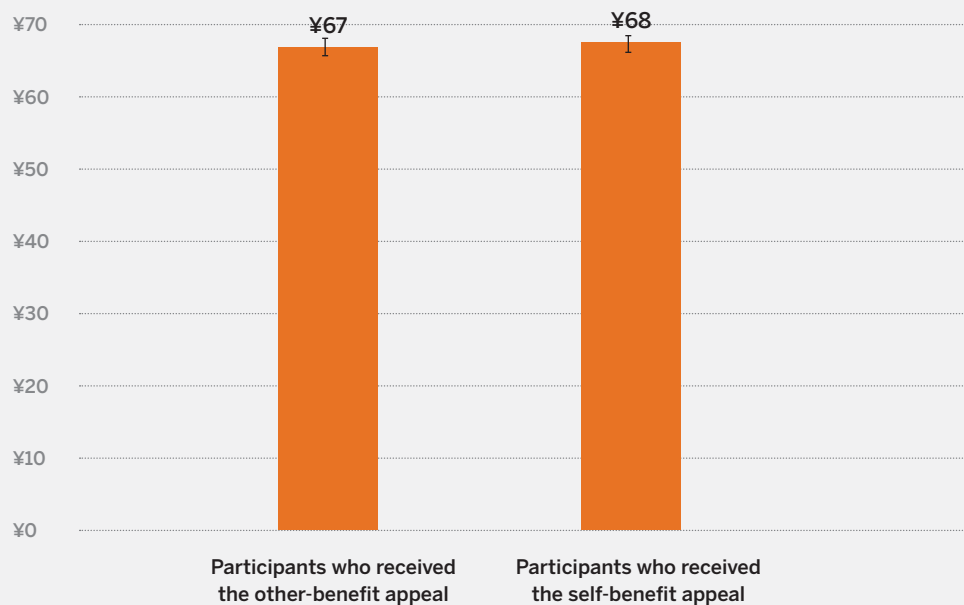


Note: The black bars in the graph are standard errors, which can be viewed as an indication of the reliability of the average amounts. The smaller the standard error, the more representative the sample is of the overall population.

Framing Effect

The results showed no evidence for the framing effect in this experiment. Participants who received the self-benefit appeal donated slightly more than those who received the other-benefit appeal (see Figure 5). However, this small difference is not statistically significant. In other words, we did not find empirical evidence that self-benefit appeals are more, or less, effective than other-benefit appeals.

FIGURE 5. Amount of Intended Donations if Participants Were Awarded CNY 100, for Participants Who Received an Other-Benefit Appeal or a Self-Benefit Appeal



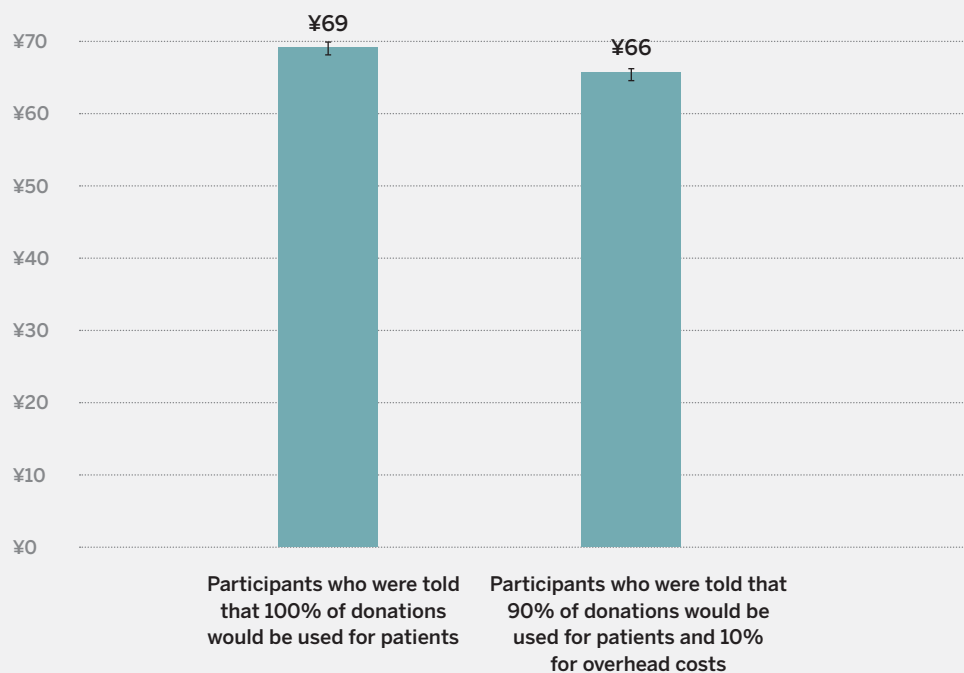
Note: The black bars in the graph are standard errors, which can be viewed as an indication of the reliability of the average amounts. The smaller the standard error, the more representative the sample is of the overall population.



Overhead Rate

The analysis found a negative effect of overhead costs on giving. Participants who were told that there were no overhead costs indicated a higher amount of intended donations than those who were told that 10 percent of their gifts would be used for overhead costs (see Figure 6). The result is statistically significant and suggests that individuals are not inspired to support an organization's overhead costs in their charitable giving.

