

Meta Analysis of Theoretical and Empirical connections between Altruistic Behavior and Economic Wellbeing of an individual

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Abstract : The recent literature supports the fact that choices of individual are not always rational. They are bounded rational not just because of lack of complete information but due to involvement of individual personal attributes in decision making. This paper particularly aims at analyzing the theoretical and empirical connection of altruistic consumer behavior and economic welfare of an individual. The traditional utility maximization model failed to incorporate altruistic, empathic, moral and cultural urges of an individual which shape his/her choices. The comprehensive review supported by major economist revealed that such altruistic behavior of an individual can be explained by Standard Neoclassical Model of Choices. The study also tried to find the explanation of given phenomena under different disciplines like Philanthropy, Corporate Social Responsibility, Political Economies, Public Economics, Labor Economics, Psychology, Behavioral Economics and Experimental Economics. Philanthropic attitude is higher in older age group and highly educated individuals leading to more altruistic behavior. Corporate philanthropy supports welfare of whole society. Political economy assumes that people get satisfaction by warm glow through giving more to charities. Altruism has positive impact on employee job satisfaction leading to more productivity. Family background motivates an individual to exhibit philanthropic and empathic concerns for others. Behavioral economics support that human nature can be used to solve problems related to health and education. Experimental economics support that generosity increase with age, education and income. The Meta Analysis reveal that going into other discipline will help to explain the concept and formation of utility maximization model which truly represent individual choices.

Introduction:

Richard Thaler Nobel Laureate 2016 played important role in development of behavioral economics. His first contribution was the validation of deviations from rational behavior in economic decision making and giving theory of mental accounting to explain the cognitive operations used by economic individual to evaluate his/her economic activities. His second contribution is related to self-control problems which prevent an individual to take optimal decisions. Thaler explained the saving behavior of individual in context of planner-doer model. The work of Thaler's on limited cognition and self-control has major policy implications. The third contribution was explaining the importance of social preferences in making economic decisions. The social preferences were defined in term of dictator game. His work explained that people are more concerned about fairness both in consumer and labor market. Finally, his work on providing evidence of psychological aspects in economic decisions makes him eligible for Nobel Prize(Committee, 2017). He is considered as pioneer of behavioral finance, particularly explaining investor psychology while making investment decisions. This journey motivated to determine the social preferences of individuals and how it's going to create economic welfare for individual which was previously defined purely in context of rational decision making.

Recent empirical and theoretical literature has provided substantial evidence suggesting that fairness motives affect the behavior of many people. Most theoretical papers describe reciprocal altruism and equilibrium behavior by considering psychological game theory which usually gives different predictions with respect to the standard notions of equilibrium in games (Marco, 2010). Choices studied in behavioral game theory are not always rational and do not always represent the utility maximizing choice. Rushton, (1981) developed a scale to report self-reported altruism. This scale is used to analyze the altruistic behavior of an individual. It is not just limited to giving charity to others but it also include giving directions to some unknown individual, help in carrying belonging of some unknown person, holding door for someone, allowing someone to go in front of you in line, giving neighbor some valuable item of yours, helping a handicap to cross the road and giving seat to someone in bus who is standing. High scores clearly exhibit that individual ha high altruism. The theoretical analysis revealed that individual gifts to charity are interdependent. The individual contribution to charitable organizations is highly influenced by contributions from other individuals belonging to same group (Andreoni, 1998). The evidence is neither significant nor large. This means that standard models which ignore such kind of interdependence of preferences may not be misleading.

Some people belief that it's the social pressure which motive others or force others to give to charity. Similar analysis in American economy reveals that ninety percent give money to charities. But why people give either they want to or they are forced sue to social pressure. The analysis revealed that if people are aware that a solicitor is coming, they don't open the door. This support the above argument, that social pressure is an important determinant of giving. The estimate social pressure cost of saying no to a solicitor is \$3.5 for an in-state charity and \$1.4 for an out-of-state charity (Vigna, 2009). The other fact revealed from the analysis is that door to door collection of donation decrease utility of the potential donors. Altruism and economic wellbeing has various indirect connections, which can be explored by studying the

phenomena under different heads like, Philanthropy, Corporate Social Responsibility, Political Economy, Labor Economics, Psychology, Behavioral Economics, Public Economics, and Experimental Economics.

