

**AN INVESTIGATION ON THE PATTERNS AND  
ANTECEDENTS OF CHARITABLE GIVING  
BEHAVIOUR AMONG MUSLIMS IN MALAYSIA**

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## ABSTRACT

Internationally, charitable giving is recognized as an important monetary resource and highly encouraged in Islam as it has its own economic role that offers sustainability and societal welfare. This study intends to explore the patterns and antecedents of voluntary charitable giving in the Muslim world especially in Malaysia through a quantitative method of survey research design. An instrument in the form of a set of questionnaire was developed using the extended theory of Theory of Planned Behaviour (TPB). 1034 sets of questionnaire were gathered from the samples of working Muslim population in Malaysia using the cluster sampling involving Perak, Selangor, Pahang and Johor which were selected by the highest number of Muslim workers throughout Malaysia. The data was analyzed using the descriptive analysis, factor analysis, Partial Least Square of Structural Equation Modeling and Logistic Regression. Findings of the study discovered that Muslims in Malaysia mostly preferred to donate to worship house and beggars but less likely to donate to nonprofit institutions and higher education institutions and tended to use the conventional method of giving compared to technological methods. The result of factor analysis showed that the instrument had high value of validity and all components explained the charitable giving behaviour by 74.12%. The result of PLS SEM indicated that attitude, perceived behavioural control and altruism significantly influenced the intention to give with religiosity and financial wellness 1 and 2 moderated the relationship between perceived behaviour control and giving intention. While the result of logistic regression revealed significant factors for giving to six different categories such as worship house, religious school, beggars, charity homes, nonprofit institutions and higher education institutions in which variables such as age, gender, marital status education, employment, home ownership, household income, medium of information as well as the latent variables in the model were found to be

significant predictors for certain kinds of giving while tax was proven to be significant for all kinds of giving. The significance of this study can be viewed in three aspects. Firstly, from the theoretical aspect, this study elaborated on the concept of charity in Islam incrementally and provided empirical evidence to the relevance of the extended theory of TPB. From the aspect of methodology, it produced a valid and reliable instrument of charitable giving behaviour and steps of conducting cluster sampling. Finally, in practical aspect, it prepared insights to charity marketers especially to focus on significant areas and to stimulate contributing factors in order to increase fundraising and to collaborate with influential institutions among the public. Thus, it is hoped that the findings of this study will be benefited by all authorities involved in charity to further encourage the giving behaviour for the improvement of society welfare.

## **ABSTRAK**

*Di peringkat antarabangsa, sedekah diiktiraf sebagai suatu sumber kewangan yang penting dan amat digalakkan di dalam Islam disebabkan peranan ekonominya tersendiri yang menawarkan ciri kelestarian dan kebajikan masyarakat. Kajian ini bertujuan untuk meneroka corak dan faktor-faktor sedekah dalam dunia Islam terutamanya di Malaysia melalui kaedah kuantitatif berbentuk kajian tinjauan. Instrumen kajian dalam bentuk soal selidik telah dibangunkan dengan menggunakan teori lanjutan Theory of Planned Behaviour (TPB). Sebanyak 1034 set borang soal selidik telah dikumpul daripada sampel populasi orang Islam yang berkerjaya di Malaysia menggunakan kaedah persampelan berkelompok melibatkan negeri Perak, Selangor, Pahang dan Johor yang dipilih berdasarkan jumlah pekerja Islam yang tertinggi seluruh Malaysia. Data telah dianalisa menggunakan analisis deskriptif, analisis faktor, Partial Least Square of Structural Equation Modeling dan analisa regresi logistik. Dapatan kajian telah menemui bahawa orang Islam di Malaysia kebanyakannya cenderung untuk menyumbang kepada rumah ibadat dan pengemis tetapi kurang memberi kepada institusi bukan bermotifkan keuntungan dan institusi pengajian tinggi dan lebih menggunakan kaedah biasa dalam memberi daripada kaedah yang melibatkan teknologi. Hasil daripada faktor analisis menunjukkan bahawa instrumen yang digunakan mempunyai nilai kesahan yang tinggi dan semua komponen menerangkan gelagat menyumbang sebanyak 74.12%. Keputusan ujian PLS SEM mendapati bahawa sikap, anggapan kawalan sikap dan altruism mempengaruhi niat untuk menyumbang secara signifikan dengan faktor keagamaan dan kesejahteraan kewangan 1 dan 2 menjadi penyederhana (moderator) kepada hubungan antara anggapan kawalan sikap dan niat untuk menyumbang. Manakala keputusan regresi logistik menemui faktor-faktor signifikan kepada enam jenis kategori sumbangan iaitu rumah ibadat, sekolah agama,*

*pengemis, rumah kebajikan, institusi bukan bermotif keuntungan dan insitisi pengajian tinggi di mana pembolehubah-pemboleubah seperti umur, jantina, status perkahwinan, tahap pendidikan, jenis pekerjaan, pemilikan kediaman, pendapatan isi rumah, medium maklumat dan juga pembolehubah-pemboleubah terpendam di dalam model didapati menjadi peramal signifikan untuk jenis-jenis sumbangan yang tertentu manakala cukup dibuktikan signifikan kepada semua jenis sumbangan. Sumbangan kajian ini boleh dilihat dalam tiga aspek. Pertama dalam aspek teori, kajian ini menambahkan perincian konsep sedekah dalam Islam dan menyediakan bukti empirikal kepada relevan teori lanjutan TPB. Dari aspek metodologi, kajian ini telah menghasilkan instrumen yang sah dan boleh dipercayai dan menunjukkan langkah-langkah melakukan persampelan berkelompok. Akhir sekali, dalam aspek praktikal, kajian ini memberi maklumat kepada pasaran yang berteraskan kebajikan terutamanya untuk memfokuskan bahagian-bahagian yang signifikan dan untuk merangsang faktor-faktor penyumbang dalam meningkatkan kutipan derma dan berkolaborasi dengan institusi yang berpengaruh dalam masyarakat. Oleh itu, diharapkan agar penemuan-penemuan daripada kajian ini dapat dimanfaatkan oleh semua pihak yang terbabit dalam kebajikan supaya sikap menderma ini dapat digalakkan lagi demi penambahbaikan kebajikan masyarakat.*

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## LIST OF TRANSLITERATION

### Consonant Letters

Arabic Alphabet	Pronunciation	Latin Alphabet
ا	<i>Alif</i>	a / '
ب	<i>ba'</i>	B
ت	<i>ta'</i>	T
ث	<i>tha'</i>	Th
ج	<i>Jim</i>	J
ح	<i>ha'</i>	H
خ	<i>kha'</i>	Kh
د	<i>Dal</i>	D
ذ	<i>Dhal</i>	Dh
ر	<i>ra'</i>	R
ز	<i>Zay</i>	Z
س	<i>Sin</i>	S
ش	<i>Syin</i>	Sy
ص	<i>Sad</i>	Ş
ض	<i>Dad</i>	Ḍ
ط	<i>ta'</i>	Ṭ
ظ	<i>za'</i>	Z
ع	<i>'ayn</i>	'
غ	<i>Ghayn</i>	Gh
ف	<i>fa'</i>	F
ق	<i>Qaf</i>	Q
ل	<i>Lam</i>	L
م	<i>Mim</i>	M



ن	<i>Nun</i>	N
و	<i>Waw</i>	W
هـ	<i>ha'</i>	H
ي	<i>ya'</i>	Y
ة	<i>ta' marbutah</i>	H

### Vowels

Vowel	Arabic Alphabet	Latin Alphabet
Short	Fathah    َ	A
	Dhammah   ُ	U
	Kasrah    ِ	I
Long	أ	Ā
	أُ	Ū
	إِي	Ī
Diphthong	أَو	Aw
	أَي	Ay
	يِي	iy/i
	وُ	Uww

## LIST OF ABBREVIATION

<b>Abbreviation</b>	<b>Description</b>
ATT	Attitude
SN	Subjective Norm
PBC	Perceived Behavioural Control
ALT	Altruism
FW1	Financial Wellness 1
FW2	Financial Wellness 2
REL	Religiosity
TRU	Trust
TPB	Theory of Planned Behaviour

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## CHAPTER 1: THE INTRODUCTION

### 1.1 Introduction

Charitable giving is one of the most fundamental obligations prescribed in Islam. It is highly encouraged and emphasized in the *Qurān* and *Hadīth* as the noblest way of spending the wealth for the sake of Allah and helping the needy which should be the common practice of every Muslim. Charitable giving is not just a means of spiritual purification, but also as a tool for building socio-economic sustainability<sup>1</sup> and social reforms resulting in the wellbeing of an individual and society in the world and hereafter. In general, there are two major categories of charitable giving namely the mandatory charitable giving (*zakāh*) and the voluntary charitable giving (*ṣadaqah*). Many studies found in the literature have extensively discussed and explored the determinants of mandatory charitable giving or *zakāh*, leaving the aspect of *ṣadaqah* or voluntary giving in a status of nearly unexplored.<sup>2</sup> Thus, this study aims to focus on the latter category of charitable giving in the society to promote the culture of giving in the society with its own unique characteristics which are distinctive from the mandatory *zakāh* but have quite a similar impact in helping to alleviate poverty<sup>3</sup>, reduce the wealth gap and produce a prosperous community.

This study also provides insights to improve the third sector which is the voluntary sector (also known as the nonprofit sector) by increasing individual contribution. As according to Ranganathan and Henley<sup>4</sup>, voluntary sectors have to be more dependent on individual donors than depending on government funding in order to survive. Also to be able to function in

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<sup>1</sup> Benaouda Bensaid and Fadila Grine, "Ethico-Spiritual Dimensions of Charity: An Islamic Perspective," *Middle-East Journal of Scientific Research* 13 (2013): 65–77, doi:10.5829/idosi.mejsr.2013.13.e.13015.

<sup>2</sup> Amy Singer, *Charity in Islamic Societies* (New York: Cambridge University Press, 2008):1

<sup>3</sup> AbulHasan M. Sadeq, "Poverty Alleviation: An Islamic Perspective", *Humanomics*, Vol. 13 Iss: 3, (1997) :110 - 134

<sup>4</sup> S.K. Ranganathan and W.H Henley, "Determinants of Charitable Donation Intentions: A Structural Equation Model," *International Journal of Nonprofit and Voluntary Sector Marketing* Vol. 13, no. No. 1 (2008): 1–11.

order to support social justice, independent resources must be mobilized among the society.<sup>5</sup> Thus, to understand the patterns and determinants of individuals to contribute is crucial for nonprofit marketers as it has been proven to be clearly lacking in the research among developing countries such as Asia.<sup>6</sup> This signals that a probe in matters pertaining to motivating the act of voluntary charitable giving in the society is deemed essential and beneficial especially in providing substantive monetary fund for the society in a thriving economy today. To achieve this aim, this chapter discusses the fundamental framework of this study from the aspects of background of the study, problem statement, research objectives, research questions, operational definition, research scope and significance of study.

## 1.2 Background of the Study

From the economic perspective, charitable giving is very much related to the theory of welfare economics which its main concern is on the optimal resources distribution and its impact on social welfare. The key point of this theory is that the redistribution of income from the rich to the poor will improve the social welfare.<sup>7</sup> The welfare economy has gained popularity after the World War II when many countries in the west began to experience economic and political reform to build welfare states mainly to tackle social issues such as poverty, unemployment, poor law, income gap and others.<sup>8</sup> In Britain for example, the country's transformation as a welfare state was initiated in 1910's. The public social expenditures were utilized to improve the society focusing on providing education and health

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<sup>5</sup> Jennifer Bremer, "Islamic Philanthropy: Reviving Traditional Forms for Bulding Social Justice," in *CSID Fifth Annual Conference: Defining and Establishing Justice in Muslim Societies*, 2004:1-26.

<sup>6</sup> D.Z. Basil, N.M. Ridgway, and M.D Basil, "'Guilt and Giving: A Process Model of Empathy and Efficacy,'" *Psychology & Marketing* Vol. 25, no. No.1 (2008): 1-23.

<sup>7</sup> Jeffrey M. Herbener, "The Pareto Rule and Welfare Economics," *The Review of Austrian Economics* 10, no. 1 (March 1997): 79-106, doi:10.1007/BF02538144.

<sup>8</sup>John Murphy, "The Other Welfare State: Non-Government Agencies And The Mixed Economy of Welfare," *History Australia* 3, no. 2 (2006): 1-15.



care. These were basically funded by private charities and a mutual aid association known as friendly society.<sup>9</sup> During this era, European countries practised a mixed economy of welfare whereby the state, the voluntary sector, employers, the family and the market played different parts at different points in time to help the less fortunate in the society.

In the Islamic economy, the term welfare economy does not stand on its own as it is already embedded in its philosophy that places importance on the achievement of human being or *faḥlah* (success) in the world and hereafter by managing the resources based on the basis of cooperation and participation.<sup>10</sup> This term stands upon four conditions which are spiritual, economic, cultural and political in which charity is placed as one of the important economic conditions<sup>11</sup> that denotes the devotion to God by spending on the needy through the understanding that the wealth given by the God is not any individuals' absolute ownership but must be shared and spend in moderation, humility and compassion. This is proven by the obligation of charitable giving in the Quran which has the same hierarchical position with the obligation of prayers (*ṣalāt*)<sup>12</sup>.

In addition, charitable giving is one of the most important economic instruments which has a natural function as the stabilizer and wealth distribution.<sup>13</sup> According to Radiah Abdul Kader<sup>14</sup>, there are three aspects of economic role played by charitable giving in the context of *zakāh*:

- i. As an income redistribution tool
- ii. As a penalty on illiquid activities
- iii. As an automatic stabilizer

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<sup>9</sup> A.W. Vincent & Noel Whiteside David G. Green, Jose Harris, Jane Lewis, Pat Thane, *Before Beveridge: Welfare Before the Welfare State*, ed. David Gladstone, *Civitas Choice in Welfare*, vol. 47 (Civitas, London, 1999): 1-147.

<sup>10</sup> Muhammad Akram Khan, *The Nature of Islamic Economics* (Kuala Lumpur: Percetakan Zafar Sdn Bhd, 1994):33

<sup>11</sup> *Ibid.*:37

<sup>12</sup> Muhammad Zakariyya Khandalvi, *Faḍāil Sadaqāt* (Karachi: Darul Ishaat, 1991):3

<sup>13</sup> Surtahman Kastin Hasan, *Ekonomi Islam: Dasar Dan Amalan*. (Kuala Lumpur: Dewan Bahasa dan Pustaka, 2001):127-128

<sup>14</sup> Radiah Abdul Kader, *Ekonomi Islam* (Kuala Lumpur: Univision Press Sdn Bhd., 2001):114-124

Similarly, voluntary charitable giving or *sadaqah* is also deemed to be an important instrument of Islamic charity. Although it is different from the mandatory charitable giving (*zakāh*) in many aspects, it plays the same economic function. The most distinct feature of voluntary charitable giving is its flexibility nature which is not restricted to any kind of time frame or specific conditions or certain groups of people.<sup>15</sup> From the aspect of the donors and the receivers, there are no specific groups of people addressed. Donors can come from any class of income as long as they have surplus income to donate. Similarly, receivers can be anyone who is in need or any organisations which need public assistance. This notion opens up an opportunity to donate to public institutions such as hospitals, universities, schools and others as well as covering the needy people whom may not be included in the categories of recipients (*aṣnāf*) of mandatory charitable giving (*zakāh*) and also giving to the non Muslims.

Furthermore, in the microeconomic frame, charitable giving is also associated with the social welfare function. A Charity Model based on the social welfare function by Arrow<sup>16</sup> and Sen<sup>17</sup> is proposed by S.Mohanty<sup>18</sup> and it explains that a charitable act from the society improves the community welfare that covers the donor as well as the society as a whole without decreasing the wealth of any individuals. This suggests to positive impacts which could have been triggered by charitable spending in promoting social welfare in the society. To prove this, evidently at international level, charitable giving has become a significant monetary resource in some countries. According to the Million Dollar Donors Report<sup>19</sup>, a study conducted in 2012 across six countries namely the UK, US, Russia, Middle East, China and Hong Kong calculates a total of \$19.04 Billion USD donation from 1249 donors.

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<sup>15</sup> Abdullaah Jalil and Muhamad Muda, "Pengurusan Dana Sedekah Secara Sistematis: Analisa Peranan Institusi Kerajaan Dan Swasta," *JAWHAR* (2008): 1–14, doi:<http://hdl.handle.net/123456789/2891>.

<sup>16</sup> Kenneth J. Arrow, *Social Choice and Individual Values* (2nd Ed.). (New York: Wiley, 1963):22

<sup>17</sup> Amartya Sen, "Social Choice Theory," *Handbook of Mathematical Economics*, 1986, 1073–1181.

<sup>18</sup> Madhu S. Mohanty, "Effects of Charity on Social Welfare: A Theoretical Analysis," *Sociology Mind* 1, no. 2 (2011): 33–35, doi:10.4236/sm.2011.12004.

<sup>19</sup> Lilly Family School of Philanthropy, "The Million Dollar Donors Report 2013," 2013, [coutts.com/donorsreport](http://coutts.com/donorsreport).

Although the economy is facing a slowdown pace, the total of contribution is rising. Most interestingly, donations from individuals accounted for \$8.8 Billion USD comprising 46% of the total donations. This implies that individual donation is one of the key elements in charitable giving.

Although the US topped the list with \$13.96 Billion USD, donation from the Islamic countries especially from the Middle East appeared to be encouraging with \$727 million USD in total. However, due to the fact that the countries involved are amongst the world's prominent oil producers such as the United Arab Emirates, Kuwait, Qatar, Bahrain, Kingdom of Saudi Arabia and Oman, the total of donations were expected to be higher. It is mentioned in the study that the figure is unlikely to portray the actual picture of million giving by the Middle Eastern philanthropists as they preferred to remain anonymous. Of the total, 65% was donated to the non-GCC Arab countries such as Lebanon, the Palestinian, Syria and Yemen. From the interviews conducted with the donors, it is noted that the motivation of giving is to create strong relationships in the society, to establish a lasting difference as well as to create a social return on investment.

As the exact total of charitable giving in the Islamic world is ambiguous, an estimation using per capita incomes of some Muslim countries is used to get the gross picture of charitable giving total which is expected to amount between USD 250 Billion to USD 1 Trillion annually<sup>20</sup>. Despite the fact that the estimation is quite large in number, according to the report of Multidimensional Poverty Index 2013<sup>21</sup>, most of the people in the regions resided by majority of Muslims were still living in multidimensional poverty<sup>22</sup> who survived on the average of \$1.25 per day. It was found that 51% out of 1.6 Billion of the poor people

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<sup>20</sup>Jon B Alterman et al., "The Idea of Philanthropy in Muslim Contexts," *The Center for Strategic and International Studies* (Washington DC: The Center for Strategic and International Studies, 2004):3

<sup>21</sup>Sabina Alkire and Suman Seth, "Multidimensional Poverty Index 2013," *Oxford Poverty & Human Development Initiative*, no. March (2013): 1–8, <http://www.ophi.org.uk>.

<sup>22</sup>Multidimensional Poverty Index is an index of acute multidimensional poverty which covers 104 developing countries. It assesses the nature and intensity of poverty at the individual level. The MPI has three dimensions: health, education, and living standards.

lived in the South Asian region that covers countries like Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan, and Sri Lanka. Another 29% were from the sub Saharan African region .This figure raises questions as it is inconsistent with the huge figure of charitable giving collection estimation. Does the figure really depict the total of charitable giving that is possibly collected among the Muslims around the world? Or are there other elements that must be addressed behind the act of charitable giving which is supposed to be deeply rooted in the culture of Muslims?

In Malaysia, efforts to nurture a caring society have begun when the former Prime Minister Dr Mahathir Mohamad launched a long term strategic concept of Vision 2020 on 28 February 1991.<sup>23</sup> This concept directs the country to achieve the goal of becoming a developed country by the year 2020. Nine challenges are listed in the vision in order to achieve a nation that is fully developed holistically in the aspects of economy, politics, social, spiritual, psychology and culture. One of the challenges is to create a caring culture and society which focuses on a strong family system where the welfare of the society is prioritized over individual's benefit.

The responsible body in providing welfare to the society was established in 1946 which was named as the Malaya Society Welfare Department. Since then it has evolved according to its functions in the society starting from handling social problems which emerged after the World War II. In the pursuit of creating a caring society by the year 2020, the Society Welfare Department has become the backbone which plays a significant role in executing the welfare policy in Malaysia. This department has evolved and positioned under different ministries ever since and currently it is under the Ministry of Women, Family and Society

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<sup>23</sup>Mahathir Bin Mohamad, "Malaysian : The Way Forward (Vision2020 )," 1991, <http://www.epu.jpm.my/02/28/1991>.

Development.<sup>24</sup> Since then, the department has focused on protecting the welfare of the target groups such as:

- i. Children (person with age less than 18)
- ii. Disabled people
- iii. Senior citizens. (age 60 years and above)
- iv. paupers<sup>25</sup>
- v. Family (women or girls, single parent, domestic violence victim, poor and troubled people)
- vi. Catastrophe victims
- vii. Voluntary bodies<sup>26</sup>

Many institutions and programs are developed by this department in order to assist the people in the target groups to live a better life in the form of shelters, schools, self improvement camps, activity centres, nurseries, daycares, monthly allowances, financial aid scheme for equipment and others. However, the efforts of becoming a caring society cannot be actualized without the participation from the society. During the period of the 9<sup>th</sup> Malaysian Plan in 2001-2005 greater emphasis has been given on the implementation of family and society development that move towards a caring society. For that purpose, efforts are focused on increasing the society participation, public and Non Government Organisation (NGO) roles to ensure social stability by introducing the caring society campaigns and incentives.<sup>27</sup> Though a lot of efforts have been taken by the government to promote a caring

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<sup>24</sup> Jabatan Kebajikan Masyarakat, "Mengenai JKM:Sejarah", (2013), <http://www.jkm.gov.my/jkm/index.php?r=portal/left&id=UGU5dnNUNTFidDdmMmFqR3VJZ2tkdz09>

<sup>25</sup> According to Destitute Act 1977, pauper means:

- (a) a person found begging at public places in such a way that causes or may cause uneasiness to other people who normally frequent the place or at the point of causing harassment or
- (b) an idler found at public places begging or not, who is physically does not have means of income, a home or unable to inform about him or herself satisfactorily.

<sup>26</sup> Jabatan Kebajikan Masyarakat, "Mengenai JKM: Perkhidmatan", (2013) <http://www.jkm.gov.my/jkm/index.php?r=portal/left&id=M2NjL3FzU2xKejkvSFFJcytHRkIwZz09>

<sup>27</sup> Unit Perancang Ekonomi, "Rancangan Malaysia Ke Sembilan," 2013, <http://www.epu.gov.my/epu-theme/rm9/bahasa/Bab15.pdf>.

society, how far the notion of caring which is manifested by the act of helping others is grasped by the society is still unclear. Thus, by researching on the patterns and factors of charitable giving, it is believed to shed some light in explaining this scenario and to increase the society participation in social welfare as well as to better promote a caring society.

### 1.3 Problem Statement

An increasing trend has been recorded in the World Giving Index as conducted by the Charity Aid Foundation worldwide in which philanthropic behaviour specifically in donating money, volunteering and helping strangers is found to be increasing worldwide despite the slowdown in the global economy and similar trend is observed in Malaysia as shown in Table 1.1. It can be concluded that in general, people are more willing to help in difficult situations. In 2013<sup>28</sup>, Malaysia however was ranked at 71 scoring with 29% which was a rather poor position as compared to other neighbouring countries such as Myanmar that was in the second place, Indonesia in 17<sup>th</sup> place, Thailand in 38<sup>th</sup> place and Singapore in 64<sup>th</sup> place. In terms of donating money, Malaysia was placed at 42 with 36% score. Although the rank was quite fair, it was still far to reach the list of top 10 countries which was topped by Myanmar with 85%, Thailand in fourth place with 70% and Indonesia in 10<sup>th</sup> place with 63% of participation in money donation.

**Table 1. 1: The World Giving Index 2013-2015 (Charities Aid Foundation, 2013, 2014, 2015)**

Year	Overall Ranking	Donating Money Ranking
2013	71	42
2014	7	15
2015	10	17

<sup>28</sup>Charities Aid Foundation, "WORLD GIVING INDEX 2013," 2013, [https://www.cafonline.org/PDF/WorldGivingIndex2013\\_1374AWEB.pdf](https://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf). Pg 1-38

A remarkable improvement was shown in 2014 World Giving Index Report<sup>29</sup>, whereby Malaysia was seen to soar at number 7 for the overall giving behaviour ranking and was placed at number 15 for donating money. This encouraging growth in giving behaviour was continued in 2015 with a slight decrease when Malaysia was ranked at number 10 with participation in monetary donation at number 17<sup>30</sup>. Although these reports have provided interesting insights on the Malaysian behaviour of giving, only two associated factors were being studied which were the age and gender. Throughout these years, it has been found that women from developed countries give more to charity and older people aging more than 50 years old contribute more linking to the employment and income factors. This information is inadequate to predict the possible factors which contribute to the increased interest in giving especially among Malaysians and suggests to the need of exploring the patterns and factors of charitable giving among Malaysians especially the Muslims.

In addition, contrasting to the theory in the Charity Model discussed earlier, the spirit of giving among Malaysians impacts negatively to the society. A handful of existing research on the pattern of giving among Malaysians shows a tendency to donate to beggars.<sup>31</sup> Similarly, it has been reported in a study by Josie M.F and Abdul Rahim Ibrahim<sup>32</sup> that 64.9% of survey participants prefer to give cash to beggars regardless the income and academic level. This trend of giving has encouraged the increasing number of beggars especially in big cities. This issue has been seriously raised since 2011 when many beggars are seen begging at public places in Kuala Lumpur and most of them are foreigners from Myanmar, Pakistan, Bangladesh and others who are mostly Muslims.<sup>33</sup> Similar development

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<sup>29</sup> Charities Aid Foundation, "World Giving Index 2014," 2014, [https://www.cafonline.org/PDF/WorldGivingIndex2013\\_1374AWEB.pdf](https://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf).

<sup>30</sup> Charities Aid Foundation, *Caf World Giving Index 2015*, 2015.

<sup>31</sup> Elizabeth Cogswell, "Private Philanthropy in Multiethnic Malaysia," *Macalester International* 12, no. 1 (2002): 105–21.

<sup>32</sup> M. F. Josie and Abdul Rahim Ibrahim, *A Giving Society?: The State of Philanthropy in Malaysia*. (Pulau Pinang: Penerbit Universiti Sains Malaysia, 2002):246

<sup>33</sup> Abdul Razak Idris, "Pengemis Bermusim Kembali," *Utusan Online*, January 12, 2011, accessed December 3, 2013, [http://www.utusan.com.my/utusan/info.asp?y=2011&dt=0112&pub=Utusan\\_Malaysia&sec=Kota&pg=wk\\_01.htm](http://www.utusan.com.my/utusan/info.asp?y=2011&dt=0112&pub=Utusan_Malaysia&sec=Kota&pg=wk_01.htm)

is reported when groups of beggars are seen ubiquitously begging alongside the road and at each stop of traffic lights.<sup>34</sup>This has somehow tarnished the image of this country as a tourist destination and opened up an opportunity to people to start begging instead of working.

Attempts have been taken by the government to tackle this problem and a campaign to stop this kind of giving named “*Henti Memberi, Kami Prihatin*” ( Stop Giving, We Are Sensible) was launched on 31<sup>st</sup> January 2012 by Jabatan Kebajikan Masyarakat Wilayah Persekutuan Kuala Lumpur (JKMWPKL)<sup>35</sup>. This campaign is one of the initiatives under the *Pelan Transformasi Kebajikan Rakyat 1Malaysia(KARISMA)* or 1 Malaysia People Welfare Transformation Plan which targets the reduction of begging index by 30% especially in Kuala Lumpur. It also aims to increase awareness among Malaysians that begging is illegal according to the Destitute Act 1977.<sup>36</sup> This campaign however faces its own challenges when it does not effectively reduce the number of beggars due to the generosity nature of Malaysians towards beggars. As reported in a study by Aizat Khairi, there are around 3 Million refugees in Malaysia and among this number, 1 Million are illegal refugees. The Malaysian Government policy towards refugees through the IMM1 provides them with temporary residential paper which only allows them to stay but not to work or participate in public education and this is seen to be another reason of why they are involved in begging.<sup>37</sup>

To make matters worse, this begging issue does not only revolve around foreigners, it also involves local residents. According to the report from the Society Welfare Department<sup>38</sup> in 2010, the number of rescued paupers was 1434. Of the total, 82% were locals while the rest

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<sup>34</sup> Mariatul Qatiah Zakaria, “Pengemis Jalanan cemarkan ibu negara”, *Utusan Online*, September 28, 2011, accessed December 3, 2013, [http://utusan.com.my/utusan/info.asp?y=2011&dt=0928&pub=Utusan\\_Malaysia&sec=Keluarga&pg=ke\\_01.htm](http://utusan.com.my/utusan/info.asp?y=2011&dt=0928&pub=Utusan_Malaysia&sec=Keluarga&pg=ke_01.htm)

<sup>35</sup> Jabatan Kebajikan Masyarakat, “Siaran Media: Kempen Henti Memberi, Kami Prihatin Sasar Pengurangan 30 Peratus Indeks Pengemisan”, January 31, 2012, accessed December 4, 2013, [http://www.jkm.gov.my/images/stories/pdf/press\\_release-kempen\(HentiMemberi,KamiPrihatin\).pdf](http://www.jkm.gov.my/images/stories/pdf/press_release-kempen(HentiMemberi,KamiPrihatin).pdf)

<sup>36</sup> Pesuruhjaya Penyemak Undang-undang Malaysia, “Akta Orang-Orang Papa 1977” (Percetakan Nasional Malaysia Bhd, 2006), 1–12.

<sup>37</sup> Aizat Khairi, “Managing the Challenges of Refugees and Their Rights in Malaysia,” in *The First International Conference on Human Rights in Southeast Asia 2010*, 2010, 1–12.

<sup>38</sup> Jabatan Kebajikan Masyarakat, “Kes orang papa 2010”, accessed December 4, 2013, <http://www.jkm.gov.my/images/stories/pdf/kesorangpapa2010.pdf>



were foreigners. By basing on race and religion, Malay Muslims recorded the highest percentage of the rescued paupers by 35% with the total of 504 followed by Chinese by 26% (376) and Indians by 19% (276). This is consistent with a research on homeless people in Kuala Lumpur that reported based on ethnicity, 53% were Malays followed by Chinese (23%) and Indians (18%)<sup>39</sup>. This indicates that in most cases of begging, Muslims are the majority involved.

Therefore, the trend of giving among Malaysians must be channeled to the appropriate bodies so that the money donation could be used to improve the welfare of the society and not to create more social problems. Although the Welfare Department has played its part in rescuing the beggars by placing them in Self Improvement Camps, some of them return to begging because of the easy money they get from the public. Thus, in the context of improving the welfare of the Malaysian society generally and specifically the Muslims in Malaysia, this issue must be effectively addressed by the government by understanding their patterns and causes of giving so that massive begging can be curb and financial aid can be channeled to the target group.

#### **1.4 Research Objectives**

This study aims to achieve these objectives:

- i. To explore the concept of charity in Islam
- ii. To identify the patterns of voluntary charitable giving among Muslims in Malaysia
- iii. To investigate the influencing factors that predicts the act of voluntary charitable giving among Muslims in Malaysia
- iv. To determine the relationship between the patterns and the factors behind the act of voluntary charitable giving among Muslims in Malaysia

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<sup>39</sup> Sharifah Mariam Alhabshi & Alifatul Kamilah Abdul Manan, "Homelessness in Kuala Lumpur, Malaysia: A Case of Agenda Denial", *International Journal of Social Science Tomorrow*, Vol. 1, No. 2(2012).1-9

## 1.5 Research Questions

This study seeks to answer these questions:

- i. What is the concept of charity in Islam?
- ii. What are the patterns of voluntary charitable giving among Muslims in Malaysia?
- iii. What are the influencing factors that predict the act of voluntary charitable giving among Muslims in Malaysia?
- iv. What is the relationship between the patterns and the factors behind the act of voluntary charitable giving among Muslims in Malaysia?

## 1.6 Operational Definition

There are two important keywords that need to be defined in this study. The first word is pattern. As the word pattern literally means a regular way, an excellent example to follow, a regular arrangement of lines or shapes, a design or a particular type of behaviour,<sup>40</sup> in this study, it is defined as the regular way of conducting charitable giving. Another keyword is charitable giving which in most studies refers to monetary donation to an organization that is beneficial to others surpassing one's own family.<sup>41</sup> In this study however, charitable giving is associated to voluntary charitable giving or *Ṣaḍāqah* by limiting the scope to money donation but given to a larger context. In other words, this study defines charitable giving as a voluntary monetary donation to anybody or any institutions. Other keywords that will be used interchangeably to represent charitable giving are philanthropic and altruistic giving.

## 1.7 Research Scope

This research focuses on:

- i. Voluntary Charitable giving

As stated earlier, charitable giving in the context of this study infers to the voluntary money donation given to anybody or any institutions. Using this definition, the scope of this study

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<sup>40</sup> A. S. Hornby, "Oxford Advanced Learner's Dictionary of Current English", New York: Oxford University Press, (2010): 1077

<sup>41</sup> Pamala Wiepking Rene Bekkers, *Generosity and Philanthropy: Science of Generosity*, 2007, [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1015507](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1015507).

will exclude other kinds of donation that come in the form of goods or services. It also does not include other types of charitable giving such as mandatory charitable giving (*zakāt*).

ii. Patterns of giving

The patterns of giving in this study deal with the question of How. This question will uncover to whom charitable giving is given, the frequency of donation, the amount, medium and others.

iii. Influencing factors

These factors are broken down into two major parts which are the extrinsic and intrinsic factors.<sup>42</sup> The extrinsic factors will deal with the demographic information of the donors that covers the age, marital status, income level, academic level, gender, household income and others, as well as other external elements such as media, tax exemption and others.<sup>43</sup> The intrinsic factors on the other hand, are related to personal and psychological elements such as altruism, financial wellness, religiosity and also feeling of trust towards institutions or individuals.

iv. Respondents

As aforementioned this study focuses on Muslims in Malaysia. Therefore, the finding of this study cannot be generalized to the whole population of multiethnic Malaysians.

## 1.8 Significance of the Study

This study will have significance in three important dimensions:

- i. Theoretical contribution: It will contribute to the theory of welfare economics for both conventional and Islamic in which it will highlight the antecedents of charitable giving that should be emphasized in the economy. It will also contribute to the literature in the field of Islamic charity and the use of the extended theory of Planned Behaviour by providing empirical evidence.
- ii. Methodological contribution: From the aspect of methodology, it will provide a valid and reliable measurement instrument for assessing the patterns and factors of charitable giving and suggest the appropriate instrument for analysis.
- iii. Practical contribution: From the aspect of practicality, the finding of the study will contribute to the improvement of nonprofit institutions marketing strategy especially in Malaysia to increase their fundraising. With the information given, these institutions can generate their own fund without having to be highly dependent on government funding. This study will also provide useful information for the government to curb social problems that emerge due to begging by providing appropriate channel for the public to donate.

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<sup>42</sup>Rahmatina Awaliah Kasri, "Giving Behaviors in Indonesia: Motives and Marketing Implications for Islamic Charities," *Journal of Islamic Marketing* 4, no. 3 (2013): 306–24, doi:10.1108/JIMA-05-2011-0044.

<sup>43</sup> Cagla Okten and Burton A Weisbrod, "Determinants of Donations in Private Nonprofit Markets," *Journal of Public Economics* 75, no. 2000 (2000): 255–72.

## **1.9 Summary**

In conclusion, this chapter explains the overview of this study. The content of this chapter includes the introduction, background of the study, problem statement, research objectives, research questions, operational definition and research scope, significance of the study and summary. This chapter will provide the key information that serves as the point of departure of this study. The next chapter will discuss the theoretical aspect of the charity concept in Islam which basically touches on the concept of charity, definition of charitable giving, categories of charitable giving, the importance of charitable giving and the roles of charitable giving in the economy.

University of Malaya

## CHAPTER 2: CHARITY IN ISLAM

### 2.1 Introduction

To comprehend the concept of charity in Islam is crucial before discussing further on its importance and economic role based on the main scriptures of *Qurān* and *Hadīth*. To achieve this, this chapter discusses the definition of charity by comparing the common definition of charity and the Islamic definition of charity retrieved from the verses of *Qurān* and *Hadīth*. The classification of charitable giving in Islam is then specified by the guide of both mentioned important sources. Verses in the *Qurān* that contain the detailing on the rules of charitable giving regarding the donor, recipient, gift and intention are specified and systematically gathered to form a comprehensive guide to conduct charitable giving. Lastly, the importance of charitable giving and its economic role are highlighted in later discussion to emphasize on its speciality based on the *Qurānic* verses of charity.

### 2.2 Definition of Charity

In general, charity is defined as an organization that raises money to help people in need and also an act of kindness and understanding towards others.<sup>44</sup> It is also described as the benevolent act toward the love of humanity pertaining to generosity and helpfulness toward people in need by giving aid in terms of food, money or others. The word charitable is also associated with being philanthropic, humanitarian, humane, altruistic, benevolent, beneficent, welfare, public spirited, socially concerned, doing good works, non profit making by giving financial assistance, aid, welfare, financial relief, donations, endowments, grants, alms and social concern.<sup>45</sup> While charitable giving is defined as a gift made by an individual

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<sup>44</sup> Federal Chambers, *Advanced English Dictionary, English-Bahasa Malaysia Edition*. (Selangor:Chambers Harrap Publishers Ltd, 2000):187

<sup>45</sup> Oxford Thesaurus of English (Second Edition), (UK: Oxford University Press, 2006):128

or an organization in form of cash or things or services to be given to nonprofit organization, charity or private foundation.<sup>46</sup>

Other than that, the word philanthropy is also used interchangeably with the word charity. Generally, philanthropy is associated with money donation to the poor which comes from the Greek word that simply means the love of humankind.<sup>47</sup> However, an elaborative discussion on its definition can be found in a study by Marty Sulek<sup>48</sup> who discussed that this word came from the Greek word; *philanthrôpía* which was first employed in 1612 by Sir Francis Bacon (1561–1626) who defines it as the goodness that affect the prosperity of men. Although among its definitions, there is a term where it simply means the love of God for humankind, this definition in the contemporary world is considered obsolete. This definition has been the base of language terms in the dictionaries compiled by Johnson, Webster, Merriam and Porter who in the early stage were found to describe this word in common definition as the love to mankind, benevolence act toward the whole human family and desire to do good to all men.

Apart from the aforementioned meanings, in the recent development, this word is extended into a new continuum as a philanthropic action, movement, or agency; a charity which involves institutions or organizations as the benefactor and beneficiary and in the form of monetary donation.<sup>49</sup> This has lead into a new contemporary definition that means voluntary or private giving of time or wealth for public good as suggested by Salamon<sup>50</sup> and Payton<sup>51</sup>. In short, similar to the word charity, philanthropy also means the benevolent act for the love of mankind but the focus is more on the benevolent act or activity from the benefactor such as private charities to the beneficiary especially the public.

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<sup>46</sup> Definition of Charitable donation, accessed January 3, 2014, <http://www.investopedia.com/terms/c/charitableddonation.asp>

<sup>47</sup> Dees, J. D. "Entrepreneurship in philanthropy." *Centre for Advancement of Social Entrepreneurship (CASE), Fuqua School of Business, Duke University, Durham, NC, available at: www.fuqua.duke.edu/centers/case/articles/0805/corner* (accessed 12 November 2006) (2001).

<sup>48</sup> Sulek, Marty. "On the modern meaning of philanthropy." *Nonprofit and voluntary sector quarterly* 39, no. 2 (2010): 193-212.

<sup>49</sup> Oxford English Dictionary Online. Retrieved 25 May 2017, from <http://dictionary.oed.com/>. (2017).

<sup>50</sup> Salamon, L. M. *America's nonprofit sector: A primer*. New York: Foundation Center. (1992):9-10.

<sup>51</sup> Payton, R. L. *Philanthropy: Voluntary action for the public good*. New York: American Council on Education/Macmillan. (1988)

In Islam, charity comes from an Arabic word *ṣadaqah* which according to Ibn Manzūr<sup>52</sup> has several meanings. Firstly, *ṣadaqah* means to be truthful which is the antonym to lies and is associated with someone who has noble characters and manners. It is also defined as whatever given to the needy for the sake of Allah and can also mean a dowry given by a husband to his wife. Similarly, *ṣadaqah* is defined as to be truthful, true or sincere, to speak the truth, to establish or confirm the truth of what is said, to verify, accountability, to keep faith, truth, veracity, sincerity, soundness, excellence in a variety of different objects and the giving for the sake of Allah.<sup>53</sup> In general, *ṣadaqah* means a noble act of giving by a person to others sanctified for the sake of Allah in many forms and ways.

