

GIVING GENEROUSLY TO THE POOR MAKES MILLIONAIRES HAPPY, STUDY FINDS

Thursday 15 October, 2015

Millionaires are more generous than other sections of the population and feel happy when giving to poorer people, a study from Maastricht University has found.

In the first ever research to enlist real millionaires, more than six hundred of some of the richest people in the Netherlands were asked to donate up to 100 Euros to low income families.

Their responses showed they were more likely to give generously than less wealthy people who took part in previous similar studies.

The researchers at the Maastricht University School of Business and Economics compared the behaviour of the participating millionaires in two different types of situations.

In the first, they were asked to directly donate up to 100 Euros to a low income individual – a scenario known by academics as a 'Dictator Game'. In the second, the low income receiver was given the power to bargain over the amount donated -- a so-called 'Ultimatum Game'. Researchers worldwide have studied these "games" with many different target-groups, but never with millionaires.

The millionaires taking part in the study donated on average over 71 Euros when playing the 'Dictator Game', with nearly half giving the full 100 Euros. In comparison, less wealthy individuals taking part in previous research donated an average of just over 28 Euros, with less than 6 per cent giving the full amount.

When asked why they were so generous, most millionaires said that giving money to poorer people made them happier.

However, in the bargaining setting of the 'Ultimatum Game', millionaires were significantly less generous and more inclined to reason that "business is business" – with the majority choosing to offer a 50-50 split.

According to the Maastricht researchers, charities can learn valuable lessons from the study. The experiment shows that millionaires are far more generous when they are in a giving mode and not confronted with a counter-offer. It means setting a minimum donation amount, for instance, could result in receiving less money than the donor would have otherwise been prepared to give.

Paul Smeets, one of the authors of the research, published in the journal *Proceedings of the National Academy of Sciences*, said: "The participants apparently clearly distinguish between a charitable giving situation and one in which they take the economic payoff into account (the bargain). This is consistent with for instance previous studies that show that paying people to donate blood actually reduces donations rather than increasing them."

Private bankers can use the insights of the study as well by making a clear distinction in the framing of their finance products as either charity or investments.

The millionaires who participated in the study were clients of ABN AMRO MeesPierson, ABN AMRO's private bank. The recipients were selected by the independent research agency Flycatcher, from a panel of low-income Dutch citizens.

Related Sectors:

Business & Finance :: Charities & non-profits :: Education & Human Resources ::

Related Keywords:

Millionaires :: Money :: Giving :: Charities :: Maastricht :: University :: Research :: Donations ::

Scan Me:



Company Contact:

—

Media FHE Ltd

T. 01629 636007

E. tonytysome@mediafhe.com

W. <http://www.mediafhe.com>

View Online

Newsroom: Visit our Newsroom for all the latest stories:

<https://www.mediafhe.pressat.co.uk>