Philanthropy

Philanthropy is defined as benevolent behavior, usually in the form of charitable gifts, toward others in society. The current literature on crowding out of charity (private giving) is considered to be substantial at fifty percent but other thinks that charity gets encouraged by government grants (Andreoni, 2001). The analysis on philanthropy needs further investigation to validate the above argument. The giving significantly vary across age and education level like older people are more likely to give charity while people with higher level of education are going to give more than others. The main question is how donor chooses among different charities. Individual social experience helps to define the donors taste and preferences. The philanthropic behavior of donor is based on his/her personal and professional background and also influences the choice of beneficiaries(Breeze, 2010). The use of charity money defines the competence if charity in donors perception. The donor always wants that his/her donation create a significant impact on life of beneficiaries. This can be explained by new model of altruism called impact philanthropy. Impact philanthropy is defined as an individual who want to make a difference. The implications of impact philanthropy are quite different from other philanthropic models. In this case the donation from others can have negative impact on impact philanthropist's contributions. So on aggregate basis, presence of impact philanthropic reduces overall contributions(Duncan, 2004). It can be stated that codependent relationship prevails between givers and recover in case of impact philanthropic, as both get benefited from each other. This model also conflict with charitable organizations, as charitable organizations spread donations across many goods while impact philanthropists prefer to give his or her contribution at a specific good.

While discussing charity and philanthropic behavior, volunteering play a prominent role. Despite, volunteering behavior prevails, theory failed to find any solid reason of such pro-social act. There is a list of studies who worked on determinants of such behavior but mainly they are altruism, reputational concerns and material incentives. Carpenter, (2007) found in their study that altruism and reputational concerns are positively associated with the volunteer behavior of an individual. But any kind of extrinsic behavior can crowd out pro-social behavior. The researcher needs to know what are the bases on which an individual decide whether to give time or money to charity. In an experimental setup where some people have both opportunities of either giving time or money it was found that having more opportunities to donate will lead to more donations but giving time as donation is far more than donation in monetary terms. The difference is driven by different warm glow from the two donation types (Brown, 2013). The factors like social recognition, enjoyment of the volunteer activity and the salience of one's donation all increase the utility from donating time to charity rather than money.

Some researcher's believes that charities are not always selfless. One example can be of a researcher who gives to charity with a hope that his findings give some productive results. One who leads in public broadcasting may expect to have improved programming. The second thought about it is the desire of enlightened self-interest. A good salaried person gives to poverty programs in order to sustain that peaceful life. The third thought about it is Altruism toward others or toward future generations may be a motivator in giving. Despite all the school of thoughts are different, economics define them in same model (Andreoni,

2004). Since each implies a concern about total charitable collection, each could be modeled identically as private gifts to a pure public good.

Philanthropy is used to give moral support to mankind and to solve various social problems. There is lot of donation made each year in Muslim countries but the social problems are still there. Pakistan is also a Muslim country and donations are made near to one percent of total GDP but problems are not decreasing instead they are increasing. Over the period of time people preferred to give charity to needy directly rather than giving to some charity based organization. This clearly reveals that people failed to trust charity based organizations for fair distribution of resources. While analyzing this perceptual change in people's behavior it was found that people perception and impression management have significant and positive effect on performance of philanthropic organization (Hanif, 2016). The philanthropic organizations fail to create a positive impression on people perception. Particularly talking about impact of philanthropic activities on educational institutions, the quality, equity, adapting to new methodology has strong evidence of correlation with philanthropy. Further analysis revealed that there is moderate evidence of association between philanthropic activities and learning outcomes, gender, cost effectiveness, choice, identity, accountability, regulation and market effects. Other than that, financial sustainability, affordability, perceived quality of education, state capacity, capability and legitimacy to implement policy frame works, state collaboration, international funders and social cohesion has weak evidence of association with philanthropy and that's why it's inconclusive (Wales, 2015).