### 2.2.1 Definition of Charity from the Quran

To further understand the meaning and concept of charity in Islam, verses from the Quran containing the command of charity are assessed. Among the verses are;

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ  
وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ ۗ فَرِيضَةً مِّنَ اللَّهِ ۗ وَاللَّهُ عَلِيمٌ حَكِيمٌ

Translation: “The alms are surely only for the poor and for the needy and for those employed to administer alms and for those whose hearts have been recently reconciled to the faith and for captives and for those burdened with debts, and (to be spent) for the cause of Allah and for the wayfarers [stranded on the way]. (Such ordinance is) a duty enjoined by Allah. And Allah is Knowing and Wise.”<sup>54</sup>

(at-Tawbah, 9:60)

Al-Qurtūbi<sup>55</sup> explains that the word *ṣadaqah* in this verse refers to the mandatory charity or *zakat* which is specifically given to eight types of recipients which are the poor, the needy, the *zakah* collector, the newly converts, for freeing the slave, those in debts, those who are

<sup>52</sup> Ibn Manzūr, “*Lisān al-Arab*”, (Kaheerah:Dār al Māārif, 1999):2419

<sup>53</sup> Penrice, J., “*A Dictionary and Glossary of the Quran*”, (Kuala Lumpur:The Other Press, 2006) :126

<sup>54</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,” Putrajaya: Department of Islamic Development Malaysia. (2007):329

<sup>55</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbi, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 4 , Qaheerah: Darul Hadith (2002):499-519

in the term of pursuing something for the cause of Allah and the stranded travelers. Similarly, Ibnu Kathīr<sup>56</sup> also elaborates on the eight categories of *zakāt* recipient based on this verse who infers that this word signals to the payment of *zakāt*.

Another verse from the same surah also uses the same word which is *ṣadaqah* to describe charity;

أَلَمْ يَعْلَمُوا أَنَّ اللَّهَ هُوَ يَقْبَلُ التَّوْبَةَ عَنْ عِبَادِهِ وَيَأْخُذُ الصَّدَقَاتِ وَأَنَّ اللَّهَ هُوَ التَّوَّابُ  
الرَّحِيمُ

Translation: “Do they not know that Allah is He who accepts repentance from His servants and takes their alms (and reward them) and that Allah who is the Forgiving One, the Most Merciful?”<sup>57</sup>

(at-Tawbah, 9:104)

According to Ibn Kathīr<sup>58</sup>, this verse contains a command from Allah to perform *ṣadaqah* as a way to sanctify and to purify oneself for those who repent for the sins which also includes the meaning of performing *zakāt*. Al-Qurtūbi<sup>59</sup> defines the meaning of *ṣadaqah* in this verse specifically refers to *zakāt* and discusses the reward given to the donor. Al-Marāghiy<sup>60</sup> expounds the meaning of *ṣadaqah* in this verse to whatever spent by the believers for getting closer to Allah which infers to the general charitable giving. These commentaries signal that *ṣadaqah* carries the meaning of both the voluntary charitable giving as well as mandatory charitable giving.

Furthermore, *ṣadaqah* is also mentioned as a form of penalty in the following verse;

فَمَنْ كَانَ مِنْكُمْ مَّرِيضًا أَوْ بِهِ أَذًى مِّن رَّأْسِهِ فَفِدْيَةٌ مِّن صِيَامٍ أَوْ صَدَقَةٍ أَوْ نُسُكٍ ۚ

Translation: “But if any of you is ill or suffers from an ailment of the head (and he has to shave his head), he must pay the expiation either by fasting or by alms-giving or by offering a sacrifice.”<sup>61</sup>”

(al-Baqārah, 2:196)

<sup>56</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”. (Egypt: Maktabah al-Tawfikia, 2000):114

<sup>57</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,” : 339

<sup>58</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Qurān al-Azīm*”:143

<sup>59</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al-Qurtūbi, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid 4:568-569

<sup>60</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 4, (Beirut: Darul Fikr,2001):110-112

<sup>61</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”: 56



The word *ṣadaqah* in this verse is interpreted by Ibn Kathīr<sup>62</sup> based on the hadith narrated by al-Bukhārī as an option of penalty or *kaffārah* by paying the *fidyah* in the form of giving food for those who shave their heads due to ailment during *Ihrām* (pilgrimage). The options for the penalty are to pay the *fidyah* in the form of 3 days fasting or giving charity by feeding six poor people or sacrificing an animal. Al-Qurṭūbī<sup>63</sup> discuss that although it has been agreed unanimously to sacrifice a sheep, scholars however are not in agreement on the days of fasting and the measurement of the charity. According to the hadith by Kaa’b, the number of days to fast is three and according to Al Hasan, Ikrimah and Nafi’, the duration is 10 days. For charitable giving measurement, Mālik, As-Syāfi’i and Abu Hanīfah agree that it has to be given in the amount of 2 mudd (based on the Prophet’s mudd weightage) while Ahmad bin Hanbal suggests that 1 mudd of wheat must be given for every poor person or half of *sha’* of dates.

Al-Marāghiy<sup>64</sup> gives the same explanation on the mode of *fidyah* with additional information that after the revelation of this verse Ka’ab narrated that the prophet commanded on the form of *fidyah* in three days of fasting or giving charity equivalent to six bushel of dates. A clearer explanation on the measurement of charity in *fidyah* is clarified by Wahbah az-Zuhailī<sup>65</sup> who states that the *fidyah* to be distributed is 6 bushel of dates with a bushel equals to 2.751 kilogram is given to each poor person. If the charity is given in the form of wheat, the measurement is 3 bushel and each poor will get half a bushel. Other scholars use *farāq* measurement whereby a *farāq* equals to 16 *rotl*. A *rotl* is 408/ 450gram. Besides that, Abu Yusuf says that the *fidyah* can be in the form of giving food for the needy during lunch and dinner. Thus, it is concluded by basing on this verse that charity can also be given in the

<sup>62</sup> Al-Imām al-Hāfiẓ ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “*Tafsīr al-Qurān al-Azim*”, Vol 1/2, (Egypt: Al-Tawfikia Bookshop, 2000):301

<sup>63</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurṭūbī, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid (1), (Qaherah: Darul Hadith, 2002):733

<sup>64</sup> Ahmad Mustafā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid 1, (Beirut: Darul Fikr, 2001):179-181

<sup>65</sup> Wahbah az-Zuhailī, “*al-Tafsīr al-Munīr fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid 1, (Damsyiq: Darul Fikr, 2003):558- 560

form of food or feeding the needy for the purpose of paying the penalty of religious conduct which falls under mandatory charitable giving category.

The different types of voluntary charitable giving are also evident in the Qurān as in the following verse;

وَإِنْ كَانَ ذُو عُسْرَةٍ فَنَظِرَةٌ إِلَىٰ مَيْسَرَةٍ ۗ وَأَنْ تَصَدَّقُوا خَيْرٌ لَّكُمْ ۖ إِنْ كُنْتُمْ تَعْلَمُونَ ۚ

Translation: “But if the debtor is in a hard time, grant him a delay until he can pay his debt. But if you remit the debt as alms, it is better for you, if you only know (the generous reward that you will receive)”<sup>66</sup>

(al-Baqārah, 2:280)

Ibnu Kathīr<sup>67</sup> explicates the meaning of this verse to the commands to be patient with debtors who are in financial difficulty by not adding interest on them. The best explanation for the word *ṣadaqah* in this verse suggested by al-Qurtūbī<sup>68</sup> is from As-Suddi, Ibnu Zaid and ad-Ḍḥāhak who state that Allah decrees the creditors to be charitable towards the debtors who face difficulties and to regard forgiving the debt as charity is better than postponing the payment. Similarly, al-Marāghiy<sup>69</sup> states that this verse signals to the obligation to give ease to debtors in difficult times until he has the ability to pay but to forgive the debt as a charity is better from installing the debt.

Other than forgiving debt, to forfeit a right in Islam is also counted as charity. The following verse of Surah an-Nisa’ discusses this matter in the case of unintentional murder under compensation payment or *diyāt*.

وَمَا كَانَ لِمُؤْمِنٍ أَنْ يَقتُلَ مُؤْمِنًا إِلَّا خَطَأً ۗ وَمَنْ قَتَلَ مُؤْمِنًا خَطَأً فَتَحْرِيرُ رَقَبَةٍ مُؤْمِنَةٍ  
وَدِيَّةٌ مُسَلَّمَةٌ إِلَىٰ أَهْلِهِ إِلَّا أَنْ يَصَدَّقُوا ۗ فَإِنْ كَانَ مِنْ قَوْمٍ عَدُوٍّ لَكُمْ وَهُوَ مُؤْمِنٌ  
فَتَحْرِيرُ رَقَبَةٍ مُؤْمِنَةٍ ۗ وَإِنْ كَانَ مِنْ قَوْمٍ بَيْنَكُمْ وَبَيْنَهُمْ مِيثَاقٌ فَدِيَّةٌ مُسَلَّمَةٌ إِلَىٰ أَهْلِهِ

<sup>66</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,” :83

<sup>67</sup> Al Imām al-Hāfiz ‘I māduddīn Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “*Tafsir al-Qurān al-Azīm, Vol 1*”:433

<sup>68</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, “*al-Jami’ li Ahkām al-Qurān*”, al-Majallid (2):317-321

<sup>69</sup> Ahmad Mustāfa al-Marāghiy, “*Tafsir al-Marāghiy*,” al-Majallid 1:282-289

وَتَحْرِيرِ رَقَبَةٍ مُّؤْمِنَةٍ ۖ فَمَنْ لَّمْ يَجِدْ فَصِيَامُ شَهْرَيْنِ مُتَتَابِعَيْنِ تَوْبَةً مِّنَ اللَّهِ ۗ وَكَانَ اللَّهُ  
عَلِيمًا حَكِيمًا

Translation: “it is not conceivable that a believer should kill another believer unless it be by mistake. He who kills a believer by mistake must (pay the fine by) freeing one believing slave and paying the blood money to the family of the victim, unless they forgo it as charity (to forgive him). If the victim (who was killed unintentionally) is a believer from an (unbelieving) tribe against you, the (obligatory) penalty is the freeing of one believing slave. But if the victim (who was killed unintentionally) is an (unbeliever) from a tribe between whom and you there is a covenant, then the blood money must be paid to his family and also a believing slave must be set free. If a man cannot afford to (find a slave to free), he must fast two consecutive months, (Such penance) is imposed by Allah so that your repentance is acceptable to Him (for your purification). And (remember that Allah is All-Knowing and All-Wise.”<sup>70</sup>

(an-Nisa’4: 92)

In this verse the word *ṣadāqah* is used for the act of forfeiting the right to compensate the blood money by the family of the deceased after unintentional murder happen between believers. In this case, the family forgives the murder and remits the right to get compensation from the murderer by considering it as charity. This is explained by Ibnu Kathīr<sup>71</sup>, al-Qurtūbī<sup>72</sup> and al-Marāghiy<sup>73</sup>.

Another type of voluntary charitable giving is also evident in Surah Yūṣuf as follows:

فَلَمَّا دَخَلُوا عَلَيْهِ قَالُوا يَا أَيُّهَا الْعَزِيزُ مَسَّنَا وَأَهْلَنَا الضُّرُّ وَجِئْنَا بِبِضَاعَةٍ مُّزْجَاةٍ فَأَوْفِ لَنَا  
الْكَيْلَ وَتَصَدَّقْ عَلَيْنَا ۗ إِنَّ اللَّهَ يَجْزِي الْمُتَصَدِّقِينَ

Translation: “When (they went back to Egypt and) presented themselves before Yusuf, they said: “Noble sir, We and our family are in great distress (because of the drought). And we have brought with us only goods of scant worth (to barter for food). Therefore, please give us full measure of food and be charitable to us, for Allah rewards in abundance those who are charitable.”<sup>74</sup>

(Yūṣuf, 12: 88)

<sup>70</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”:158

<sup>71</sup> Al-Imām al-Hāfiz ‘Imādud-dīn Abi al-Fida’ Ismā’il Bin Kathīr Ad-Damsyīqi, “Tafsir al-Qurān al-Azīm”, Vol 1/ 2 :273-279

<sup>72</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, “al-Jami’ li Ahkām al-Qurān”, al-Majallid 3: 273-287

<sup>73</sup> Ahmad Mustāfā al-Marāghiy, “Tafsir al-Marāghiy”, al-Majallid 2:193-196

<sup>74</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”: 417

According to al-Qurtūbī<sup>75</sup>, the word *ṣadāqah* in this verse contains several meanings. The first from Ibnu Jurāij, Sā'id bin Jubāir, as-Suddi and al-Hassan who opine that this word means to give advantage between high and low price. Secondly, to give more than what is deserved as explained by Sufyān bin Uyainah, to 'return our brothers to us' as defined by Ibnu Jurāij and to 'forgive us' as posited by Ibnu Syajārah. Al- Marāghiy elaborates this verse by describing the word *ṣadāqah* means as being kind by giving advantage to those who deserved.<sup>76</sup> Interestingly, this verse does not infer charity to any specific kinds of giving or any form of material gifts but it tends to mean the act of being kind which leads to a more general meaning of charity.

Another instance of voluntary charitable giving is also detected in the following surah;

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا نَاجَيْتُمُ الرَّسُولَ فَقَدِّمُوا بَيْنَ يَدَيْ نَجْوَاكُمْ صَدَقَةٌ ۚ ذَٰلِكَ خَيْرٌ  
لَّكُمْ وَأَطْهَرُ ۚ فَإِنْ لَّمْ تَجِدُوا فَإِنَّ اللَّهَ غَفُورٌ رَّحِيمٌ

Translation: "O believers! When you consult the messenger in private, give alms (to the poor) before such consultation. (Giving alms) is better and purer for you. But if you lack the means, know that (you are permitted to consult him concerning things which cannot be avoided) for Allah is Most Forgiving and Most Merciful".<sup>77</sup>

(al-Mujādalah,58:12)

Through this verse, Ibnu Kathīr<sup>78</sup> claims that Allah commands the believers to spend in charity as a way of self purifying before having a private consultation with the Prophet. The reason for the revelation of this verse was because some people kept giving questions to the Prophet and complicated things for Him. Thus, to ease the burden of the Prophet, Allah orders the act of charity before having private consultation with the Prophet. Consequently, it stopped those who were not really serious in asking but unfortunately it also hindered those who could not afford to do so from consulting the Prophet including the ones who really

<sup>75</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, "al-Jami' li Ahkām al-Qurān", al-Majallid 5:227-230

<sup>76</sup> Ahmad Mustāfā al-Marāghiy, "Tafsīr al-Marāghiy", al-Majallid 5:18-21

<sup>77</sup> Department of Islamic Development Malaysia, "Tafsīr ar-Rahman Interpretation of the Meaning of the Quran,"

<sup>78</sup> Al-Imām al-Hāfiz 'Imāduddin Abi al-Fida' Ismāil Bin Kathīr Ad-Damsyīqi, "Tafsīr al-Qurān al-Azīm", Vol 7/8: 3-35

needed it. Thus, Allah gave convenience to them by specifying only those who are capable of giving in the later verse.

Al-Qurtūbī<sup>79</sup> elaborates the meaning of *ṣadāqah* in this verse by stating that it refers to the voluntary charitable giving as the act of having a private consultation with the prophet is also considered *sunat* or complimentary. Some scholars opine that *ṣadāqah* in this verse is not necessarily manifested in the form of giving away material things but it includes other religious obligations such as *salāt* (prayer), *zakat* and obedience towards Allah and Rasul. Al-Marāghī<sup>80</sup> elucidates on the wisdom of this command which is to differentiate between the true believers and the hypocrites as the heart of hypocrites contain stinginess which prohibits them to spend in the way of Allah. The benefits of charitable giving are also discussed as it purifies the wealth and soul and promotes the attitude of helping the needy and the society as explained by Wahbah az-Zuhailī.<sup>81</sup> This verse indicates that self purification can be done not only through mandatory charitable giving but also through voluntary charitable giving signalling to its mutual purpose in religion.

Apart from the word *ṣadāqah*, another word also found commonly used in the Quran to convey the command of doing charity is *infāq*. The term *infāq* is rooted from the word *nafaqā* which literally means to spend. Al Marbawī<sup>82</sup> defines *infāq* as to spend with planning. Linguistically, *infāq* refers to any kinds of spending but from the view of *Sharīah*, the concept of *i infāq* is mostly discussed in the context of spending away to seek pleasure of God and for the benefit and improvement of the society as a whole which includes the donor and the family as found in the following Qurānic verses:

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<sup>79</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, “*al-Jami’ li Ahkām al-Qurān*”, al-Majallid 9: 247-249

<sup>80</sup> Ahmad Mustāfā al-Marāghīy, “*Tafsīr al-Marāghīy*”, al-Majallid 10:12-13

<sup>81</sup> Wahbah az-Zuhailī, “*al-Tafsīr al-Munīr fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid 14, (Damsyiq: Darul Fikr, 2003) :417-422

<sup>82</sup> Muhammad Idrīs Abdul Raūf Al-Marbawī, “*Kamus al-Marbawī*”, (Egypt: Mustafa al-baba al-Halbi wa Auladihi,1929):336

الَّذِينَ يُؤْمِنُونَ بِالْغَيْبِ وَيُقِيمُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ (٣) وَالَّذِينَ يُؤْمِنُونَ بِمَا  
أُنزِلَ إِلَيْكَ وَمَا أُنزِلَ مِنْ قَبْلِكَ وَبِالْآخِرَةِ هُمْ يُوقِنُونَ (٤)

Translation: “Who believe in the unseen and are steadfast in prayer, and spend out of what We have provided for them, And who believe in that (the Quran) which has been revealed to you, [O Muhammad], and what was revealed before you, and firmly believe in the (existence of) the Hereafter”.<sup>83</sup>

(al-Baqārah; 2: 3-4)

According to Ibn Kathīr<sup>84</sup> the word *infāq* in this verse originally refers to the meaning of spending on family and also general spending meant for the sake of getting closer to the Creator according to one’s capability before the obligation of *zakāt*. After the *zakāt* obligation is revealed the meaning is replaced with *zakāt* on wealth. Al Marāghiy<sup>85</sup> explains that *infāq* in this verse covers both the mandatory spending such as giving to spouse, children and family members and also the voluntary giving which works in purifying the soul. In essence, the virtue of *Salāt* and *Infāq* portray the characteristics of a man with faith in Allah, His messengers and His books.

Al-Qurtūbī<sup>86</sup> explains that the word *infāq* in this verse refers to the act of withdrawing wealth by the hand. Ibnu Abbas reckons that this word refer to the payment of *zakāt* as it is mentioned together with the obligation of *salāt* (prayer). It is also said that it refers to the *nafqah* (spending) from a husband to the wife as it is the foremost spending. Abu Qilābah also states that it refers to the mandatory spending to the family while Dhahhak opines that as the word *zakāt* is not specifically used, this term refers to the voluntary charitable giving such as offering sacrifice. Thus, it is concluded that this word refers to the general *infāq* which covers both the mandatory and voluntary charitable giving.

<sup>83</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:8-9

<sup>84</sup> Al-Imām al-Hāfiz ‘Imāduddīn Abi al-Fida’ Ismāil Bin Kathīr Ad-Damsyīqī, “*Tafsir al-Qurān al-Azīm*”, Vol 1/2”:54

<sup>85</sup> Ahmad Mustāfā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 1:28-29

<sup>86</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, “*al-Jami’ li Ahkām al-Qurān*”, al-Majallid 1:163-177

Another verse using the word *infāq* contains the command to spend for Allah’s cause in many ways which draw oneself closer to Him.

وَأَنْفِقُوا فِي سَبِيلِ اللَّهِ وَلَا تُلْقُوا بِأَيْدِيكُمْ إِلَى التَّهْلُكَةِ . وَأَحْسِنُوا إِنَّ اللَّهَ يُحِبُّ  
الْمُحْسِنِينَ

Translation: “*And spend (whatever is in your possession) for the cause of (establishing the religion of) Allah, and do not cast yourselves into destruction with your own hands (by your niggardliness). And persevere in doing good, for Allah loves those who do good.*”<sup>87</sup>

(al-Baqārah, 2:195)

Ibnu Kathīr<sup>88</sup> elucidates that the word *infāq* in this verse refers to spending in fighting the enemies, strengthening the ummah and protecting them from the enemy. Restricting oneself from spending for the sake of Allah will result in self-destruction. The meaning of this verse symbolizes the act of jihad by spending wealth to protect the ummah from the enemy. Al-Qurtūbī<sup>89</sup> clarifies that this verse focuses on the importance of spending for the sake of Allah and to refrain oneself from doing so for fear of being poor will lead to destruction as suggested by Huzaiyah bin al-Yaman, Ibnu Abbās, Ikrimah, Athā, Mujāhid and others. The command to involve in *infāq* includes the poor by spending any means to shield oneself from the destruction of losing hope in Allah. Al-Marāghiy<sup>90</sup> describes the word of self destruction as the act to hold and collect the wealth in abundance and to abandon the obligation of *jihād*.

Similarly, the following verse contains the command of spending for the sake of Allah is implied by the word *infāq*. This deed of charity is encouraged before the coming of the judgment day where no bargain and ransom can redeem oneself.

يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِمَّا رَزَقْنَاكُمْ مِنْ قَبْلِ أَنْ يَأْتِيَ يَوْمٌ لَا بَيْعَ فِيهِ وَلَا خُلَّةَ وَلَا  
شَفَاعَةَ ۗ وَالْكَافِرُونَ هُمُ الظَّالِمُونَ

Translation: “*O believers! Spend what We have provided for you before the Day (of judgement) comes when there shall be neither trading nor*

<sup>87</sup>Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:56

<sup>88</sup> Al-Imām al-Hāfiz ‘Imāduddīn Abi al-Fida’ Ismāil Bin Kathīr Ad-Damsyīqi, “*Tafsīr al-Qurān al-Azīm*”, Vol1 /2:299

<sup>89</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, “*al-Jami’ li Ahkām al-Qurān*”, al-Majallid 1 :729-733

<sup>90</sup> Ahmad Mustāfā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid 1: 28-29

*friendship nor intercession Truly, it is the unbelievers who are the wrongdoers.*"<sup>91</sup>

(al-Baqārah, 2:254)

Al-Qurtūbī<sup>92</sup> defines the word *infāq* in this verse as an indication to the command for carrying out both the mandatory and voluntary charitable giving as also debated by Ibnu Jurāij and Sā'id bin Jubāir. This is also supported by Ibnu Āthiyah who further elaborates that this is the command to fight the enemy of Islam through spending the wealth for the sake of Allah. Al-Marāghī<sup>93</sup> also declares that the word *infāq* in this verse signals to both the mandatory and voluntary charitable giving that work as the savior during the judgement day. Wahbah az-Zuhailī<sup>94</sup> opines that the more accurate definition of *infāq* in this verse is the voluntary *infāq* based on the opinion of Ibn Āthiyah as the prior verses are associated to war and *jihād* which is not compulsory, thus voluntary *infāq* is more appropriate for the definition.

Allah SWT also describes in the following verse of *Surah al-Anfāl* that the indication of a faithful believer is the one who performs *salāt* and *infāq* which means to spend from what is given by Allah on His way.<sup>95</sup>

الَّذِينَ يَتَّقُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ

Translation: "(They are) those who observe the regular prayers and who give in charity a part of what We bestowed on them as sustenance."<sup>96</sup>

(al-Anfāl, 8:3)

According to Ibnu Kathīr<sup>97</sup>, this verse describes the deeds of faithful believers which are performing *solāt* and to spend in charity. The word *infāq* in this verse refers to general spending that includes *zakah* and other mandatory and voluntary spending. Similarly al-

<sup>91</sup>Department of Islamic Development Malaysia, "*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*," :75

<sup>92</sup>Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, "*al-Jami' li Ahkām al-Qurān*", Vol 2:226-228

<sup>93</sup>Ahmad Mustāfā al-Marāghī, "*Tafsir al-Marāghī*", al-Majallid 1:256-258

<sup>94</sup>Wahbah az-Zuhailī, "*al-Tafsir al-Munir fil Aqidah wa as-Syariah wa al-Manhaj*", al- Majallid 2:10-13

<sup>95</sup>Ibid. vol 4, p 258

<sup>96</sup>Department of Islamic Development Malaysia, "*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*," : 298

<sup>97</sup>Al-Imām al-Hāfiz 'Imāduddīn Abi al-Fida' Ismāil Bin Kathīr Ad-Damsyīqī, "*Tafsir al-Qurān al-Azīm*", Vol.3 /4,p.9-11



Marāghiy<sup>98</sup> also relates the word *infāq* in this verse to the general charitable giving that include both mandatory and voluntary.

The use of both words *ṣadāqah* and *infāq* is observed in the following indicating that both word are synonymous in meaning.

وَأَنْفِقُوا مِنْ مَا رَزَقْنَاكُمْ مِنْ قَبْلِ أَنْ يَأْتِيَّ أَحَدَكُمُ الْمَوْتُ فَيَقُولَ رَبِّ لَوْلَا أَخَّرْتَنِي إِلَىٰ  
أَجَلٍ قَرِيبٍ فَأَصَّدَّقَ وَأَكُنُ مِنَ الصَّالِحِينَ

Translation: “And spend (in charity) out of that with which We have provided you before death befalls any of you. (If not) he (at that moment) will plead by saying: “O my lord! Reprieve me awhile. So that I may give in charity and be among righteous.”<sup>99</sup>

(al-Munāfiqūn, 63:10)

Ibn Kathīr<sup>100</sup> defines both words *infāq* and *ṣadāqah* as to spend in Allah’s cause while al-Qurtūbī<sup>101</sup> argues that both words indicate the obligation of mandatory charitable giving and also associated to the obligation of pilgrimage for those who can afford of doing so but postpone it until the time of death and they ask the God for respite; this definition is also shared by Wahbah az-Zuhailī.<sup>102</sup>

From the discussion, it is found that the word *ṣadāqah* and *infāq* are mostly used to represent the meaning of charity in the Qurān which basically refer to the act of spending out of the wealth for the sake of Allah and that there are two major categories of spending for charity which are the mandatory charitable giving and voluntary charitable giving. Although majority of these verses connote the charity to material spending and prove that these two words are synonymous in meaning, a slight difference is detected for the word *ṣadāqah* in Surah Yūsuf indicating that the word charitable also means to be kind. To explore the other facades of charity in Islam, evidences from Hadīth are also examined in the following section.

<sup>98</sup> Ahmad Mustāfā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid 3, p.328-330

<sup>99</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Quran*,”:1122

<sup>100</sup> Al-Imām al-Hāfīz ‘Imāduddin Abi al-Fida’ Ismāil Bin Kathīr Ad-Damsyīqi, “*Tafsīr al-Qurān al-Azīm*”, Vol (7/8):106-107

<sup>101</sup> Abi Abdillāh Muhammad Bin Ahmad al-Anṣārī al-Qurtūbī, “*al-Jami’ li Ahkām al-Qurān*”, Vol 9:368-369

<sup>102</sup> Wahbah az-Zuhailī, “*al-Tafsīr al-Munīr fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid 14: 610-614

## 2.2.2 Definition of Charity from the Hadīth

As extensively discussed in previous section, the command of mandatory charitable giving is also detected in the hadith by the usage of the word *ṣadāqah* as one of the five pillars of Islam in the following Hadīth which is referred to the payment of *zakāt*:

عَنِ ابْنِ عَبَّاسٍ . رَضِيَ اللَّهُ عَنْهُ . أَنَّ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ بَعَثَ مُعَاذَ إِلَى الْيَمَنِ  
فَقَالَ " ادْعُهُمْ إِلَى شَهَادَةِ أَنْ لَا إِلَهَ إِلَّا اللَّهُ وَأَنِّي رَسُولُ اللَّهِ  
فَإِنْ هُمْ أَطَاعُوا لِذَلِكَ فَأَعْلِمُهُمْ أَنَّ اللَّهَ قَدْ افْتَرَضَ عَلَيْهِمْ خَمْسَ صَلَوَاتٍ فِي كُلِّ يَوْمٍ  
وَلَيْلَةٍ، فَإِنْ هُمْ أَطَاعُوا لِذَلِكَ فَأَعْلِمُهُمْ أَنَّ اللَّهَ افْتَرَضَ عَلَيْهِمْ صَدَقَةً فِي أَمْوَالِهِمْ، تُؤْخَذُ  
مِنْ أَغْنِيَاءِهِمْ وَتُرَدُّ عَلَى فُقَرَائِهِمْ "

Translation: "Narrated ibn `abbas: The prophet (ﷺ) sent Mu`adh to Yemen and said,

*"invite the people to testify that none has the right to be worshipped but Allah and I am Allah's messenger (ﷺ), and if they obey you to do so, then teach them that Allah has enjoined on them five prayers in every day and night (in twenty-four hours), and if they obey you to do so, then teach them that Allah has made it obligatory for them to pay the zakat from their property and it is to be taken from the wealthy among them and given to the poor."*<sup>103</sup>

(Sahīh al-Bukhāri 1395<sup>104</sup>)

The mandatory spending to the family is also regarded as *ṣadāqah* which falls under the mandatory charitable giving as the spending to the family is one of the compulsory spending in the following *hadīth*:

عَنْ أَبِي مَسْعُودٍ الْأَنْصَارِيِّ عَنِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ  
" إِذَا أَنْفَقَ الْمُسْلِمُ نَفَقَةً عَلَى أَهْلِهِ وَهُوَ يَحْتَسِبُهَا، كَانَتْ لَهُ صَدَقَةً . "

Translation: Narrated Abu Mas`ūd Al-Ansāri: The Prophet (ﷺ) said,  
*"When a Muslim spends something on his family intending to receive Allah's reward it is regarded as Sadaqa for him"*<sup>105</sup>

(Sahīh al-Bukhāri 5351<sup>106</sup>)

<sup>103</sup> Mahmood Matraji, "The translation of the meanings of Sahih al-Bukhari", Vol. 2. (Karachi: Darul Isha'at, 1998):260.

<sup>104</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhāri, "Sahīh al-Bukhāri", Vol.1 , (Kaherah: Darul Fajr Litturath, 2005):360

<sup>105</sup> Mahmood Matraji, "The translation of the meanings of Sahih al-Bukhari", Vol.7: 190

<sup>106</sup> Al Imam Abi Abdullah Muhammad Ismail al Bukhari, "Sahih al-Bukhari", Vol.3:502

The following hadīth discusses the multifacets of voluntary spending from freeing a slave and giving to the poor. However giving to the family as the mandatory charitable giving is prioritized and highly rewarded.

عَنْ أَبِي هُرَيْرَةَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
 " دِينَارٌ أَنْفَقْتَهُ فِي سَبِيلِ اللَّهِ وَدِينَارٌ أَنْفَقْتَهُ فِي رَقَبَةٍ وَدِينَارٌ تَصَدَّقْتَ بِهِ عَلَى مِسْكِينٍ  
 وَدِينَارٌ أَنْفَقْتَهُ عَلَى أَهْلِكَ أَعْظَمُهَا أَجْرًا الَّذِي أَنْفَقْتَهُ عَلَى أَهْلِكَ " .

Translation: Abu Huraira reported Allah's Messenger (ﷺ) as saying: "Of the dinar you spend as a contribution in Allah's path, or to set free a slave, or as a sadaqa given to a needy, or to support your family, the one yielding the greatest reward is that which you spent on your family."<sup>107</sup>

(Sahīh Muslim 995<sup>108</sup>)

*Ṣadāqah*, specifically the voluntary charitable giving also can be done in the form of a will or *waṣīyah* as evidently found in the hadīth of Sahīh Muslim:

عَنْ عَائِشَةَ، أَنَّ رَجُلًا، أَتَى النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَقَالَ يَا رَسُولَ اللَّهِ إِنَّ أُمَّيْ  
 افْتُلِتَتْ نَفْسَهَا وَلَمْ تُوصِ وَأَطْنُهَا لَوْ تَكَلَّمَتْ تَصَدَّقَتْ أَفَلَهَا أَجْرٌ إِنْ تَصَدَّقْتُ عَنْهَا  
 قَالَ " نَعَمْ " .

Translation: 'A'isha said that a person came to the Messenger of Allah (ﷺ) and said:

"My mother died suddenly without having made any will. I think she would have definitely given Sadaqa if she had been able to speak. Would she have a reward if I gave Sadaqa on her behalf? He (the Holy Prophet) said: Yes."<sup>109</sup>

(Sahīh Muslim 1004 a<sup>110</sup>)

*Ṣadāqah* is also given in the form of a gift which is also known as *hibah* and can be used as an instrument for voluntary charitable giving as found in the hadīth that follows:

عن ابن عباس رضي الله عنهما أن رسول الله صلى الله عليه وسلم قال: "الذي يعود  
 في هبته كالكلب يرجع في قيئه"

Translation: Ibn 'Abbas (May Allah be pleased with them) said:

<sup>107</sup>Abdul Hamid Siddiqi, "Sahih Muslim; Arabic-English", Vol. 2, (India: Adam Publishers & Distributors., 1999):91

<sup>108</sup> Al-Imām al-Muhyiddin Abī Zakariyā Yahyā Ibn Sharāf an-Nawāwī, "al-Manhāj fi Sharh Sahīh Muslim Ibn Hajjāj al Musammā Ikhtisāran Sharh Sahīh Muslim", Vol. 7/8/9, (Beirut: Darul Khair,1999): 68

<sup>109</sup>Abdul Hamid Siddiqi, "Sahih Muslim; Arabic-English", Vol. 2: 94

<sup>110</sup>Al-Imām al-Muhyiddin Abī Zakariyā Yahyā Ibn Sharāf an-Nawāwī, "al-Manhāj fi Sharh Sahīh Muslim Ibn Hajjāj al Musammā Ikhtisāran Sharh Sahīh Muslim," Vol. 7/8/9:74

The Messenger of Allah (ﷺ) said, "He who gives something (to someone) as a gift and then gets it back (from him or her) is like a dog which eats its own vomit."<sup>111</sup>

(Sahīh al-Bukhāri 2622<sup>112</sup>)

Other than that, charitable giving also can be carried out in the form of *waqf* as proven in the parable of Umar al-Khattāb, the Prophet's companion who donated his land in Khaybar in the form of *waqf* in which the possession is still intact but the production from the land is given for charity as described in the hadith below:

عَنْ ابْنِ عُمَرَ، قَالَ أَصَابَ عُمَرُ أَرْضًا بِخَيْبَرَ فَأَتَى النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَسْتَأْمِرُهُ فِيهَا فَقَالَ يَا رَسُولَ اللَّهِ إِنِّي أَصَبْتُ أَرْضًا بِخَيْبَرَ لَمْ أُصِبْ مَالًا قَطُّ هُوَ أَنفَسُ عِنْدِي " إِنْ شِئْتَ حَبَسْتُ أَصْلَهَا وَتَصَدَّقْتُ بِهَا " . قَالَ فَتَصَدَّقْ مِنْهُ فَمَا تَأْمُرُنِي بِهِ قَالَ بِهَا عُمَرُ أَنَّهُ لَا يُبَاعُ أَصْلُهَا وَلَا يُبْتَاغُ وَلَا يُورَثُ وَلَا يُوهَبُ . قَالَ فَتَصَدَّقْ عُمَرُ فِي الْفُقَرَاءِ وَفِي الْقُرْبَى وَفِي الرِّقَابِ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ وَالصَّيْفِ لَا جُنَاحَ عَلَيَّ مَنْ وَلِيَهَا أَنْ يَأْكُلَ مِنْهَا بِالْمَعْرُوفِ أَوْ يُطْعِمَ صَدِيقًا غَيْرَ مُتَمَوِّلٍ فِيهِ . قَالَ فَحَدَّثْتُ بِهِذَا الْحَدِيثِ مُحَمَّدًا فَلَمَّا بَلَغْتُ هَذَا الْمَكَانَ غَيْرَ مُتَمَوِّلٍ فِيهِ . قَالَ مُحَمَّدٌ غَيْرَ مُتَأْتَلٍ مَالًا . قَالَ ابْنُ عَوْنٍ وَأَنْبَأَنِي مَنْ قَرَأَ هَذَا الْكِتَابَ أَنَّ فِيهِ غَيْرَ مُتَأْتَلٍ مَالًا .

Translation: Ibn Umar reported:

Umar acquired a land at Khaibar. He came to Allah's Apostle (ﷺ) and sought his advice in regard to it. He said: "Allah's Messenger, I have acquired land in Khaibar. I have never acquired property more valuable for me than this, so what do you command me to do with it? Thereupon he (Allah's Apostle) said: If you like, you may keep the corpus intact and give its produce as Sadaqa. So 'Umar gave it as Sadaqa declaring that property must not be sold or inherited or given away as gift. And Umar devoted it to the poor, to the nearest kin, and to the emancipation of slaves, aired in the way of Allah and guests. There is no sin for one, who administers it if he eats something from it in a reasonable manner, or if he feeds his friends and does not hoard up goods (for himself). He (the narrator) said: I narrated this hadith to Muhammad, but as I reached the (words)" without hoarding (for himself) out of it." he (Muhammad) said: "without storing the property with a view to becoming rich." Ibn 'Aun said: He who read this book (pertaining to

<sup>111</sup> Mahmood Matraji, "The translation of the meanings of Sahih al-Bukhari", Vol. 3:441

<sup>112</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhāri, "Sahīh al-Bukhāri", Vol.2:226

*Waqf) informed me that in it (the words are)" without storing the property with a view to becoming rich."*<sup>113</sup>

(Sahīh Muslim 1632 a<sup>114</sup>)

Interestingly, charitable giving in hadīth is very wide in meaning as according to the Prophet, every good deed is considered as charity.

عَنْ جَابِرِ بْنِ عَبْدِ اللَّهِ . رَضِيَ اللَّهُ عَنْهُمَا . عَنِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ  
كُلُّ مَعْرُوفٍ صَدَقَةٌ "

Narrated Jabir bin `Abdullah: The Prophet (ﷺ) said,  
*Enjoining, all that is good is a Ṣadāqa.*<sup>115</sup>

(Sahīh Bukhāri 6021<sup>116</sup>)

The encouragement to do charity is subjected to every Muslim in every way they are able to do so. The Muslims must work to earn and contribute to the charity, if they are not able to do so, they are encouraged to help the needy with their might, if they are not able to do so, they have to bring people to do good deeds and if they are not able to do so they have to refrain themselves from doing bad things. All these are categorized as charity which means charity should not only be done using material means but also other means such as manpower and good deeds.

عَنْ سَعِيدِ بْنِ أَبِي، بُرْدَةَ عَنْ أَبِيهِ، عَنْ جَدِّهِ، عَنِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ  
" عَلَى كُلِّ مُسْلِمٍ صَدَقَةٌ " . قِيلَ أَرَأَيْتَ إِنْ لَمْ يَجِدْ قَالَ " يَعْتَمِلُ بِيَدَيْهِ فَيَنْفَعُ نَفْسَهُ  
وَيَتَصَدَّقُ " . قَالَ قِيلَ أَرَأَيْتَ إِنْ لَمْ يَسْتَطِعْ قَالَ " يُعِينُ ذَا الْحَاجَةِ الْمَلْهُوفَ "  
قَالَ قِيلَ لَهُ أَرَأَيْتَ إِنْ لَمْ يَسْتَطِعْ قَالَ " يَأْمُرُ بِالْمَعْرُوفِ أَوْ الْخَيْرِ " . قَالَ أَرَأَيْتَ إِنْ  
لَمْ يَفْعَلْ قَالَ " يُنْسِكُ عَنِ الشَّرِّ فَإِنَّهَا صَدَقَةٌ لَمْ يَفْعَلْ "

Translation: Sa'īd b. Abū Burda reported on the authority of his grandfather that the Messenger of Allah (ﷺ) said:

*"Giving of Ṣadāqa is essential for every Muslim. It was said (to him): What do you say of him who does not find (the means) to do so? He said: Let him work with both his hands, thus doing benefit to himself and give Ṣadāqa. It was said to him: What about him who does not have (the means) to do so?"*

<sup>113</sup> Abdul Hamid Siddiqi, "Sahih Muslim; Arabic-English", Vol. 3:83

<sup>114</sup> Al-Imām al-Muhyiddīn Abī Zakariyā Yahyā Ibn Sharāf an-Nawāwī, "al-Manhāj fi Sharh Sahīh Muslim Ibn Hajjāj al Musammā Ikhtisāran Sharh Sahīh Muslim," Vol. 10/11/12 :253-254

<sup>115</sup> Mahmood Matraji, "The Translation of the Meanings of Sahih al-Bukhari", Vol 8:57

<sup>116</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhāri, "Sahīh al-Bukhāri", Vol.4:107

*He said: Then let him assist the needy, the aggrieved. It was said: What do you say of one who cannot even do this? He said: Then he should enjoin what is reputable or what is good. He said: What about him if he cannot do that? He (the Holy Prophet) said: He should then abstain from evil, for verify that is Ṣadāqa on his behalf.*"<sup>117</sup>

(Sahīh Muslim 1008 a<sup>118</sup>)

Of the good deeds mentioned in hadith that are considered as charity are to smile to others and to share food and drinks.