FIGURE 6. Amount of Intended Donations if Participants Were Awarded CNY 100, for Participants Who Received Different Information on Overhead Rate



Note: The black bars in the graph are standard errors, which can be viewed as an indication of the reliability of the average amounts. The smaller the standard error, the more representative the sample is of the overall population.

DISCUSSION

This study investigates the separate effects of three factors on individual giving to a crowdfunding campaign through an online experiment. These three factors include social information, message framing, and overhead ratio. Examining two scenarios for each factor, the experiment includes a total of eight treatment conditions. The hypothetical crowdfunding campaign was to help patients of critical illnesses receive timely surgeries. A fundraising appeal was designed for each treatment condition, presenting a unique combination of one of the two scenarios pertaining to each factor. In the experiment, participants were randomized into one of the eight scenarios and were asked how much they intended to donate, from zero to CNY 100, if they received an award of CNY 100.

For social information, the study examined whether the awareness of other donors who donated to the same campaign affected participants' giving intention. Overall, the results indicated a crowding-out effect of social information on individual giving. Presenting a list of other donors decreased the amounts that participants would donate. This was consistent with another study on medical crowdfunding which found that the average amount of donations declined as the campaign gained more donors (Ren et al., 2020). One possible explanation for this outcome is that people may perceive a smaller impact for their gifts when they see that others have already donated to the same campaign (Duncan, 2004). Another potential reason explores "a diffusion of responsibility" (van Teunenbroek et al., 2020, p.68). Research in social psychology suggests that people tend to feel a lower level of responsibility when they are part of a larger group. In this experiment, when people saw that others had donated to the campaign, they potentially felt that their gifts were less needed, which resulted in a smaller gift.

In regard to message framing, the study explored the effects of self-benefit and other-benefit fundraising appeals. In the experiment, the self-benefit appeal highlighted the benefit that donors would receive (i.e., free health insurance), in addition to how the program would benefit patients with critical illnesses. By contrast, the other-benefit appeal aimed to evoke the altruistic motive and emphasized an extra benefit that patients would receive (i.e., free post-surgery care), in addition to the surgeries. The result found no statistically significant differences between these two appeals. Participants who received each of these appeals donated a similar amount on average. As suggested by prior research, the effectiveness of self- and other-benefit fundraising appeals could be moderated by various contextual and individual factors. Moreover, multiple factors may



affect the success of crowdfunding campaigns, such as the target goal set for a campaign, geographic location of a campaign, or even the gender of the campaign creator (Shneor & Vik, 2020). There is limited research that examines motivations for donating to crowdfunding campaigns specifically. Impure altruism that involves intangible benefits, such as peer recognition and social belonging, has been found to play a role in giving in this context (Zhao & Shneor, 2020). Additionally, studies on charitable giving in general also caution that offering material benefits to donors may undermine their generosity (Bekkers & Wiepking, 2011). Further research is needed to examine the effects of tangible and intangible benefits of giving through crowdfunding.

Looking at overhead ratio, the study analyzed the differences between not mentioning overhead costs and mentioning a 10 percent overhead rate included in their donation. The results indicated that donors were averse to donating to crowdfunding campaigns when overhead was included. In the experiment, the 10-percent overhead rate led to a lower amount of donations, compared to when no donations were used for overhead costs. Prior research has discussed in detail the issue of overhead aversion and the starvation cycle that it causes when nonprofits try to keep a lower overhead rate by underspending or underreporting operational expenses (Hung et al., 2022). However, overhead aversion might subside if nonprofits communicate about their overhead rates in an appropriate way. Studies find that overhead aversion happens most often when donors have to pay for the overhead costs (Charles et al., 2020; Gneezy et al., 2014). Recent studies suggest two possible solutions to tackle overhead aversion: 1) to provide overhead-free solutions for donors by covering overhead expenses from major gifts and enhancing financial transparency (Gneezy et al., 2014); and 2) to inform donors about the necessity of overhead through messaging and education (Qu & Daniel, 2021).

Research to Practice

The growth of online giving in China calls for increased donor education and knowledge sharing among nonprofits. China has a long tradition of philanthropy and has witnessed a rise in online giving and crowdfunding in recent years. According to a survey of more than 4,000 individuals living in Beijing and five provinces, giving online was indeed the most popular way to donate in 2018 (Han et al., 2020). In order to encourage more generosity, it is necessary to promote a broader understanding of philanthropy among the public and nonprofits in China. For example, findings from this study emphasized that it is important for nonprofits

to appropriately communicate about their overhead ratio with donors and to pay attention to the messaging they use for solicitation.

Moreover, building and enhancing public trust is critical to encourage individual participation in new and emerging forms of giving. The need and expectation for transparency have increased in China. Instead of reporting long after the completion of projects or in annual reports, donors request more detailed and up-to-date information on the activities they have supported. In particular, trust in charities has remained low due to several scandals in China's philanthropic sector (Xinsheng, 2020), fake charity programs (Burton-Bradley, 2022), and fraudulent campaigns on crowdfunding platforms. Therefore, transparency is crucial in order to build and strengthen public trust in nonprofits.

Additionally, the growth of new forms of giving in China, especially online giving and crowdfunding, calls for further research to better understand factors that encourage, or discourage, individual generosity. It is important to consider the unique philanthropic culture and public perception of philanthropy and nonprofits in China when research studies are designed and conducted.



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