The trust issues on charitable organizations have number of reasons. First is legal status of these organizations. The registered organizations can easily gain trust of general public. Secondly, these organizations need high level of professionalism and training but most of time lack of professionalism leads to lack of trust from general public. Thirdly, the accountability of these organizations is major problem. The people are more concerned whether their money is allocated to the deserving persons or not. Fourthly, the ideological and political attacks on these organizations are very common (Ghaus-Pasha, 2019). The determinants of human philanthropic activities are discussed in various perspectives and religiosity is one of them. It is part of current debate that economist neglected major non-economic factors like religion, spirituality and ethical attributes which play a vital role in economic decisionmaking of individuals and households. From the dawn of civilization, caring of mankind is a divinely prevalent value. Such kind of values are further promoted and strengthened by religious orientation which enhance altruistic activities. The major determinants of altruism are warm glow, tax price, public good, social acclaim and impure altruism but they always missed the Divine beliefs, the peace of doing good deeds and the reward system in the form of paradise for the life after death. Divine economics analyze the relationship between perception about an afterlife and household's systematic behavior to optimize eternal utility. Such kind of behavior has been used as a tool in different religions to get rid of poverty (Tashfeen, 2015). The empirical analysis supports the significance of religiosity in defining philanthropic activities and that lead to a different behavior of consumer. Particularly talking about Islam, which has set certain rules regarding relationship between religion and economy which are more inclined towards philanthropy actions? The love of people has been practiced by the Prophet and the companions and that became the basis of an Islamic society where helping others has become the tradition. It is believed that all the social justice and economic oppression can be overcome by adopting this core value of Islam. Because of this the philanthropic

behavior has an impact on inter-generational transfers and on provisions of public and private goods (Ismail, 2013).

Corporate Social Responsibility

Corporate philanthropy is a new concept in which corporations care about the environments in which they operate. In the current competitive environment, corporate contributions for public welfare have significant impact on market image and sales. There are number of factors which determine the corporate donation of a particular organization. The advertisement expense has negative relationship with corporate donations (Makki, 2008). Public-Private partnerships can be used as provision of social services based on corporate philanthropy. Tobit Model can be used to analyze association between different factors and Corporate Philanthropy. The analysis revealed that firm size, prior profitability, and natural disaster have significant positive impact on Corporate Philanthropy (Bashir, 2017). It is observed that philanthropic activities can't be used by firms for image creation. The cluster of firms is there which behave differently and that require further sophisticated treatment in order to analyze the impact of it. The consumer purchase behavior influence the promotion of Corporate Social Responsibility (CSR). The barriers to responsible consumption are willingness to pay which depend on consumer social preferences and availability of complete information between consumer and companies. The review of literature reveals that altruistic, self-image and social image concerns are related to consumer social preferences. The individual who have low marginal utility of income and have strong social preferences are more likely to buy CSR (Corporate Social Responsibility) products (Etilé, 2012). The promotion of such products can be done by public policies which support product label regulations, education programs and self-image concerns of individuals.

Political Economy

Model of giving have often been based on altruism. Examples include charity and intergenerational transfers. The literatures on both subjects have centered on neutrality hypothesis. Charity is subject to complete crowding out, while intergenerational transfers are subject to Ricardian equivalence. Andreoni, (1989) developed a model of giving in which altruism is not pure. In particular, people are assumed to get a warm glow from giving. Contrary to the previous literature, this model generates identifiable comparative statics results that show that crowding out of charity is incomplete and that government debt will have Keynesian effects. The private providers of charity (public goods) enlist fund raisers to collect and organize contributions. The initial seed money that come from government or any leadership fivers play vital role in launches of fund drive and generate additional gifts. In this theoretical framework, the basic assumption is that there is a range of increasing returns at low levels of provision of the public good (Andreoni, 1998). The analysis show that fund-raisers have a natural and important role, and a very small amount of that seed money can create a substantial charity based organizations. It has been observed that crowding out of government grants to private charities is incomplete. The grant from government is considered as imperfect substitutes for private giving. The theoretical and empirical investigation of phenomena revealed that the fund raising efforts reduce as a result of a response of grant from government. The panel data analysis of social service based organization found that fund raising decrease due to increase in government grants (Andreoni, 2003). This aspect is important for policy based discussions that policy institutions should keep in mind the behavioral response to government grants with respect to public goods like charities.