عَنْ جَابِرِ بْنِ عَبْدِ اللَّهِ، قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
"كُلُّ مَعْرُوفٍ صَدَقَةٌ وَإِنَّ مِنَ الْمَعْرُوفِ أَنْ تَلْقَى أَخَاكَ بِوَجْهِ طَلِقٍ وَأَنْ تُفْرِغَ مِنْ دَلْوِكَ  
فِي إِنَاءِ أَخِيكَ "

Translation: Jābir bin Abdullāh narrated that the Messenger of Allah said:  
"Every good is charity. Indeed among the good is to meet your brother with a smiling face, and to pour what is left in your bucket into the vessel of your brother."<sup>119</sup>

(Jami' Tirmizī 1970<sup>120</sup>)

To do justice among people is also considered as justice and it is mentioned that every joint of human body deserved to be given charity.

عَنْ أَبِي هُرَيْرَةَ . رَضِيَ اللَّهُ عَنْهُ . قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
"كُلُّ سُلاَمَى مِنَ النَّاسِ عَلَيْهِ صَدَقَةٌ، كُلَّ يَوْمٍ تَطْلُعُ فِيهِ الشَّمْسُ يَعْدِلُ بَيْنَ النَّاسِ  
صَدَقَةٌ".

Translation: Narrated Abu Huraira:Allah's Messenger (ﷺ) said,  
"There is a Ṣadāqa to be given for every joint of the human body; and for every day on which the sun rises there is a reward of a Ṣadāqa (i.e. charitable gift) for the one who establishes justice among people"<sup>121</sup>.

(Sahīh al-Bukhāri 2707<sup>122</sup>)

Among the right of every joint of human body to be given charity as a sign of gratefulness to Allah is to give fair judgement, help someone concerning his transportation and luggage,

<sup>117</sup> Abdul Hamid Siddiqi, "Sahih Muslim; Arabic-English", Vol. 2:96

<sup>118</sup> Al-Imām al-Muhyiddīn Abī Zakariyā Yahyā Ibn Sharāf an-Nawāwī, "al-Manhāj fi Sharh Sahīh Muslim Ibn Hajjāj al Musammā Ikhtisāran Sharh Sahīh Muslim," Vol. 7/8/9 : 78

<sup>119</sup> Abu Khaliyl, "English Translation of Jami' al-Tirmidhi," Vol. 4,(Riyadh: Darussalam, 2003):62

<sup>120</sup> Abī Isā Muhammad bin Isā bin Surah, "Sunān at-Tirmizī",Vol. 3,(Beirut: Darul Fikr,2003):.391

<sup>121</sup> Mahmood Matraji, "The translation of the meanings of Sahih al-Bukhari", Vol. 3: 496

<sup>122</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhāri, "Sahīh al-Bukhāri", Vol.2:254

say good words, every step taken to pray and remove any blockage or harmful things on the road. All these are examples of charity that can be expressed through action.

عَنْ أَبِي هُرَيْرَةَ . رَضِيَ اللَّهُ عَنْهُ . قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
 "كُلُّ سُلَامَى مِنَ النَّاسِ عَلَيْهِ صَدَقَةٌ كُلَّ يَوْمٍ تَطْلُعُ فِيهِ الشَّمْسُ، يَعْدِلُ بَيْنَ الْإِثْنَيْنِ  
 صَدَقَةٌ، وَيُعِينُ الرَّجُلَ عَلَى دَابَّتِهِ، فَيَحْمِلُ عَلَيْهَا، أَوْ يَرْفَعُ عَلَيْهَا مَتَاعَهُ صَدَقَةٌ،  
 وَالْكَلِمَةُ الطَّيِّبَةُ صَدَقَةٌ، وَكُلُّ خَطْوَةٍ يَخْطُوهَا إِلَى الصَّلَاةِ صَدَقَةٌ، وَيُمِيطُ الْأَذَى عَنِ  
 الطَّرِيقِ صَدَقَةٌ".

Translation: Narrated Abu Huraira: Allah's Messenger (ﷺ) said,  
 "There is a (compulsory) *Ṣadāqa* (charity) to be given for every joint of the  
 human body (as a sign of gratitude to Allah) everyday the sun rises. To judge  
 justly between two persons is regarded as *Ṣadāqa*, and to help a man  
 concerning his riding animal by helping him to ride it or by lifting his  
 luggage on to it, is also regarded as *Ṣadāqa* and (saying) a good word is  
 also *Ṣadāqa*, and every step taken on one's way to offer the compulsory  
 prayer (in the mosque) is also *Ṣadāqa* and to remove a harmful thing from  
 the way is also *Ṣadāqa*."<sup>123</sup>

(Sahīh al-Bukhārī 2989<sup>124</sup>)

The scope of doing charity is also widen in Islam in which the poor are also entitled to the reward of charity through their daily religious deeds such as the meditation to glorifying Allah, praising Him and declaring His Oneness, enjoining the good, forbidding the evil deed and even sexual intercourse with the spouse.

عَنْ أَبِي ذَرٍّ أَنَّ نَاسًا، مِنْ أَصْحَابِ النَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالُوا لِلنَّبِيِّ صَلَّى اللَّهُ  
 عَلَيْهِ وَسَلَّمَ يَا رَسُولَ اللَّهِ ذَهَبَ أَهْلُ الدُّثُورِ بِالْأَجُورِ يُصَلُّونَ كَمَا نُصَلِّي وَيَصُومُونَ كَمَا  
 نَصُومُ وَيَتَصَدَّقُونَ بِفُضُولِ أَمْوَالِهِمْ . قَالَ " أَوْلَيْسَ قَدْ جَعَلَ اللَّهُ لَكُمْ مَا تَصَدَّقُونَ إِنَّ  
 بِكُلِّ تَسْبِيحَةٍ صَدَقَةٌ وَكُلِّ تَكْبِيرَةٍ صَدَقَةٌ وَكُلِّ تَحْمِيدَةٍ صَدَقَةٌ وَكُلِّ تَهْلِيلَةٍ صَدَقَةٌ وَأَمْرٌ  
 بِالْمَعْرُوفِ صَدَقَةٌ وَنَهْيٌ عَنِ مُنْكَرٍ صَدَقَةٌ وَفِي بُضْعِ أَحَدِكُمْ صَدَقَةٌ " . قَالُوا يَا رَسُولَ  
 اللَّهِ أَيَأْتِي أَحَدُنَا شَهْوَتُهُ وَيَكُونُ لَهُ فِيهَا أَجْرٌ قَالَ " أَرَأَيْتُمْ لَوْ وَضَعَهَا فِي حَرَامٍ أَكَانَ  
 عَلَيْهِ فِيهَا وَزْرٌ فَكَذَلِكَ إِذَا وَضَعَهَا فِي الْحَلَالِ كَانَ لَهُ أَجْرٌ " .

<sup>123</sup> Mahmood Matraji, "The translation of the meanings of Sahih al-Bukhari", Vol. 4:143

<sup>124</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhārī, "Sahīh al-Bukhārī", Vol.2:336

Translation: Abū Dhārr reported:

Some of the people from among the Companions of the Messenger of Allah (ﷺ) said to him: “*Messenger of Allah, the rich have taken away (all the) reward. They observe prayer as we do; they keep the fasts as we keep, and they give Sadaqa out of their surplus riches. Upon this he (the Holy Prophet) said: Has Allah not prescribed for you (a course) by following which you can (also) do sadaqa? In every declaration of the glorification of Allah (i. e. saying Subhan Allah) there is a Sadaqa, and every Takbir (i. e. saying Allah-O-Akbar) is a sadaqa, and every praise of His (saying al-Hamdu Lillah) is a Sadaqa and every declaration that He is One (La illha ill-Allah) is a sadaqa, and enjoining of good is a sadaqa, and forbidding of that which is evil is a Sadaqa, and in man's sexual Intercourse (with his wife, ) there is a Sadaqa. They (the Companions) said: Messenger of Allah, is there reward for him who satisfies his sexual passion among us? He said: Tell me, if he were to devote it to something forbidden, would it not be a sin on his part? Similarly, if he were to devote it to something lawful, he should have a reward.*”<sup>125</sup>

(Sahīh Muslim 1006<sup>126</sup>)

To be hospitable towards guests beyond three days is classified as charity as believers should show respect to the guest with utmost kindness and courtesy.

عَنْ أَبِي شُرَيْحِ الْعَدَوِيِّ، أَنَّهُ قَالَ سَمِعْتُ أَدْنَايَ، وَأَبْصَرْتُ، عَيْنَايَ حِينَ تَكَلَّمَ رَسُولُ  
اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَقَالَ " مَنْ كَانَ يُؤْمِنُ بِاللَّهِ وَالْيَوْمِ الْآخِرِ فَلْيُكْرِمْ صَيْفَهُ  
جَائِزَتَهُ " . قَالُوا وَمَا جَائِزَتُهُ يَا رَسُولَ اللَّهِ قَالَ " يَوْمُهُ وَلَيْلَتُهُ وَالصِّيَافَةُ ثَلَاثَةَ أَيَّامٍ فَمَا  
كَانَ وَرَاءَ ذَلِكَ فَهُوَ صَدَقَةٌ عَلَيْهِ - وَقَالَ - مَنْ كَانَ يُؤْمِنُ بِاللَّهِ وَالْيَوْمِ الْآخِرِ فَلْيُقِلْ  
خَيْرًا أَوْ لِيَصْمُتْ "

Translation: Abī Shurāih al-Adawī reported:

“*My ears listened and my eyes saw when Allah's Messenger (ﷺ) spoke and said: He who believes In Allah and the hereafter should show respect to the guest even with utmost kindness and courtesy. They said: Messenger of Allah, what is this utmost kindness and courtesy? He replied: It is for a day and a night. Hospitality extends for three days, and what is beyond that is a Sadaqa for him; and he who believes in Allah and the Hereafter should say something good or keep quiet*”<sup>127</sup>.

(Sahīh al-Bukhāri 6135<sup>128</sup>)

<sup>125</sup> Abdul Hamid Siddiqi, “*Sahih Muslim; Arabic-English*”, Vol. 2: 95

<sup>126</sup> Al-Imām al-Muhyiddīn Abī Zakariyā Yahyā Ibn Sharāf an-Nawāwī, “*al-Manhāj fi Sharh Sahīh Muslim Ibn Hajjāj al Musammā Ikhtisāran Sharh Sahīh Muslim*,” Vol. 7/8/9:75-76

<sup>127</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhāri, “*Sahīh al-Bukhāri*”, Vol.4: 132

<sup>128</sup> Mahmood Matraji, “*The translation of the meanings of Sahih al-Bukhari*”, Vol.8:109



Another example of charity deed is to planting trees which is rewarded for everything eaten out of it, everything stolen out of it and everything eaten out of it by animals.

عَنْ جَابِرٍ، قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
 " مَا مِنْ مُسْلِمٍ يَغْرِسُ غَرْسًا إِلَّا كَانَ مَا أَكَلَ مِنْهُ لَهُ صَدَقَةٌ وَمَا سُْرِقَ مِنْهُ لَهُ صَدَقَةٌ  
 وَمَا أَكَلَ السَّبْعُ مِنْهُ فَهُوَ لَهُ صَدَقَةٌ وَمَا أَكَلَتِ الطَّيْرُ فَهُوَ لَهُ صَدَقَةٌ وَلَا يَرْزُؤُهُ أَحَدٌ إِلَّا  
 كَانَ لَهُ صَدَقَةٌ " .

Translation: Jābir (Allah be pleased with him) reported Allah's Messenger (ﷺ) as saying:

*“Never does a Muslim plants a tree except that he has the reward of charity for him, for what is eaten out of that is charity; what is stolen out of that, what the beasts eat out of that, what the birds eat out of that is charity for him. In short, none incurs a loss to him but it becomes a charity on his part.”*<sup>129</sup>

(Sahīh Muslim 1552 a)<sup>130</sup>

Therefore, from the discussion it is concluded that charitable giving can be done in any means not only restricted to material giving but also covers the non material aspects such as doing good towards others.. It is also discovered from the discussion that many instruments can be used to conduct charitable giving such as *waṣīyah*, *hibah*, *hādiah* and *waqf*. The findings from the Qurān and Hadīth lead to the formation of charitable giving classification in the next section.

### 2.2.3 Classification of Charitable Giving

Accordingly, al-Sheikh Alī al-Jumū’ah<sup>131</sup> generally classifies *ṣadāqah* as:

- i. The mandatory *ṣadāqah* obligated on one’s wealth such as (*Zakāh al-Māl*) which can also includes the mandatory spending of a man towards his family.
- ii. The mandatory *ṣadāqah* obligated on one’s body (*Zakāh al-Fitr*)

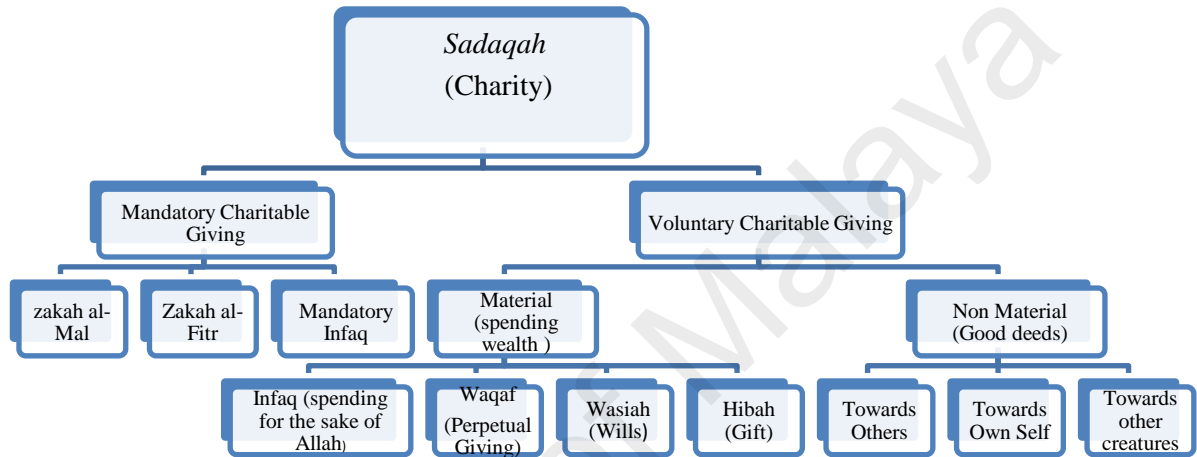
<sup>129</sup> Abdul Hamid Siddiqi, “*Sahih Muslim; Arabic-English*”, Vol. 1:31

<sup>130</sup> Al-Imām al-Muhyiddin Abī Zakariyā Yahyā Ibn Sharāf an-Nawāwī, “*al-Manhāj fi Sharh Sahīh Muslim Ibn Hajjāj al Musammā Ikhtisāran Sharh Sahīh Muslim*,” Vol. 10:164

<sup>131</sup> Al-Jumū’ah Alī Ibn Muhammad. “*Mu’jam al-Muṣṭalahāt al-iqtiṣādiyyah wa al-Islāmiyyah*”, (Riyadh: Maktabah al-‘Ubaykat, 2000):347

- iii. The mandatory *ṣadāqah* due to promise to the God (*Nazar*)
- iv. The mandatory *ṣadāqah* due to penalty such as *fiḍyah* and *kaffārah*
- v. The voluntary *ṣadāqah*

Based on the discussion in the previous section, the dimension of voluntary charitable giving is expanded and the classification of charitable giving is illustrated in the following diagram:



**Figure 2.1 Classification of Charitable Giving**

In this diagram, *ṣadāqah* is the caption for charity which is then categorized into two essential components which are the mandatory charitable giving and the voluntary charitable giving. Under the mandatory charitable giving classification, there are three major types of giving namely the *zakāh al-māl*, *zakāh al-fitṛ* and the mandatory *infāq* which includes the giving due to penalty and the spending for family members.

For voluntary charitable giving, the category is divided into two main parts which are the material in the form of spending wealth and the non material in the form of good deeds. The type of material spending consists of *infāq* which is the spending of wealth for the sake of Allah that includes spending money on the poor, giving food to the needy, giving financial aid for religious purpose and others. Other kinds of material spending is to will by *wasiah* on wealth or property for the purpose of charity in the name of Allah, to give charity in the form of *waqf* by retaining the existence of the source or property but giving the production of the

source or property as charity, and to give away things or money as a gift known as *hādiah* or *hibah*.

Another type of spending in non material way is to perform good deeds towards own self by restricting himself or herself from doing prohibited things and to practise doing religious routines such as remembering Allah through meditation and others. Other than that, charity can be done by doing good deeds towards others in the form of being hospitable to guests, helping others in need, being amiable to others, preventing harm to others, calling for doing good and others. It is also encouraged to do charity for the environment by planting trees and removing obstacles on the road and other forms of positive actions that ensure a safe, helpful, healthy and convenient environment for every living creature in the world.

### **2.3 The Rules of Charitable Giving In Islam**

The rules of conducting a valid voluntary charitable giving consist of three important requirements. The first requirement is the donor, the second is the recipient, the third is the gift and the fourth is the intention<sup>132</sup> which without any of these four components, the act of charity cannot be realized.

#### **2.3.1 The Donor (*al-Mutaṣaddaq*)**

The donor is the giver who spends his own wealth to conduct charitable giving and must have sanity, ability to think, reached puberty and qualified to do transaction.<sup>133</sup> This quality of donor is termed as *al-ahliyyāt* which means the competence and legal capacity of a person to acquire rights and accept duties. According to Wahbah az-Zuhailī<sup>134</sup>, there are two types of *al-ahliyyah* in *muāmalat* which are;

- i. *Ahliyyah al-Wujūb*

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<sup>132</sup> Al-Jumū'ah Alī Ibn Muhammad. "*Mu'jam al-Muṣṭalahāt al-iqtisādiyyah wa al-Islāmiyyah*": 348

<sup>133</sup> Ibid :348

<sup>134</sup> Wahbah az-Zuhailī, "*al-Fiqh al-Islāmi wa Adillatuhu*", (Damsiyq: Darul Fikr, 1989):116

- ii. *Ahliyyah al-Adā'*

### 2.3.1.1 *Ahliyatul Wujūb*

It is the capacity to acquire rights and obligations or known as the receptive legal capacity.

This type of capacity is then broken down into types which are:

- i. *Ahliyyah al-wujūb nāqisoh*<sup>135</sup> or defective legal capacity of rights and obligations is the capability of a man to accept rights but not to accept obligations or the capability to accept obligations but not to accept rights. As an example for accepting only the rights is a baby in his mother's womb who is entitled to receive rights of material such as inheritance and wills, even though he is not yet born but the baby is not entitled to receive obligations as he or she is not considered as a complete human being. Realization of rights is effective after he is born alive. While the example of accepting only obligations is a deceased person who still leaves his debts unsettled. He does not have any rights as he is already passed away but he is still subjected to the obligation to settle the debt.
- ii. *Ahliyyah al-wujūb kāmīlah*<sup>136</sup> or the full legal capacity of rights and obligations is the capability of a person to accept both the rights and obligations. For instance, a newborn child who has the right to inherit the heritage is also subjected to the obligation to pay *zakat fitrah* done by the parent / guardian of the baby.

### 2.3.1.2 *Ahliyyah al-Adā'*

This refers to the capacity to execute or known as the active legal capacity which is categorized into three categories:

- i. *'Adim al ahliyyah* or absence of execution legal capacity which starts from birth until the age of *tamyīs* about 7 years of age.
- ii. *Ahliyyah al adā' nāqisoh* or defective execution legal capacity which begins at the age of *tamyīs* (approximately age of 7 years) and above.
- iii. *Ahliyyah al adā' kāmīlah*<sup>137</sup> is the full legal capacity of execution for a man who has reached the age of puberty usually at 15 or adulthood.

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<sup>135</sup> Ibid,118

<sup>136</sup> Ibid,119

<sup>137</sup> Ibid,121-122

### 2.3.1.3 Impediments of legal capacity<sup>138</sup>

Donors can lose their legal capacity in conducting *sadaqah* that causes invalidity and ineffectiveness of any kinds of transactions due to a few obstacles:

- i. Insanity (*Junūn*) which is a mental distortion due to anxiety and worry. It applies to all kinds of mental madness.
- ii. Mental Weakness (*‘At’hu*) is a kind of mental defect which causes inability to comprehend and connect to reality. However, those who suffer mental weakness are less aggressive compared to those who suffer insanity.
- iii. Faint/comatose (*Ighmā’*) is described as a state when the brain is completely malfunctioning due to illness.
- iv. Sleep (*Naumun*) is a normal process for a human being that prohibits anyone to work in this state.
- v. Drunkenness (*Sukrun*) is a state in which a person whose brain is intoxicated with gasses causing inability to justify between bad and good.
- vi. Stupidity (*Safih*) is a defective nature of a person who works oddly against the logic and *syara’*.

### 2.3.2 The Recipients (*al-Mutaṣaddaq Alaih*)

The recipient is the person or the party that receives donation from the other.<sup>139</sup> There are many categories of recipients of charity as found in the Quran. The discussion of the recipient categories is as follows:

لَيْسَ الْبِرُّ أَنْ تُوَلُّوا وُجُوهَكُمْ قِبَلَ الْمَشْرِقِ وَالْمَغْرِبِ وَلَكِنَّ الْبِرَّ مَنْ آمَنَ بِاللَّهِ وَالْيَوْمِ  
الْآخِرِ وَالْمَلَائِكَةِ وَالْكِتَابِ وَالنَّبِيِّينَ وَآتَى الْمَالَ عَلَى حُبِّهِ ذَوِي الْقُرْبَىٰ وَالْيَتَامَىٰ  
وَالْمَسَاكِينَ وَابْنَ السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ وَأَقَامَ الصَّلَاةَ وَآتَى الزَّكَاةَ وَالْمُوفُونَ  
بِعَهْدِهِمْ إِذَا عَاهَدُوا ۗ وَالصَّابِرِينَ فِي الْبَأْسَاءِ وَالضَّرَّاءِ وَحِينَ الْبَأْسِ ۗ أُولَٰئِكَ الَّذِينَ  
صَدَقُوا ۗ وَأُولَٰئِكَ هُمُ الْمُتَّقُونَ

Translation: “It is not righteousness that you turn your faces towards the east or the west, but a righteous man is he who believes in Allah, the Last Day, in the angels, the Scriptures, and the prophets and gives his wealth, although

<sup>138</sup> Ibid,127-129

<sup>139</sup> Ibid:348

*he loves them- to his kinsfolk, and the orphans, the needy, the wayfarer, and the beggars, and for the ransom of slaves; who attends to his prayers and pays the alms-tax; and those who are true to their promises which they have made, and steadfast in trial and adversity and in times of war in the cause of Allah. (Such are) the truthful ones because of their belief and righteous (deeds), and such are the God fearing.*”<sup>140</sup>

(al-Baqārah,2:177)

This verse explains the term *birr* refers to obedience to Allah by following all His legislations. Ibnu Kathīr elaborates this verse by stating that a person who gives away when he is also in need poses a higher degree of giving and that giving should be made to:<sup>141</sup>

- i. Kinsfolk or relatives who are in need.
- ii. The orphans who are children having lost their fathers and still need governance from others.
- iii. The poor who do not have enough basic necessities such as food, clothing or home. (*al-Miskīn*)
- iv. The wayfarers who are travelers in need of money who must be helped to get him return to his homeland and the guest hosted by Muslims is also included in this definition. (*Ibn al-Sabīl*)
- v. The beggars who beg people for charity. (*as-Ṣāil*)
- vi. The servants by setting them free. (*al-Riqāb*)

Al-Qurtūbī<sup>142</sup> posits that spending on the mentioned groups of people is not considered as spending on zakat but it is the obligation of spending the wealth which is called *mal al birr* (spending on good deed). Although a person has already performed the mandatory charitable giving (*zakāt*), help should also be given to the person in need especially from the aforementioned group. Al-Marāghiy<sup>143</sup> elaborates that to help these people in need are not restricted by time or amount but solely depends on the giver. However it is the obligation of Muslim to help these people which eventually strengthens the relationship among the people

<sup>140</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:50-51

<sup>141</sup> Al-Imām al-Hāfīz ‘I mādūddin Abi al-Fida’ Ismāīl Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”. Vol 1/ 2.:268-271

<sup>142</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 1:628-634

<sup>143</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 1:156-160

in the society. The provision of giving to these groups of people is also supported in the later verse of 215 in the same surah.

The right of the beggars and the needy is clarified in the following verse which stresses on the importance to allocate a portion in the wealth for this group of people.

وَفِي أَمْوَالِهِمْ حَقٌّ لِّلسَّائِلِ وَالْمَحْرُومِ

Translation: “*And in their wealth (there are) portion determined to be given to the poor who beg and the poor yet who refrain (from begging).*”<sup>144</sup>  
(Az-Dhāriyāt, 51:19)

Ibn Kathīr<sup>145</sup> explains the verse as a reminder that there are rights for *as-sā'il* and *al-mahrūm* in our wealth whereby *as-sā'il* is the poor who begs others for help while *al-mahrūm* is a poor person who does not receive stipend and does not appear to be poor but he is in need and does not have any income nor profession. This view is also shared by al Marāghiy<sup>146</sup>. Al Qurtūbī<sup>147</sup> further elaborates that the portion is for the poor which is the mandatory charitable giving as suggested by Ibn Arābi but according to Ibnu Abbās it also includes other kinds of voluntary giving such as giving for maintaining relationship, feeding the guests and also helping the needy.

He also presents different views of scholars on the definition of *al-mahrūm* who is an unfortunate person but not eligible for financial assistance as suggested by Ibnu Abbās, Saīd bin Musayyib and others, an unfortunate person who has no income from the view of Aishah, a person who is in need but does not beg for help and does not inform others about his difficulty as by Qaṭādah and az-Zuhri, a person who fights and gains victory on *ghanimah* (war booty) but does not get a portion out of it by al-Hasan and Muhammad bin Hanafiyah, a person who does not possess any kinds of wealth at all by Ikrimah, a person who is caught

<sup>144</sup>Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:1031

<sup>145</sup> Al-Imām al-Hāfiẓ ‘I mādūddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “*Tafsir al-Quran al-Azīm*”. Vol (7/8):.320-323

<sup>146</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid(9):.217-220

<sup>147</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid (9):.34-37

in disaster of his plantation, farm, field or cattles by Zaid bin Aslam, a person who is struck by disaster on his wealth by al-Qurazhi, a person who experiences loss of wealth due to disaster by abu Qalabah, and a person who is not able to earn his own income by Ibn Wahab.

Furthermore, it is permissible to give to anybody in need even the non Muslims as explained in the following verse;

لَيْسَ عَلَيْكَ هُدَاهُمْ وَلَكِنَّ اللَّهَ يَهْدِي مَنْ يَشَاءُ ۗ وَمَا تُنْفِقُوا مِنْ خَيْرٍ فَلَا يُنْفِسْكُمْ ۗ  
 وَمَا تُنْفِقُونَ إِلَّا ابْتِغَاءَ وَجْهِ اللَّهِ ۗ وَمَا تُنْفِقُوا مِنْ خَيْرٍ يُؤَفَّ إِلَيْكُمْ وَأَنْتُمْ لَا تُظْلَمُونَ

Translation: “[O Muhammad], you are not obliged to guide these (unbelieving) people to the right way (Because you are only responsible to deliver the truth), but Allah by His mercy gives guidance to whom He wills. Whatever you spend for charity on others is for your own good, provided that you give it to seek the pleasure of Allah. So whatever you spend in charity of your lawful wealth shall be paid back to you in full and surely you shall not be wronged.”<sup>148</sup>

(al Baqārah, 2:272)

This verse indicates the permissibility to give charity to non Muslims as according to Ibn Kathīr<sup>149</sup>, based on the opinion of Hassan al-Basri, the charity given for the sake of Allah will not be asked on who are the recipients whether they are the righteous, deserving the help, good or evil and so on as the reward will be given for his good intention. Al-Qurtūbī<sup>150</sup> clarifies that this verse is revealed after the Prophet denies the charitable giving for a Jew as he wishes that the Jew will be drawn to Islam and later Allah commands that giving to non Muslim is permissible and that it is not the obligation to force anyone to embrace Islam. Most of scholars opine that only voluntary charitable giving can be given to the non Muslims but not the mandatory charitable giving or zakat as suggested by Ibnu al-Munzir.

Al-Marāghiy<sup>151</sup> states that the benefit of giving will return to the giver and that Allah promises that the giving will not be left wasted and it will be fully rewarded. Wahbah az-

<sup>148</sup>Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”:81

<sup>149</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “Tafsir al-Quran al-Azīm”. Vol 1/ :423-427

<sup>150</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “al-Jami’ li ahkām al-Qurān”, al-Majallid 2:291-297

<sup>151</sup> Ahmad Mustafā al-Marāghiy, “Tafsir al-Marāghiy”, al-Majallid 1.:278-280



Zuhailī<sup>152</sup> further elaborates that the benefit of giving for charity will be gained by the giver and that the donor must conduct the giving solely to attain the pleasure of the God not concerning the effect of the donation to the recipients. This opinion is based on the hadith below that shows charity can be given to anyone as long it is sincerely done for the sake of Allah and the result of giving is not determined by the giver.

وعن أبي هريرة رضي الله عنه أن رسول الله صلى الله عليه وسلم قال:

" قال رجل لأتصدقن بصدقة،

فخرج بصدقته، فوضعها في يد سارق، فأصبحوا يتحدثون: تصدق على سارق!  
 فقال: اللهم لك الحمد لأتصدقن بصدقة، فخرج بصدقته، فوضعها في يد زانية؟!  
 فأصبحوا يتحدثون: تصدق على زانية فقال: اللهم لك الحمد على زانية، لأتصدقن  
 بصدقة، فخرج بصدقته، فوضعها في يد غني، فأصبحوا يتحدثون! تصدق الليلة على  
 غني، فقال: اللهم لك الحمد على سارق، وعلى زانية، وعلى غني! فأتى فقيل له:  
 أما صدقتك على سارق، فلعله أن يستعف عن سرقة، وأما الزانية فلعلها تستعف عن  
 زناها، وأما الغني فلعله أن يعتبر، فينفق مما آتاه الله"

Translation: Abu Hurairah (May Allah be pleased with him) said:

*The Messenger of Allah (ﷺ) said: "A man (from amongst the people before you) said: 'Indeed! I will give in charity.' So he took his Sadaqah out and placed it in a thief's hand. In the morning the people were talking (about this incident) and saying: 'Sadaqah was given to a thief last night.' The man said: 'O Allah! Praise be to You. I have given Sadaqah to a thief. Indeed, I will give in charity!' So he took his Sadaqah out and he placed it in a prostitute's hand. In the morning the people were talking (about this incident) and saying: 'Sadaqah was given to a prostitute last night.' On hearing this, the man said: 'Praise be to You, O Allah! I gave Sadaqah to a prostitute. Indeed, I will give in charity!' So he took his Sadaqah out and placed it in a rich man's hand. In the morning the people were talking (about this incident) and saying: 'Sadaqah was given to a rich man last night.' The man said: 'O Allah! Praise be to You (for helping me) give charity to a thief, a prostitute and a rich man.' Then he had a dream in which he was told that his Sadaqah to the thief might result in his refraining from his theft, his Sadaqah to the prostitute might help her abstain from her immorality, and his Sadaqah to the rich man might help*

<sup>152</sup> Wahbah az-Zuhailī, "al-Tafsīr al-Munīr fil Aqā'idah wa as-Syāriah wa al-Manhāj", al-Majallid 2:78-89

him pay heed and spend from what Allah had bestowed upon him."<sup>153</sup>

(Sahīh al-Bukhārī 1421)<sup>154</sup>

Although the criteria of the recipient is not clearly specified and the term of beggar is general that includes all people in need that transcends beyond the race, religion and others, the following verse expresses that the priority in giving charity must be given to the needy person who does not manifest his hardship by begging the help from others. The characteristic of the person that deserved the help is further described in the following verse:

لِلْفُقَرَاءِ الَّذِينَ أُحْصِرُوا فِي سَبِيلِ اللَّهِ لَا يَسْتَطِيعُونَ ضَرْبًا فِي الْأَرْضِ يَحْسَبُهُمُ الْجَاهِلُ  
أَغْيَاءَ مِنَ التَّعَفُّفِ تَعْرِفُهُمْ بِسِيمَاهُمْ لَا يَسْأَلُونَ النَّاسَ إِلْحَافًا ۗ وَمَا تُنْفِقُوا مِنْ خَيْرٍ  
فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

Translation: “[Charity is] for (those who really deserve it among) the poor who being wholly preoccupied with (fighting) for the cause of Allah, cannot travel in the land (in quest of livelihood by trading ventures and the like). Those who are unaware of their circumstances take them for men of wealth because they abstain (from begging). But you can recognize them by (looking at) their special mark: they do not beg of men with importunity. And (remember) that surely Allah is Well-Aware of whatever you spend of your lawful wealth (for charity).”<sup>155</sup>

(al-Baqārah, 2:273)

According to Ibn Kathīr<sup>156</sup> this verse describes the characteristics of the poor who deserved to be given charity, who;

- i. is fighting in the way of Allah, giving all his strength in *Jihad* and seeking the pleasure of Allah SWT,
- ii. does not have the capability to work due to illness or others,
- iii. does not want to beg for keeping his or her dignity until no one knows of his/ her misery
- iv. has a special characteristic only known by sincere believer such as being *tawadhu*’ without deliberately revealing the physical state of a needy person.

<sup>153</sup>Mahmood Matraji, “The translation of the meanings of Sahih al-Bukhari”, Vol.2:274-275

<sup>154</sup>Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhārī, “Sahīh al-Bukhārī” Vol1:367-368

<sup>155</sup>Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran:81

<sup>156</sup> Al-Imām al-Hāfīz ‘I mādūddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “Tafsir al-Quran al-Azīm”. Vol 1/ 2:423-427

- v. is not begging as forcefully as the usual beggars do.

Al Qurtūbī<sup>157</sup> also explains on the aforementioned characteristics by expanding the discussion on the fifth criterion which is the condition of asking for help which is not forcefully. On the contrary, some scholars such as ath-Thabari and az-Zujāj specified that these people will not be begging at all as they shy away from the worldly affairs. Imam Ahmad says that begging is allowed if someone is under extreme difficulty although restricting himself from begging is better for him as one must surrender himself to God. Thus it is ruled out that begging is allowed under critical condition and the person asked must be chosen from the pious. However, if something is given not out of begging then it must be accepted as a blessing from the God. Moreover, a needy person is allowed to beg not more than three times and if a person is asked to help and he is capable of doing so, he is obliged to fulfill the request.

It is also recorded that it is *harām* or unlawful for a wealthy or a person who possesses any kinds of wealth to beg which is also supported by al-Marāghiy<sup>158</sup>. Nevertheless, there are exceptions to give *ṣadāqah* to rich man as according to hadith narrated by Ata ibn Yasar who fights for Allah's cause, acts as the *āmil* or the *ṣadāqah* collector, a debtor, a rich man who gives charity with his own money and a rich man who has been giving charity to his neighbor and is given a gift or *ṣadāqah* as a return as explained in the hadith below:

عَنْ عَطَاءِ بْنِ يَسَارٍ، أَنَّ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ " لَا تَحِلُّ الصَّدَقَةُ لِغَنِيِّ  
إِلَّا لِخَمْسَةِ لِعَاَزٍ فِي سَبِيلِ اللَّهِ أَوْ لِعَامِلٍ عَلَيْهَا أَوْ لِغَارِمٍ أَوْ لِرَجُلٍ اشْتَرَاهَا بِمَالِهِ أَوْ  
لِرَجُلٍ كَانَ لَهُ جَارٌ مَسْكِينٌ فَتُصَدَّقَ عَلَى الْمَسْكِينِ فَأَهْدَاهَا الْمَسْكِينُ لِلْغَنِيِّ " .

Translation: Narrated Ata ibn Yasar:

The Prophet (ﷺ) said: *Sadaqah may not be given to rich man, with the exception of five classes: One who fights in Allah's path, or who collects it,*

<sup>157</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 2, : 291-297

<sup>158</sup> Ahmad Mustafā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid 1, :278-280

or a debtor, or a man who buys it with his money, or a man who has a poor neighbour who has been given sadaqah and gives a present to the rich man<sup>159</sup>.

(Sunan Abi Dāwud 1635<sup>160</sup>)

Also, it is of the command that a portion must be given to the orphans or the needy if they are present at the distribution of wealth out of a will.

وَإِذَا حَضَرَ الْقِسْمَةَ أُولُو الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسَاكِينُ فَارْزُقُوهُمْ مِنْهُ وَقُولُوا لَهُمْ قَوْلًا مَّعْرُوفًا

Translation: “ If relatives (who are not entitled for the share). Orphans, or the needy are present at the division (of an inheritance), give them, too, out of the property, and speak to them in kind words ”<sup>161</sup>.

(an-Nisa’, 4:8)

Ibnu Kathīr<sup>162</sup> explains if poor relatives or orphans who are not eligible for inheritance are present during the division of inheritance, they should be given some share in the form of charity as an act of kindness. Al-Qurtūbī<sup>163</sup> discusses in detail of the mechanism of giving charity to this group of people. First, the giving must be carried out if the amount of inheritance is abundant. If the inheritance is in the form of fixed asset such as properties, the giving is not allowed but to do so will be highly rewarded. Ibnu Āthiyyah elucidates that this kind of charitable giving is mandatory but al-Qurtūbī argues that it is voluntary. The aim of this giving is to maintain the family ties as suggested by Ibnu Abbās and an-Nuhās.

In Surah an-Nūr, Allah prohibits the believers from stopping the charity to the needy whom have committed injustice but have pardoned.

وَلَا يَأْتَلِ أُولُو الْفَضْلِ مِنْكُمْ وَالسَّعَةِ أَنْ يُؤْتُوا أُولِي الْقُرْبَىٰ وَالْمَسَاكِينَ وَالْمُهَاجِرِينَ فِي سَبِيلِ اللَّهِ ۗ وَلْيُعْفُوا ۗ وَلْيَصْفَحُوا ۗ أَلَا تُحِبُّونَ أَنْ يَغْفِرَ اللَّهُ لَكُمْ ۗ وَاللَّهُ غَفُورٌ رَحِيمٌ

Translation: "And let not those of you who have been graced by Allah's favour and ease of life resolve by oath not to give aid to their kinsmen, the poor, and those who have emigrated for Allah's cause. (Rather) let them

<sup>159</sup> Yaser Qadhi, “English Translation of Sunan Abu Dawud,” Vol 2, (Riyadh: Darussalam, 2008):288

<sup>160</sup> Abī Dāūd Sulaymān Ibn al-As’ath al-Sijistāni, “Sunan Abī Dāūd”, Vol 2. . (Beirut: Darul Fikr,1999):202

<sup>161</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”:136

<sup>162</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “Tafsir al-Quran al-Azīm”. Vol 1 /2.:156-159

<sup>163</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “al-Jami’ li ahkām al-Qurān”, al-Majallid (3):47-49

*pardon and overlook their mistakes. Do you not wish Allah to forgive you? And Allah is Most Forgiving and Most Merciful.*”<sup>164</sup>

(an-Nūr, 24:22)

This verse reveals that one should not swear to disconnect the family ties especially towards the family members who are in need by cutting off the help given due to the sins done by them. This verse was revealed after Abu Bakar al-Siddīq sworn to cut off all the charity given to Mistah bin Uthāthah, his poor cousin who created slander of adultery upon Aishah. Allah accepted the repentance by Mistah bin Uthāthah and summoned Abu Bakar to continue helping his cousin as explained by Ibnu Kathīr<sup>165</sup>, al-Qurtūbī<sup>166</sup> and al-Marāghiy<sup>167</sup>.

### 2.3.3 The Gift (*al-Mutaṣaddaq Bih*)

The third component of giving is the gift which is given to the recipients in the form of money, things or services. It is encouraged to give things that are loved and favoured as mentioned in the following verse:

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ ۚ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

Translation: “You shall never be truly righteous until you spend of what you love. And whatever you spend is known to Allah.”<sup>168</sup>

(Ali Imrān, 3:92)

Ibnu Kathīr<sup>169</sup> elaborates that the word *al-Birr* refers to paradise which means one will attain the reward of paradise if he spends in charity for the sake of Allah of the things that he most loves. Al-Qurtūbī<sup>170</sup> reports that scholars are in different views on the meaning of *al-Birr* in this verse. Some companions of the Prophet like Anās and Abū Talhah associate it to the meaning of the ultimate charity. While Ibnu Masū’d, Ibnu Abbās, Athā, Mujāhid, Amrū bin

<sup>164</sup>Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:654

<sup>165</sup> Al-Imam al-Hāfidz ‘Imaaduddin Abi al-Fida’ Ismail Bin Katsir Ad-Damsyiqi, “*Tafsir al-Quran al-Adzim*”, Vol 5/6:388-389

<sup>166</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansari al-Qurtubi, “*al-Jami’ li Ahkam al-Quran*”, al-Majallid 6:491-502

<sup>167</sup>Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 6:257-265

<sup>168</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:107

<sup>169</sup> Al-Imām al-Hāfidz ‘Imaaduddin Abi al-Fida’ Ismail Bin Kathir ad-Damsyiqi, “*Tafsir al-Quran al-Azim*”. Vol 1 /2:54-55

<sup>170</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansari al-Qurtubi, “*al-Jami’ li ahkam al-Quran*”, al-Majallid 3:495-496

Maimūn and as-Suddi define it as the reward of paradise. Other scholar such as Āthiyah al Aufā describes it as the obedience.

Furthermore, the allocation of giving is explained in the Quran as stated in the following verse that one should spend in charity from the spare of the family needs.

وَيَسْأَلُونَكَ مَاذَا يُنْفِقُونَ قُلِ الْعَفْوَ

Translation: "And they ask you what they should spend. Say, "The excess [beyond needs]."<sup>171</sup>

(al-Baqārah, 2:219)

Ibnu Kathīr<sup>172</sup> states that it is summoned that the basic need of a family must be fulfilled and the surplus of it can be spend on charity. According to al-Qurtūbī<sup>173</sup>, the word *al-‘afw* means something that is easy, extra, and can be given away without heavy heart which means to give something that will not cause hardship to the giver. Al-Hasan, Qatādah, Athar, as-Sūdi, al-Qarzi Muhammad bin Kaa’b, Ibnu Laila and Ibnu Abbās suggest that this word means the excess from the family need. Al-Marāghiy<sup>174</sup> specifies that the form of giving here is the voluntary giving as the amount of giving is decided by the giver which is the surplus from what is needed.

The proportion of charity is further determined in a few hadith. Based on the following hadith, a third of property is sufficient to be allocated for charity.

عَنِ ابْنِ كَعْبِ بْنِ مَالِكٍ، عَنْ أَبِيهِ، أَنَّهُ قَالَ لِلنَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَوْ أَبُو لُبَابَةَ أَوْ  
مَنْ شَاءَ اللَّهُ : إِنَّ مِنْ تَوْبَتِي أَنْ أَهْجُرَ دَارَ قَوْمِي الَّتِي أَصَبْتُ فِيهَا الذَّنْبَ، وَأَنْ أَنْخَلِعَ  
مِنْ مَالِي كُلِّهِ صَدَقَةً . قَالَ : " يُجْزِي عَنْكَ الثُّلُثُ " .

Translation: Narrated Ka'b ibn Mālik:

Ka'b ibn Malik said to AbuLubabah; or someone else whom Allah wished; or to the Prophet (ﷺ): "To make my repentance complete I should depart from the house of my people in which I fell into sin, and that I should divest

<sup>171</sup>Department of Islamic Development Malaysia, "Tafsir ar-Rahman Interpretation of the Meaning of the Quran", :63

<sup>172</sup>Al-Imām al-Hāfīz 'I mādūddin Abi al-Fida' Ismāil Bin Kathīr ad-Damsyīqī, "Tafsir al-Quran al-Azīm". Vol 1 /2:333-336

<sup>173</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, "al-Jami' li ahkām al-Qurān", al-Majallid 2:38-58

<sup>174</sup> Ahmad Mustafā al-Marāghiy, "Tafsir al-Marāghiy", al-Majallid 1:203-210

*myself of all my property as sadaqah (alms). He said: A third (of your property) will be sufficient for you”.*<sup>175</sup>

(Sunan Abi Dāwūd 3319<sup>176</sup>)

There is also an instance from the hadith where a third from property is considered too much to be allocated for charity especially when the charity is willed. It is better in Islam to leave the family members in a well off condition than leaving them in a poor state which consequently causes them to beg.

عَنْ سَعْدٍ . رَضِيَ اللَّهُ عَنْهُ . قَالَ كَانَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَعُودُنِي وَأَنَا مَرِيضٌ بِمَكَّةَ، فَقُلْتُ لِي مَالٌ أَوْصِي بِمَالِي كُلِّهِ قَالَ " لَا " . قُلْتُ فَالْشَّطْرُ قَالَ " لَا " . قُلْتُ فَالْثُلُثُ قَالَ " الْثُلُثُ، وَالْثُلُثُ كَثِيرٌ، أَنْ تَدَعَ وَرَثَتَكَ أَغْنِيَاءَ خَيْرٌ مِنْ أَنْ تَدَعَهُمْ عَالَةً، يَتَكَفَّفُونَ النَّاسَ فِي أَيْدِيهِمْ، وَمَهُمَا أَنْفَقْتَ فَهُوَ لَكَ صَدَقَةٌ حَتَّى اللَّقْمَةَ تَرْفَعُهَا فِي فِي امْرَأَتِكَ، وَلَعَلَّ اللَّهَ يَرْفَعُكَ، يَنْتَفِعُ بِكَ نَاسٌ وَيُضْرَبُ بِكَ آخَرُونَ " .

Translation: Narrated Sa`d:

The Prophet (ﷺ) visited me at Mecca while I was ill. I said (to him), "I have property; May I bequeath all my property in Allah's Cause?" He said, "No." I said, "Half of it?" He said, "No." I said, "One third of it?" He said, "One-third (is alright), yet it is still too much, for you'd better leave your inheritors wealthy than leave them poor, begging of others. Whatever you spend will be considered a Sadaqa for you, even the mouthful of food you put in the mouth of your wife. Anyhow Allah may let you recover, so that some people may benefit by you and others be harmed by you."<sup>177</sup>

(Sahih al-Bukhārī 5354<sup>178</sup>)

It is also reminded in the Qurān that the gifts to be given to the recipients of charity must come from a good and permissible source as stated in the following verse:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ ۖ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِآخِذِيهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ ۗ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ

Translation: "O believers! Spend (in the way of Allah) of the good things you have earned and of that which We have produced for you at which We have produced for you from the earth, and seek not the worthless to give charity things which you yourself would never accept (it it was given to you)

<sup>175</sup> Yaser Qadhi, "English Translation of Sunan Abu Dawud," Vol 4:51

<sup>176</sup> Abī Daūd Sulaymān Ibn al-As'ath al-Sijistāni, "Sunān Abī Daūd", Vol.3:202

<sup>177</sup> Mahmood Matraji, "The translation of the meanings of Sahih al-Bukhari", Vol. 7:191

<sup>178</sup> Al-Imām Abi Abdullāh Muhammad Ismāil al Bukhārī, "Sahih al-Bukhari", Vol.3:502

*without averting your eyes in disdain. And know well that Allah is self-sufficient, Worthy of All Praise.*"<sup>179</sup>

(al-Baqārah, 2:267)

Ibnu Kathīr<sup>180</sup> concludes that the source of charity must be from pure and honest earned money. This includes the things or food to be given away which must be in good condition. This verse was revealed after the Ansār had been found to mix between good ripe dates with less good quality dates for charity. It is also explained in this verse that the charity is not for Allah as He is free from needing anything but the charity is for the needy ones. Al-Qurtūbī opines that not only the source of giving must be good and permissible, Allah SWT also prohibits the giving of unwanted things which are not favoured by anyone as stated by al-Qurtūbī<sup>181</sup>, al-Marāghiy<sup>182</sup> and Wahbah az-Zuhailī<sup>183</sup>.

### 2.3.4 Intention (*an-Niah*)

As charitable giving is meant for the sake of God, intention plays an important role to determine whether the act becomes an *ibādah* (religious deed) or not. Thus good intention is very much highlighted in this kind of giving as prescribed in the verse as follows:

وَمِنَ الْأَعْرَابِ مَنْ يَتَّخِذُ مَا يُنْفِقُ مَغْرَمًا وَيَتَرَبَّصُّ بِكُمْ الدَّوَاتِرَ ۗ عَلَيْهِمْ دَائِرَةُ السَّوْءِ ۗ  
وَاللَّهُ سَمِيعٌ عَلِيمٌ (٩٨) وَمِنَ الْأَعْرَابِ مَنْ يُؤْمِنُ بِاللَّهِ وَالْيَوْمِ الْآخِرِ وَيَتَّخِذُ مَا يُنْفِقُ  
قُرْبَاتٍ عِنْدَ اللَّهِ وَصَلَوَاتِ الرَّسُولِ ۗ أَلَا إِنَّهَا قُرْبَةٌ لَهُمْ ۗ سَيُدْخِلُهُمُ اللَّهُ فِي  
رَحْمَتِهِ ۗ إِنَّ اللَّهَ غَفُورٌ رَحِيمٌ (٩٩)

Translation: “And of the desert Arabs there are those (hypocrites) who regard what they give (for the cause of Allah) as a financial burden, and await unfavourable turns of events (misfortune) to befall you. May ill-fortune befall them. And (remember) Allah is Most Hearing, Most Knowing.(98)And yet there are other desert Arabs who believe in Allah and the Last Day, and regard what they spend (in Allah’s cause) as a means of bringing them close to Allah and (a way) to obtaining the prayers of Allah’s messenger (who brings them grace). Know that, what they spend is their

<sup>179</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:80

<sup>180</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”. Vol 1/ 2:419-422

<sup>181</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansārī al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 2 : 274-281

<sup>182</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 1:273-274

<sup>183</sup> Wahbah az-Zuhailī, “*al-Tafsir al-Munir fil Aqidah wa al-Syariah wa al-Manhaj*”, al- Majallid 2:63-68



*good deeds (which will bring them closer to Allah). Allah will admit them to His Mercy. Indeed, Allah is Most Forgiving, Most Merciful. (99)*<sup>184</sup>  
(at-Tawbah, 9:98-99)

This verse describes the attitude of some Arabs of Bedoiuns who regard charitable giving as a loss and a waste and they conduct the giving for the sake of showing off and to protect themselves from the law. Allah proclaims that this kind of giving is useless and does not benefit the doer in any ways. While there are some Bedoiuns who sincerely spend in charity for the sake of Allah and to receive prayers from the Prophet, the act of giving by them is acknowledged and accepted by Allah and rewarded with His blessings.<sup>185</sup>

Spending in charity also must be sincerely done in the sense that no reward is expected to be returned as stated in verse as follows:

إِنَّمَا نَطْعُمُكُمْ لَوَجْهِ اللَّهِ لَا نُرِيدُ مِنْكُمْ جَزَاءً وَلَا شُكُورًا

Translation: “[Saying], “We feed you only for Allah’s sake only. We wish no reward, nor thanks from you.”<sup>186</sup>

(al-Insān, 76:9)

According to the commentaries by Ibnu Kathīr<sup>187</sup>, al-Marāghiy<sup>188</sup> and Wahbah az-Zuhailī<sup>189</sup>, this verse describes among the deeds of a righteous which will be rewarded by Allah is to feed the needy for the sake of Allah without expecting any return from the receiver nor expression of gratitude from them as it is done sincerely for seeking the pleasure of the God and for fear of the judgement day.

The criteria of sincere spending in charity is also highlighted in the Surah al-Layl that the donor must not expect any return from the giving and it must be done for the sake of Allah.

وَمَا لِأَحَدٍ عِنْدَهُ مِنْ نِعْمَةٍ تُجْزَىٰ (١٩) إِلَّا ابْتِغَاءَ وَجْهِ رَبِّهِ الْأَعْلَىٰ (٢٠)

<sup>184</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:337

<sup>185</sup> Al-Imām al-Hāfīz ‘I mādūddīn Abi al-Fida’ Ismāīl Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”. Vol (3/4):138-139

<sup>186</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:1194

<sup>187</sup> Al-Imām al-Hāfīz ‘I mādūddīn Abi al-Fida’ Ismāīl Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*” Vol (7/8):225-227

<sup>188</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, Majallid (10):209-211

<sup>189</sup> Wahbah az-Zuhailī, “*al-Tafsir al-Munir fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid (15):306-315

Translation: “*And not [giving] for anyone who has [done him] a favor to be rewarded. But only seeking the countenance of his Lord, Most High.*”<sup>190</sup>  
(al-Layl, 92:19-20)

Based on the commentaries by Ibnu Kathīr<sup>191</sup>, al-Qurtūbī<sup>192</sup>, al-Marāghiy<sup>193</sup> and Wahbah az-Zuhailī<sup>194</sup>, there are two criteria for a sincere giving which are given without expecting any return from the others or the one who receives the giving and secondly, it must be done in the hope only to seek the pleasure of Allah.

Since the emphasis of intention is greatly put on charity spending, some acts that nullify the charity are also discussed in several verses of the Quran in Surah al-Baqārah.

الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ ثُمَّ لَا يُتَّبِعُونَ مَا أَنْفَقُوا مَنًّا وَلَا أَدَىٰ ۗ لَهُمْ  
أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ

Translation: “*Those who spend their wealth in the way of Allah and afterwards do not follow their spending with taunts and insults to (the recipients) shall be rewarded by their Lord, on them shall be no fear, nor shall they grieve.*”<sup>195</sup>

(al-Baqarah, 2:262)

This verse contains a warning from Allah SWT on the deeds that can nullify the charity which is to remind people who receive the charity about it by using words or actions. Ibnu Kathīr<sup>196</sup> explains the accepted charitable giving by Allah based on the opinion by al-Maurīdī, is done not by expecting any return or thanking from the receiver and also free from mentioning or informing others about it as doing so will hurt the feeling of the receiver. The word *al-Mann* means to remind people of your own kindness and brag about it to the extent of causing harassment to the receiver while *al-Azā* means to hurt the recipient of charity in harsh words.<sup>197</sup>

<sup>190</sup>Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:1263

<sup>191</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*” Vol (7/8):.328-329

<sup>192</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 10: 332-334

<sup>193</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, Majallid (10):.341-343

<sup>194</sup> Wahbah az-Zuhailī, “*al-Tafsir al-Munir fil Aqidah wa as-Syāriah wa al-Manhāj*”, al- Majallid (15):.662-664

<sup>195</sup>Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:78

<sup>196</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*,” Vol 1/ 2: .416-417

<sup>197</sup> Wahbah az-Zuhailī, “*al-Tafsir al-Munir fil Aqidah wa as-Syāriah wa al-Manhāj*”, al- Majallid 2:44-55

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تُبْطِلُوا صَدَقَاتِكُمْ بِالْمَنِّ وَالْأَذَى كَالَّذِي يُنْفِقُ مَالَهُ رِئَاءَ النَّاسِ وَلَا  
يُؤْمِنُ بِاللَّهِ وَالْيَوْمِ الْآخِرِ ۖ فَمَثَلُهُ كَمَثَلِ صَفْوَانٍ عَلَيْهِ تُرَابٌ فَأَصَابَهُ وَابِلٌ فَتَرَكَهُ صَلْدًا ۖ  
لَا يَقْدِرُونَ عَلَىٰ شَيْءٍ مِّمَّا كَسَبُوا ۗ وَاللَّهُ لَا يَهْدِي الْقَوْمَ الْكَافِرِينَ

Translation: “*O you who have believed, do not invalidate your charities with reminders or injury as does one who spends his wealth [only] to be seen by the people and does not believe in Allah and the Last Day. His example is like that of a [large] smooth stone upon which is dust and is hit by a downpour that leaves it bare. They are unable [to keep] anything of what they have earned. And Allah does not guide the disbelieving people.*”<sup>198</sup>

(al-Baqārah, 2:264)

The act of giving is invalidated through the act of reminding people of the deed and showing off to gain publicity and popularity. Giving charity in pursuit of gaining publicity and popularity nullifies the act like it has never been done. Allah SWT describes this deed like dust on a hard and slippery stone that is completely washed out in a pouring rain.<sup>199</sup> There is also discussion on the act that deters the charitable deed such as giving charity in harsh manner in verse 263 of Surah al-Baqārah that mainly points out nice words and forgiveness are better than giving charity in harsh manner.

قَوْلٌ مَّعْرُوفٌ وَمَغْفِرَةٌ خَيْرٌ مِّنْ صَدَقَةٍ يَتْبَعُهَا أَذَىٰ ۗ وَاللَّهُ غَنِيٌّ حَلِيمٌ

Translation: “*(Excusing oneself from giving charity to beggars) by saying Kind word and forgiving their faults are better than charity followed by injury. And Allah is Self-sufficient and All-Forbearing.*”<sup>200</sup>

(al-Baqārah, 2:263)

An-Nuhās and al-Mahdawi in tafsir al-Qurtūbī<sup>201</sup> define that kind speech during charity is prioritized to be rewarded than the act of charity itself. The prophet encourages people to greet the beggars with friendliness and joy and to apologize if help cannot be given. The word *maghfīrah* also brings the meaning of being apologetic to conceal the insightful condition of the beggars or to forgive the rudeness of the beggars as explained by an-

<sup>198</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:79

<sup>199</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 1:268-271

<sup>200</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:78

<sup>201</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al-Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 2: 264-266

Naqqāsy. However an-Nuhās defines this word as seeking forgiveness from the God is better than hurting the beggar.

Also, the prohibition of being harsh towards petitioners or beggars is also found in Surah ad-Dhuhā that encourages people to be nice toward them as explained by Ibnu Kathīr<sup>202</sup>, al-Qurtūbī<sup>203</sup>, al-Marāghiy<sup>204</sup> and Wahbah az-Zuhailī<sup>205</sup>.

وَأَمَّا السَّائِلَ فَلَا تَنْهَرْ

Translation: “Nor drive away the beggar;”<sup>206</sup>

(ad-Dhuhā, 93:10)

However, charity act is not obligated to be done in anonymity to be accepted by the God as there are many verses in the Quran which discuss the act of doing the charity openly or anonymously. Surah al-Ra’d verse 22 implies that charitable giving can be done both openly and secretly.

وَالَّذِينَ صَبَرُوا ابْتِغَاءَ وَجْهِ رَبِّهِمْ وَأَقَامُوا الصَّلَاةَ وَأَنْفَقُوا مِمَّا رَزَقْنَاهُمْ سِرًّا وَعَلَانِيَةً  
وَيُذَرُّونَ بِالْحَسَنَةِ السَّيِّئَةَ أُولَئِكَ لَهُمْ عُقْبَى الدَّارِ

Translation: “And those who, for the sake of Allah, endure with fortitude, establish regular prayers, and spend of what We have bestowed on them in private and in public; and who ward off evil with good. They shall have a blissful end in the Hereafter.”<sup>207</sup>

(al-Ra’d, 13:22)

Ibnu Kathīr<sup>208</sup> classifies the quality of the blessed ones who are promised with heaven based on this verse and one of the qualities is those who spend the mandatory spending and the voluntary spending at all conditions; openly or secretly and times; day or night. Similarly al-Marāghiy<sup>209</sup> also opines that the spending includes both the mandatory and voluntary which

<sup>202</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*,” Vol (7/8):330-334

<sup>203</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansārī al-Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 10:342-345

<sup>204</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, Majallid (10):345-347

<sup>205</sup> Wahbah az-Zuhailī, “*al-Tafsir al-Munir fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al-Majallid (15):667-677

<sup>206</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:1266

<sup>207</sup> Ibid: 429

<sup>208</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*,” Vol 3 /4:314

<sup>209</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 5:54-56

is done openly or secretly, during day or night. However al-Qurtūbī<sup>210</sup> explains that the spending refers to the mandatory charitable giving as according to Ibnu Abbās.

The permissibility of conducting charity publicly or secretly is also found in Surah Ibrāhīm, verse 31 and Surah al-Fātir verse 29:

قُلْ لِعِبَادِيَ الَّذِينَ آمَنُوا يُقِيمُوا الصَّلَاةَ وَبُذِعُوا مِمَّا رَزَقْنَاهُمْ سِرًّا وَعَلَانِيَةً مِّن قَبْلِ أَنْ يَأْتِيَ يَوْمٌ لَا بَيْعَ فِيهِ وَلَا خِلَالَ

Translation: “Tell My servants, those who believe, to be steadfast in prayer and spend of what We have given secretly and openly, before the coming of that day in which there is neither bargaining nor mutual befriending.”<sup>211</sup>  
(Ibrāhīm, 14: 31)

Ibnu Kathīr<sup>212</sup> and al-Marāghiy<sup>213</sup> define the spending on charity generally that covers both the mandatory and voluntary charitable giving which both are highly encouraged by Allah as they are mentioned together with the obligation of *salāt* (prayer) that can be the savior in the hereafter. However al-Qurtūbī<sup>214</sup> discuss this verse further by stating that some scholars such as Ibnu Abbās refers the spending to zakat and other scholars such as al-Qāsim bin Yahyā suggests that the voluntary is done secretly while the mandatory is done openly.

The quality of the true believer who will be succeed in the world and the hereafter through practicing solat and spending in charity in whatever conditions is again repeated in the following verse indicating its importance which is the outcome of reciting the quran and practicing its content as based on the commentaries of Ibnu Kathīr<sup>215</sup>, al-Qurtūbī<sup>216</sup> and al-Marāghiy<sup>217</sup>.

إِنَّ الَّذِينَ يَتْلُونَ كِتَابَ اللَّهِ وَأَقَامُوا الصَّلَاةَ وَأَنفَقُوا مِمَّا رَزَقْنَاهُمْ سِرًّا وَعَلَانِيَةً يَرْجُونَ تِجَارَةً لَّن تَبُورَ

<sup>210</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbi, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 5:279-283

<sup>211</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”;

<sup>212</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “*Tafsir al-Quran al-Azīm*”, Vol 3 /4:356-357

<sup>213</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 5:87-89

<sup>214</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbi, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 5:331-332

<sup>215</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “*Tafsir al-Quran al-Azīm*”, Vol 5/6:371-373

<sup>216</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbi, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid 7: 266

<sup>217</sup> Ahmad Mustafā al-Marāghiy, “*Tafsir al-Marāghiy*”, al-Majallid 8:81

Translation: “Those who recite the Book of Allah and attend to their prayers and spend on others, secretly and openly, out of what We have provided for them on sustenance, (with their deeds) hope for a bargain that can never fail”<sup>218</sup>

(Fātir 35: 29)

However, further explanation on the anonymity in giving is presented in Surah al-Baqārah verse 271.

إِنْ تَبَدُّوا الصَّدَقَاتِ فَبِعَمَّا هِيَ ۖ وَإِنْ تُخْفُوهَا وَتُؤْتُونَهَا الْفُقَرَاءَ فَهُوَ خَيْرٌ لَكُمْ ۗ  
وَيُكَفِّرْ عَنْكُمْ مِّنْ سَيِّئَاتِكُمْ ۗ وَاللَّهُ بِمَا تَعْمَلُونَ خَبِيرٌ

Translation: “If you do deeds of charity openly, it is well (for it would be an example to others); but to give alms to the poor in secret, it will be even better for you, and Allah will atone for some of your bad deeds. And (remember) that surely Allah is Well-Aware of all that you do.”<sup>219</sup>

(al-Baqārah 2:271.)

This verse explains that charity done openly is good as it can be an exemplary to the society. However, charity in anonymity is better as it avoids the act of bragging and erases the sins.<sup>220</sup> Hasan opines in *Tafsīr al-Qurtūbī* that conducting the mandatory charitable giving in public is better and for voluntary giving, secrecy is better. Ibn Abbās reveals that Allah rewards a concealed noble deed up until 70 times and that the hidden mandatory charitable giving is rewarded 25 times higher than doing it openly. This is to avoid the feeling of *riya*’ or boastfulness.<sup>221</sup>

Another verse on doing charity in secrecy is also found in Surah an-Nisā’:

لَا خَيْرَ فِي كَثِيرٍ مِّنْ نَّجْوَاهُمْ إِلَّا مَنْ أَمَرَ بِصَدَقَةٍ أَوْ مَعْرُوفٍ أَوْ إِصْلَاحٍ بَيْنَ النَّاسِ ۗ  
وَمَنْ يَفْعَلْ ذَلِكَ ابْتِغَاءَ مَرْضَاتِ اللَّهِ فَسَوْفَ نُؤْتِيهِ أَجْرًا عَظِيمًا

Translation: “There is no virtue in much of (their secret talks) of the one who enjoins charity, kindness and making peace among men. And he who does this to please Allah We shall in time grant him an immense reward”<sup>222</sup>

(an-Nisā’, 4:114)

<sup>218</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Quran*,”:835

<sup>219</sup> *Ibid*: 81

<sup>220</sup> Wahbah az-Zuhailī, “*al-Tafsīr al-Munīr fīl Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid 2:72-78

<sup>221</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansārī al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid 2: 284-288

<sup>222</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Quran*,”:164

According to Ibn Kathīr, *An-Najwā* or secret talk is commonly done in vain except for secret talk on *Ṣadāqah* and to reconcile between disputed people. This is called the righteous *Najwā*.<sup>223</sup> Al-Qurtūbī<sup>224</sup> defines this word as a talk between two persons in secrecy or in public and it can also be a whisper directed to a specific person to do charity.

## 2.4 The Importance of Charitable Giving

Although charitable giving is seen to benefit more on the receivers, interestingly in the Qurān, much of the discussion is made on the benefit of the doer. Allah SWT has highly encouraged the Muslim to spend their wealth in charity for the sake of Allah by promising great returns for those who accomplish it. Allah SWT has promised *al-Falāh* in the Quran to those who perform prayers and *Zakāh*, who believe in the unseen, the holy Books and also the life in the hereafter.

الَّذِينَ يُؤْمِنُونَ بِالْغَيْبِ وَيُقِيمُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ  
وَالَّذِينَ يُؤْمِنُونَ بِمَا أُنزِلَ إِلَيْكَ وَمَا أُنزِلَ مِنْ قَبْلِكَ وَبِالْآخِرَةِ هُمْ يُوقِنُونَ  
أُولَئِكَ عَلَىٰ هُدًى مِّن رَّبِّهِمْ ۗ وَأُولَئِكَ هُمُ الْمُفْلِحُونَ

Translation: “Who believe in the unseen, steadfast in prayer, and spend out of what We have given them, And who believe in that (the *Qurān*) what has been revealed to you, [O Muhammad], and in the scriptures which were revealed before you, and firmly believe in the (existence of) of the Hereafter. They are the ones who are rightly guided by their Lord, and they are the ones who will be successful”.<sup>225</sup>

(al-Baqārah 2:3-5)

The word *al-Falāh* is defined as the ultimate success of the life of a human being in the world and in the hereafter. Imām Raghīb<sup>226</sup> defines *al Falāh* as an achievement of success in certain aspects of life, lasting satisfaction, contentment and honour. Therefore, it is believed that

<sup>223</sup> Al--Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsīr al-Qurān al-Azīm*”, Vol 1 / 2 :302-304

<sup>224</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid 2:332-335

<sup>225</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Qurān*,” :8-9

<sup>226</sup> Muhammad Zakariyya Khandalvi. “*Fadhāil asSadāqāt*”. (Karachi: Darul Ishaat, 1991):2.

charitable giving impacts one's life positively that can be manifested on one's personal well being. Similarly, Ibnu Kathīr<sup>227</sup> also defines the meaning of *al-Falāh* by these two dimensions explaining that the worldly success is demonstrated by achieving what is desired and saved from evil and the afterlife success is achieved by attaining eternal life in heaven and safety from hell fire.

Accordingly, a verse in Surah al-Hadīd also mentions the promise of being successful and great reward for the believers who spend in charity.

آمِنُوا بِاللَّهِ وَرَسُولِهِ وَأَنْفِقُوا مِمَّا جَعَلَكُمْ مُسْتَخْلِفِينَ فِيهِ ۖ فَالَّذِينَ آمَنُوا مِنْكُمْ وَأَنْفَقُوا  
 لَهُمْ أَجْرٌ كَبِيرٌ

Translation: "Have faith in Allah and His Messenger and give alms of that which Allah has made you trustees; for whoever of you believes and gives in alms (in the way of Allah) theirs will be a great reward."<sup>228</sup>

(al-Hadīd, 57:7)

This verse contains the command for believers to spend the wealth in the obedience of Allah which is passed down to them from earlier generations. This shows that no one truly owns the wealth as it will be inherited to latter generations and they will be greatly compensated as based on the commentaries by Ibnu Kathīr<sup>229</sup> and al Marāghiy<sup>230</sup>. Al-Qurtūbī<sup>231</sup> further clarifies the meaning of this verse by defining that the spending is specifically referred to the purpose of *Jihād* in war and that the awaiting reward is eternal paradise.

The reward of being successful is repeatedly mentioned in other surah as in Surah at-Taghābun which shows that spending in charity will protect a person from negative effects of being stingy which result in ultimate success in the world and the hereafter.<sup>232</sup> Al-Qurtubi explicates that spending for the sake of Allah in this verse are in the form of voluntary

<sup>227</sup> Al-Imām al-Hāfīz 'I māduddin Abi al-Fida' Ismāil Bin Kathīr ad-Damsyīqī, "Tafsīr al-Quran al-Azīm", Vol 1 / 2:54-59

<sup>228</sup> Department of Islamic Development Malaysia, "Tafsīr ar-Rahman Interpretation of the Meaning of the Quran," :1082

<sup>229</sup> Al-Imām al-Hāfīz 'I māduddin Abi al-Fida' Ismāil Bin Kathīr ad-Damsyīqī, "Tafsīr al-Quran al-Azīm", Vol (7/8):9-12

<sup>230</sup> Ahmad Mustafā al-Marāghiy, "Tafsīr al-Marāghiy", al-Majallid (9):323-326

<sup>231</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al-Qurtūbī, "al-Jami' li ahkām al-Qurān", al-Majallid (9):198-199

<sup>232</sup> Al-Imām al-Hāfīz 'I māduddin Abi al-Fida' Ismāil Bin Kathīr ad-Damsyīqī, "Tafsīr al-Quran al-Azīm", Vol (7/8):111-113



charitable giving as suggested by Ibnu Abbās, spending for *jihād* as proposed by ad-Dhahhak and also general spending that includes the mandatory and voluntary and that those who free themselves from stinginess are the ones who are fortunate<sup>233</sup>. Al-Marāghiy<sup>234</sup> further elaborates that these fortunate people will attain what they seek for in the world and hereafter and that their life will be blessed with happiness throughout the world and afterlife.

فَاتَّقُوا اللَّهَ مَا اسْتَطَعْتُمْ وَأَسْمِعُوا وَأَطِيعُوا وَأَنْفِقُوا خَيْرًا لِّأَنْفُسِكُمْ ۚ وَمَنْ يُوقَ شُحَّ نَفْسِهِ فَأُولَٰئِكَ هُمُ الْمُفْلِحُونَ

Translation: “Therefore, remain, then conscious of Allah as best as you can, and be attentive (to His teachings), obedient (to His orders) and give in charity for the benefit of your souls. And (remember) those who are saved from their own greed it is they who will surely prosper.”<sup>235</sup>

(at-Taghābun 64:16)

Ultimately, Allah has also offered the believers a garden in paradise as wide as heaven and earth for those who march forth in performing righteous deed and raising the forgiveness from Allah. The sign of a believer in this verse is manifested on the deed of spending in charity during ease and hardship that they never refuse when being asked to donate, being patience during anger by controlling the emotion and not acting it out and forgiving those who treat them with injustice as stated in the following verse of the Quran:

وَسَارِعُوا إِلَىٰ مَغْفِرَةٍ مِّن رَّبِّكُمْ وَجَنَّةٍ عَرْضُهَا السَّمَاوَاتُ وَالْأَرْضُ أُعِدَّتْ لِلْمُتَّقِينَ ۚ  
الَّذِينَ يُنْفِقُونَ فِي السَّرَّاءِ وَالضَّرَّاءِ وَالْكَاظِمِينَ الْغَيْظَ وَالْعَافِينَ عَنِ النَّاسِ ۗ وَاللَّهُ يُحِبُّ  
الْمُحْسِنِينَ

Translation: “And hasten ( in doing good deeds so as) to earn the forgiveness from your Lord and a garden as wide as the heavens and earth, prepared for the righteous. Who spend [in the cause of Allah ] during ease and hardship and who restrain anger and who pardon the people - and Allah loves the doers of good;”<sup>236</sup>”

(Āli Imrān, 3:133-134)

<sup>233</sup>Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurṭūbi, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid (9): :380-382

<sup>234</sup> Ahmad Mustafā al-Marāghiy, “*Tafsīr al-Marāghiy*,” al-Majallid (10):82-85

<sup>235</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Quran*,”:1127

<sup>236</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Quran*,”:115-116

Ibnu Kathīr<sup>237</sup> reports that Allah describes the spaciousness and the likeness of the paradise as a dome under a throne prepared for those who are obedient and constantly do rightful things and spend their wealth for Allah in any conditions. Al-Qurtūbī<sup>238</sup> further clarifies that this verse encourages people to be hasten in seeking Allah’s forgiveness and attaining the reward of paradise by doing good deeds which one of it is to spend for the sake of Allah at any conditions. Al-Marāghiy<sup>239</sup> explains that this verse describes the criteria of faithful believers who are promised the reward of paradise. One of them is the person who is ever ready to spend in charity for the sake of Allah at any time and any situations.

The act of giving is further encouraged in the Qurān by the description of luxurious life prepared in the heaven for believers who give away their loved belongings to the needy, orphan and captive for the sake of God without expecting return and for fear of God.

إِنَّ الْأَبْرَارَ يَشْرَبُونَ مِنْ كَأْسٍ كَانَ مِزَاجُهَا كَافُورًا ۗ  
 إِنَّ هَذَا كَانَ لَكُمْ جَزَاءً وَكَانَ سَعِيْكُمْ مَّشْكُورًا ۗ

Translation: “Indeed, the righteous will drink from a cup [of wine] whose mixture is of Kafur, A spring of which the [righteous] servants of Allah will drink; they will make it gush forth in force [and abundance]. They [are those who] fulfill [their] vows and fear a Day whose evil will be widespread. And they give food in spite of love for it to the needy, the orphan, and the captive, [Saying], “We feed you only for the countenance of Allah. We wish not from you reward or gratitude. Indeed, We fear from our Lord a Day austere and distressful. So Allah will protect them from the evil of that Day and give them radiance and happiness And will reward them for what they patiently endured [with] a garden [in Paradise] and silk [garments]. [They will be] reclining therein on adorned couches. They will not see therein any [burning] sun or [freezing] cold. And near above them are its shades, and its [fruit] to be picked will be lowered in compliance. And there will be circulated among them vessels of silver and cups having been [created] clear [as glass], Clear glasses [made] from silver of which they have determined the measure. And they will be given to drink a cup [of wine] whose mixture is of ginger From] a fountain within Paradise named Salsabeel. There will circulate among them young boys made eternal. When you see them, you would think them [as beautiful as] scattered pearls. And when you look there [in Paradise], you will see pleasure and great

<sup>237</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqi, “Tafsīr al-Quran al-Azīm”, Vol 1 / 2: 84-90

<sup>238</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “al-Jami’ li ahkām al-Qurān,” al-Majallid 2:556-561

<sup>239</sup> Ahmad Mustafā al-Marāghiy, “Tafsīr al-Marāghiy”, al-Majallid 2:36-43

*dominion. Upon the inhabitants will be green garments of fine silk and brocade. And they will be adorned with bracelets of silver, and their Lord will give them a purifying drink. [And it will be said], "Indeed, this is for you a reward, and your effort has been appreciated."*<sup>240</sup>

(al-Insān, 76:5-22)

Al-Qurtūbī<sup>241</sup> elucidates that the group of people who are promised the reward of heaven in this verse is known as *al-abrār* which means the righteous and those who carry out the commands of God. Hasan defines this group as the people who are not harmful not even towards an ant and Qatādah refers it to the people who carry out the wright of Allah and those who fulfil promises. Ibnu Kathīr<sup>242</sup> expounds that among the deeds of *al-abrār* are fulfilling the vows to obey Allah, fearing the day of judgement by abandoning forbidden things and feeding the needy although they themselves desire it solely for the sake of Allah. Among the pleasures prepared for this group in heaven as discussed by al-Marāghiy<sup>243</sup> and Wahbah az-Zuhailī<sup>244</sup> are beauty and feeling of joy, silken garments, raised couches and comfortable climate without heat and cold, shady trees and reachable fruit gardens, cutleries of silver vessels and crystal cups, drinks of unintoxicating wine mixed with camphor and ginger from the spring of paradise, boys and servants and special garments and ornaments.

In addition, Allah also guarantees a protection from harm or loss for those who have faith in Him and in the hereafter and who spend sincerely for seeking Allah's pleasure.<sup>245</sup>

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا يَحِلُّ لَكُمْ أَنْ تَرِثُوا النِّسَاءَ كَرِهًا ۗ وَلَا تَعْضُلُوهُنَّ لِتَذْهَبُوا بِبَعْضِ  
مَا آتَيْتُمُوهُنَّ إِلَّا أَنْ يَأْتِيَنَّ بِفَاحِشَةٍ مُبِينَةٍ ۗ وَعَاشِرُوهُنَّ بِالْمَعْرُوفِ ۗ فَإِنْ كَرِهْتُمُوهُنَّ  
فَعَسَىٰ أَنْ تَكْرَهُوا شَيْئًا وَيَجْعَلَ اللَّهُ فِيهِ خَيْرًا كَثِيرًا

Translation: "And what [harm would come] upon them if they believe in Allah and the Last Day and spend for charity of that which Allah has

<sup>240</sup> Department of Islamic Development Malaysia, "Tafsir ar-Rahman Interpretation of the Meaning of the Quran," : 1194-1196

<sup>241</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al-Qurṭūbi, "al-Jami' li ahkām al-Qurān," al-Majallid Vol. 10:105-123

<sup>242</sup> Al-Imām al-Hāfiz 'I māduddin Abi al-Fida' Ismāil Bin Kathīr ad-Damsyīqi, "Tafsir al-Quran al-Azīm", Vol 7/8:225-230

<sup>243</sup> Ahmad Mustafā al-Marāghiy, "Tafsir al-Marāghiy", al-Majallid (10):.209-215

<sup>244</sup> Wahbah az-Zuhailī, "al-Tafsir al-Munir fil Aqidah wa as-Syariah wa al-Manhaj", al-Majallid (15):306-325

<sup>245</sup> Al-Imām al-Hāfiz 'I māduddin Abi al-Fida' Ismāil Bin Kathīr ad-Damsyīqi, "Tafsir al-Quran al-Azīm", Vol 1 / 2:.217-218

*bestowed upon them? And (remember) Allah has indeed full knowledge of them.*”<sup>246</sup>

(an-Nisā’, 4:39)

Allah also guarantees peace of mind and happiness in life for those who participate in charity as in the following verse.

الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ بِاللَّيْلِ وَالنَّهَارِ سِرًّا وَعَلَانِيَةً فَلَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ

Translation: “Those who spend their wealth [in charity] by night and by day, secretly and openly – shall have their reward with their Lord. On them shall be no fear, nor shall they grieve.”<sup>247</sup>

(al-Baqārah, 2:274)

According to al-Marāghiy<sup>248</sup>, this verse refers to those who consistently practice giving to charity at anywhere and anytime and in any ways openly or secretly will never experience fear, worries and grief.

In relation to the discussion in this section, it is clearly explained that the act of charitable giving is highly encouraged in Islam due to its unique functions and benefits for the individuals and the society. For individuals it plays the role as the soul purifying agent by connecting people to the God and the society, as well as to eliminate the bad habits in oneself especially from stinginess and cowardice. It also benefits the doer in multifold rewards of many aspects of life and will never decrease one’s wealth instead, it cleans, grows and multiplies it. Therefore, it is believed that charitable giving impacts one’s life positively that can be manifested on one’s personal well being.

<sup>246</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”: 145

<sup>247</sup> Ibid: 82

<sup>248</sup> Ahmad Mustafā al-Marāghiy, “Tafsir al-Marāghiy”, al-Majallid 1:281

## 2.5 The Roles of Charitable Giving in the Economy

Charitable giving from the economic perspective is deemed to be an effective tool to accomplish the objective of optimal redistribution of resources and goods which eventually give positive impacts on social welfare that has also been the focus of the theory of welfare economics. This due to its nature which has a growing impact to the wealth of the donor as described in the Qurān in Surah al-Baqārah, verse 261.

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ  
مِائَةٌ حَبَّةٌ ۗ وَاللَّهُ يُضَاعِفُ لِمَنْ يَشَاءُ ۗ وَاللَّهُ وَاسِعٌ عَلِيمٌ

Translation: “The parable of those who spend their wealth for the cause of Allah is like a seed [of grain] which grows seven spikes; in each spike is a hundred grains. And Allah multiplies [His reward] for whom He wills. And Allah is all-Encompassing and Knowing.”<sup>249</sup>

(al-Baqārah, 2:261)

In this verse Allah SWT describes the impact of giving for charity like a growing seed that multiplies from a tiny seed into seven spikes with each contains a hundred grains. Al Marāghiy<sup>250</sup> reported that a group of researcher conducted an experiment in 1942 to prove the multiplication of a sown seed of grain as stated in the Qurān. As a result, they found that a spike produces 107 seeds. This proves the truth of this verse and the fact that an act of charitable giving triggers a spill over impact to the society estimating to 700 times. Meanwhile Ibnu Kathīr<sup>251</sup> elaborates on this verse from different angle. He suggests that this analogy refers to the reward promised by Allah SWT to those who spend for the sake of Allah that He will reward the deed in 10 to 700 folds.