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The “leadership giving” provides a signal to all othergivers that the charity is of high quality. The major reason is that, if leaders give charity and become able to convince his/her followers that charity is of high value than his/her followers are going to give larger contributions. The studies reveal that the leader must give an unusually large amount to convey a credible signal of the quality (Andreoni, 2006). The war of attrition game will help to determine who will pay the cost to signal the quality. The rich have low opportunity cost of providing signal. But the question is if people feel joy while giving to others, why such efforts are important. In leadership giving, the leader usually supports particular organization, but why such efforts are important. The analysis support the fact that verbally asking help to generate more donations but why it is important if people feel satisfaction while helping others. The answer to that is empathy-altruism link (Andreoni, 2016). When the giver becomes aware of the problems of the recipient the donation surprisingly increases. The same insensitivity is being defined by leadership giving. The leader gives to particular organization to give a message to its followers that their cause is important. So it can be concluded that asking has a powerful impact and can be explained by givers awareness of empathy-altruism link. The presence of large number of donors with impurely altruistic pretenses in an economy will lead to complete crowding out (Ribar, 2002). The empirical analysis found little evidence of crowding out either public or private sources. Thus it can be claimed that donation to public or private charity based organization is solely motivated by joy-of-giving preferences.

Public Economics

Andreoni, (2011) wrote book on charitable giving which basically comprised on four approaches that are, Individuals, Giving as a Market, The Inherent Sociality of Giving and The Giver’s Mind. The reason why people give cannot be explained alone in an economic model. The elements of sociology, psychology and ethics need to be incorporated to strengthen our economic model. The analysis emphasized on sympathy, empathy, guilt, shame, pride and warm glow as major drivers of altruism. Giving to others is more a kind of psychological process. Indonesia, Australia and New Zealand are the top most giving nations of the world (CAF, 2018). Altruism is very limited when explained through pure public goods approach. The point can be explained in different ways. First, free riding dominate altruistic economy. Charity as public good is only supplied by richest individuals. Second, the pure altruism model produces several strong neutrality results. Nash equilibrium is independent of government provisions, subsidies to giving and distribution of income. Third, exogenous increases in giving will not have a perceptible effect on the total equilibrium donations. Finally, total supply of public good is not relevant to redistribution, change in population and joint provisions (James, 1988). The government provision incompletely crowds out private provision. The subject altruism is congestible. To analyze how giving depend on the size of the group, the study results show that one person receiving x is equivalent to one in which n people receive x/n .⁶⁸ each (Andreoni, 2007). In the world, Donor Advised Fund are considered to be bets financial instruments that can be used for transitioning wealth into different sections that can help people to plan their giving and plan their tax savings on those charitable gifts (Andreoni, 2010). In the economics framework, the charitable contributions are considered as charitable investments because their returns last in generations. So once a recipient of charity is identified, the social goal helps to fund that recipient rather than economic goals, because such goals are take giving others as legacy gifts or any other form of personal gratification. So

if donor keeps track of record through Donor Advised Funds, the transfer of money to recipient look more as gain than as loss and the families maintain that funds generations over generations.

The fund raising organizations have critical role in whole analysis. The government needs to facilitate the whole process because communication is the major tool between fund raising organizations and donors. In altruism, the donor actually wants to know who is going to receive his/her help. So interaction between donor and receiver, clearly influence the choices of donor. The human sociality is basis of evolutionary theories of altruism. The theories support power of asking. Whenever the communication is facilitated, between recipient and donor, the amount of donation increase. But in case of fund raising organizations, the choices are a bit reluctant and that's why fund raising for charitable organizations is a difficult phenomenon. The problem can be minimized if empathy is highlighted, because in that case the fund raisers talk about the problems of receivers and that surprisingly increase the donations (Andreoni, 2011). So communication with the donor and heightening empathy can be used as major tool by fund raising organizations to increase their donations. It is observed that if government support a particular charity based organization, the donation from general public decrease. This may be the case of crowding out that after getting grant from government, fund raising organizations decrease their efforts in raising money. The second reason can be that people think it's their tax money which government has given to charity based organization. The analysis in this respect clearly show that crowding out is significant and it reduce fundraising. The crowd-in ranges from thirty percent to a slight crowd-in effects, While crowd-out ranges from seventy percent to over hundred percent of all crowd-out (Andreoni, 2011). This analysis is very important for government to decide, grant structure for non-profit based organizations. The government has to formulate the policy which increase private donations and hence reduce the detrimental effects of crowding out. In this analysis it is important to see that does grant to charities crowd out other incomes. The analysis based on United Kingdom lottery grant program revealed that smaller charities are positively affected by grants; increase their longevity and resultantly crowding in other income (Andreoni, 2014).