Wahbah Az-Zuhailī<sup>252</sup> concludes that a charitable giving act impacts in multifold to both the doer and the society. The growing benefit is illustrated when a donor plays its economic

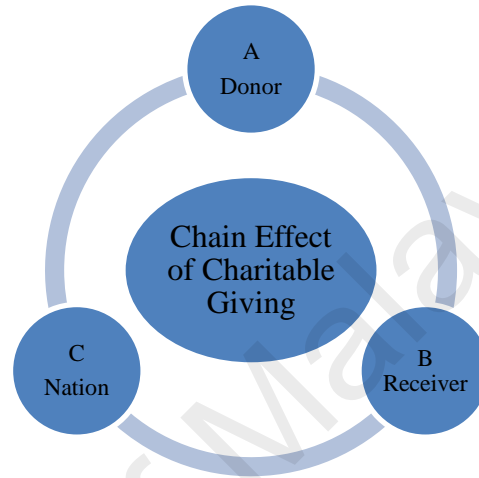
<sup>249</sup> Department of Islamic Development Malaysia, “Tafsīr ar-Rahman Interpretation of the Meaning of the Quran,”:78

<sup>250</sup> Ahmad Mustafā al-Marāghiy, “Tafsīr al-Marāghiy”, al-Majallid 1:268-271

<sup>251</sup> Al-Imām al-Hāfīz ‘I māduddīn Abi al-Fida’ Ismāīl Bin Kathīr ad-Damsyīqī, “Tafsīr al-Quran al-Azīm”, Vol 1/ 2:414-415

<sup>252</sup> Wahbah az-Zuhailī, “al-Tafsīr al-Munīr fil Aqīdah wa as-Syāriah wa al-Manhāj”, al- Majallid 2:..44-55

role in giving charity to a receiver, the positive impact will be gained by the nation as it reduces the cost of management in many ways. The positive impact received by the nation is then manifested through better services to the society that includes the donor. The chain effect of the growing benefit is described in the following diagram in the Figure 2.2:



**Figure 2.2: The Chain Effect of Charitable Giving**

The impact of charitable giving is also discussed in verse 265 of the same surah:

وَمَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ ابْتِغَاءَ مَرْضَاتِ اللَّهِ وَتَثْبِيتًا مِّنْ أَنفُسِهِمْ كَمَثَلِ جَنَّةٍ بِرَبْوَةٍ  
 أَصَابَهَا وَابِلٌ فَآتَتْ أُكُلَهَا ضِعْفَيْنِ فَإِن لَّمْ يُصِبْهَا وَابِلٌ فَطَلٌّ ۗ وَاللَّهُ بِمَا تَعْمَلُونَ بَصِيرٌ

Translation: “And the parable of those who spend their wealth only to seek the pleasure of Allah and to strengthen their souls (in terms of firm belief and sincerity) is like a garden on a high and fertile ground which is hit by a downpour - so it yields its fruits in double. And [even] if it is not hit by a downpour, then a drizzle [is sufficient]. And remember that Allah is All-Seeing of what you do.”<sup>253</sup>

(al Baqārah, 2:265)

Allah SWT symbolizes the deed by those who spend their wealth for the sake of God is like a garden on high ground that stays fertile on heavy rain and light rain. This shows that the nature of sincere giving deed is that its goodness grows and never goes barren. It also implies

<sup>253</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”: 79

that Allah accepts and increases the deed and that none of them escapes His watch.<sup>254</sup> Wahbah az-Zuhailī<sup>255</sup> further elaborates the meaning by explaining that sincere deed of giving produces good results that are abundant, continuous and sustainable. Al-Marāghiy<sup>256</sup> explains that Allah symbolizes the soul of generous being is like a fertile tree at the highest ground with plenty of water and sun which gives more during good times and gives whatever it can during hard times consistently.

The indication of growing effect of charity is also seen in the following verse as explained by Ibn Kathīr<sup>257</sup> that Allah forbids usury but increases the charity and makes it grow. Although the nature of *riba* or usury is to substantiate the amount but eventually it will end in less which is in contrast to charity that has growing effect. Al-Qurtūbī<sup>258</sup> opines that Allah erases the blessing of wealth for those who practice usury and Ibn Abbas defines that the destruction will come during the hereafter when all religious deeds are not accepted due to involvement in usury. While the word *yurbī* or grow for charity means the wealth is blessed in the world and the reward is multiplied in the hereafter. Wahbah az-Zuhailī clarifies the verse by stating that Allah reduces the wealth gained from usury and increases the wealth due to giving *ṣadāqah*<sup>259</sup>.

يَمْحَقُ اللَّهُ الرِّبَا وَيُزِيهِ الصَّدَقَاتِ ۗ وَاللَّهُ لَا يُحِبُّ كُلَّ كَفَّارٍ أَثِيمٍ ۝

Translation: “Allah deprives (the accumulation of wealth through) usury of all blessings, whereas He blesses (the wealth that is spent out of it for giving out) charity and alms with growth. And Allah does not love anyone who is stubbornly ingrate and persists in sinful ways.”<sup>260</sup>

(al-Baqārah, 2:276)

<sup>254</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”, Vol 1/ 2:417

<sup>255</sup> Wahbah az-Zuhailī, “*al-Tafsīr al-Munīr fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid 2:56-63

<sup>256</sup> Ahmad Mustafā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid 1:272-273

<sup>257</sup> Al-Imām al-Hāfiz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”, Vol 1/ 2:430-432

<sup>258</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansārī al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*,” al-Majallid 2: 298-317

<sup>259</sup> Wahbah az-Zuhailī, “*al-Tafsīr al-Munīr fil Aqīdah wa as-Syāriah wa al-Manhāj*”, al- Majallid 2:90-111

<sup>260</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”: 82

Charitable giving also acts as the wealth purifier that results in the expansion of wealth as explained in Surah at-Tawbah verse 103.

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ ۚ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ ۗ وَاللَّهُ سَمِيعٌ عَلِيمٌ

Translation: “Take alms from their wealth, so that they may thereby be cleansed [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah 's blessings] upon them. Indeed, your invocations are reassurance for them. And Allah is Hearing and Knowing.”<sup>261</sup> ”

(at-Tawbah 9:103)

Ibnu Kathīr<sup>262</sup> explains that the act of charity erases, eradicates and deletes the sins for those who repent. Al-Qurtūbī<sup>263</sup> further clarifies that this verse refers to the obligation of paying the mandatory charitable giving that work as wealth and self purifier. While al-Marāghiy<sup>264</sup> elaborates on this verse that it is the command from the God to take the charitable giving both the mandatory and voluntary in the form of gold, silver, cattles and others from the believers to purify their souls from being stingy, greedy and harsh towards the needy. The charitable deed also promises the reward of peaceful heart and mind as their repentance is accepted by Allah.

The act of giving for charity is also portrayed as advancing loan to the God. The usage of the word loan literally means that the loan must be returned to the loaner. Not only Allah symbolizes the giving as a loan which temporarily taken from the loaner and must be repaid but also He promises a grand reward for doing so:

مَنْ ذَا الَّذِي يُقرضُ اللَّهَ قَرْضًا حَسَنًا فَيُضَاعِفَهُ لَهُ أَضْعَافًا كَثِيرَةً ۗ وَاللَّهُ يَقْبِضُ وَيَبْسُطُ وَإِلَيْهِ تُرْجَعُونَ ۗ

<sup>261</sup> Ibid: 338

<sup>262</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “Tafsīr al-Quran al-Azīm”, Vol (3/4):142-144

<sup>263</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “al-Jami’ li ahkām al-Qurān,” al-Majallid 4: 563-567

<sup>264</sup> Ahmad Mustafā al-Marāghiy, “Tafsīr al-Marāghiy”, al-Majallid 4:110-114



Translation: “Who is it that (will) grant Allah a goodly (sincere) loan so that He will repay him many times over? And (remember) it is Allah who decreases and increases sustenance, and to Him you shall all return.”<sup>265</sup>”

(al-Baqārah, 2:245)

Wahbah az-Zuhailī<sup>266</sup> elaborates that Allah SWT aims to eliminate two destructive attitudes of a human being that is coward and stingy by offering the greatest offer. The greatest offer which is *al-Qardh* or loan is lent to the God who is the most powerful and the controller of the provisions. The word *al-Qardh* is further explained by al-Qurtūbī<sup>267</sup> who states that *Al-Qardh* or loaning to Allah SWT is to spend money for *Jihād* that is for the sake of Allah. It is also put forward to describe that return is guaranteed by Allah SWT as any loans must be returned and that it is promised in multifold.

The warranty of repayment for charitable act by the God is also evident in the following verse of Surah al-Anfāl:

وَأَعِدُّوا لَهُمْ مَا اسْتَطَعْتُمْ مِنْ قُوَّةٍ وَمِنْ رِبَاطِ الْخَيْلِ تُرْهِبُونَ بِهِ عَدُوَّ اللَّهِ وَعَدُوَّكُمْ  
وَأَخْرَيْنَ مِنْ دُونِهِمْ لَا تَعْلَمُونَهُمُ اللَّهُ يَعْلَمُهُمْ ۗ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فِي سَبِيلِ اللَّهِ  
يُوفَّ إِلَيْكُمْ وَأَنْتُمْ لَا تُظْلَمُونَ

Translation: “And prepare against them whatever you are able of power and of steeds of war by which you may terrify the enemy of Allah and your enemy and others besides them whom you do not know [but] whom Allah knows. And whatever you spend in the cause of Allah will be fully repaid to you, and you will not be wronged.”<sup>268</sup>

(al-Anfāl, 8:60)

Ibnu Kathīr explains that the full repayment is guaranteed by Allah of whatever spent on *jihād*.<sup>269</sup> Al-Qurtūbī discusses on the meaning of *infāq* in this verse which carries several meanings such as whatever given for charity and whatever spent on oneself and the horses for the sake of *jihād*. There is also a firm promise by the God that those who do so will be

<sup>265</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”:72

<sup>266</sup> Wahbah az-Zuhailī, “*al-Tafsir al-Munir fil Aqidah wa as-Syariah wa al-Manhaj*”, al- Majallid 2:781-790

<sup>267</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansārī al- Qurtūbī, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 2: 201-206

<sup>268</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,”: 310

<sup>269</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsir al-Quran al-Azīm*”, Vol (3/4):55-57

rewarded in the hereafter where a good deed is repaid from 10 to 700 folds and infinity.<sup>270</sup> Al-Marāghiy states that everything spent in the way of Allah will be repaid by Him and that the strength of the ummah can be achieved through charitable giving by channeling the charity to better equip the Muslim in facing the coming tribulations and this is the promise from the God that those who do so will not be oppressed and mistreated and will be completely replaced in the world and hereafter.<sup>271</sup>

The warranty of repayment given by Allah SWT to those who spend for His cause is also found in Surah Sabā’.

قُلْ إِنَّ رَبِّي يَبْسُطُ الرِّزْقَ لِمَن يَشَاءُ مِنْ عِبَادِهِ وَيَقْدِرُ لَهُ ۖ وَمَا أَنْفَقْتُمْ مِّنْ شَيْءٍ فَهُوَ يُخْلِفُهُ ۖ وَهُوَ خَيْرُ الرَّازِقِينَ ۝

Translation: “Say, (O, Muhammad) “My Lord gives abundantly to whom He wills, and sparingly to whom He pleases, and whatever you give in alms He will pay you back for it. And He is the Best of those who grant sustenance.”<sup>272</sup> (Sabā’,34:39)

According to Ibnu Kathīr<sup>273</sup> and al-Qurtūbī<sup>274</sup> this verse contains the warning from Allah for not being deceived by the wealth but to spend it in the way of Allah as He is the one who grants the sustenance. Allah promises compensations for those who spent the wealth in charity in this world by replacing it with something else and rewards in the hereafter. However, al-Marāghiy<sup>275</sup> opines that the reward will only be received in the hereafter based on the opinion of Mujāhid.

Similarly, the term of loaning for charitable giving is also evident in Surah al-Hadīd verse 11 and 18 which is promised to be returned, multiplied and given noble reward.

مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضَاعِفَهُ لَهُ وَلَهُ أَجْرٌ كَرِيمٌ

<sup>270</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbi, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid 4: 394-397

<sup>271</sup> Ahmad Mustafā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid 4:13-15

<sup>272</sup> Department of Islamic Development Malaysia, “*Tafsīr ar-Rahman Interpretation of the Meaning of the Quran*,”: 825

<sup>273</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “*Tafsīr al-Quran al-Azīm*”, Vol(5/6):329-332

<sup>274</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbi, “*al-Jami’ li ahkām al-Qurān*”, al-Majallid(7): 553-554

<sup>275</sup> Ahmad Mustafā al-Marāghiy, “*Tafsīr al-Marāghiy*”, al-Majallid(8):54-57

Translation: “Who is he who will give to Allah a beautiful loan (with all sincerity) so that Allah will pay him back manifold and he will have (besides) a noble reward?”<sup>276</sup>

(al-Hadīd, 57:11)

According to Ibnu Kathīr<sup>277</sup>, spending in Allah’s cause in this verse means to spend on children or general spending for the cause of Allah with sincere heart and good intentions and the noble reward refers to the Paradise in the hereafter. Similarly, al-Qurtūbī<sup>278</sup> defines the goodly loan as to spend in charity as defined by al-Kalbī, spending on family as suggested by Zaid bin Aslām and giving in charity with good intentions not for the sake of self reputation but solely for Allah and with permissible source. This deed will be repaid by Allah in multifold from 7 to 700. Al-Marāghiy<sup>279</sup> describes the repayment as a good deed equalling to 700.

إِنَّ الْمُسَدِّقِينَ وَالْمُصَدِّقَاتِ وَأَقْرَضُوا اللَّهَ قَرْضًا حَسَنًا يُضَاعَفُ لَهُمْ وَلَهُمْ أَجْرٌ كَرِيمٌ

Translation: “Those who give alms, be they men or women, and those who give a generous loan to Allah, shall be repaid manifold. They shall receive a noble reward.”<sup>280</sup>

(al-Hadīd, 57:18)

Ibnu Kathīr<sup>281</sup> and al-Marāghiy<sup>282</sup> explain that this verse indicate that both men and women who spend sincerely to seek Allah’s pleasure especially in helping the poor and the needy will be rewarded in ten to 700 fold. Al-Qurtūbī<sup>283</sup> explicates that this verse refers to the voluntary charitable giving by both men and women that will be repaid in 10, 70,700 until infinity folds and they ultimately will be rewarded with paradise. In short, these Qurānic verses describe the nature of charity that expands and grows the capital and its repayment is

<sup>276</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”:1083

<sup>277</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “Tafsir al-Quran al-Azīm”, Vol(7/8):9-12

<sup>278</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “al-Jami’ li ahkām al-Qurān”, al-Majallid(9):201-203

<sup>279</sup> Ahmad Mustafā al-Marāghiy, “Tafsir al-Marāghiy”, al-Majallid(9):323-326

<sup>280</sup> Department of Islamic Development Malaysia, “Tafsir ar-Rahman Interpretation of the Meaning of the Quran,”: 1085

<sup>281</sup> Al-Imām al-Hāfīz ‘I māduddin Abi al-Fida’ Ismāil Bin Kathīr ad-Damsyīqī, “Tafsir al-Quran al-Azīm”, Vol(7/8):17-19

<sup>282</sup> Ahmad Mustafā al-Marāghiy, “Tafsir al-Marāghiy”, al-Majallid(9):331

<sup>283</sup> Abi Abdillāh Muhammad Bin Ahmad al-Ansāri al- Qurtūbī, “al-Jami’ li ahkām al-Qurān”, al-Majallid(9):209-210

guaranteed by the God Himself showing that any individuals or institutions that practice charity will never experience loss but will gain prosperity.

## 2.6 Summary

As a conclusion, the discussion on the verses of Qurān and al-Hadīth pertaining charity denotes that the definition of charitable giving in Islam is different from the common definition of charity which is aimed to help the needy for the love of mankind whereas the giving in Islam is meant to help the needy not only for the sake of mankind but it moves further to gain the love of Allah. There are many classifications of charitable giving which are broken down into two major categories namely the voluntary charitable giving and the mandatory charitable giving. These two major components are further classified into significant categories showing the expanded elaboration of both components especially the voluntary charitable giving component that includes the different mechanisms of voluntary charitable giving such as *waqf*, *hibah*, *hādiah* and *wasiah* as well as the non material giving. Four important components of charitable giving which are the donor, the recipients, the gift and the intention are also discussed as well as elaboration of its importance and its economic role mostly based on the verses of Qurān. As explanation on the concept of charity in Islam is clarified, discussion on the behavioural theories and previous research related to charitable giving commences in the next chapter.

## CHAPTER 3: THE LITERATURE REVIEW

### 3.1 Introduction

A sound theory of behaviour is needed in explaining certain kinds of human behaviour. Thus, a discussion on a suitable theory that becomes the foundation for the conceptual framework of this study is essential to formulate a firm basis to begin the study. However, the application of a strong theory alone is not adequate to better explain a specific kind of behaviour such as charitable giving act due to its unique nature which is probably caused by determinants which are different from other kinds of behaviour. Therefore, a probe into relevant determinants of charitable giving is needed through a thorough discussion on the previous studies in this area. This chapter discusses the behavioural theories to explain charitable giving and previous studies conducted in this area by highlighting the factors that influence this philanthropic act. These potential determinants are then broken down into specific categories such as extrinsic and intrinsic factors. Later, the formulation of the conceptual framework is discussed in the following section leading to the development of a number of hypotheses. The discussions in this chapter are concluded in the summary section.

### 3.2 Behavioural Theories

Since the 1980's the subject of charitable giving has attracted the attention of many scholars so as to uncover the rationality behind this phenomenon of altruistic giving. It has emerged since then as a multidisciplinary field in social science<sup>284</sup> where the discussion leads to various angles from the economy, psychology, sociology and others. Following the evolution of theories in human behaviour research, this study discusses a few prominent

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<sup>284</sup> Katz, SN. "Where did the Serious Study of Philanthropy Come From, Anyway?" *Nonprofit and Voluntary Sector Quarterly* 8, (1999):74-82.

behavioural theories to explain pro social behaviour especially the charitable giving using the multi dimensional approach.

### 3.2.1 Social Cognitive Theory

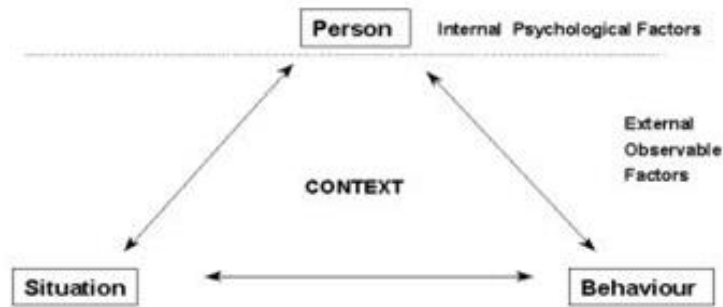
The Social Cognitive Theory (SCT) is introduced by Bandura<sup>285</sup>, who explains that human behaviour is determined through exposure, modeling, learning and reinforcement which as a result, form the individual belief in self efficacy to act according to his or her belief. In brief, this theory suggests that social influences which convey information and activate emotional reactions through modeling, instruction and social persuasion, are internalized and processed cognitively to form individual expectations, beliefs, emotional inclinations and cognitive competencies which consequently result in the behaviour as illustrated in Figure 3.1 To explain moral behaviour, this theory interactively links the moral thought and emotional self reaction, with the moral conduct as well as the environmental factors which influence each other bidirectionally.<sup>286</sup> To explain the effect of social influences in terms of moral engagement on pro social behaviour, Bandura et al<sup>287</sup> conducted a study and found that moral disengagement impacts on delinquent conduct and reduces pro socialness as it neglects the concept of moral obligation and responsibility.

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<sup>285</sup> Albert Bandura, "Social Cognitive Theory.," in *Annals of Child Development. Vol. 6. Six Theories of Child Development (Pp., ed. R. Vasta, vol. 6 (Greenwich: JAI Press, 1989), 1–60, doi:10.1037/0003-066x.44.9.1175.*

<sup>286</sup> Albert Bandura, *Handbook of Moral Behavior and Development* (New Jersey: Lawrence Erlbaum Associates, 1991):25

<sup>287</sup> Bandura, Albert, et al. "Mechanisms of moral disengagement in the exercise of moral agency." *Journal of personality and social psychology* 71.2 (1996): 364



**Figure 3. 1 Model of Reciprocal Determinism (Bandura, 1989)**

Another study adopting this theory to examine the donation intention toward International Relief Organisation (IRO) by Cheung & Chan<sup>288</sup> included factors such as self-efficacy for donating to IRO; trust in the IRO, outcome efficacy with the IR, individualist explanations of poverty, awareness of the IRO, the need for donation, moral obligation to donate, income and past donation to the IRO. The finding unraveled that trust and self efficacy were the most influential factors to explain the intention of giving. Although this framework empirically proves a significant relationship between belief and giving, it does not do any justice in explaining the effect of the situational factor and the interdependency between the core components in the theory. This interdependency is the focal point of this theory as according to Bandura<sup>289</sup>, humans are personal agencies who operate within a broad network of sociostructural influences in which people are deemed as producers as well as products of social systems.

<sup>288</sup> C.-K Cheung and C.-M Chan, "Social-Cognitive Factors of Donating Money to Charity, with Special Attention to an International Relief Organization," *Evaluation and Program Planning* 23, no. 2 (2000): 241–53, doi:10.1016/S0149-7189(00)00003-3.

<sup>289</sup> Albert Bandura, "Social Cognitive Theory: An Agentic Perspective," *Annual Review of Psychology* 52, no. 1 (2001): 1–26, doi:10.1146/annurev.psych.52.1.1.

Filling this gap, Aquino et al<sup>290</sup> conducted a study using the SCT as the theoretical framework with the main focus was to explain the role of situational factor and moral identity centrality on moral intention and behaviour. To prove this, four situational factors were prepared for four different studies using survey and lab priming method. Study 1 applied the reading and recalling of a list of the Ten Commandments to examine participants' willingness to initiate a cause-related marketing program, study 2 and 3 used the performance based financial incentive to assess the lying behaviour among job candidates during a salary negotiation and study 4 adopted the approach of writing a story by incorporating morally laden terms to investigate participants contribution to a public good. The findings from the four studies supported the hypotheses that the strength of motivation to act morally depends on the role of situational factors that increase or decrease the current accessibility of moral identity within the working self-concept. This kind of study supported the influence of social factors on human behaviour as highlighted in the explanation of social cognitive theory of self regulation, that human behaviour is motivated by self regulation which is influenced by social factors.<sup>291</sup>

Nevertheless, although this theory have provided insights in explaining the human behaviour, it is important to note that this theory works in an interactionistic way where the interdependencies between the underlying components in this theory must be addressed. This notion leads to complexity and complications in its usage and may limit its application to certain kinds of behaviour and certain kinds of research.

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<sup>290</sup> Karl Aquino et al., "Testing a Social-Cognitive Model of Moral Behavior: The Interactive Influence of Situations and Moral Identity Centrality.," *Journal of Personality and Social Psychology* 97, no. 1 (2009): 123–41, doi:10.1037/a0015406.a

<sup>291</sup> A. Bandura, "Social Cognitive Theory of Self-Regulation.," *Organizational Behavior and Human Decision Processes*, 1991, doi:10.1016/0749-5978(91)90022-L.



### 3.2.2 Social Exchange Theory

Another prominent theory in explaining human behaviour is the Social Exchange Theory (SET) formulated by Homans<sup>292</sup> who proposes that social behaviour is the result of exchange process of material and non material reward such as symbols of prestige or approval. The aim of this exchange is ultimately to maximise benefits and minimise costs and the focus is given on the potential benefits and costs of social relationships in which a relationship will be terminated if the potential costs exceed the rewards. Arrow<sup>293</sup> expands the dimension of non material rewards of pro social act as unselfish utility and satisfaction shared both by the donors and also the recipients.

Much research has adopted this theory to explain the giving behaviour in terms of the exchange gained by the donor. An experimental study revealed that social exchange process generates status hierarchies. This finding implies that gift giving confers social status to the actor.<sup>294</sup> Departing on this theory, Sargeant, Ford, and West<sup>295</sup> classified three types of benefits derived from monetary donation, which are: demonstrable, emotional, and familial (see Figure 3.2). Demonstrable benefits is the result of giving due to selfish economic considerations when donors tend to support nonprofit institutions based on the benefits they have received or they believe to have in the future. Emotional benefits refer to the emotional experience a donor undergoes during the giving process and familial benefits are the motivation one has to help people with affinity to them such as friends or loved ones.

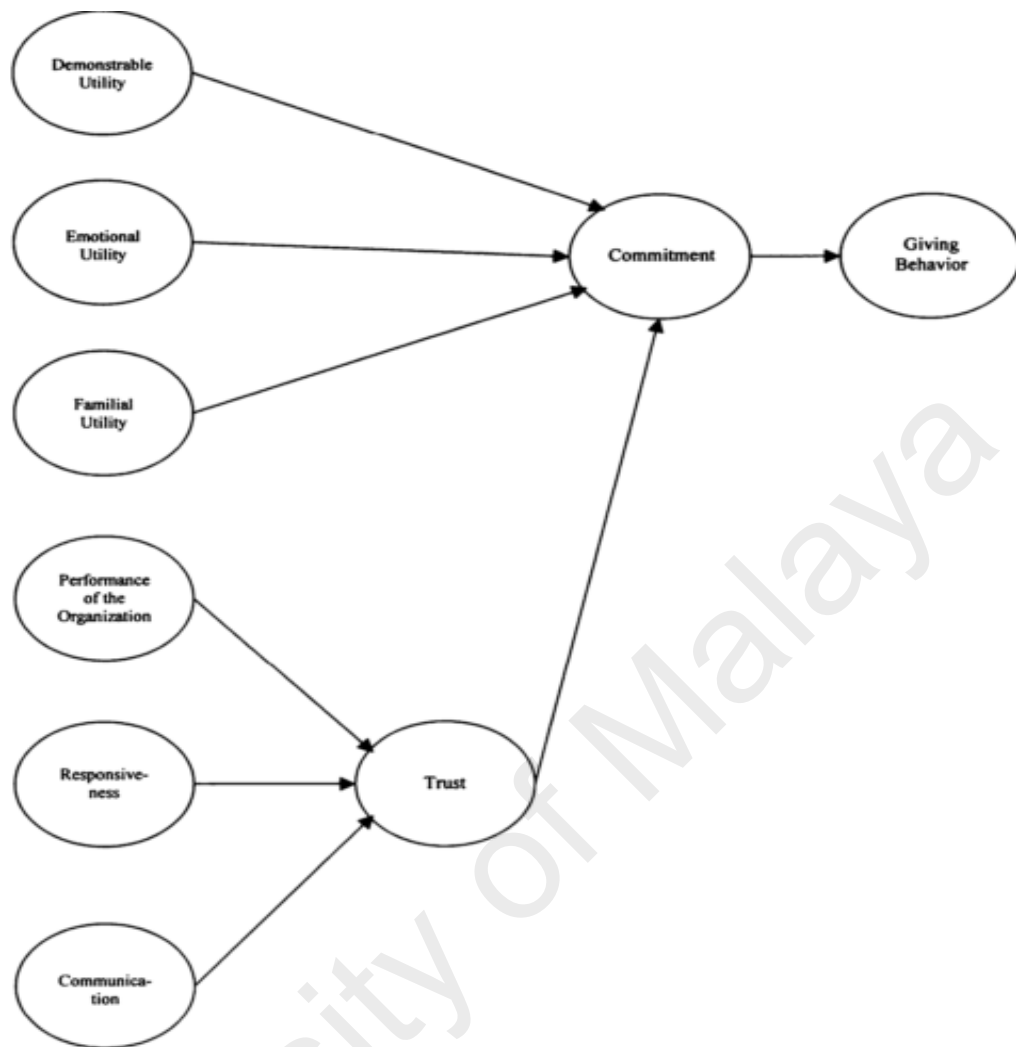
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<sup>292</sup> George Homans, "Social Behavior as Exchange," *American Journal of Sociology*, 63, no. 6 (1958): 597–606, doi:10.1086/222355.

<sup>293</sup> Kenneth J. Arrow, "Gifts and Exchanges," *Philosophy & Public Affairs* 1, no. 4 (1972): 343–62.

<sup>294</sup> Elisa J Bienenstock and a. J. Bianchi, "Activating Performance Expectations and Status Differences Through Gift Exchange: Experimental Results," *Social Psychology Quarterly* 67, no. 3 (2004): 310–18, doi:10.1177/019027250406700306.

<sup>295</sup> Adrian Sargeant, John B. Ford, and Douglas C. West, "Perceptual Determinants of Nonprofit Giving Behavior," *Journal of Business Research* 59, no. 2 (February 2006): 155–65, doi:10.1016/j.jbusres.2005.04.006.



**Figure 3.2: The US Model of giving (Sargeant, Ford and West, 2006)**

Similarly, familial utility was also detected in a computerized laboratory experiment when charitable giving act was tested to correlate with trustworthiness. The findings signaled that benefits accrued from charitable giving influenced the social preferences in giving through kin or multi-level selection models<sup>296</sup>. In another study to examine the relationship between charitable activity and perceived personal wellness, social exchange theory was used to model factors by operationalizing socioeconomic variables as costs, religious orientation and

<sup>296</sup> Sebastian Fehler and Wojtek Przepiorka, "Charitable Giving as a Signal of Trustworthiness: Disentangling the Signaling Benefits of Altruistic Acts," *Evolution and Human Behavior* 34, no. 2 (March 2013): 139–45, doi:10.1016/j.evolhumbehav.2012.11.005.

charitable orientation as rewards, and wellness as profit.<sup>297</sup> Although the SET provides a powerful explanation of monetary donation behaviour, the conception of cost, reward and profit of subjective matters in this theory is not as clear as to explain material exchange in monetary transactions and leads to confusion and ambiguity. As the objective of this theory is to minimize the cost and maximize the profit, this is especially difficult when it comes to measure how small is the charitable giving cost to maximize the benefit gained from the act

### 3.2.3 Theory of Reasoned Action (TRA)

The Theory of Reasoned Action (TRA) was developed by Ajzen and Fishbein<sup>298</sup> and has been widely used across the social sciences to explain determinants of human behaviour in many aspects from the usage of information technology<sup>299</sup>, general behaviour<sup>300</sup>, health related behaviour<sup>301</sup> and many more. This theory posits two determinants that influence the intention. The first factor is related to personal trait that can be measured through one's attitude. This attitude comprises of one's belief on the outcome of certain behaviour and his or her evaluation of the outcome. It is also termed as behavioral beliefs which will determine one's favourable or unfavourable attitude towards a behaviour. As an example, in the charitable giving context, if a person believes that charitable giving will help people to live a better life, then he will likely to have a positive attitude towards charitable giving. On the contrary, if a person feels that charitable giving will encourage people to beg rather than working then that person will likely to have negative attitude towards charitable giving.

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<sup>297</sup> Ann Woodyard and John Grable, "Doing Good and Feeling Well : Exploring the Relationship Between Charitable Activity and Perceived Personal Wellness," *Voluntas* 25 (2014): 905–28, doi:10.1007/s11266-013-9382-5.

<sup>298</sup> Ajzen, I. and Fishbein, M. "Belief, attitude, intention and behaviour: An introduction to theory and research." Reading: Addison-Wesley.(1975)

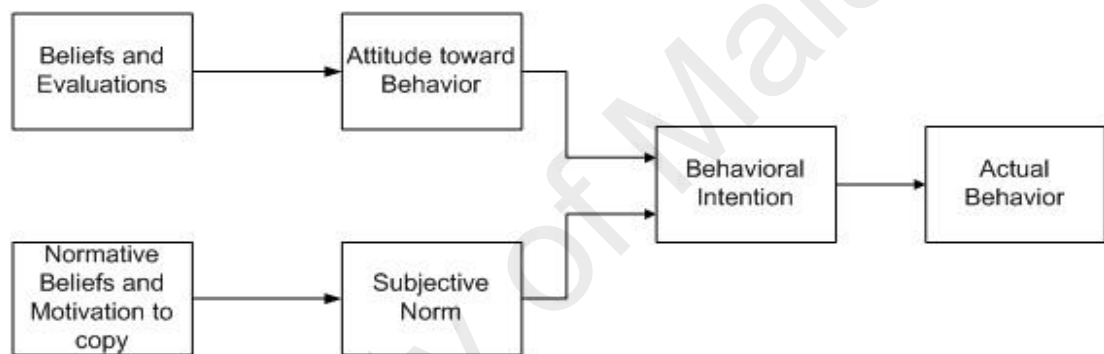
<sup>299</sup> Moore, Gary C., and Izak Benbasat. "Integrating diffusion of innovations and theory of reasoned action models to predict utilization of information technology by end-users." *Diffusion and adoption of information technology*. Springer US, 1996. 132-146.

<sup>300</sup>Young, Robert A., and Anne T. Kent. "Using the theory of reasoned action to improve the understanding of recreation behavior." *Journal of Leisure Research* (1985).

<sup>301</sup> Poss, Jane E. "Developing a new model for cross-cultural research: synthesizing the Health Belief Model and the Theory of Reasoned Action." *Advances in Nursing Science* 23.4 (2001): 1-15;

Dzewaltowski, David. "Toward a model of exercise motivation." *JSEP* 11.3 (2010): Ajzen, Icek, Dolores Albarracín, and Robert C. Hornik. *Prediction and change of health behavior: Applying the reasoned action approach*. Psychology Press, 2007.

The subjective norm on the other hand, is related to social influence which a person believes that it is expected from him or her by certain important individuals or groups of people to perform or not the behaviour. This component also includes the motivation to comply. While the intention component is the central factor that serves as the point that captures other influencing factors that determine the strength of willingness to perform the behaviour. The higher the level of intention to perform the behaviour the more likely the person will exert to the behaviour. The relationship between attitude, subjective norm, intention and behaviour is described in the following Figure 3.3:



**Figure 3. 3: The Theory of Reasoned Action (Ajzen, I. and Fishbein, M,1981)**

Despite the fact that this theory has been exhaustively used in behavioural research of many fields, no evidence is found for its usage in explaining monetary giving but it is largely used in the study of blood donation. In a study to understand the target audience of potential organ donors, it was found that individuals who signed to be organ donors had a high level of knowledge about organ donation, were rather altruistic, and did not think that signing a donor card was a fearful activity. Individuals with high intention to sign but have not done so had limited knowledge about donation and viewed signing a donor card as a fearful activity but had a positive attitude toward organ donation. Those with low intention to donate had inaccurate knowledge, were not overly altruistic, and had a fearful thought of signing a donor

card.<sup>302</sup> Similarly, it was found in a study by Weber et al<sup>303</sup> that those who signed the card had more positive attitudes about donation, perceived donation as something that their reference group would encourage, and had stronger intentions to signing a card.

Using the same theory, a study on the intention to donate bone marrow among multiracial groups of American Chinese, Hong Kong Chinese, Black Americans and White Americans exhibited findings that American Chinese displayed stronger attitudes and felt norms to give to relatives than did Hong Kong Chinese. However, the intention of this group was low. While Black and White Americans showed stronger attitudes, subjective norms, and intentions to donate to strangers than the Chinese.<sup>304</sup> Although this theory has been empirically proven and tested, there are a few critics of this theory. Among the critics is by Foxall<sup>305</sup> who argued that the determination of behaviour by intention limits the predictability of the model when both components are highly correlated. Bagozzi & Yin<sup>306</sup> opined that the mediation effect of attitude is very much dependent on the formation of intention in which a well formed intention completely mediate the behaviour while the not well formed intention reduces the effect of attitude. The limitation of this theory was also realized by Ajzen<sup>307</sup> who found a confounding effect between attitudes and norms since attitudes can often be reframed as norms and vice versa which result to the revision of this theory into the Theory of Planned Behaviour.

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<sup>302</sup> Kopfman, Jenifer E., and Sandi W. Smith. "Understanding the audiences of a health communication campaign: A discriminant analysis of potential organ donors based on intent to donate." (1996): 33-49.

<sup>303</sup> Keith Weber et al., "Creating Persuasive Messages Advocating Organ Donation," *Communication Quarterly* 54, no. 1 (2006): 67–87, doi:10.1080/01463370500270413.

<sup>304</sup> Bagozzi, Richard P., Kam-Hon Lee, and M. Frances Van Loo. "Decisions to donate bone marrow: The role of attitudes and subjective norms across cultures." *Psychology and Health* 16.1 (2001): 29-56.

<sup>305</sup> Foxall Gordon R. *Marketing psychology: The paradigm in the wings*. Palgrave Macmillan, 1997.

<sup>306</sup> Richard P. Bagozzi, Johann Baumgartner, and Youjae Yi, "An Investigation into the Role of Intentions as Mediators of the Attitude-Behavior Relationship," *Journal of Economic Psychology* 10, no. 1 (1989): 35–62, doi:10.1016/0167-4870(89)90056-1.

<sup>307</sup> Ajzen, I "Attitude, Personality, and Behavior." (Buckingham: Open University Press, Milton Keynes, 1988): 20

### 3.2.4 Theory of Planned Behaviour (TPB)

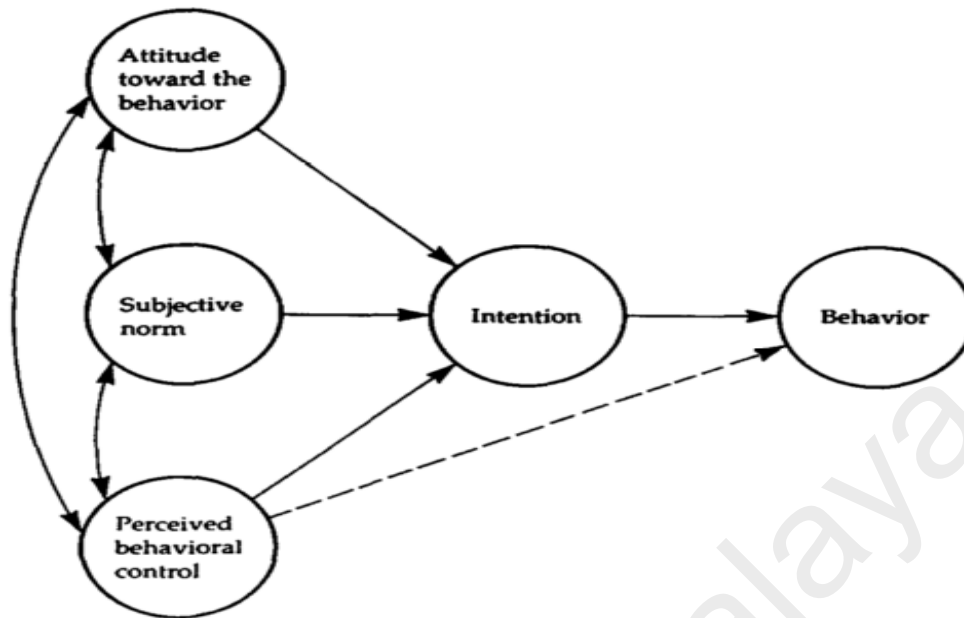
The Theory of Planned Behaviour is the revised version the TRA that shares the notion that a particular behaviour is related with the person level of intention to predict the chances of performing the behaviour. The revision of the TRA is not only aimed to counter its limitations but also to increase the predictability of the theory especially in explaining volitional actions. Hence the insertion of perceived behavioural control construct is deemed important which leads to the formulation of the Theory of Planned Behaviour (TPB)<sup>308</sup>. The perceived behavioural control is assessed by asking people how much control they have over performing a particular behavior. It is very much similar to the definition of self efficacy by Bandura<sup>309</sup> that defines it to the self judgement one has over his or her ability to conduct the behaviour. The inclusion of PBC in the theory improves the predictability of this theory and findings from a database of 185 independent studies published up to the end of 1997 shows that the TPB accounted for 27% and 39% of the variance in behaviour and intention, respectively<sup>310</sup>. The relationship of the constructs in the theory can best be described in the following diagram:

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<sup>308</sup> Icek Ajzen, "The Theory of Planned Behavior," *Organizational Behaviour and Human Decision Processes* 50 (1991): 179–211.

<sup>309</sup> Bandura, A. Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review*, 84,(1977):191-215

<sup>310</sup> C J Armitage and M Conner, "Efficacy of the Theory of Planned Behaviour: A Meta-Analytic Review.," *The British Journal of Social Psychology / the British Psychological Society* 40, no. Pt 4 (2001): 471–99, doi:10.1348/014466601164939.



**Figure 3. 4: The Theory of Planned Behaviour (Ajzen, 1991)**

Besides that, the selection of this theory for this study is due to its flexibility and openness in allowing any additional determinants in the framework as long as it is proven to contribute to the variance in intention and behaviour as suggested by Ajzen<sup>311</sup>. Among the earliest expansion of TOPB can be seen in 1998 in a research by Conner & Armitage<sup>312</sup>. In this study it was suggested that the theory should be extended by inserting another six variables that are related in the formation of intention and behaviour namely the belief salience measures, past behavior habit, perceived behavioral control (PBC) vs. self- efficacy, moral norms, self-identity, and affective beliefs.

Although the TPB has been widely used to predict the intention of various prosocial behaviour such as giving blood (Giles and Cairns<sup>313</sup>), organ donation (Kopfman and Smith<sup>314</sup>

<sup>311</sup> Icek Ajzen, "The Theory of Planned Behavior."

<sup>312</sup> Conner and Armitage, "Extending the Theory of Planned Behavior : A Review and Avenues for Further Research."

<sup>313</sup> Giles, Melanie, and Ed Cairns. "Blood donation and Ajzen's theory of planned behaviour: an examination of perceived behavioural control." *British Journal of Social Psychology* 34.2 (1995): 173-188.

<sup>314</sup> Kopfman, Jenifer E., and Sandi W. Smith. "Understanding the audiences of a health communication campaign: A discriminant analysis of potential organ donors based on intent to donate." (1996): 33-49.

and volunteering (Okun and Sloane<sup>315</sup>, Warburton and Terry<sup>316</sup>) it has only been actively applied into the area of charitable giving since 2005 when Bartolini<sup>317</sup> did a research to extend the Theory of Planned Behaviour in the area of charitable giving by adding another component to the theory that is the emotional component. It was found that emotional reactions to charity appeals affect cognitive thoughts linking to charitable intention and behaviour. However, contrasting to other research, this study proves that attitude toward philanthropy and organization did not predict the intention and behaviour.

The fact that the extended theory of Planned behaviour has only recently been used in monetary donation research is also supported by van der Linden<sup>318</sup> who found that only of late, Smith and McSweeney<sup>319</sup> applied the revised TOPB comprises of six psychological variables which are the attitude, perceived behavioural control, injunctive norms, moral norms, past behaviour and descriptive norms to analyze the monetary donation intention using the hierarchical multiple regression. All variables mentioned were seen to predict the charitable intention and behaviour except for the descriptive norm. Using the similar extended TOPB, Van Der Linden suggests through a study using an online questionnaire about charitable behaviour that moral norms plays greater role in charitable intention compared to social norms. In addition to moral norms, 'attitude', 'perceived behavioral control' and 'past behaviour' are also identified as significant predictors and that the revised TOPB model explains the variance in charitable intention by 70%.

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<sup>315</sup> Okun, M. A., & Sloane, E. S. Application of planned behavior theory to predicting volunteer enrollment by college students in a campus-based program. *Social Behavior and Personality*, 30, (2002), 243–250.

<sup>316</sup> Warburton, Jeni, et al. "Differences between Older Volunteers and Nonvolunteers Attitudinal, Normative, and Control Beliefs." *Research on aging* 23.5 (2001): 586-605.

<sup>317</sup> William F. Bartolini, "Prospective Donors' Cognitive and Emotive Processing of Charitable Gift Requests" (Kent State University, 2005).

<sup>318</sup> Sander Van Der Linden, "Charitable Intent : A Moral or Social Construct ? A Revised Theory of Planned Behavior Model," *Curr Psychol* 30 (2011): 355–74, doi:10.1007/s12144-011-9122-1.

<sup>319</sup> Joanne R Smith and Andree Mc Sweeney, "Charitable Giving: The Effectiveness of a Revised Theory of Planned Behavioural Model in Predicting Donating Intentions and Behaviour," *Journal of Community and Applied Psychology* 17, no. August 2006 (2007): 363–86.



Another study in the area of monetary donation using the extended TOPB that includes the components of attitude, subjective norm, perceived behavioral control (PBC), moral obligation, past behavior, and intention among young people shows that the attitude, subjective norm, and PBC significantly predict the intention and behaviour. This extended TOPB is proven to explain 61% of the variance in intention through regression analyses.<sup>320</sup> As studies on charitable intention in Muslim community and developing countries are limited, a research using this extended TOPB has been conducted in Pakistan<sup>321</sup> and this model proves to predict the giving behaviour by 63%. All these studies, although have proven that the extended TOPB are efficient to explain the charitable intention, the psychological approach used in explaining the behaviour only revolves around the internal psychological elements of the donors that possibly formulate the behaviour without considering other external elements that might come into play in donating decision.

The flexibility of the standard theory of planned behaviour is proven in a case study of public broadcasting by Kinnally and Brinkerhoff<sup>322</sup>. In this study the TPB is extended by installing the element of guilt to model the giving intention of 983 US public broadcasting donors. It is shown that the insertion of the guilt element in the model increases the intention to give. Similarly, in a study to observe the role of social axioms such as social cynicism, reward for application, religiosity, and fate control in the intention to study, pray and donate, the model of TPB is integrated.<sup>323</sup> It was found that religiosity, reward for application, fate control, attitude, subjective norm and perceived behavioural control were significant to predict the giving intention of street donation in Indonesia, religiosity and fate control were

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<sup>320</sup> Simon R. Knowles, Melissa K. Hyde, and Katherine M. White, "Predictors of Young People's Charitable Intentions to Donate Money: An Extended Theory of Planned Behavior Perspective," *Journal of Applied Social Psychology* 42, no. 9 (2012): 2096–2110, doi:10.1111/j.1559-1816.2012.00932.x.

<sup>321</sup> Muhammad Kashif and Ernest Cyril De Run, "Money Donations Intentions among Muslim Donors: An Extended Theory of Planned Behavior Model," *International Journal of Nonprofit and Voluntary Sector Marketing* 20 (2015): 84–96, doi:10.1002/nvsm.

<sup>322</sup> W. Kinnally and B. Brinkerhoff, "Modelling the Members' Intentions to Give: A Case Study Using the TPB in the Context of Public Broadcasting," *Journal of Creative Communications* 6, no. 3 (September 4, 2011): 297–313, doi:10.1177/0973258613491665.

<sup>323</sup> Arief Darmanegara Liem, Sianiwati S Hidayat, and Sumiarti Soemarno, "Behavioral Intentions in Indonesia? The Role of Social Axioms within the Theory of Planned Behavior," *Psychological Aspects of Social Axioms*, 2009, 217–38.

positively related to the attitude toward donating, reward for application and fate control were positively related to the subjective norm and religiosity were positively related to the perceived behavioural control.

Furthermore, in the context of donation appeal, the TPB has been applied by adding the element of persuasion as the mediator for giving intention.<sup>324</sup> It was demonstrated in this study that the perceived behavioural control was significantly influential to the donation intention and the element of persuasion as the full mediator. All these studies indicate that other factors perceived to influence the giving behavior can be integrated in the TPB to predict the behaviour of giving and that the TPB is a flexible theory that can be used to explain the behaviour in many contexts. Therefore, it is suggested that other variables related to charitable giving should also be explored as found in a current study by Ardion Beldad<sup>325</sup> on repeat donation intention who include positive experience with that organization, respondents' affinity with the cause of the charitable organization, their trust in the organization, the organization's positive reputation, perceived risk of donating and moral obligation to help others.

Through this research it was discovered that positive experience, respondents' affinity with the cause of the charitable organization, trust in the organization and the organization's positive reputation significantly predict the repeat charitable intention. While the perceived donating risk has negative influence and surprisingly the moral obligation does not impact the behaviour. Henceforth, potential variables to predict the charitable intention should be considered to be included in the TOPB framework to have a more comprehensive discussion on possible determinants of charitable giving.

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<sup>324</sup> Easwar S. Iyer, Rajiv K. Kashyap, and William D. Diamond, "Charitable Giving: Even the Willing Need to Be Persuaded," *Journal of Current Issues & Research in Advertising* 33, no. 1 (January 2012): 115–27, doi:10.1080/10641734.2012.676489.

<sup>325</sup> Ardion Beldad et al., "Generous But Not Morally Obligated? Determinants of Dutch and American Donors' Repeat Donation Intention (REPDON)," *Voluntas: International Society for Third Sector Research*, January 18, 2014, doi:10.1007/s11266-013-9419-9.

In addition, it was also found in the literature, a few studies of giving behaviour in Malaysian context that apply behavioural theories of the Reasoned Action Theory<sup>326</sup> and the theory of Planned Behaviour to explain the compliance behaviour of zakat. Using the TRA, Zainol Bidin et al<sup>327</sup> discover that attitude and subjective norm factors are significantly related to the obligation towards zakat and the two factors are able to predict the behaviour of Muslim by 48%. Using the theory of Planned Behaviour<sup>328</sup>, the intention of paying zakat is measured in a study by Marziana Mohamad et al<sup>329</sup> which uncovers that attitude and perceived behavioural control factors significantly influence the intention to conduct zakat while the factor of subjective norm does not. A more recent study conducted in the city of Kuala Lumpur using the psychological approach of the extended theory of planned behaviour by Sweeney<sup>330</sup>, proves that past behaviour, injunctive norms, and intentions to donate positively influence the actual behaviour to donate money. This study proves that these behavioural theories can be used to explain and predict the giving intention among Muslims and multicultural respondents.

### 3.3 Studies on Charitable Giving

Despite the fact that the subject of charitable giving has been exhaustively discussed worldwide, the level of research at exploring the patterns of charitable giving and determinants of the act covering the intrinsic and the extrinsic variables<sup>331</sup> especially in the Muslim community is still relatively in infancy. This can be proven by the existence of an

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<sup>326</sup> Ajzen, I & Fishbein, M, "Understanding attitudes and predicting social behaviour, Prentice Hall: New Jersey, (1980), 5-10.

<sup>327</sup> Zainol Bidin Kamil Md. Idris and Faridahwati Mohd Shamsudin, "Predicting Compliance Intention on Zakah on Employ- Ment Income in Malaysia : An Application of Reasoned Action Theory," *Jurnal Pengurusan* 28 (2009): 85–102.

<sup>328</sup> Icek Ajzen, "The Theory of Planned Behavior."

<sup>329</sup> Raedah Sapling, Normala Ahmad, and Marziana Mohamad, "A Study on Zakah of Employment Income: Factors That Influence Academics' Intention to Pay Zakah," in *2nd International Conference on Business and Economic Research (2nd ICBER 2011) Proceeding*, 2011, 2492–2507.

<sup>330</sup> Muhammad Kashif, Syamsulang Sarifuddin, and Azizah Hassan, "Charity Donation: Intentions and Behaviour," *Marketing Intelligence & Planning* 33, no. 1 (2015): 90–102, doi:10.1108/MIP-07-2013-0110.

<sup>331</sup> Dionysis Skarmeas and Haseeb A Shabbir, "Relationship Quality and Giving Behaviour in the UK Fundraising Sector Exploring the Antecedent Roles of Religiosity," *European Journal of Marketing* 45, no. 5 (2011): 720–38, doi:10.1108/03090561111120000.

overwhelming number of literature on charitable giving which led to a study on the literature review alone by Rene Bekkers and Pamala Wiepking<sup>332</sup> who compiled over 500 journal articles on charitable giving specified only with empirical findings. The focus of these studies was mainly on the determinants that triggered this philanthropic deed. Findings from the research explain the act from many angles which cover diverse fields of knowledge such as the psychology, marketing, geography, biology, economics, sociology and others.

Only a few studies found in the literature provides empirical evidence for this subject especially in the Muslim context. Among the research is by Opoku<sup>333</sup> who studied the trends by providing options of charity categories and determining possible factors as intrinsic and extrinsic factors of charitable giving among young Muslims in Egypt. It was found in this study that religiosity, altruism and personal satisfaction dimensions were the three most important factors, followed by trust, personal characteristics and social norm. While other factors such as psychological benefits, commitment and self-image were found to be the least influencing factors. The trend of giving among the young people in Egypt showed the tendency to support poor people, followed by orphan care, fast breaking in the Ramadan and disaster victims.

Rahmatina Awaliah Kasri<sup>334</sup> explored the factors of philanthropic act among 300 Muslim donors in Indonesia. The findings of this study indicate that the trend of giving among Indonesian Muslim donors were to help the poor and to support religious causes which were mostly channeled through informal Islamic charities such as mosque, family and direct donation to the needy. The profile of the donors showed that most of them were young, educated, have strong humanitarian awareness and from middle income group. The

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<sup>332</sup> René Bekkers and Pamala Wiepking, "A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms That Drive Charitable Giving," *Nonprofit and Voluntary Sector Quarterly* 2011 40, no. 5 (2011): 924–73, doi:10.1177/0899764010380927.

<sup>333</sup> Robert A Opoku, "Examining the Motivational Factors behind Charitable Giving among Young People in a Prominent Islamic Country," *International Journal of Nonprofit and Voluntary Sector Marketing* 18, no. August (2013): 172–86, doi:10.1002/nvsm.

<sup>334</sup> Rahmatillah Kasri, "Giving Behaviors in Indonesia: Motives and Marketing Implications for Islamic Charities." *Journal of Islamic Marketing* 4.3 (2013): 306-324

correlation test on socioeconomic factors indicated that income, education and age were significantly correlated to giving behaviour but not gender. The result also signalled that increased donation would be expected even during economic crisis. A study by Lwin<sup>335</sup> discussed the charitable donations in the state of Brunei. The findings suggested that there was no relationship between age, income and gender, with donating behaviour. The aspect of religion was seen as the important factor in predicting the behaviour compared to perceived generosity. This was due to the culture in Brunei where the government plays the major role in charity making thus limiting the contribution from individuals.

In Malaysia, research in philanthropic giving is quite diverse in which it varies from very general to restricted within specific scopes. In the study by Cogswell<sup>336</sup>, through the researcher's observation it was concluded that philanthropy in Malaysia was ethnic oriented which targeted religious or cultural preservation funds as well as social challenges symptoms and victims, supported by political and economical influences and suggested greater transparency at grant giving and fundraising to increase donation level. Due to the qualitative nature of this study, the finding may only be subjected to the groups of study which mostly were private charities and thus cannot be generalized to portray the actual scenario of philanthropy in Malaysia.

Another study by Josie M.F and Abdul Rahim Ibrahim<sup>337</sup> sheds a brighter view on how Malaysians involve in charitable giving and volunteering. As discussed in chapter one, by covering 368 respondents in the state of Penang, this study revealed that most of the respondents preferred to give cash to beggars and orphanage institutions. The act of giving among these donors was pivotally driven by the feeling of compassion, dutiful as a citizen

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<sup>335</sup> Lwin, Michael, Ian Phau, and Aaron Lim. "Charitable donations: empirical evidence from Brunei." *Asia-Pacific Journal of Business Administration* 5.3 (2013): 215-233.

<sup>336</sup> Cogswell, "Private Philanthropy in Multiethnic Malaysia."

<sup>337</sup> Josie, M. F., and Abdul Rahim Ibrahim, eds. *A Giving Society?: The State of Philanthropy in Malaysia*. Penerbit Universiti Sains Malaysia for the Philanthropy Initiative of Malaysia, School of Social Sciences, Universiti Sains Malaysia, 2002.

and social responsibility. It was also found that the most popular and effective method among the donors were charity boxes and door to door soliciting. However, there was a contrasting evidence in the finding where the donors were found to be lacking the trust towards the donation recipients despite the fact that they actually donated to them. Hence this may imply that further investigation should be done to confirm whether the element of trust towards donation recipients would be one of the influencing factors or not.

Apart from the aforementioned studies, much of the philanthropic giving research in Malaysia revolves around institutions such as corporate companies through the implementation of Corporate Social Responsibility.<sup>338</sup> These studies for instance, investigate the traits of the CSR implementing company management staffs and the company profiles. There are also studies on nonprofit institutions pertaining issues of disclosures by charity organizations and its effect on fundraising<sup>339</sup>. The findings indicate that the level of disclosure among the organizations is low and it significantly influences the amount of donation received. All this research is leading towards the same direction which is to predict and investigate the giving behaviour of the public but the focus is at different subjects and using different factors.

In relation to that, it is also very important to note that research in charitable giving among the Muslim society in Malaysia is still very much restricted to *Zakah* and recently discussed, the *Waqf*. To date, there is no research has been done on the aspect of *ṣadaqah* or voluntary giving and its status is nearly unexplored<sup>340</sup>. It is not the intention of this research to further

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<sup>338</sup> Ismail, Maimunah, et al. "Orientation, attitude, and competency as predictors of manager's role of CSR-implementing companies in Malaysia." *European Journal of Training and Development* 38.5 (2014): 4-4.:

Amran, Azlan Bin, Lim Lynn Ling, and Yahya Sofri. "A study of corporate philanthropic traits among major Malaysian corporations." *Social Responsibility Journal* 3.4 (2007): 21-30:

Norhayah Zulkifli and Azian Amran, "Realising Corporate Social Responsibility in Malaysia: A View from the Accounting Profession," *JCC*, 2006, 101–13.

<sup>339</sup>Roshayani Arshad et al., "Organizational Characteristics and Disclosure Practices of Non-Profit Organizations in Malaysia" 9, no. 1 (2013): 209–217, doi:10.5539/ass.v9n1p209

Ruhaya Atan, Saunah Zainon, and Yap Bee Wah, "Quality Information by Charity Organizations and Its Relationship with Donations," *Recent Advances in Business Administration*, 2012, 118–23.

<sup>340</sup> Singer, A. *Charity in Islamic Society*, New York: Cambridge University Press, (2008).1

introduce other giving instruments but rather to emphasize the potential of *ṣadaqah* which has been practised by Muslims ever since its revelation in the *al-Quran*. This is due to its flexible nature that covers almost any forms and amount of giving. However, research in *Zakat* or *Waqf* can be used as a platform to embark on research in *ṣadaqah* to get insights of relevant determinants.

Research by Sanep Ahmad et al <sup>341</sup> found that demographic factors such as gender, age, marital status, income and expenses were the factors that significantly influenced the obligation to pay *zakat*. Among other factors assessed on the perspective of the *zakat* payers towards the *zakat* institution, satisfaction on *zakat* distribution was found to be highly significant in influencing the payment of *zakat*. Similarly, Amir Shaharuddin Muhammad Muda et al <sup>342</sup> discovered that altruism was scored the highest followed by faith (*iman*), self satisfaction, organization and utilitarian factors. From their finding it is suggested that participation in *zakat* is not only influenced by religious factor but also self-satisfaction and organizational factors.

A study by Nur Barizah Abu Bakar and Hafiz Majdi Abdul Rashid <sup>343</sup> exhibited that factors such as social, religious and economic condition were proven to be more dominant in motivating the income *zakat* payment than the ‘self-centered’ factors. In addition to that, there was also a study conducted to explain the factors that motivate a Muslim to contribute in cash *Waqf* in a more comprehensive manner<sup>344</sup>. It revealed that there were several potential determinants which encouraged a Muslim to be involved in *waqf* such as religious satisfaction, literacy of *waqf*, trustworthiness, demographic factor, efficient management and

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<sup>341</sup>Hairunnizam Wahid, Mohd Ali Mohd Noor, and Sanep Ahmad, “Kesedaran Membayar Zakat: Apakah Faktor Penentunya?,” *IJMS* 12, no. 2 (2005): 171–89.

<sup>342</sup> Amir Shaharuddin Muhamad Muda, Ainulashikin Marzuki, “Factors Influencing Individual Participation in Zakat Contribution: Exploratory Investigation,” in *Seminar for Islamic Banking and Finance 2006 (IBAF 2006)*, 2006, 1–10.

<sup>343</sup> Nur Barizah Abu Bakar and Hafiz Majdi Abdul Rashid, “Motivations of Paying Zakat on Income: Evidence from Malaysia,” *International Journal of Economics and Finance* 2, no. 3 (2010): 76–84.

<sup>344</sup> Mustafa Omar Muhammad Amirul Faiz Osman, Sheila Nu Nu Htay, “Determinants of Cash Waqf Giving in Malaysia: Survey of Selected Works,” in *In: Workshop Antarbangsa Pembangunan Berteraskan Islam V (WAPI-5), 10 Apr 2012, Medan, Indonesia.*, 2012, 186–243, <http://irep.iium.edu.my/28284/>.

tax incentive. In short, this study will explore the patterns of charitable giving among Muslims in Malaysia and discuss the possible determinants for charitable giving by classifying all potential factors found in the literature as the extrinsic and intrinsic factors.

### **3.4 The Extrinsic Factors**

Extrinsic antecedents are the demographic variables such as gender, religion, age, educational level, profession, marital status, social class, social norms and religion as suggested by Kottasz<sup>345</sup> and Sargeant<sup>346</sup>. Woodliffe and Lee<sup>347</sup> argue that extrinsic factors can also be the influences from the surrounding such as the social norms which cannot be directly controlled by any individuals hence extends the probe into other external factors found in the literature to influence the behaviour of giving such as media, tax and solicitation by literally taking in the definition of external not limited to only social norms. In brief, as the extrinsic factors are the external elements characterizing a person's profile and can also be of somewhat beyond the control of the person, all extrinsic factors that have been proven to impact the behaviour of giving are discussed in the following sections.

#### **3.4.1 Demographic Variables**

Demographic information describes specific characteristics of a population originated from the Greek work of *demoe* which means people and *graphy* that means picture. It provides data about the respondents which is required for the determination of representative samples for generalization purposes. These demographic variables usually work as independent variables in the research design.<sup>348</sup> Although demographic characteristics

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<sup>345</sup> Rita Kottasz, "Differences in the Donor Behavior Characteristics of Young Affluent Males and Females: Empirical Evidence From Britain," *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 15, no. 2 (2004): 181–203.

<sup>346</sup> Sargeant, Ford, and West, "Perceptual Determinants of Nonprofit Giving Behavior."

<sup>347</sup> Zoe Lee and Lucy Woodliffe, "Donor Misreporting: Conceptualizing Social Desirability Bias in Giving Surveys," *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 21, no. 4 (2010): 569–87.

<sup>348</sup> Lee, M. & Schuele, C.M. "Demographics", in Salkind, Neil J., ed. *Encyclopedia of research design*. Vol. 1. Sage, 2010.



include age, race, gender, ethnicity, religion, income, education, home ownership, sexual orientation, marital status, family size, health and disability status, and psychiatric diagnosis, this study categorizes some part of these demographics as sociodemographics. As the categories of demographic variables are abundant, only a few variables are chosen based on the relevancy to the topic and mostly discussed in the literature.

#### 3.4.1.1 Age

Many researchers such as Bekkers & Wiepking<sup>349</sup>, Halfpenny<sup>350</sup>, Nichols<sup>351</sup>, Pharoah and Tanner<sup>352</sup> found that the age has a significant influence on giving behaviour. Similarly, McClelland and Brooks<sup>353</sup> suggested that charitable giving rises with the age that indicates a positive relationship between age and charitable giving in which the older the person, the more likely he or she contributes to charity. This finding was supported by a lot of researchers such as Alpizar<sup>354</sup>; Apinunmahakul & Devlin<sup>355</sup>; Bekkers<sup>356</sup>, Bekkers & Schuyt<sup>357</sup>; Bekkers & Wiepking<sup>358</sup>; Belfield & Beney<sup>359</sup>; Bryant et al<sup>360</sup>; Eaton<sup>361</sup>; Eckel & Grossman<sup>362</sup>; Eckel

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<sup>349</sup> Bekkers, René, and Pamala Wiepking. "Who gives? A literature review of predictors of charitable giving part one: religion, education, age and socialisation." *Voluntary Sector Review* 2.3 (2011): 337-365.

<sup>350</sup> Halfpenny P. Charity household survey 1988/9. Tonbridge, UK: Charities Aid Foundation; 1990.

<sup>351</sup> Nichols JE. Targeting older America. *Fund Rais Manag* 1992;23(3): 38-41.

<sup>352</sup> Pharoah C, Tanner S. Trends in charitable giving. *Fisc Stud* 1997; 18(4):427-43.

<sup>353</sup> Robert McClelland and Arthur C Brooks, "What Is the Real Relationship between Income and Charitable Giving?," *Public Finance Review* 32, no. 5 (2004): 483-497, doi:10.1177/1091142104266973.

<sup>354</sup> Alpizar, Francisco, Fredrik Carlsson, and Olof Johansson-Stenman. "Anonymity, reciprocity, and conformity: Evidence from voluntary contributions to a national park in Costa Rica." *Journal of Public Economics* 92.5 (2008): 1047-1060.

<sup>355</sup> Apinunmahakul, Amornrat, and Rose Anne Devlin. "Charitable giving and charitable gambling: an empirical investigation." *National Tax Journal* (2004): 67-88.

<sup>356</sup> Bekkers, René. "Trust, accreditation, and philanthropy in the Netherlands." *Nonprofit and Voluntary Sector Quarterly* 32.4 (2003): 596-615.

<sup>357</sup> Bekkers, René, and Theo Schuyt. "And who is your neighbor? Explaining denominational differences in charitable giving and volunteering in the Netherlands." *Review of Religious Research* (2008): 74-96.

<sup>358</sup> Bekkers, René, and Pamala Wiepking. "To give or not to give, that is the question: How methodology is destiny in Dutch giving data." *Nonprofit and Voluntary Sector Quarterly* 35.3 (2006): 533-540.

<sup>359</sup> Belfield, C. R., and A. P. Beney. "What determines alumni generosity? Evidence for the UK." *Education Economics* 8.1 (2000): 65-80.

<sup>360</sup> Bryant, W. Keith, et al. "Participation in philanthropic activities: Donating money and time." *Journal of Consumer Policy* 26.1 (2003): 43-73.

<sup>361</sup> Eaton, David H. "Charitable contributions and tax price elasticities for nonitemizing taxpayers." *International Advances in Economic Research* 7.4 (2001): 431-442.

<sup>362</sup> Eckel, Catherine C., and Philip J. Grossman. "Giving to secular causes by the religious and nonreligious: An experimental test of the responsiveness of giving to subsidies." *Nonprofit and Voluntary Sector Quarterly* 33.2 (2004): 271-289.

et al<sup>363</sup>; Eschholz & Van Slyke<sup>364</sup>; Frey & Meier<sup>365</sup>; Houston<sup>366</sup>; Lee & Golden<sup>367</sup>; List<sup>368</sup>; Lyons et al<sup>369</sup>; Mesch et al<sup>370</sup>; Rooney et al<sup>371</sup>; Weerts & Ronca<sup>372</sup> and others. To be exact, Carroll, McCarthy & Newman<sup>373</sup> estimated that a 1 per cent increase in age equals to a 14 per cent increase in the probability of participation and a 13 per cent increase in the amount of donation. To explain the relationship between the age and charitable giving, Clotfelter<sup>374</sup> and Wastyn<sup>375</sup> reported that the age is very much related to the maturity and that the changes of interest and financial level of an older person will determine the level of participation in charitable giving.

This positive relationship however, at certain level exhibits a decreasing trend<sup>376</sup> that varies at different numbers of age. Andreoni<sup>377</sup> uncovered that positive relationship can be observed until the age of 75 when it starts to decline. While Landry, Lange, Price and Rupp<sup>378</sup> and Wu, Huang and Kao<sup>379</sup> observed a decrease from the age of 65. In the report of the World

<sup>363</sup> Eckel, Catherine C., Philip J. Grossman, and Rachel M. Johnston. "An experimental test of the crowding out hypothesis." *Journal of Public Economics* 89.8 (2005): 1543-1560.

<sup>364</sup> Eschholz, Sarah L., and David M. Van Slyke. "New evidence about women and philanthropy: Findings from Metro Atlanta." *Mimeographed, Georgia State University* (2002).

<sup>365</sup> Frey, Bruno S., and Stephan Meier. "Pro-social behavior in a natural setting." *Journal of Economic Behavior & Organization* 54.1 (2004): 65-88.

<sup>366</sup> Houston, David J. "'Walking the walk" of public service motivation: Public employees and charitable gifts of time, blood, and money." *Journal of Public Administration Research and Theory* 16.1 (2006): 67-86.

<sup>367</sup> Yu-Kang Lee and Daniel Golden, "Intrinsic or Extrinsic? Determinants Affecting Donation Behaviors," *International Journal of Educational Advancement* 8, no. 1 (2008): 13-24, doi:10.1057/ijea.2008.2.

<sup>368</sup> List, John A. "Young, Selfish and Male: Field evidence of social preferences\*." *The Economic Journal* 114.492 (2004): 121-149.

<sup>369</sup> Lyons, Mark, Myles McGregor-Lowndes, and Philip O'Donoghue. "Researching giving and volunteering in Australia." *Australian Journal of Social Issues, The* 41.4 (2006): 385.

<sup>370</sup> Debra J Mesch et al., "The Effects of Race, Gender, and Marital Status on Giving and Volunteering in Indiana," *Nonprofit and Voluntary Sector Quarterly* 35, no. 4 (2006): 565-87, doi:10.1177/0899764006288288.

<sup>371</sup> Rooney, Patrick M., et al. "The effects of race, gender, and survey methodologies on giving in the US." *Economics Letters* 86.2 (2005): 173-180.

<sup>372</sup> Weerts, David J., and Justin M. Ronca. "Profiles of supportive alumni: Donors, volunteers, and those who "do it all"." *International Journal of Educational Advancement* 7.1 (2007): 20-34.

<sup>373</sup> James Carroll, Siobhan McCarthy, and Carol Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland," in *The Nineteenth Annual Conference of the Irish Economic Association, Kilkenny, 2005.*, vol. 36, 2005, 229-49.

<sup>374</sup> Clotfelter, Charles T. "Who are the alumni donors? Giving by two generations of alumni from selective colleges." *Nonprofit Management and Leadership* 12.2 (2001): 119-138.

<sup>375</sup> Wastyn, M. Linda. "Why alumni don't give: A qualitative study of what motivates non-donors to higher education." *International Journal of Educational Advancement* 9.2 (2009): 96-108.

<sup>376</sup> Putnam, Robert. *Bowling Alone. The collapse and revival of American Community.* New York: Simon & Schuster.(2000).

<sup>377</sup> Andreoni, James E. *The Economics of Philanthropy.* In *International Encyclopedia of the Social and Behavioral Sciences*, edited by N. J. Smelser, and P.B. Baltes. London, Elsevier. (2001). Pp. 11369-11376

<sup>378</sup> Landry, Craig E., Andreas Lange, John A. List, Michael K. Price, Nicholas G. Rupp. *Toward an Understanding of the Economics of Charity: Evidence From a Field Experiment.* *The Quarterly Journal of Economics*, 121(2) (2006): 747-782

<sup>379</sup> Wu, Shih-Ying, Jr-Tsung Huang, and An-Pang Kao. *An Analysis of the Peer Effects in Charitable Giving: The Case of Taiwan.* *Journal of Family and Economic Issues*, 25(4) (2004): 483-505.

Giving Index 2013<sup>380</sup>, it was noted that the decreasing point can be seen from the age of 50. This view was also shared by other studies by Putnam<sup>381</sup>, Simmons & Emanuele<sup>382</sup>, Tiehen<sup>383</sup>, Wunnava & Lauze<sup>384</sup> and Zech. Although much research has uncovered the declining point of giving, researchers are still probing explanation on the causes of the decline. Some related it to the retirement age in most countries that consequently reduces the giving ability among the people in this group as seen in Danko and Stanley<sup>385</sup>, Edmundson<sup>386</sup> and Halfpenny<sup>387</sup>. It was also proven that the illness factor among the elderly was the main cause of the scenario that deterred their participation in religious activities.<sup>388</sup> On the other hand, it was suggested by Meer & Rosen<sup>389</sup> that the factor of nearing death should be accounted to explain the different variation in the decline of giving among old folks. They found that there was a little decline in giving among the elderly who were aware of the approaching of death due to illness or number of age compared to those who were healthier and younger.

The variation of relationship between age and giving behaviour varies according to types of charity. Religious giving proved to be significantly related to age by Yen<sup>390</sup> and Hrung<sup>391</sup> but not other types of giving. Likewise, the scenario in Indonesia portrayed a similar finding

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<sup>380</sup> Charities Aid Foundation, "WORLD GIVING INDEX 2013." [https://www.cafonline.org/PDF/WorldGivingIndex2013\\_1374AWEB.pdf](https://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf) (2013): 20

<sup>381</sup> Putnam, Robert D. *Bowling alone: The collapse and revival of American community*. Simon and Schuster, 2000.

<sup>382</sup> Simmons, Walter O., and Rosemarie Emanuele. "Does government spending crowd out donations of time and money?." *Public Finance Review* 32.5 (2004): 498-511.

<sup>383</sup> Tiehen, Laura. "Tax policy and charitable contributions of money." *National Tax Journal* (2001): 707-723.

<sup>384</sup> Wunnava, Phanindra V., and Michael A. Lauze. "Alumni giving at a small liberal arts college: Evidence from consistent and occasional donors." *Economics of Education Review* 20.6 (2001): 533-543

<sup>385</sup> Danko, William D., and Thomas J. Stanley. "Identifying and reaching the donation prone individual: a nationwide assessment." *Journal of Professional Services Marketing* 2.1-2 (1986): 117-122.

<sup>386</sup> Edmundson, Brad. "Who gives to charity?." *American Demographics* 8 (1986): 45-49.

<sup>387</sup> Halfpenny, Peter, and Susan Saxon-Harrold. *Charity Household Survey 1989/90: Findings from a National Survey*. Charities Aid Foundation, 1991.

<sup>388</sup> Wiepking, P., James, R.. Why are the oldest old less generous? Explanations for the unexpected age-related drop in charitable giving. *Aging and Society* 33 (3), (2012) 486-510.

<sup>389</sup> Jonathan Meer and Harvey S. Rosen, "Donative Behavior at the End of Life," *Journal of Economic Behavior & Organization* 92 (August 2013): 192-201, doi:10.1016/j.jebo.2013.06.007.

<sup>390</sup> Yen, Steven T. "An econometric analysis of household donations in the USA." *Applied Economics Letters* 9.13 (2002): 837-841.

<sup>391</sup> Hrung, Warren B. "After-Life Consumption and Charitable Giving." *American Journal of Economics and Sociology* 63.3 (2004): 731-745.

when age was significantly related to the giving of Muslims donors.<sup>392</sup> Whereas Brown and Ferris<sup>393</sup> discovered a contradictory evidence in which the donated amount was related to the age for secular causes but not religious giving. Another recent research indicated a significant negative relationship between the age and giving to international development organizations<sup>394</sup>. In addition, Rooney, Steinberg, and Schervish<sup>395</sup> did not find any significant relationship between age and charitable giving which was also the case in Indonesia<sup>396</sup> and in Korea<sup>397</sup>.

### 3.4.1.2 Gender

Among the most studied factor found in the literature of charitable giving is gender. A recent study by Xiaonan Kou et al.<sup>398</sup> on one of the international charity clubs, the Lions Clubs International (LCI) indicated that half of the members were female and the increase of female membership in the club was likely to increase the amount of giving. Females were also proven to be more generous in the amount of giving as found in a study in the UK<sup>399</sup>. An investigation on the impact of money salience and gender on attitudes toward charitable giving among adolescents<sup>400</sup> showed that gender was a significant determinant and girls were found to have more positive attitudes towards charitable giving compared to boys. It was also proven in a study that single women were found to be 9% to 10% more likely to participate

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<sup>392</sup> Kasri, Rahmatina Awaliah. "Giving behaviors in Indonesia: motives and marketing implications for Islamic charities." *Journal of Islamic Marketing* 4.3 (2013): 306-324.

<sup>393</sup> Brown, Eleanor, and James M. Ferris. "Social capital and philanthropy: An analysis of the impact of social capital on individual giving and volunteering." *Nonprofit and Voluntary Sector Quarterly* 36.1 (2007): 85-99.

<sup>394</sup> Sara Kinsbergen and Jochem Tolsma, "Explaining Monetary Donations to International Development Organisations: A Factorial Survey Approach," *Social Science Research* 42, no. 6 (November 2013): 1571–86, doi:10.1016/j.ssresearch.2013.06.011.

<sup>395</sup> Rooney, Patrick M., Kathryn Steinberg, and Paul G. Schervish. A Methodological Comparison of Giving Surveys: Indiana As a Test Case. *Nonprofit and Voluntary Sector Quarterly* 30. (2001).551-568.

<sup>396</sup> Okten, Cagla, and Una Okonkwo Osili. "Contributions in heterogeneous communities: Evidence from Indonesia." *Journal of Population Economics* 17.4 (2004): 603-626.

<sup>397</sup> Park, Tae Kyu, and Su-Bum Park. "An economic study on charitable giving of individuals in Korea: Some new findings from 2002 survey data." *6th International Conference of the International Society for Third-sector Research, Ryerson University, Toronto, Canada*. 2004.

<sup>398</sup> Xiaonan Kou et al., "The Global Dynamics of Gender and Philanthropy in Membership Associations: A Study of Charitable Giving by Lions Clubs International Members," *Nonprofit and Voluntary Sector Quarterly* 43, no. 18S (2014), doi:10.1177/0899764013502583.

<sup>399</sup> Greg Piper and Sylke V. Schnepf, "Gender Differences in Charitable Giving in Great Britain," *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 19, no. 2 (2008): 103–24.

<sup>400</sup> James A Roberts and Camille R Roberts, "Money Matters : Does the Symbolic Presence of Money Affect Charitable Giving and Attitudes among Adolescents ?" *Young Consumers* 13, no. 4 (2012): 329–336, doi:10.1108/17473611211282572.

in charitable giving than single men.<sup>401</sup> This notion was also supported by a research which found women tend to donate more in terms of time and money than men beyond the influence of a standard wage equation.<sup>402</sup> All these facts imply that women are naturally more altruistic than men.

Although women are seen to be more generous as compared to men, differences in giving are apparent between both genders in different contexts. Women were seen to be less generous towards the same or unknown gender and the differences were influenced by personality and cognition factors<sup>403</sup>. From the aspect of amount of giving, males actually contributed higher as found by Andreoni et al<sup>404</sup>; Bekkers<sup>405</sup> CAF<sup>406</sup>; Lyons et al<sup>407</sup>, and Mesch et al<sup>408</sup>. In religious giving, men were found to contribute more as in the case in Taiwan by Chang<sup>409</sup>, a study by Brown and Ferris<sup>410</sup> and Einolf<sup>411</sup>. A study on alumni giving in the U.S proves that males donated more than females.<sup>412</sup> Another interesting study among 217 young male and female professionals from Britain provided empirical evidence revealing a different giving tendency between the genders. Young professional males were seen to be generous towards art sector for social rewards such as invitation to social events whereas

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<sup>401</sup> Mesch et al., "The Effects of Race, Gender, and Marital Status on Giving and Volunteering in Indiana." *Nonprofit and Voluntary Sector Quarterly* 34, 4, (2006): 565-587, doi:10.1177/0899764006288288

<sup>402</sup> Walter O. Simmons and Rosemarie Emanuele, "Male-Female Giving Differentials: Are Women More Altruistic?," *Journal of Economic Studies* 34, no. 6 (November 6, 2007): 534-50, doi:10.1108/01443580710830989.

<sup>403</sup> Ben-Ner, Avner, Fanmin Kong, and Louis Putterman. "Share and share alike? Gender-pairing, personality, and cognitive ability as determinants of giving." *Journal of Economic Psychology* 25.5 (2004): 581-589.

<sup>404</sup> Andreoni, James, and A. Abigail Payne. "Do government grants to private charities crowd out giving or fund-raising?." *American Economic Review* (2003): 792-812.

<sup>405</sup> Bekkers, René HFP. *Giving and volunteering in the Netherlands: Sociological and psychological perspectives*. Utrecht University, 2004.

<sup>406</sup> CAF. 2005. UK Giving 2004/05, Kent, UK

<sup>407</sup> Lyons, Mark, Myles McGregor-Lowndes, and Philip O'Donoghue. "Researching giving and volunteering in Australia." *Australian Journal of Social Issues*, 41,4 (2006): 385

<sup>408</sup> Mesch et al., "The Effects of Race, Gender, and Marital Status on Giving and Volunteering in Indiana."

<sup>409</sup> Wen Chun Chang, "Determinants of Religious Giving in an Eastern-Culture Economy: Empirical Evidence from Taiwan," *Review of Religious Research* 47, no. 4 (2006): 363-79, <http://www.jstor.org/stable/20058104>.

<sup>410</sup> Brown, Eleanor, and James M. Ferris. "Social capital and philanthropy: An analysis of the impact of social capital on individual giving and volunteering." *Nonprofit and Voluntary Sector Quarterly* 36.1 (2007): 85-99.

<sup>411</sup> C. J. Einolf, "Gender Differences in the Correlates of Volunteering and Charitable Giving," *Nonprofit and Voluntary Sector Quarterly* 40, no. 6 (September 28, 2011): 1092-1112, doi:10.1177/0899764010385949.