According to economist, a policy impact on welfare typically assumes that people are best judge of their own welfare. That's why early welfare analysis was based on subjective analysis but now economist ignores subjective perspective. The commonly used objective indicator of welfare is income. Ravallion, (2016) analyzed the given phenomena in Russian economy revealed that, adults with higher per capita income place themselves in rich class rather than in poor class. To analyze the exact welfare status of household, the researcher incorporated expenditures, educational attainment, health status, employment, and average income in the area of residence. People with good health and better education assume to have good welfare status. Unemployed individuals usually place themselves under lower welfare head while relative income has significant impact as people live in rich area, they perceive that their welfare status is low as compare to others. Subjective wellbeing is now a major tool used by the governments to analyze the thoughts of their citizens regarding a particular public policy (Dolan, 2012). It is used for the efficient allocation of scared resources. There are three main concepts of Subjective Welfare in the literature evaluation (life satisfaction), experience (momentary mood) and eudemonia (purpose). The policy-makers should seek to measure all of these to have proper monitoring of their policies. The household integrated surveys can be used to have a broad analysis of subjective wellbeing. On the off chance that the intentions in giving for development are confined as far as concern with the circumstance of disadvantaged, at that point it is very conceivable that this concern is non-welfarist in structure; the worry might be

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multidimensional, what's more, may conjure the idea of capacities. While formulating the social welfare function, those individual concerns for the disadvantaged cannot be totally ignored (Atkinson, 2007). The idea of a representative beneficiary for the individual benefactor has a parallel at the level of the national social welfare work, recommending how we can infer a plan that lies between the boundaries of national vanity and global cosmopolitanism.

Labor Economics

Organizational citizenship behavior is a kind of extra role behavior, usually adopted by those employees who happily go beyond formal job compulsion. Altruism and courtesy are part of Organizational citizenship behavior studied by (Asif, 2013) while working on telecom industry of Pakistan. The results of study validated that altruism and courtesy has positive impact on employee job satisfaction and job commitment. The altruistic behavior of few employees actually increases the performance of whole organization. Such behavior is directly related to loyalty with organization. This also decreases the turnover rate and enhances stability and employee retention. The ethical decision making can be used to explain altruistic choices of an individual. Ethical consumption is more strongly determined by altruistic motives or egoistic motives (Lindenmeier, 2017). Both motivational processes drive ethical consumption. The study revealed an unexpected phenomenon which shows that male's behavior is based on altruistic motives and female behavior is mainly determined by negative and egoistic motives. Modified dictator game is used to study the gender differences in altruism. The question of fair sex has a complicated answer. Women are more kind when altruism is expensive but men are more altruistic when altruism is cheap (Andreoni, 2001). Men are more responsive to price changes when male and female demand curves for altruism cross each other. Men are either perfectly selfish or perfectly selfless but women are "equalitarian" who prefer to share evenly.

The literature review support that women give more to charitable causes while men are more generous in terms of giving more amounts. When this phenomenon is tested in United Kingdom economy the results showed that women are more generous in term of giving more amounts to donations (Piper, 2007). The phenomena are consistent across different household structure, education and income. The only difference is that in married couples giving doesn't vary across gender but in case of single people, women are more generous in giving donations as compare to men. Married couples make joint decision regarding spending and expenditure of household. In this context, it is important to know how giving pattern change for married male and married female. There is significant difference between giving patterns of single and married individuals. In a married household, giving preferences is mainly determined by husband (Andreoni, 2003). Making joint decision regarding charity reduce overall giving portion as compare to independent decision of one spouse. As compare to married male and female, male give to less charities but give more while female give to more charities but to give less to each. In most of cases, household give charity to avoid risk and negativity of risk in their lives. In theory altruism lessen the extent of risk sharing but imperfect commitment get attenuated but not fully eliminated. This imperfect commitment prevents efficient response to risk (Foster, 2000). If so this commitment problem limit household to fully insure them to avoid idiosyncratic shocks despite having altruistic ties.

Psychology

Altruism has different motives but what helps in developing it is family background. It's the family which motivates an individual to exhibit philanthropic and empathic concern for others. This behavior can be a reason that helping a family member has different motivation level than helping a stranger. Some proportion of seemingly altruistic behavior (e.g, helping amongstrangers) may be egoistically, rather than altruistically, motivated (Maner, 2006). For the betterment of society, one can't deny the role of family system. Many researchers' think that, it's the genes which force you to help others; rather than any kind of motivating factor. So helping others can be more a kind of personality trait inherited from your forefathers. People prefer to go for that kind of altruistic behavior which supports their value system. In short people help to get internal reward rather than external rewards. Empathy induced altruism belief that it's the empathic concern felt for a person in need which produces altruistic motivation to relieve that need (Batson, 2008). But the point is, to feel that empathic concern you need to have altruistic personality, strong moral values and internalized pro-social values. Aversive arousal reduction is used to give egoistic explanation of empathy helping relationship (Batson, 1992). According to this, empathically aroused individuals help in order to benefit themselves by reducing their empathic arousal; benefiting the victim is simply a means to this self-serving end. Helping the victim is the best way to get rid of empathic distress which is usually unpleasant.

It is general perception that pro-social behavior is different across genders. The analysis was done on testing pro-social behavior for accident victim, neighbor fighting, molestation, and shoplifting. The results revealed that most of the people help either directly or indirectly and very few are there who fail to help anyone. The intensity of helping behavior varies from situation to situation (Iqbal, 2013). But the point of difference between behavior of men and women was not significantly different. The earlier literature supported the fact that women are likely to be more altruistic than man. But the recent support that there is no significant difference but a study based on sample of Amazon Mechanical Turk crowdworkers living in the United Nations revealed that women are significantly more altruistic than men (Garza, 2018). It is also observed that everyone expect women to be more altruistic than men. The pro-social behavior is also studied in relation to narcissism and spirituality. The analysis done on university students revealed that there is positive relationship between Pro-social tendencies measure and Spirituality index of wellbeing but narcissism and spirituality was found to be negatively related with each other. On basis of gender the pro-social behavior, narcissism and spirituality are found to be significantly different. The age is found to be positively associated with Pro-social tendencies measure, Spirituality index of wellbeing, and Narcissism personality inventory (Jan, 2016). A comprehensive study of 136 countries was conducted to support the argument that human being uses their financial resources to get emotional benefits by helping others (pro-social spending). Across different cultures it is accepted fact that pro-social spending lead to greater happiness (Aknin, 2011). Spending money on others has significant impact on happiness. In contrast to traditional concept of economics which define self-interest as main driver of human motivation, this cross cultural study supported that reward experienced from helping others is part of human nature and valid in all cultures and economic contexts.

Behavioral Economics

Ashraf, (2013) explained how behavioral economics is promoting better health around the world. Its human nature that can be used to solve lot of health related problem across the world. The human nature in the form of altruistic capital will help to facilitate people at their door step. While evaluating this on ethnic and religious diversity, and increase in ethnic diversity decrease donations, and the whole effect is driven by non-minorities. The same kind of relationship is found between religious diversity and donation although evidence is weak (Andreoni, 2016). There is no consistent connection between diversity and donor household. The diversity has negative effect on publicly provided goods and set up new debate for policy makers. The social responsibility is an important predictor of having an altruistic personality. The analysis revealed that social responsibility and altruistic behavior are significantly and positively correlated with each other (Aziz, 2018). The people show more altruism if they behave as socially responsible person. A socially responsible person is going to show higher level of altruistic personality. But contrary to the studied discussed in other sections, men show more altruistic personality as compare to female. Institutional environment has significant impact on pro-social behavior of individual. The intrinsic motivation to behave socially and the salience of social norms are affected by institutional environment. It also defines the interaction between egoistic and altruistic individuals particularly when any social norm is violated. The theories on pro-social behavior are usually inconclusive because people usually have different pro-social preferences, even same individual behave differently depending on situation (Meier, 2006). Sometimes the motivation is purely altruism based while in other situations it's done to achieve socially efficient outcome. The analysis of such situations will help to better understand these theories and pro-social behavior associated with it.