<sup>412</sup> Wunnava, Phanindra V., and Michael A. Lauze. "Alumni giving at a small liberal arts college: Evidence from consistent and occasional donors." *Economics of Education Review* 20.6 (2001): 533-543.

women were strongly interested in giving to the people oriented charities and sought personal recognitions from the institutions they contributed.<sup>413</sup>

Different research methodologies yield different results regarding charitable giving and gender. In a current study using natural field experiment, Tine Hjernø Lesner & Ole Dahl Rasmussen<sup>414</sup> found that men are more generous compared to women which contradicts with the findings from laboratory experiments. They suggested that natural field experiments using treatment letters sent to potential donors may depict the actual giving compared to laboratory experiments as the former uses donors' money from their own income. Consistent to that, males were observed to be more generous in alumni giving in a study conducted by Loveday<sup>415</sup>. This study analyzed the alumni data and the archived employee data of a mid-sized southeastern university in the U.S from 2009-2010.

Another study using three different field environments<sup>416</sup> discovered that men who were younger than 50 donated less than women at the same age. However, no differences were proven between the genders aging beyond that. In an experiment of a dictator game based on ten charities, Eckel et al<sup>417</sup> uncovered that female students contributed more than the male students. While an interesting result can be found from a controlled laboratory experiment by Andreoni and Vesterlund<sup>418</sup> who stated that males tended to be more generous when the price of giving was low and became more selfish when the price was high. In contrast to that, females did not seem not to be deterred by the price and they chose to be equally generous to all charities regardless the price of giving. Nevertheless, it is concluded from this study

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<sup>413</sup> Kottasz, "Differences in the Donor Behavior Characteristics of Young Affluent Males and Females : Empirical Evidence From Britain."

<sup>414</sup> Tine Hjernø Lesner and Ole Dahl Rasmussen, "The Identifiable Victim Effect in Charitable Giving: Evidence from a Natural Field Experiment," *Applied Economics* 46, no. 36 (2014): 4409–4430, doi:10.1080/00036846.2014.962226.

<sup>415</sup> Christine Hawk Loveday, "An Analysis of the Variables Associated with Alumni Giving and Employee Giving to a Mid- Sized Southeastern University" (East Tennessee State University, 2012).

<sup>416</sup> List, John A. "Young, Selfish and Male: Field evidence of social preferences\*." *The Economic Journal* 114.492 (2004): 121-149.

<sup>417</sup> Eckel, Catherine C., Philip J. Grossman, and Rachel M. Johnston. "An experimental test of the crowding out hypothesis." *Journal of Public Economics* 89.8 (2005): 1543-1560.

<sup>418</sup> James Andreoni and Lise Vesterlund, "Which Is the Fair Sex ? Gender Differences in Altruism," *The Quarterly Journal of Economics* 116, no. 1 (2001): 293–312.

that the variability in the effect of gender depends on the number of variables included in the model whereby the more variables included in the model the less visible the differences between genders can be observed.<sup>419</sup>

### 3.4.1.3 Marital Status

As two are better than one, a positive relationship can be found between giving and marital status. Most studies indicate that marriage increases the tendency of giving as seen in Brooks,<sup>420</sup> Hrung<sup>421</sup>, Matsunaga<sup>422</sup>, Mesch et al<sup>423</sup>, Rooney<sup>424</sup>, Van Slyke & Brooks<sup>425</sup>, and Wu et al<sup>426</sup>. This is due to the fact that marriage is seen as the engine for wealth that empowers a household's financial ability. Married households in the case of U.S were found to possess 40% more of wealth than single households that funded 76.2% of charitable giving.<sup>427</sup> Besides that, married people are also more exposed to a wide range of social networks and share each other's social networks.<sup>428</sup> To support that, married couples of the same alumni were proven to have the tendency to donate to their previous education institution as found in Okunade.<sup>429</sup> Although marriage increases the tendency to donate, in some cases the amount was found to be smaller compared to single men when correlated with income.<sup>430</sup> This is

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<sup>419</sup> René Bekkers and Pamala Wiepking, "Who Gives? A Literature Review of Predictors of Charitable Giving II – Gender, Family Composition and Income," *Voluntary Sector Review* 2, no. 3 (2012): 337–65.

<sup>420</sup> Brooks, Arthur C. "Does Social Capital Make You Generous?\*" *Social Science Quarterly* 86.1 (2005): 1-15.

<sup>421</sup> Warren B. Hrung, "After-Life Consumption and Charitable Giving," *American Journal of Economics and Sociology* 63, no. 3 (2004): 731–45, <http://www.jstor.org/stable/3488151>.

<sup>422</sup> Matsunaga, Y. "To give or not to give; to volunteer or not to volunteer; that is the question." *Evidence on Japanese philanthropic behavior revealed by the JGS-2005 data set* (2006).

<sup>423</sup> Mesch et al., "The Effects of Race, Gender, and Marital Status on Giving and Volunteering in Indiana."

<sup>424</sup> Rooney, Patrick M., et al. "The effects of race, gender, and survey methodologies on giving in the US." *Economics Letters* 86.2 (2005): 173-180.

<sup>425</sup> Van Slyke, David M., and Arthur C. Brooks. "Why do people give? New evidence and strategies for nonprofit managers." *The American Review of Public Administration* 35.3 (2005): 199-222.

<sup>426</sup> Wu, Shih-Ying, Jr-Tsung Huang, and An-Pang Kao. "An analysis of the peer effects in charitable giving: The case of Taiwan." *Journal of Family and Economic Issues* 25.4 (2004): 483-505.

<sup>427</sup> Paul G. Schervish John J. Havens, Mary A. O'Herlihy, "Charitable Giving: How Much, by Whom, to What, and How?," in *The Nonprofit Sector: A Research Handbook* 2, 2006, 542–65.

<sup>428</sup> Bryant, W. Keith, et al. "Participation in philanthropic activities: Donating money and time." *Journal of Consumer Policy* 26.1 (2003): 43-73.

<sup>429</sup> Albert A. Okunade and Robert L. Berl, "Determinants of Charitable Giving of Business School Alumni," *Research in Higher Education* 38, no. 2 (1997): 201–14.

<sup>430</sup> Mesch et al., "The Effects of Race, Gender, and Marital Status on Giving and Volunteering in Indiana."

consistent with the finding by Daneshvary et al who posited that higher giving was only significantly related to higher household income.<sup>431</sup>

Married households also provide different insights than single households as they involve two different genders that differ in preferences. Households that give full authority to anyone of the spouses would avoid the reduction of giving by 6% and those who handed over the decision to the wife would contribute to more charities but in smaller amounts.<sup>432</sup> Accordingly, Wiepking and Beckkers<sup>433</sup> also discovered that a couple, who made decision separately, gave a small donation and a male partner contributed largely when it was related to religious giving. A recent study using longitudinal data from the 2001 to 2009 of Income Dynamics found that newly married men were more willing to contribute largely to charity. Marital status also had a stronger positive impact on religious giving for both men and women.<sup>434</sup>

Nevertheless, many researchers namely Apinunmahakul & Devlin<sup>435</sup>, Bielefeld et al<sup>436</sup>, Carroll et al<sup>437</sup>, Houston<sup>438</sup>, Marx<sup>439</sup> and Opoku<sup>440</sup> stated that there was no relationship between marital status and giving. The explanation to this perhaps lies in the differences of geography, types of charity as well as age especially when the research involves young and unmarried respondents. Having said that, there are studies in alumni giving which exhibit

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<sup>431</sup> Daneshvary, Nasser, and William A. Luksetich. "Income sources and declared charitable tax deductions." *Applied Economics Letters* 4.5 (1997): 271-274.

<sup>432</sup> Andreoni, James, Eleanor Brown, and Isaac Rischall. "Charitable Giving by Married Couples Who Decides and Why Does it Matter?." *Journal of Human Resources* 38.1 (2003): 111-133.

<sup>433</sup> Wiepking, Pamala, and René Bekkers. "Does who decides really matter? Causes and consequences of personal financial management in the case of larger and structural charitable donations." *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 21.2 (2010): 240-263.

<sup>434</sup> Einolf, Christopher J., and Deborah Philbrick. "Generous or Greedy Marriage? A Longitudinal Study of Volunteering and Charitable Giving." *Journal of Marriage and Family* 76.3 (2014): 573-586.

<sup>435</sup> Apinunmahakul, Amornrat, and Rose Anne Devlin. "Charitable giving and charitable gambling: an empirical investigation." *National Tax Journal* (2004): 67-88.

<sup>436</sup> Bielefeld, Wolfgang, Patrick Rooney, and Kathy Steinberg. "How do need, capacity, geography, and politics influence giving." *Gifts of money in Americas communities* (2005): 127-158.

<sup>437</sup> Carroll, James, Siobhan McCarthy, and Carol Newman. "An econometric analysis of charitable donations in the Republic of Ireland." *Economic and Social Review* 36.3 (2005): 229.

<sup>438</sup> Houston, David J. "'Walking the walk" of public service motivation: Public employees and charitable gifts of time, blood, and money." *Journal of Public Administration Research and Theory* 16.1 (2006): 67-86.

<sup>439</sup> Marx, Jerry D. "Women and human services giving." *Social Work* 45.1 (2000): 27-38.

<sup>440</sup> Opoku, "Examining the Motivational Factors behind Charitable Giving among Young People in a Prominent Islamic Country."



negative relationship between marital status and giving. Research on alumni giving in the U.S by Monks<sup>441</sup> and Clotfelter<sup>442</sup> found that married alumni contributed less which was also shared in the UK study conducted by Belfield & Beney<sup>443</sup>. This negative relationship is primarily due to the lower income factor among the respondents.

### **3.4.2 Socio demographic Variables**

Socio demographic variable is a part of demography that has a combination between the social and demographic factors.<sup>444</sup> Through an extensive search on the charitable giving literature, there are a few important socio demographic variables that are usually discussed by the researchers in this field such as the income, education level, marital status, home ownership, number of children and employment. These variables are discussed primarily because they are related to the financial condition of a donor which will influence their decision to contribute.

#### **3.4.2.1 Income**

Among the most obvious and important factor of charitable giving is the income that plays an important role as the main source of the monetary donation. The focus of the study on income in the literature centers on the relationship between income level and charitable giving amount as well as charitable giving pattern. Research on the effect of income on charitable giving proves that the higher the income, the higher the donated amount. This has been proven by many scholars such as Andreoni & Miller<sup>445</sup>, Bekkers<sup>446</sup>, Eaton<sup>447</sup>, Lyons &

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<sup>441</sup> Monks, James. "Patterns of giving to one's alma mater among young graduates from selective institutions." *Economics of Education Review* 22.2 (2003): 121-130.

<sup>442</sup> Clotfelter, Charles T. "Alumni giving to elite private colleges and universities." *Economics of Education Review* 22.2 (2003): 109-120.

<sup>443</sup> Belfield, C. R., and A. P. Beney. "What determines alumni generosity? Evidence for the UK." *Education Economics* 8.1 (2000): 65-80.

<sup>444</sup> "Socio demographic Definition", accessed 3 February, 2014, <http://www.merriam-webster.com/dictionary/sociodemographic>

<sup>445</sup> Andreoni, James, and John Miller. "Giving according to GARP: An experimental test of the consistency of preferences for altruism." *Econometrica* 70.2 (2002): 737-753.

<sup>446</sup> Bekkers, René. "Measuring altruistic behavior in surveys: The all-or-nothing dictator game." *Survey Research Methods*. Vol. 1. No. 3. University of Groningen, 2007.

<sup>447</sup> Eaton, David H. "Charitable contributions and tax price elasticities for nonitemizing taxpayers." *International Advances in Economic Research* 7.4 (2001): 431-442.

Nivison-Smith<sup>448</sup>, Okten & Osili, Van Slyke & Brooks<sup>449</sup>, Yen<sup>450</sup> and others. The notion of income in this discussion also includes the household income as it gives similar impact to charitable giving especially when coupled with marital status factor as it has been proven to be positively influential on ethnic giving among foreign-born Korean immigrant in California.<sup>451</sup> Accordingly, it was found by Hughes & Luksetich<sup>452</sup> that a 10% increase in permanent household income resulted in the increase of charitable giving by 17.5%. This positive relationship can be directly understood because the income portrays the financial ability to donate. Therefore, the higher the income, the amount of donation should also be higher. This view was also shared by Carroll, McCarthy & Newman<sup>453</sup> who calculated that a 1 per cent increase in the income leads to a 7 per cent increase in the probability of participation and a 4 per cent increase in the amount of donation.

In contrast to the aforementioned findings, Walker & Pharaoh carried out a survey and the cross tabulation analysis showed that the poor gave 3.5% to 4% of their income whereas the rich only contributed 1% to 2%. Mayo and Tinsley<sup>454</sup> revealed that substantial increase in income does not necessarily increase the amount of donation. This was proven from the data of charitable giving in the U.S in 2004 that showed 95% of the highest income households gave relatively less to charity than the lower income households. Quite a similar finding can be seen from a study by Rahmatina Awaliah Kasri<sup>455</sup> who found positive relationship between the income and charitable giving but the donors who contributed more were from the middle

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<sup>448</sup> Lyons, Mark, and Ian Nivison-Smith. "Religion and giving in Australia." (2006): 419.

<sup>449</sup> Van Slyke, David M., and Arthur C. Brooks. "Why do people give? New evidence and strategies for nonprofit managers." *The American Review of Public Administration* 35.3 (2005): 199-222.

<sup>450</sup> Yen, Steven T. "An econometric analysis of household donations in the USA." *Applied Economics Letters* 9.13 (2002): 837-841.

<sup>451</sup> Seong-gin Moon and Sang Ok Choi, "Ethnic Giving Versus Mainstream Giving by Foreign-Born Korean Immigrants in California," *Nonprofit and Voluntary Sector Quarterly*, 2013, doi:10.1177/0899764012448235.

<sup>452</sup> Patricia Hughes and William Luksetich, "Income Volatility and Wealth: The Effect on Charitable Giving," *Nonprofit and Voluntary Sector Quarterly* 37, no. 2 (2008): 264-80, doi:10.1177/0899764007310416.

<sup>453</sup> Carroll, McCarthy, and Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland."

<sup>454</sup> John W. Mayo and Catherine H. Tinsley, "Warm Glow and Charitable Giving: Why the Wealthy Do Not Give More to Charity?," *Journal of Economic Psychology* 30, no. 3 (June 2009): 490-99, doi:10.1016/j.joep.2008.06.001.

<sup>455</sup> Kasri, "Giving Behaviors in Indonesia: Motives and Marketing Implications for Islamic Charities."

income group not the rich. This notion was also shared by Bryant et al<sup>456</sup> who discovered that a decreasing trend can be seen in the likelihood of giving among higher income earners.

To explain the philanthropy among the lower income group, Wiepking<sup>457</sup> conducted a study in the Netherlands among this group and reaffirmed the negative relationship between income and total of giving as well as religious giving. The empirical explanation derived from this study is that the expected level of giving in specific situations shared by the norms regardless of the income groups is the drive for giving among the poor. A study in London by Bennet<sup>458</sup> explained that the sense of affinity with the less fortunate and the belief that the poor were being unfairly treated, triggered the giving among the lower income earners. This behaviour was also very much influenced by their level of education. Therefore, it is suggested that the income factor influences the behaviour of giving at different levels among different groups of income that may also be caused by other factors.

### 3.4.2.2 Education

Another variable that is proven to be positively related to charitable giving is education as supported by many researchers namely Apinunmahakul & Devlin<sup>459</sup>, Bekkers & Wiepking<sup>460</sup>, Gittel & Tebaldi<sup>461</sup>, Glaeser et al<sup>462</sup>, James III<sup>463</sup>, Schlegelmilch, Kou et al<sup>464</sup>,

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<sup>456</sup> Bryant, W. Keith, et al. "Participation in philanthropic activities: Donating money and time." *Journal of Consumer Policy* 26.1 (2003): 43-73.

<sup>457</sup> Pamala Wiepking, "The Philanthropic Poor: In Search of Explanations for the Relative Generosity of Lower Income Households," *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 18, no. 4 (2007): 339-58.

<sup>458</sup> Roger Bennett, "Why Urban Poor Donate: A Study of Low Income Charitable Giving in London," *Nonprofit and Voluntary Sector Quarterly* 41, no. 5 (2012): 870-91, doi:10.1177/0899764011419518.

<sup>459</sup> Apinunmahakul, Amornrat, and Rose Anne Devlin. "Social networks and private philanthropy." *Journal of Public Economics* 92.1 (2008): 309-328.

<sup>460</sup> Bekkers, René, and Pamala Wiepking. "Who gives? A literature review of predictors of charitable giving part one: religion, education, age and socialisation." *Voluntary Sector Review* 2.3 (2011): 337-365.

<sup>461</sup> Ross Gittel and Edinaldo Tebaldi, "Charitable Giving: Factors Influencing Giving in U.S. States," *Nonprofit and Voluntary Sector Quarterly* 35, no. 4 (2006): 721-36, doi:10.1177/0899764006289768.

<sup>462</sup> Glaeser, Edward L., David Laibson, and Bruce Sacerdote. "An economic approach to social capital\*." *The Economic Journal* 112.483 (2002): F437-F458.

<sup>463</sup> Russell N James Iii, "Health, Wealth, and Charitable Estate Planning A Longitudinal Examination of Testamentary Charitable Giving Plans," *Nonprofit and Voluntary Sector Quarterly* 38, no. 6 (2009), doi:10.1177/0899764008323860.

<sup>464</sup> Kou et al., "The Global Dynamics of Gender and Philanthropy in Membership Associations: A Study of Charitable Giving by Lions Clubs International Members."

Diamantopoulos & Love<sup>465</sup>, Wiepking & Maas<sup>466</sup> and many more. Findings from the mentioned studies share a similarity in which a person with higher degree of education tends to donate more to the charity. Similarly in Ireland, Carroll, McCarthy & Newman<sup>467</sup> found that Irish households owning higher degrees such as Master or PhD tend to donate 13% more than household with the base (no education or primary education), 11 percent more likely to donate among households with a diploma/certificate and 9 percent more likely to donate among households with a degree. This could be explained by the general fact that higher education level is associated with better job opportunities and higher salaries<sup>468</sup>. Hence, the education level increases one's financial ability that consequently increases the portion in charitable giving.

Education also enlightens people on the need of the underserved people as supported by Glaeser, Laibson, and Sacerdote<sup>469</sup> who concluded that there is a strong link between education and both human and social capital. Thus, better educated people are more aware of this need and put an effort to develop the social capital. Likewise, education is proven to have a direct impact on charitable giving that enhances the act of giving by expanding the information, providing pleasurable experience through developing the consumption orientation, linking the deed to obligations as well as reducing the costs and risks as suggested by Brown.<sup>470</sup>

Besides that, research in education and charitable giving indicates that its relationship is also determined by types of charity. Yen<sup>471</sup> proves a positive relationship towards secular

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<sup>465</sup> Bodo B. Schlegelmilch, Adamantios Diamantopoulos and Alix Love "Characteristics Affecting Charitable Donations: Empirical Evidence from," *Journal of Marketing Practice: Applied Marketing Science* 3, no. 1 (1997): 14-28.

<sup>466</sup> Wiepking, Pamala, and Ineke Maas. "Resources that make you generous: Effects of social and human resources on charitable giving." *Social Forces* 87.4 (2009): 1973-1995.

<sup>467</sup> Carroll, McCarthy, and Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland."

<sup>468</sup> Schervish, Paul G., and John J. Havens. "Social participation and charitable giving: a multivariate analysis." *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 8.3 (1997): 235-260.

<sup>469</sup> Glaeser, Edward L., David Laibson, and Bruce Sacerdote. "An economic approach to social capital\*." *The Economic Journal* 112.483 (2002): F437-F458.

<sup>470</sup> Brooks, A. (2005). Does social capital make you generous? *Social Science Quarterly*, 86(1), 1-15.

<sup>471</sup> Yen, Steven T. "An econometric analysis of household donations in the USA." *Applied Economics Letters* 9.13 (2002): 837-841

giving but not religious giving. Consistent to that, Park and Park<sup>472</sup> also find no relationship between education and religious donations in Korea. Other types of charity such as giving for human need among women by Marx<sup>473</sup>, helping the poor by Regnerus Smith and Sikkink<sup>474</sup>, disaster victims by Wu, Huang and Kao<sup>475</sup> and charitable giving through welfare payment by Brooks<sup>476</sup> found no relationship between education and giving. This may imply that the drive for religious and humanitarian giving is not associated with the level of education and that it may be influenced by other elements.

Differences in degree majors and level of education posit different preferences in charitable giving. Research in alumni contribution proves that alumni with different majors in degree vary in amount of giving. Alumni majoring in Finance, Insurance, and Real Estate are willing to give significantly by about 15.5% compared to those in major area of business and economics.<sup>477</sup> This is due to the fact that finance, insurance and real estate field promise better job prospects. Similarly, a study by Monks<sup>478</sup> focusing on young graduates of chosen private universities in the USA uncovers that MBA graduates donate more to the alumni than the graduates without advanced degrees which also related to income reason. In addition, individuals leaving school over the age of 18 are less likely interested to give to door to door collections whereas those leaving school at 17-18 are positively attracted to donate through door-to-door collections, sponsorships and attending events<sup>479</sup>. It is suggested that

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<sup>472</sup> Park, Tae Kyu, and Su-Bum Park. "An economic study on charitable giving of individuals in Korea: Some new findings from 2002 survey data." *6th International Conference of the International Society for Third-sector Research, Ryerson University, Toronto, Canada*. 2004

<sup>473</sup> Marx, Jerry D. "Women and human services giving." *Social Work* 45.1 (2000): 27-38.

<sup>474</sup> Regnerus, Mark D., Christian Smith, and David Sikkink. "Who gives to the poor? The influence of religious tradition and political location on the personal generosity of Americans toward the poor." *Journal for the Scientific Study of Religion* (1998): 481-493.

<sup>475</sup> Wu, Shih-Ying, Jr-Tsung Huang, and An-Pang Kao. "An analysis of the peer effects in charitable giving: The case of Taiwan." *Journal of Family and Economic Issues* 25.4 (2004): 483-505.

<sup>476</sup> Brooks, Arthur C. "Welfare receipt and private charity." *Public budgeting & finance* 22.3 (2002): 101-114.

<sup>477</sup> Okunade and Berl, "Determinants of Charitable Giving of Business School Alumni."

<sup>478</sup> Monks, James. "Patterns of giving to one's alma mater among young graduates from selective institutions." *Economics of Education Review* 22.2 (2003): 121-130

<sup>479</sup> Adamantios Diamantopoulos Bodo B. Schlegelmilch, Alix Love, "Responses to Different Charity Appeals: The Impact of Donor," *European Journal of Marketing* 31, no. 8 (1997): 548-60.

fundraisers should target a large population with different education levels using multiple forms of appeal to increase fundraising.

### 3.4.2.3 Home Ownership

Apart from financial wealth, home ownership is another indicator of wealth that is strongly correlated to giving. A panel analysis using the Data Income Dynamics from 2001 to 2007 in the USA found that housing wealth had larger influence on charity contribution than financial wealth whereby a 10% increase in home equity raised the household charity donation by almost 1%.<sup>480</sup> Accordingly, it was also estimated by Carroll, McCarthy & Newman that the households owning the house by mortgage or outright were respectively 8 percent and 5 percent more likely to donate compared to households who rent the house.<sup>481</sup>

On the similar note, home ownership factor was correlated to the higher amount of giving in many studies by Bekkers & Wiepking<sup>482</sup>; Glaeser, Jones & Posnett<sup>483</sup>; Laibson & Sacerdote<sup>484</sup>, List<sup>485</sup>; Tiehen<sup>486</sup>; Todd & Lawson<sup>487</sup>; and Yamauchi & Yokohama<sup>488</sup>. However, there are studies which do not find any link between home ownership and charitable giving as in an experimental study to detect the type of donors by De Oliveira, Croson & Eckel<sup>489</sup> and a survey study focusing on the effect of solicitation by Bryant et al.<sup>490</sup>

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<sup>480</sup> Chau Do and Irina Paley, "Altruism from the House: The Impact of Home Equity on Charitable Giving," *Review of Economics of the Household* 10, no. 3 (April 27, 2011): 375–93, doi:10.1007/s11150-011-9123-8.

<sup>481</sup> Carroll, McCarthy, and Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland."

<sup>482</sup> Rene Bekkers and Pamala Wiepking, "To Give or Not to Give, That Is the Question: How Methodology Is Destiny in Dutch Giving Data," *Nonprofit and Voluntary Sector Quarterly* 35, no. 533 (2006), doi:10.1177/0899764006288286.

<sup>483</sup> Jones AM, Posnett JW. Charitable Donations by UK Households: Evidence from the Family Expenditure Survey. *Applied Economics* 23(1991):343-51

<sup>484</sup> Edward L. Glaeser, David Laibson, and Bruce Sacerdote, "An Economic Approach to Social Capital\*," *The Economic Journal* 112, no. 483 (November 2002): F437–58, doi:10.1111/1468-0297.00078.

<sup>485</sup> John A List, "Does Price Matter in Charitable Giving? Evidence from a Large-Scale Natural Field Experiment" 97, no. 5 (2007): 1774–93.

<sup>486</sup> Tiehen L. Tax policy and charitable contributions of money. *National Tax Journal* 54 (2001):707-23

<sup>487</sup> Todd SJ, Lawson RW. Towards a better understanding of the financial donor: An examination of donor behavior in terms of value structure and demographics. *International Journal of Nonprofit and Voluntary Sector Marketing* 4(1999):235-44

<sup>488</sup> Yamauchi N, Yokoyama S. What Determines Individual Giving and Volunteering in Japan? An Econometric Analysis Using the 2002 National Survey Data. 34th Arnova Conference. Washington, DC (2005).

<sup>489</sup> Angela C.M. de Oliveira, Rachel T.a. Croson, and Catherine Eckel, "The Giving Type: Identifying Donors," *Journal of Public Economics* 95, no. 5–6 (June 2011): 428–35, doi:10.1016/j.jpubeco.2010.11.012.

<sup>490</sup> W. Keith Bryant et al., "Participation in Philanthropic Activities : Donating Money and Time," *Journal of Consumer Policy* 26 (2003): 43–73.

### 3.4.2.4 Number of Children

Another important variable studied in this field is the number of children. The relationship between charitable giving and number of children resulted differently in studies conducted. It was proven in some studies that the number of children has positive relationship with the behaviour of giving. Rooney<sup>491</sup> found that both factors of number of children and number of children in college significantly influenced charitable giving among the parents. On the similar note, Lee & Chang<sup>492</sup> discovered that in Taiwan, households with children were more likely to contribute to charitable giving. While in the case of the UK and Ireland, it was indicated that there was a positive relationship between the number of children with the likelihood of making monetary contribution but not with the amount contributed.<sup>493</sup> This was also supported by Carroll, McCarthy & Newman<sup>494</sup> who uncovered that the number of children has a positive effect on participation but no significant effect on the amount of giving. Interestingly, Apinunmahakul & Devlin<sup>495</sup> found a positive effect on monetary giving with the number of children in the household for females but not for males.

In addition, a number of studies prove that different types of giving produce different results. The size of household was found to be positively correlated on religious giving but not to secular charitable giving by Yen<sup>496</sup> and Hrung<sup>497</sup>. In line with this finding, Brown and Ferris<sup>498</sup> and Brooks<sup>499</sup> also found positive relationship between number of children with

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<sup>491</sup> P. Rooney, "Methodology Is Destiny: The Effect of Survey Prompts on Reported Levels of Giving and Volunteering," *Nonprofit and Voluntary Sector Quarterly* 33, no. 4 (December 1, 2004): 628–54, doi:10.1177/0899764004269312.

<sup>492</sup> Lee, Y., & Chang, C. Who gives what to charity? Characteristics affecting donation behavior. *Social Behavior and Personality*, 35(9), (2007). 1173–1180.

<sup>493</sup> Carroll J, McCarthy S, Newman C. An Econometric Analysis of Charitable Donations in the Republic of Ireland. *The Economic and Social Review* 36 (2006) :229-49

<sup>494</sup> Carroll, McCarthy, and Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland."

<sup>495</sup> Amornrat Apinunmahakul and Rose Anne Devlin, "Social Networks and Private Philanthropy," *Journal of Public Economics* 92, no. 1–2 (February 2008): 309–28, doi:10.1016/j.jpubeco.2007.07.005.

<sup>496</sup> Yen ST. An Econometric Analysis of Household Donations in the USA. *Applied Economics Letters* 9.(2002) :837-41

<sup>497</sup> Hrung, "After-Life Consumption and Charitable Giving."

<sup>498</sup> Brown E, Ferris JM. Social Capital and Philanthropy: An Analysis of the Impact of Social Capital on Individual Giving and Volunteering. *Nonprofit and Voluntary Sector Quarterly* 36(2007):85-99

<sup>499</sup> Brooks AC. Does Social Capital Make You Generous? *Social Science Quarterly* 86(2005):1- 15

religious giving but not for secular giving by controlling the variable of memberships and trust.

Conversely, a negative effect of the household size and charitable giving was recorded in some studies. Bennet<sup>500</sup> suggested that the number of children impacted the likelihood of giving directly and from 250 interviewees in Central London, it was found that households with children donated less than households without children. In other parts of the world such as in Indonesia, it was shown that households with children younger than 14 were negatively correlated to the likelihood of donating.<sup>501</sup> Similar finding was gathered in Taiwan when larger households were recorded to donate less than smaller households in a few studies by Chang<sup>502</sup> and Wu et al.<sup>503</sup> This was also the case in the Netherlands when the negative relationship was proven between larger households and the amount donated.<sup>504</sup>

However, having discussed the studies that captured the relationship between number of children and charitable giving, there were also other studies that found no effect of children on charitable giving as concluded by Oliveira, Croson & Eckel<sup>505</sup>, Houston<sup>506</sup>, Lyons & Passey<sup>507</sup>, Bryant et al<sup>508</sup>, Brooks<sup>509</sup> and Marx.<sup>510</sup>

### 3.4.2.5 Employment

Studies have proven that different types of employment contribute to the variations in giving. There are many categories of employment discussed in the research. Some research

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<sup>500</sup>Bennett, R. "Factors underlying the inclination to donate to particular types of charity", *International Journal of Non-profit and Voluntary Sector Marketing*, Vol. 8 No. 1, (2003): 12-29.

<sup>501</sup> Okten C, Osili UO. Contributions in heterogeneous communities: Evidence from Indonesia. *Journal of Population Economics* 17(2004):603-26

<sup>502</sup> Chang, "Determinants of Religious Giving in an Eastern-Culture Economy : Empirical Evidence from Taiwan."

<sup>503</sup> Wu Shih Ying, Huang Jr-Tsung, and Kao An-Pang. "An Analysis of the Peer Effects in Charitable Giving : The Case of Taiwan," *Journal of Family and Economic Issues* 25, no. 4 (2004): 483-505.

Bekkers and Wiepking, "To Give or Not to Give, That Is the Question: How Methodology Is Destiny in Dutch Giving Data."

<sup>505</sup> de Oliveira, Croson, and Eckel, "The Giving Type: Identifying Donors."

<sup>506</sup> D. J. Houston, "'Walking the Walk' of Public Service Motivation: Public Employees and Charitable Gifts of Time, Blood, and Money," *Journal of Public Administration Research and Theory* 16, no. 1 (December 16, 2004): 67-86, doi:10.1093/jopart/mui028.

<sup>507</sup> Lyons M, Passey A. *Giving Australia: Research on Philanthropy in Australia*. Sydney: University of Technology (2005)

<sup>508</sup> Bryant et al., "Participation in Philanthropic Activities : Donating Money and Time."

<sup>509</sup> Brooks AC. Welfare Receipt and Private Charity. *Public Budgeting & Finance* 22(2002):101- 14

<sup>510</sup> Marx JD. Women and Human Services Giving. *Social Work* 45(2000):27-38



generally classifies it in the mode of full time, part time or retired as seen in Kottasz<sup>511</sup>, others give more detailed classifications such as manual worker, non manual worker, self employed, farmer, agricultural worker, fisherman/forester or non-economically active as found in Carroll, McCarthy & Newman<sup>512</sup> suggesting that there is no a standard category of employment to be used in research but it depends on the types of respondents and the research objectives to be achieved.

Using only two categories of employment that is part-time and full time, Einolf<sup>513</sup> discovered that part time employment was a predictor to men's prosocial behaviour while being full time employee was a stronger predictor for secular giving among females. Using more detailed categories of employment as mentioned earlier, Carroll, McCarthy & Newman<sup>514</sup> concluded that of all the economic categories, the self employed was 7 percent less the likelihood to contribute. The self employed class was also found to be the least likely to donate by Kinsbergen & Tolsma<sup>515</sup> who used the eleven category EGP classification scheme by Erikson and added another two categories of unemployed and non employed. The study also indicated that donors from the first category which was the higher service class (Class I) contributed the largest of the rest.

Using more specific respondents, a study by Gazley & Dignam<sup>516</sup> who explored the volunteering aspect among the professionals stated that 60% of association donors were chief executives or managers of senior level. A study among public service, nonprofit and private workers revealed that public service employees were more charitable than private employees

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<sup>511</sup> Kottasz, "Differences in the Donor Behavior Characteristics of Young Affluent Males and Females : Empirical Evidence From Britain."

<sup>512</sup> Carroll, McCarthy, and Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland."

<sup>513</sup> Einolf, "Gender Differences in the Correlates of Volunteering and Charitable Giving."

<sup>514</sup> Carroll, McCarthy, and Newman, "An Econometric Analysis of Charitable Donations in the Republic of Ireland."

<sup>515</sup> Kinsbergen and Tolsma, "Explaining Monetary Donations to International Development Organisations: A Factorial Survey Approach."

<sup>516</sup> Gazley, Beth, and Monica Dignam. *The decision to volunteer: Why people give their time and how you can engage them*. ASAE & the Center for Association Leadership, 2008.

in the United States.<sup>517</sup> Similar finding was recorded in Japan by Yamauchi & Yokohama.<sup>518</sup> While a study on charitable giving among 217 young professionals who aged under 40 years with the earning more than £50,000 in Britain consisted of investment bankers, accountants, and corporate lawyers, found that professional in legal industries were more generous compared to those who worked in the financial sector.<sup>519</sup>

Although it is obvious that much research has shown that the employed were more likely to donate and donate larger amount compared to the unemployed as proven by Chang<sup>520</sup>, Lyons & Passey<sup>521</sup>, Lyons & Nivison-Smith<sup>522</sup>, Reed & Selbee<sup>523</sup>, and Weerts & Ronca<sup>524</sup>, there are also studies that show different findings. Wang & Ashcraft<sup>525</sup> posited that the retired donated more to the associations than the employed. No difference was indicated between the employed and unemployed in the inclination to contribute to human services by Marx<sup>526</sup> and to panhandlers by Lee & Farrell<sup>527</sup>. While no effect of employment on charitable giving was captured by Bennet<sup>528</sup>, de oliveira, Croson & Eckel<sup>529</sup> and Grossman<sup>530</sup>. The cause for this outcome is not clear but most of the studies were experimental studies that laid specific choices of charities to choose from and some respondents in the studies came from the background that was not attributable for employment factor for example students and

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<sup>517</sup> Houston, "Walking the Walk' of Public Service Motivation: Public Employees and Charitable Gifts of Time, Blood, and Money."

<sup>518</sup> Yamauchi, N., and S. Yokoyama. "What determines individual giving and volunteering in Japan? An econometric analysis using the 2002 National Survey Data." *34th Arnova Conference, Washington, DC*. 2005.

<sup>519</sup> Kottasz, "Differences in the Donor Behavior Characteristics of Young Affluent Males and Females : Empirical Evidence From Britain."

<sup>520</sup> Chang, "Determinants of Religious Giving in an Eastern-Culture Economy : Empirical Evidence from Taiwan."

<sup>521</sup> Lyons M, Passey "A. Giving Australia: Research on Philanthropy in Australia."

<sup>522</sup> Lyons M, Nivison-Smith I. Religion and Giving in Australia. *Australian Journal of Social Issues* 41(2006):419-36

<sup>523</sup> P. B. Reed and L. K. Selbee, "The Civic Core in Canada: Disproportionality in Charitable Giving, Volunteering, and Civic Participation," *Nonprofit and Voluntary Sector Quarterly* 30, no. 4 (December 1, 2001): 761–80, doi:10.1177/0899764001304008.

<sup>524</sup> Weerts DJ, Ronca JM. Profiles of Supportive Alumni: Donors, Volunteers, and Those Who "Do It All". *International Journal of Educational Advancement* 7 (2007):20-34

<sup>525</sup> Lili Wang and Robert F Ashcraft, "Organizational Commitment and Involvement: Explaining the Decision to Give to Associations," *Nonprofit and Voluntary Sector Quarterly*, 2014, doi:10.1177/0899764013515755.

<sup>526</sup> Marx JD. Women and Human Services Giving. *Social Work* 45(2000):27-38

<sup>527</sup> Lee BA, Farrell CR. Buddy, can you spare a dime? Homelessness, panhandling, and the public. *Urban Affairs Review* 38 (2003):299-324

<sup>528</sup> Bennett, "Why Urban Poor Donate: A Study of Low Income Charitable Giving in London."

<sup>529</sup> de Oliveira, Croson, and Eckel, "The Giving Type: Identifying Donors."

<sup>530</sup> Catherine Eckel et al., "Is More Information Always Better? An Experimental Study of Charitable Giving and Hurricane Katrina," *Southern Economic Journal* 74, no. 2 (2007): 388–411, <http://www.jstor.org/stable/20111974>.

poor urban. Thus it is assumed that these reasons contribute to the differing results of the employment factor.

### 3.4.3 Medium of Information

Other than the demographic and socio demographic factors, there are other extrinsic factors that significantly influence the charitable giving which are also categorized in this study as the mechanisms. One of the mechanisms is the medium of information that works as the source that facilitates the awareness of need<sup>531</sup>. Generally, one of effective medium of information is the media which is the plural word of medium referring to the means of communication such as the television, radio or newspaper that has a wide coverage and influence<sup>532</sup>. In this context, this form of communication plays an important role in disseminating information about charities and people who are in dire need of help. Therefore many studies have been done to ascertain the role of media in charitable giving which has been highlighted in a study by Sergeant<sup>533</sup> suggesting that the media serves as the input in the model of individual charity giving behaviour especially to generate prospective donors.

Significant role of media has also been proven in time of disaster when it is found to offer a relief to the victims of massive natural disaster such as hurricane and tsunami. A case study on the effect of media coverage on the tsunami in South Asian countries triggered by an earthquake off the northwest coast of Sumatra on 26 December 2004 found a dramatic impact of media on donations to relief agencies by 13.2% increase for an additional minute of disaster coverage on the nightly news and 18.2% increase in daily donation for an additional 700 word story in the New York Times or Wall Street Journal<sup>534</sup>. Similarly, in an

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<sup>531</sup> René Bekkers and Pamala Wiepking, "A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms That Drive Charitable Giving."

<sup>532</sup> <http://www.thefreedictionary.com/media>

<sup>533</sup> Adrian Sargeant, "Charitable Giving: Towards a Model of Donor Behaviour," *Journal of Marketing Management* 15, no. 4 (May 1999): 215–38, doi:10.1362/026725799784870351.

<sup>534</sup> Philip. H Brown and Jessica. H Minty, "Media Coverage & Charitable Giving After the 2004 Tsunami," *William Davidson Institute Working Paper Number 855*, no. 855 (2006), <http://ssrn.com/abstract=968760>.

experimental study of the impact of Katrina Hurricane, it was found that the amount of giving was responsive to the experimental design. Although psychological attitudes of the victims showed a significant effect on the amount of giving, overload information on the disaster produced negative or 'burnt out' response especially among those who were the closest to the disaster<sup>535</sup>. In addition context variation is seen to be influential in gaining donation for disaster victims. A factorial survey using a multilevel analysis based on a sample of 430 German students showed that details on the situations of the disaster and allocation of donation resulted in the largest contribution.<sup>536</sup>

As the technology advances through time, the medium of communication has also grown into many other forms via the internet which contributes to the existence of social media such as the application of the facebook, twitter, whatsapp and others. This development has encouraged many current studies on the influence of social media on charitable giving as carried out by Mano<sup>537</sup> using a secondary data analysis based on the PEW Internet and American Life Project from Princeton Survey Research Associates, in 2008 which included 6270 individuals residing in the USA and using the Internet. She suggested that social media and networking enhanced the voluntary and monetary contribution participation and it was also proven to reinforce ethical consumption online or offline.

A study by Saxton & Wang<sup>538</sup>, on 66 nonprofit organizations that have accounts on the Facebook Causes; which is a facebook site for fundraising efforts, it was concluded that there was a growing interest in online charity and facebook donors inclined to donate not due to organisation's financial capacity but more to its web capacity. They also pruned to donate to

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<sup>535</sup> Eckel et al., "Is More Information Always Better? An Experimental Study of Charitable Giving and Hurricane Katrina."

<sup>536</sup> Veronika A Andorfer and Gunnar Otte, "Do Contexts Matter for Willingness to Donate to Natural Disaster Relief? An Application of the Factorial Survey," *Nonprofit and Voluntary Sector Quarterly* 42, no. 4 (2013): 657–88, doi:10.1177/0899764012440180.