Experimental Economics

Just like other developing countries, Pakistan is also facing serious problems in financing higher education. Previously it was mainly financed by parents but now, as economic crisis hit Pakistan, it become impossible for parents to finance higher education for all of their children. Recently few philanthropic organizations came in this support and started different programs to finance education of students like karwan-e-ilm, Agha Khan Foundation and Alfalah scholarship scheme. In this respect Shah, (2015) conducted a field experiment on 395 students and came to the conclusion that charitable pledges decreased when participants were informed about the previous pledges and the total required need. But on the other side if participants have full information their charitable pledges increase. This clearly reveal that if you want to raise more funds for higher education or like any other such fund raising activity, fund raiser need to provide full information to the donor, to increase its collections. Particularly talking about generosity, it increases with age, education, income, trust, and pro-social value orientation (Bekkers, 2007).

Conclusion:

The psychological aspect in economic decision making has been validated by many studies. The psychological game theory proves that fairness motives affect the behavior of many people. This theory supports the fact that choices are not always rational and not always follow utility maximization choices. The subjective wellbeing is positively associated with social activities. The relational ties, voluntary activities

and number of people on whom respondent can rely will result in increase in life satisfaction. Such kind of behavior is associated with empathic, moral and cultural urges of an individual which means that these should be incorporated in traditional utility maximization model. This would not be easy to develop new utility maximization model because human motives change over time and their response vary from situation to situation. The response depend on social capital of an individual like his/her family, friends, neighbor and coworkers. The hedonic and eudemonic benefits of altruistic behavior appear to be shaped by more general dimensions of social capital. So the unselfish act of an individual can be explained by Standard Neoclassical Model of Choices. Some of the researchers believe that the basis of such behavior is religion but the MRI images of brain studied by most scientist revealed that human brain has isolated centers involves in altruism. The phenomena got more interesting when explored with other disciplines:

- People belonging to older age group and higher education have more philanthropic attitude, so they give more to charity. Under impact philanthropy individual desire that his/her donation has an impact. The joy of doing voluntary activities is more than giving donations in term of money. At highest philanthropic state, individual wants to assure that charitable organizations efficiently utilize his/her donations.
- Corporate philanthropy supports the welfare of whole society. The interesting fact is that more advertisement expense leads to less corporate donations. As altruistic, self image and social image concern are related to consumer social preferences, that's why corporate philanthropy is considered to be essential.
- Political economy assumes that people get warm glow by giving more means they feel good about themselves when they help others. Leadership giving is used to promote charity and to give a signal that charity is of high quality. The awareness of the problems of the recipient increase donations significantly.
- Public economics support the fact that sociology, psychology and ethics need to be incorporated in economic model in order to explain relationship between charitable giving's and welfare. Giving tax benefits to the donors result in crowding out of donations. So policy should be formulated to bring a balance between tax benefits and donations.
- Labor economics validate that altruism and courtesy has positive impact on employee job satisfaction and job commitment resultantly increase its productivity. The gender difference prevails in altruism like man take extreme position while female remains moderate. However single female give more donations as compare to male and in case of married couples the joint decision decrease overall giving portion.
- Psychology support that family background motivates an individual to exhibit philanthropic and empathic concern for others. It also supports the egoistic aspect of it like people help others in order to get rid of their own guilt's. It is evident from analysis of 136 countries that individual use their financial resources to get emotional benefits by helping others.
- Behavioral economics believe that altruistic human nature health and education. The human nature in form of altruistic capital can solve various problems. Further they argue that theories on pro-social behavior are usually inconclusive because people have different preferences and even same individual behave differently depending on situation.

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- Experimental economics support the role of philanthropic organizations in solving many social problems like education. The experimental analysis reveals that full information leads to more charity collection. On account of generosity, experimental analysis support that it increase with age, education and income.

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