<sup>537</sup> Rita S. Mano, "Social Media, Social Causes, Giving Behavior and Money Contributions," *Computers in Human Behavior* 31 (February 2014): 287–93, doi:10.1016/j.chb.2013.10.044.

<sup>538</sup> G. D. Saxton and L. Wang, "The Social Network Effect: The Determinants of Giving Through Social Media," *Nonprofit and Voluntary Sector Quarterly* 43, no. 5 (April 24, 2013): 850–68, doi:10.1177/0899764013485159.

certain categories especially for health related organizations. Another study conducted on the use of facebook among young people engaging on online charity, found that the Millennials were interested to donate towards appeals that show benefits to the recipients and that autonomous motivation was the key for the emphatic feeling to donate.<sup>539</sup> Thus, realizing the significant role of medium of information on giving, the categories of information sources are expanded to determine its role to create awareness of giving and reach out for the aid needed.

### 3.4.4 Tax

Tax deduction has been an effective incentive in encouraging the giving behaviour especially in the form of monetary donation. Clotfelter<sup>540</sup> summarized the findings from a few studies on the effects of tax on charitable giving in the US from the econometric analysis standpoint implying that the income tax has a strong effect on giving. Most of the studies in this field used aggregated and individual data, data from tax returns and survey data, and foreign as well as U.S. experience. Another study by Auten et al<sup>541</sup> supported the effect of tax deduction on giving and posited that there were two ways of a tax to affect the level of giving, the price effect and the income effect. Both of the ways consist a transitory component and a persistent component. To ensure a long lasting effect of tax reforms, the persistent price effect was considered more influential and important with the value between  $-0.79$  and  $-1.26$  while the smaller transitory price effect was estimated between  $-0.40$  and  $-0.61$ .

To examine the effect of tax prices of cash and non cash giving, a study by Eaton & Milkman<sup>542</sup> used the data from the Internal Revenue Service Individual Tax Model File Panel, managed by the Office of Tax Policy Research at the University of Michigan which

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<sup>539</sup> Michele Paulin et al., "Motivating Millennials to Engage in Charitable Causes through Social Media," *Journal of Service Management* 25, no. 3 (June 10, 2014): 334–48, doi:10.1108/JOSM-05-2013-0122.

<sup>540</sup> Charles T. Clotfelter, "Charitable Giving Behavior and the Evaluation of Tax Policy," *National Bureau of Economic Research* 1 (1985): 273–88.

<sup>541</sup> Gerald E Auten et al., "Charitable Giving, Income, and Taxes: An Analysis of Panel Data," *The American Economic Review* 92, no. 1 (2002): 371–82.

<sup>542</sup> David H Eaton and Martin I Milkman, "An Empirical Examination of the Factors That Influence the Mix of Cash and Oncash Giving to Charity," *Public Finance Review* 32, no. 6 (2004): 610–30, doi:10.1177/1091142104264302.

provided the information of the tax returns of more than 20,000 taxpayers in 1990. It was found that the taxpayers were responsive to the price of tax whereby an increase in the relative price of noncash to cash gifts significantly reduced the proportion of gifts in the noncash form, with an elasticity that often exceeds  $-1.0$ . The notion of price elasticity influences the giving is supported by many other studies such as in Pelozo & Steel<sup>543</sup> who found an estimate of above  $-2$  in absolute value thorough meta-analysis, a study in Taiwan on religious giving by Chang<sup>544</sup> recorded a statistically significance of price elasticity for individuals of Eastern religions, but not for individuals affiliated with Christianity and an evidence from France by Fack et al<sup>545</sup> revealed that although the price elasticity of contributions is relatively small, it tends to increase with the level of gifts. Accordingly, a current study using the data from DonorsChoose.org, an online platform linking teachers with prospective donors also proved that an increased price of giving lowered the likelihood of a project being funded and the estimation for the price elasticity of giving was between  $-0.8$  and  $-2$ .<sup>546</sup>

However, a different outcome was detected in a research comparing the motivation for religious and secular giving in which the religious giving was seemed unresponsive to price and income as contrast to the secular giving.<sup>547</sup>

### 3.5 The Intrinsic Factors

Intrinsic factors are the underlying motives of an individual to participate in charitable giving<sup>548</sup> which mostly related to the psychographic and attitudinal variables.<sup>549</sup> These

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<sup>543</sup> Pelozo, John, and Piers Steel. "The price elasticities of charitable contributions: a meta-analysis." *Journal of Public Policy & Marketing* 24.2 (2005): 260-272.

<sup>544</sup> Chang, "Determinants of Religious Giving in an Eastern-Culture Economy : Empirical Evidence from Taiwan."

<sup>545</sup> Gabrielle Fack et al., "Are Tax Incentives for Charitable Giving Efficient? Evidence from France," *American Economic Journal: Economic Policy* 2, no. 2 (2010): 117–41, doi:http://www. aeaweb. org/articles.php ?doi=10.1257/pol. 2.2.117.

<sup>546</sup> Jonathan Meer, "Effects of the Price of Charitable Giving: Evidence from an Online Crowdfunding Platform," *Journal of Economic Behavior & Organization* 103 (July 2014): 113–24, doi:10.1016/j.jebo.2014.04.010.

<sup>547</sup> Sara E. Helms and Jeremy P. Thornton, "The Influence of Religiosity on Charitable Behavior: A COPPS Investigation," *The Journal of Socio-Economics* 41, no. 4 (August 2012): 373–83, doi:10.1016/j.socec.2012.04.003.

<sup>548</sup> Sargeant, "Charitable Giving: Towards a Model of Donor Behaviour."

<sup>549</sup> Lee and Golden, "Intrinsic or Extrinsic? Determinants Affecting Donation Behaviors."

intrinsic factors can be categorized into two categories. The first category refers to the factors which are the personal characteristics or values of a person such as the sense of social responsibility<sup>550</sup>, egoistic and altruistic behaviours<sup>551</sup>, personality such as extraversion and assertiveness<sup>552</sup> and emotional factors such as empathy<sup>553</sup>. Another category of intrinsic factor is the internalized factor due to external influences such as religion, self image, financial situation and also the charity organizations which are expressed through one's perception. These factors can be measured through perceptions of charities<sup>554</sup> which basically revolve around the issue of trust, the impact of religion through religiosity<sup>555</sup> and also financial situation<sup>556</sup> by going through one's financial management issues. Thus, a few relevant determinants found in the literature are discussed in the following sections.

### 3.5.1 Altruism

More often than not, in the discussion of philanthropic behaviour, altruism has become a debated topic in the studies of social psychology as well as economy which has formulated the theory of altruism. According to Lwin Phau & Lim<sup>557</sup>, the first person to coin the term of altruism was Comte in his articles dated back in 1858, 1865 and 1891 claiming that social behaviour is an expression of living for others. This term was then elaborated and defined by scholars in several ways. Altruism in its simplest form is a human nature that promotes

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<sup>550</sup> Bennett, Roger. "Factors underlying the inclination to donate to particular types of charity." *International Journal of Nonprofit and Voluntary Sector Marketing* 8.1 (2003): 12-29;

<sup>551</sup> Kottasz, "Differences in the Donor Behavior Characteristics of Young Affluent Males and Females : Empirical Evidence From Britain."

<sup>552</sup> Smith, David Horton. "Determinants of voluntary association participation and volunteering: A literature review." *Nonprofit and voluntary sector quarterly* 23.3 (1994): 243-263.

<sup>553</sup> Cialdini, Robert B., et al. "Empathy-based helping: Is it selflessly or selfishly motivated?." *Journal of personality and social psychology* 52.4 (1987): 749; Sargeant, "Charitable Giving: Towards a Model of Donor Behaviour." Bodo B. Schlegelmilch, Adamantios Diamantopoulos, "Characteristics Affecting Charitable Donations : Empirical Evidence from."

<sup>554</sup> Sargeant, Ford, and West, "Perceptual Determinants of Nonprofit Giving Behavior."

<sup>555</sup> Jan Reitsma et al., "Dimensions of Individual Religiosity and Charity : Cross-National Effect Differences in European Countries?," *Review of Religious Research* 47, no. 4 (2006): 347-62, <http://www.jstor.org/stable/20058103>.

<sup>556</sup> Pamala Wiepking and Rene Bekkers, "Does Who Decides Really Matter? Causes and Consequences of Personal Financial Management in the Case of Larger and Structural Charitable Donations," *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 21, no. 2 (2014): 240-63.

<sup>557</sup> Michael Lwin, Ian Phau, and Aaron Lim, "Charitable Donations: Empirical Evidence from Brunei," *Asia-Pacific Journal of Business Administration* 5, no. 3 (September 23, 2013): 215-33, doi:10.1108/APJBA-12-2012-0081.

unselfish acts concerning the welfare of others<sup>558</sup>. It is also defined as the willingness to act by considering the benefits and interest of others without any implicit motives.<sup>559</sup> To be more precise, Bar-Tal<sup>560</sup> ruled out five conditions for an act to be considered as altruistic which it must be performed: i) voluntarily, ii) to benefit others iii) intentionally iv) by giving the benefit as the goal v) without expecting external returns. Similarly, Eisenberg<sup>561</sup> defines altruism as selfless pro-social actions intended to benefit others.

Moreover, other scholar such as Brewer<sup>562</sup> depicts altruism as an unconditional cognitive activity to help others and Schwartz<sup>563</sup> views it as a helping behaviour toward others. The topic of altruism is also discussed in the context of egoism. Karylowski<sup>564</sup> categorizes egoism altruism is based on endocentric and exocentric motivations. The first is driven by improving one's own good image and the latter is moved by the desire to improve the welfare of others. Sober<sup>565</sup> takes on an advanced path by differentiating the two as separate terms based on motives and later classifying them into different types of egoism and altruism from extreme to moderate. According to him, egoism is self-driven whereas altruism is other-driven. Although the views come in many angles and perspective, they are all are based on one solid notion that altruism is a selfless act to help others.

To explain altruism from the economic perspective, a few terms are introduced to rationalize the spending on charitable giving as neoclassical microeconomics outlines that humans are the agents who selfishly seek to maximize their own utility.<sup>566</sup> The commonly

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<sup>558</sup> J. A. Piliavin and H. Charng, "Altruism: A Review of Recent Theory and Research," *Annual Review of Sociology* 16, no. 1 (1990): 27–65, doi:10.1146/annurev.soc.16.1.27.

<sup>559</sup> Thomas Nagel, *The Possibility of Altruism* (Oxford: Clarendon Press, 1970).

<sup>560</sup> Bar-Tal, D., Sharabany, R. & Raviv, A., "Cognitive Basis for the Development of Altruistic Behavior", in Andreas Bergh and Peter Engsted, *Cooperation and Helping Behaviour: Theories and Research*, Academic Press (New York: Academic Press, 1982).

<sup>561</sup> Eisenberg, N. *Altruistic Emotion, Cognition, and Behavior*, Lawrence Erlbaum Associates, Hillsdale, NJ. (1986).

<sup>562</sup> Gene a. Brewer, "Building Social Capital: Civic Attitudes and Behavior of Public Servants," *Journal of Public Administration Research and Theory* 13, no. 1 (2003): 5–25, doi:10.1093/jpart/mug011.

<sup>563</sup> Schwartz, Shalom H. "Elicitation of moral obligation and self-sacrificing behavior: an experimental study of volunteering to be a bone marrow donor." *Journal of personality and social psychology* 15.4 (1970): 283.

<sup>564</sup> Karylowski, J. "Two Types of Altruistic Behavior: Doing Good to Feel Good or to Make the Other Feel Good" in Bergh and Engsted, *Cooperation and Helping Behaviour: Theories and Research*.

<sup>565</sup> Elliott Sober, "What Is Psychological Egoism?," *Behaviorism* 17, no. 2 (1989): 17(2) 89-102.

<sup>566</sup> Peter Halfpenny, "Economic and Sociological Theories of Individual Charitable Giving: Complementary or Contradictory?," *International Journal of Voluntary and Nonprofit Organizations*, 10, no. 3 (1999): 197–215.



used terms to classify the different types of altruism are the pure altruism and impure altruism on the basis of utility function. Pure altruism refers to the act of helping others to achieve the goal of improving their general well being<sup>567</sup>. In this category the concern is placed solely on the welfare of the recipients while the impure altruism suggested by Andreoni involves the utility of the givers gained from the act of giving which is termed as the ‘warm glow’<sup>568</sup> or the joy of giving. The significance of the impure altruism theory is that it is more predictive towards the giving behaviour than the pure altruism theory which seems too idealistic to occur and provides empirical explanation as it captures the joy of giving that becomes the utility of giving.<sup>569</sup>

Since the introduction of the ‘warm glow’ term, many studies have produced empirical evidence on impure altruism from various research methodologies. In one of the studies using a panel data analysis of 1986–92 donations and government funding from the United States to 125 international relief and development organizations, impurely altruistic preferences led to either asymptotically zero or asymptotically complete crowd-out in a large donor population.<sup>570</sup> To specifically detect the facets of altruism, most of the studies conducted the laboratory experiment in the form of donation games.<sup>571</sup> Separating the pure and impure altruism, a laboratory experiment showed that respondents donated 20% of their endowments with approximately 57% of the participants who made a donation are impure altruist donors.<sup>572</sup> Another laboratory experiment proved that the behaviour of giving through the

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<sup>567</sup> S Becker, “A Theory of Social Interactions,” *Nber Working Paper Series*, 1974.:5

<sup>568</sup> James Andreoni, “Giving with Impure Altruism: Applications to Charity and Ricardian Equivalence,” *Journal of Political Economy* 97, no. 6 (1989): 1447, doi:10.1086/261662.

<sup>569</sup> James Andreoni, “Impure Altruism and Donations To Public Goods: A Theory of Warm-Glow Giving,” *Economic Journal* 100, no. 401 (1990): 464–77, doi:10.2307/2234133.

<sup>570</sup> David C Ribar et al., “Altruistic and Joy of Giving Motivations in Charitable Behavior,” *Journal of Political Economy* 110, no. 2 (2002): 425–57.

<sup>571</sup> James Andreoni, William T Harbaugh, and Lise Vesterlund, “Altruism in Experiments,” in *The New Palgrave Dictionary of Economics*, ed. Steven N. Durlauf and Lawrence E. Blume, 2007.

<sup>572</sup> Heidi Crumpler and Philip J. Grossman, “An Experimental Test of Warm Glow Giving,” *Journal of Public Economics* 92, no. 5–6 (June 2008): 1011–21, doi:10.1016/j.jpubeco.2007.12.014.

test of a dictator game can be rationalized by the impurely altruistic utility by 66%.<sup>573</sup> Consistent to that, another experiment on altruism also provided similar result when impure altruism was proven to increase the overall charitable donation as compared to other types of altruism.<sup>574</sup>

Another methodology used to detect altruism is through the field experimental study. A field experiment yielded a result that pro social behaviour among women workers was motivated by the warm glow altruism while no additional impact was found due to pure altruism<sup>575</sup>. Another study on prosocial incentives and workers also indicates that warm glow giving leads to better performance among the workers.<sup>576</sup> However, the warm glow motivation does not necessarily increase the donation as found in a study by Chuan & Samak<sup>577</sup> who conducted a field experimental study manipulating the warm glow utility in a door to door fundraising. Another field experiment involving 200 donors suggested that warm glow utility is the drive for gift donation leading to socially inefficient gifts caused by preferences in variety among similar charities and risk aversion over social value of charitable gifts.<sup>578</sup> Similar to that, it was found in an experimental study that although impure altruism motive increases the donation, it also leads to inefficient allocation of resources.<sup>579</sup>

Other than motives, elements that become the source of altruistic act are the feeling of empathy and sympathy. Recognizing their significance on altruism, social-psychology studies have come out with the empathy-altruism hypothesis which shows that people are

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<sup>573</sup> Oleg Korenok, Edward L. Millner, and Laura Razzolini, "Impure Altruism in Dictators' Giving," *Journal of Public Economics* 97 (January 2013): 1–8, doi:10.1016/j.jpubeco.2012.08.006.

<sup>574</sup> Subhasish M. Chowdhury and Joo Young Jeon, "Impure Altruism or Inequality Aversion?: An Experimental Investigation Based on Income Effects," *Journal of Public Economics* 118 (October 2014): 143–50, doi:10.1016/j.jpubeco.2014.07.003.

<sup>575</sup> Mirco Tonin and Michael Vlassopoulos, "Disentangling the Sources of pro-Socially Motivated Effort: A Field Experiment," *Journal of Public Economics* 94, no. 11–12 (2010): 1086–92, doi:10.1016/j.jpubeco.2010.08.011.

<sup>576</sup> Alex Imas, "Working for the 'warm Glow': On the Benefits and Limits of Prosocial Incentives," *Journal of Public Economics* 114 (June 2014): 14–18, doi:10.1016/j.jpubeco.2013.11.006.

<sup>577</sup> Amanda Chuan and Anya C Samak, "'Feel the Warmth' Glow: A Field Experiment on Manipulating the Act of Giving," *Social Science Research Network*, 2013.

<sup>578</sup> C. Null, "Warm Glow, Information, and Inefficient Charitable Giving," *Journal of Public Economics* 95, no. 5–6 (June 2011): 455–65, doi:10.1016/j.jpubeco.2010.06.018.

<sup>579</sup> Andrew Lilley and Robert Slonim, "The Price of Warm Glow," *Journal of Public Economics*, December 2014, doi:10.1016/j.jpubeco.2013.12.004.

driven by emphatic and sympathetic feelings to help out others and that it becomes the underlying cause for altruism.<sup>580</sup> According to Fong, an altruistic behaviour combines the unconditional altruism which covers simple altruism, warm glow altruism and all egalitarianism with the reciprocal or conditional altruism is motivated by the deserving rewards and punishments to others formulating the hypothesis of empathic responsiveness.<sup>581</sup> To further highlight the relationship of empathic feeling with altruism, an experimental study using functional MRI to monitor the neural activity to detect perceived pain in others while observing related videos was carried out. It was found that stronger perceived pain leads to higher monetary donation.<sup>582</sup> Similarly, empathic concern was also proven to affect donation decision positively.<sup>583</sup>

In Islam, altruism or selflessness is similar to the concept of *al-Īthār*<sup>584</sup> or ‘preferring others than oneself<sup>585</sup>’ as stated in Surah al-Hasyr:

وَالَّذِينَ تَبَوَّءُوا الدَّارَ وَالْإِيمَانَ مِنْ قَبْلِهِمْ يُحِبُّونَ مَنْ هَاجَرَ إِلَيْهِمْ وَلَا يَجِدُونَ فِي صُدُورِهِمْ حَاجَةً  
مِمَّا أُوتُوا وَيُؤْثِرُونَ عَلَىٰ أَنْفُسِهِمْ وَلَوْ كَانَ بِهِمْ خَصَاصَةٌ ۗ وَمَنْ يُوقِ شَحْنًا فَلْيُكْفِهِمْ  
المفلحون

Translation: “And [also for] those who were settled in al-Madinah and [adopted] the faith before them. They love those who emigrated to them and find not any want in their breasts of what the emigrants were given but give [them] preference over themselves, even though they are in privation. And whoever is protected from the stinginess of his soul - it is those who will be the successful”.<sup>586</sup>

(Al-Hasyr 59:9)

<sup>580</sup> C. D. Batson and L. L. Shaw, “Evidence for Altruism: Toward a Pluralism of Prosocial Motives,” *Psychological Inquiry*, 1991.

<sup>581</sup> Christina M Fong, “Evidence from an Experiment on Charity to Welfare Recipients: Reciprocity, Altruism and the Empathic Responsiveness Hypothesis,” *The Economic Journal* 117, no. 522 (2007): 1008–24.

<sup>582</sup> Yina Ma, Chenbo Wang, and Shihui Han, “Neural Responses to Perceived Pain in Others Predict Real-Life Monetary Donations in Different Socioeconomic Contexts,” *NeuroImage* 57, no. 3 (August 1, 2011): 1273–80, doi:10.1016/j.neuroimage.2011.05.003.

<sup>583</sup> Griet a. Verhaert and Dirk Van den Poel, “Empathy as Added Value in Predicting Donation Behavior,” *Journal of Business Research* 64, no. 12 (December 2011): 1288–95, doi:10.1016/j.jbusres.2010.12.024.

<sup>584</sup> Shukla, Archana, and Tabinda Zaidi. “Impact of fasting on altruism and self-regulation among young Muslim females.” *Indian Journal of Positive Psychology* 7, no. 4 (2016): 439.; Suzuki, Yasushi, Yasushi Suzuki, Mohammad Dulal Miah, and Mohammad Dulal Miah. “Altruism, reciprocity and Islamic equity finance.” *International Journal of Islamic and Middle Eastern Finance and Management* 9, no. 2 (2016): 205-221.

<sup>585</sup> Homerin, L. E. “Altruism in Islam.” *Altruism in World Religions* (2005): 84.

<sup>586</sup> Department of Islamic Development Malaysia, “*Tafsir ar-Rahman Interpretation of the Meaning of the Quran*,” :1099-1100

The act of preferring others or altruism is the value which distinguishes the homoislamicus<sup>587</sup> and homoeconomicus<sup>588</sup> that becomes the virtue and aim of a Muslim man contradicting to the aim of the latter which is the maximized utility<sup>589</sup>. Thus, it is not something peculiar and strange for a man of faith to sacrifice his own need to fulfill others' as it has been the emphasized *akhlak* or deed by the Prophet Muhammad. As being an altruist is driven by religious belief and teaching, thus, altruism in the Islamic context is similar to the pure altruism referring to the act of helping others to achieve the goal of improving their general well being<sup>590</sup>.

Therefore, by having a thorough discussion on altruism, it is not the intention of this study to differentiate the different types of altruism but rather to capture the possible characteristics of altruism which constitutes of concern for others' benefit, feeling of empathy and joy of giving. Although many studies on altruism employ experimental designs, it is important to note that altruism can also be observed through survey research as measured in the 2002 General Social Survey Topical Module on Altruism<sup>591</sup> and the fact that experimental designs are somehow unable to address the issues of the origin of altruistic preferences, significance of altruism outside the laboratory condition and other possible ulterior motives of altruism as highlighted by Andreoni,<sup>592</sup> survey methodology is deemed appropriate to elicit the essence of altruism.

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<sup>587</sup> *Homo islamicus*, is assumed as a part of an idealized society, imbued with Islamic values and commitment." (Farooq, Mohammad Omar. "Self-interest, homo Islamicus and some behavioral assumptions in Islamic economics and finance." <http://ssrn.com/abstract=1740729>,(2011).

<sup>588</sup> *Homo economicus* is "the human species in its capability to rationally decide, that is, essentially that people will act in their own best interest when making decisions." (ibid)

<sup>589</sup> Warde, Ibrahim. *Islamic finance in the global economy*. Edinburgh University Press, 2000.

<sup>590</sup> S Becker, "A Theory of Social Interaction":5

<sup>591</sup> Christopher J. Einolf, "Empathic Concern and Prosocial Behaviors: A Test of Experimental Results Using Survey Data," *Social Science Research* 37, no. 4 (December 2008): 1267–79, doi:10.1016/j.ssresearch.2007.06.003.

<sup>592</sup> Andreoni, Harbaugh, and Vesterlund, "Altruism in Experiments."

### 3.5.2 Trust

Another salient variable in charitable fundraising activities especially in the context of giving to nonprofit institutions is the element of trust. The notion of trust is defined as the extent of a donor's belief that a charity will accomplish its obligations and expectations<sup>593</sup> which is very crucial as donors need an assurance that their money is well spent and their trust is not misplaced<sup>594</sup>. Building trust among donors is important as it promotes confidence toward nonprofit organizations<sup>595</sup> and motivates the donating behaviour toward charitable organizations.<sup>596</sup> It also becomes a crucial indicator to evaluate the performance of a charity<sup>597</sup> as donation recipients need to be trustworthy to attract donors. A study in Japan on the influence of trust on giving and volunteering breaks down the element of trust into two major categories which are the social trust and the institutional trust. Social trust refers to the trust on people while the latter refers to the trust on charitable institutions. This study reckons that institutional trust was more predictive to the behaviour of giving than volunteering.<sup>598</sup> In a computerized laboratory experiment, a correlation between altruistic behaviour in the form of charitable giving between trustworthiness was proven<sup>599</sup>. This result demonstrates that altruistic act is the signal of trust.

More specifically, Sargeant developed a model to predict the behaviour of giving to nonprofit institutions in the US by placing trust as the mediator between giving and donor's perception in terms of charity performance, communication and responsiveness. The survey

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<sup>593</sup> Sargeant, Adrian, and Stephen Lee. "Trust and relationship commitment in the United Kingdom voluntary sector: Determinants of donor behavior." *Psychology & Marketing* 21.8 (2004): 613-635.

<sup>594</sup> K. Burnett, *Relationship Fundraising*, vol. 2 (San Francisco: Jossey-Bass, 1992).

<sup>595</sup> F. and Passey A. Tonkiss, "Trust, Confidence and Voluntary Organisations: Between Values and Institutions," *Sociology* 33, no. 2 (1999): 257-74, doi:0803973233.

<sup>596</sup> Jos Van Iwaarden et al., "Charities: How Important Is Performance to Donors?," *International Journal of Quality & Reliability Management* 26 (2009): 5-22, doi:10.1108/02656710910924143.;

<sup>597</sup> Yongjiao Yang, Iain Brennan, and Mick Wilkinson, "Public Trust and Performance Measurement in Charitable Organizations," *International Journal of Productivity and Performance Management*, 2014, doi:http://dx.doi.org/10.1108/IJPPM-09-2013-0159.

<sup>598</sup> Hiromi Taniguchi and Gul Aldikacti Marshall, "The Effects of Social Trust and Institutional Trust on Formal Volunteering and Charitable Giving in Japan," *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 25, no. 1 (September 5, 2012): 150-75, doi:10.1007/s11266-012-9328-3.

<sup>599</sup> Fehrler and Przepiorka, "Charitable Giving as a Signal of Trustworthiness: Disentangling the Signaling Benefits of Altruistic Acts."

involving 1300 donors showed that trust was significantly influenced by performance and communication but not by responsiveness.<sup>600</sup> Accordingly, the element of trust is also influenced by many other factors. From the perspective of zakat payers, the domain of trust is drawn from the factors of board capital, disclosure practices, zakat institution governmental model and stakeholder management.<sup>601</sup> Another survey study also reveals that perceived relationship quality which comprises of higher order construct of trust, commitment and satisfaction was significantly influenced by religiosity and self-construal. Religiosity and perceived relationship quality in the mean time, directly impacted the future giving intention.<sup>602</sup> Bekkers & Wiepking<sup>603</sup> suggested that trust can also be enhanced by donations of significant people to a charity and in the case of Netherlands, trust becomes the key to the growth of charitable organizations and these organizations are recommended to project the trustworthiness to the public via an accountable accreditation system.<sup>604</sup>

In addition, trust plays a significant role in retaining the loyalty of donors to a charitable institution as the relationship between donors and charities is basically generated by this element not only in the short run but also in the long run as observed in the study by Sargeant, Ford & West<sup>605</sup>. Furthermore, a mixed methodology study of a qualitative study involving 32 convergent interviews with Australian financial donors to charities; and followed by a quantitative, online survey participated by 396 Australians charities donors was conducted. This relationship was confirmed and perceived credibility-based trust was found positively

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<sup>600</sup> Sargeant, Ford, and West, "Perceptual Determinants of Nonprofit Giving Behavior."

<sup>601</sup> Murtala Oladimeji, Abioye Mustafa, and Muhammad Akhyar Adnan, "Antecedents of Zakat Payers' Trust in an Emerging Zakat Sector: An Exploratory Study," 2008, doi:10.1108/17590811311314267.

<sup>602</sup> Skarmeas and Shabbir, "Relationship Quality and Giving Behaviour in the UK Fundraising Sector Exploring the Antecedent Roles of Religiosity."

<sup>603</sup> René Bekkers and Pamala Wiepking, "A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms That Drive Charitable Giving."

<sup>604</sup> René Bekkers, "Trust, Accreditation, and Philanthropy in the Netherlands," *Nonprofit and Voluntary Sector Quarterly* 32, no. 4 (2003): 596–615, doi:10.1177/0899764003258102.

<sup>605</sup> Sargeant, Ford, and West, "Perceptual Determinants of Nonprofit Giving Behavior."

influenced loyalty.<sup>606</sup> A survey conducted to determine the factors influencing their repeat donation intention involving residents of two cities in the eastern part of the Netherlands showed that their continuous intention to donate to a charity was due to their positive experience with that organization, respondents' affinity with the cause of the charitable organization, their trust in the organization, and the organization's positive reputation.<sup>607</sup> A further investigation on the role of trust in repeat donation was carried out by comparing between Dutch and American donors. Although it was found that repeat donation was significantly higher among American donors, they were not influenced by trust as much as the Dutch donors and their intention was more dependent on their affinity with the cause of the charitable organization.<sup>608</sup>

### 3.5.3 Religiosity

Another important element that has been proven to impact charitable giving is religiosity. Religiosity is the degree of an individual commitment towards his or her religion<sup>609</sup> which is demonstrated by his/her attitudes and behaviour<sup>610</sup>. As most religions in the world promote benevolent acts, it is assumed that religious people are prone to be pro social. Many studies have discussed the influence of religiosity on pro social behaviours in different perspectives. Brown & Ferris<sup>611</sup> found that those who believe in the importance of religion are more generous and religiosity is the foremost avenue for religious giving. Ranganathan & Henley<sup>612</sup> revealed that religiosity is the most important predictor of attitude towards

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<sup>606</sup> Jennifer O Loughlin Banks and Maria M Raciti, "Perceived and Evidenced Credibility-Based Trust and Financial Donors' Loyalty to Charities: A Relationship Marketing Perspective," *E-Journal of Social & Behavioural Research in Business* 5, no. 1 (2014): 25–35.

<sup>607</sup> Ardion Beldad, "Generosity the Second Time Around: Determinants of Individuals' Repeat Donation Intention."

<sup>608</sup> Beldad et al., "Generous But Not Morally Obligated? Determinants of Dutch and American Donors' Repeat Donation Intention (REPDON)."

<sup>609</sup> Ernest Cyril De Run et al., "Attitudes towards Offensive Advertising: Malaysian Muslims' Views," *Journal of Islamic Marketing* 1 (2010): 25–36, doi:10.1108/17590831011026204.

<sup>610</sup> Byron R. Johnson et al., "Does Adolescent Religious Commitment Matter? A Reexamination of the Effects of Religiosity on Delinquency," *Journal of Research in Crime and Delinquency* 33 (2001): 22–44.

<sup>611</sup> E. Brown and J. M. Ferris, "Social Capital and Philanthropy: An Analysis of the Impact of Social Capital on Individual Giving and Volunteering," *Nonprofit and Voluntary Sector Quarterly* 36, no. 1 (March 1, 2007): 85–99, doi:10.1177/0899764006293178.

<sup>612</sup> Ranganathan, Sampath Kumar, and Walter H. Henley. "Determinants of charitable donation intentions: a structural equation model." *International Journal of Nonprofit and Voluntary Sector Marketing* 13.1 (2008): 1-11.

helping others (AHO) but it does not influence the donating intention. Rajan, Pink, and Dow<sup>613</sup> proved that higher education and higher religiosity drive the monetary contribution to disaster relief and developmental aid in overseas more compared to local giving among Canadians. A research to explore the determinants of giving among young people in Saudi Arabia also posits that religiosity as well as altruism and personal satisfaction were the most important predictors.<sup>614</sup>

Although the importance of religiosity is proven in many studies, there is no standard measurement of religiosity can be found in the literature as it involves many other aspects which are different depending on the religion, culture, belief and others. Most religions except Islam measure religiosity of the followers in the form of attendance to churches or temples for religious services. Using this approach, a survey on household giving and volunteering behaviour in the US uncovered that 70% of households donated to charity on the expense of 2% of their income and the behaviour was strongly influenced by education, religiosity and other factors.<sup>615</sup> A study in Taiwan unveiled that religious attendance influences religious giving.<sup>616</sup> Similarly in Australia, a study was conducted to explore the relationship between religiosity and giving among adults. The result showed that religious people were more likely to give to charity and a positive relationship between religious attendance and giving was proven.<sup>617</sup>

The probe into the role of religiosity is further developed by comparing between different types of giving such as giving to religious and secular causes. In the Netherlands it was revealed that religiosity in the form of church attendance is the determinant for religious

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<sup>613</sup> Suja S. Rajan, George H Pink, and William H Dow, "Sociodemographic and Personality Characteristics of Canadian Donors Contributing to International Charity," *Nonprofit and Voluntary Sector Quarterly* 38, no. 3 (2009): 413–40.

<sup>614</sup> Opoku, "Examining the Motivational Factors behind Charitable Giving among Young People in a Prominent Islamic Country."

<sup>615</sup> Michael O' Neill, "Research on Giving and Volunteering: Methodological Considerations," *Nonprofit and Voluntary Sector Quarterly*, 2001, doi:10.1177/0899764001303008.

<sup>616</sup> Chang, "Determinants of Religious Giving in an Eastern-Culture Economy : Empirical Evidence from Taiwan."

<sup>617</sup> Lyons, Mark and Nivison-Smith, Ian. Religion and Giving in Australia [online]. *Australian Journal of Social Issues*. The, Vol. 41, No. 4, Summer 2006: 419-43 <<http://search.informit.com.au/documentSummary;dn=354603483227969;res=IELHSS>> ISSN: 0157-6321. [cited 18 Jan 16].



giving while secular giving is predicated by pro social values such as altruism, equality and responsibility.<sup>618</sup> Adding to that, in a study using a panel survey data, the giving between religious and non religious households was compared. It was found that religious households donated a much larger amount compared to non religious households with more preference to religious giving and less sensitivity to the effect of tax and price than secular giving.<sup>619</sup>

Similarly, a recent study comparing between the giving of religious households and non religious households met the prediction that religious households give more than non religious households. Although the relationship between political ideology and religiosity was proven in this study, it was seen to work negatively when political conservative people with high religiosity was found to donate less.<sup>620</sup> On determining the role of religious composition among citizens of a country, data from 21 European countries was matched with data from US on charitable giving. The results found no relationship between country devoutness level and engagement in both religious and secular giving but there was an indication of relationship between higher level of religious heterogeneity and religious giving only.<sup>621</sup> Another comparison was made between ethnic giving and mainstream giving among foreign-born Korean immigrants in the US and it indicated that ethnic giving was explained by religiosity.<sup>622</sup>

Other than religious service attendance, the measurement of religiosity has been developed and expanded through much research into different types of scales which provide

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<sup>618</sup> René Bekkers and Theo Schuyt, "And Who Is Your Neighbor? Explaining Denominational Differences in Charitable Giving and Volunteering in the Netherlands," *Review of Religious Research* 50(1), no. Bekkers 2006 (2008): 74–96, doi:Article.

<sup>619</sup> Helms and Thornton, "The Influence of Religiosity on Charitable Behavior: A COPPS Investigation."

<sup>620</sup> Steven T. Yen and Ernest M. Zampelli, "What Drives Charitable Donations of Time and Money? The Roles of Political Ideology, Religiosity, and Involvement," *Journal of Behavioral and Experimental Economics* 50 (June 2014): 58–67, doi:10.1016/j.socec.2014.01.002.

<sup>621</sup> P. Wierking, R. H. F. P. Bekkers, and U. O. Osili, "Examining the Association of Religious Context with Giving to Non-Profit Organizations," *European Sociological Review* 30, no. 5 (July 31, 2014): 640–54, doi:10.1093/esr/jcu064.

<sup>622</sup> Moon and Choi, "Ethnic Giving Versus Mainstream Giving by Foreign-Born Korean Immigrants in California."

different angles and dimensions of religiosity. Hardy & Carlo<sup>623</sup> constructed a 7 item composite by basing on three dimensions of religiosity such as religious commitment; religious activity or involvement; and religious identity to determine the interaction of religiosity and kindness on six different types of pro social behaviours namely compliant, public, anonymous, dire, emotional and altruistic. The result exhibits that religiosity positively and significantly predicted kindness and prosocial behaviours of compliant, anonymous and altruistic but not public, dire and emotional. The relationship between religiosity and compliant as well as altruistic pro social behaviour was mediated by kindness. Despite a very meaningful result generated through this scale, it is yet to be a holistic scale to measure religiosity as it neglects the cognitive component that assesses the belief one has toward the religion.

The dimension of individual religiosity is also introduced in some research. This dimension comprises of church attendance, dogmatic conviction and consequential religious attitude. A research has adopted this scale to observe the donating intention toward the poorest country by testing the cross-national effect differences of seven European countries representatives. The findings bear that the three dimensions positively affect donation intention.<sup>624</sup> Although this scale has successfully produced empirical result, some dimensions of the scale only secluded to certain religion such as Christianity that it is not applicable to other religions.

Though survey is the common method applied for this kind of study, Ali Ahmed<sup>625</sup> broke free from the conventional way by conducting a quasi experimental study to prove the relationship between religiosity and pro social behaviour. In his study which took place in

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<sup>623</sup> Sam a. Hardy and Gustavo Carlo, "Religiosity and Prosocial Behaviours in Adolescence: The Mediating Role of Prosocial Values," *Journal of Moral Education* 34, no. 2 (2005): 231–49, doi:10.1080/03057240500127210.

<sup>624</sup> Reitsma et al., "Dimensions of Individual Religiosity and Charity : Cross-National Effect Differences in European Countries ?"

<sup>625</sup> Ali Ahmed, "Are Religious People More Prosocial?," *Working Papers in Economics*, no. 330 (2008): 1–18.

India, two groups of students who were undertaking Islamic studies and social sciences were involved in a public-goods game and in the dictator game. The results from the group of highly devout students who were about to become clergymen were compared to the other group of students and they proven to be significantly more generous in the dictator game and more cooperative in the public-goods game confirming the fact that religious people are more pro social. Thus, realizing the importance of religiosity in predicting the giving behaviour, it is deemed crucial to incorporate this element in this study.

#### **3.5.4 Financial wellness**

The fourth and the last component to be included in the conceptual framework of this study is the financial wellness due to the fact that this study is focusing more on individual monetary contribution. Therefore, spending money in charitable giving involves personal financial management as it requires financial decision. Currently, there has been an increasing awareness to encourage financial planners to advise their clients to allocate a portion of their wealth on philanthropy especially for those who are considered as the High-net worth individuals (HNWI) who possess financial assets equivalent to or more than US\$1 million. Acknowledging the importance of philanthropy and the largest contribution comes from individuals, the inclusion of philanthropy financial planning is very essential as this group of HNWI is reportedly increasing every year.<sup>626</sup>

Having said that, this financial planning is not only meant for wealthy people or higher income group, it is also a need for any households who are interested in giving for charity. In the study of the effect of household financial management on structural charitable donations in the Netherlands showed that financial management influences the household financial decision to donate to charitable giving. It was found that financial decision to

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<sup>626</sup> Walter Wymer, Wendy Scaife, and Katie McDonald, "Financial Planners and Philanthropic Planning," 2012, 350–70, doi:10.1007/s11266-011-9206-4.

deciding on charitable giving as one economic factor produced more relationship to giving.  
<sup>627</sup> At individual level, the psychographic variable perception of financial situation was found to be positively related with charity appeals such as sponsorships, attending events and shop collections<sup>628</sup>

This is very much consistent to the finding in Edmundson<sup>629</sup> who reported that regardless of the level of income, those who felt they have higher perception of financial security gave more. Similarly, it was also found in a study on disaster relief that individuals who perceive themselves to be financially better off than most other people donated higher to relief appeals.<sup>630</sup> Havens, O'Herlihy & Schervish<sup>631</sup> outlined that financial security is one of the determinants of charitable giving. Their study proved that there is a positive significant relationship between financial security and giving that those who perceive higher financial security are the more generous donors. Another study on alumni giving also proved that confidence in economy influenced higher contribution. <sup>632</sup>

All these findings suggest to the existence of perceived financial wellness variable in the study of charitable giving. Although these financial related variables have been proven to influence donations, no current research is found to further explore this relationship. Therefore this study seeks to fill this gap by suggesting the financial wellness variable by incorporating the financial satisfaction and financial behaviour as suggested by Joo<sup>633</sup> in the definition of Personal financial wellness.

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<sup>627</sup> Wiepking and Bekkers, "Does Who Decides Really Matter? Causes and Consequences of Personal Financial Management in the Case of Larger and Structural Charitable Donations."

<sup>628</sup> Bodo B. Schlegelmilch, Adamantios Diamantopoulos, "Characteristics Affecting Charitable Donations: Empirical Evidence from."

<sup>629</sup> Edmundson, B. "Who gives to charity?", *American Demographics*, November, (1986), pp. 45-9.

<sup>630</sup> Roger Bennett and Rita Kottasz, "Emergency Fund-Raising for Disaster Relief," *Disaster Prevention and Management: An International Journal* 9, no. 5352-360 (2000).

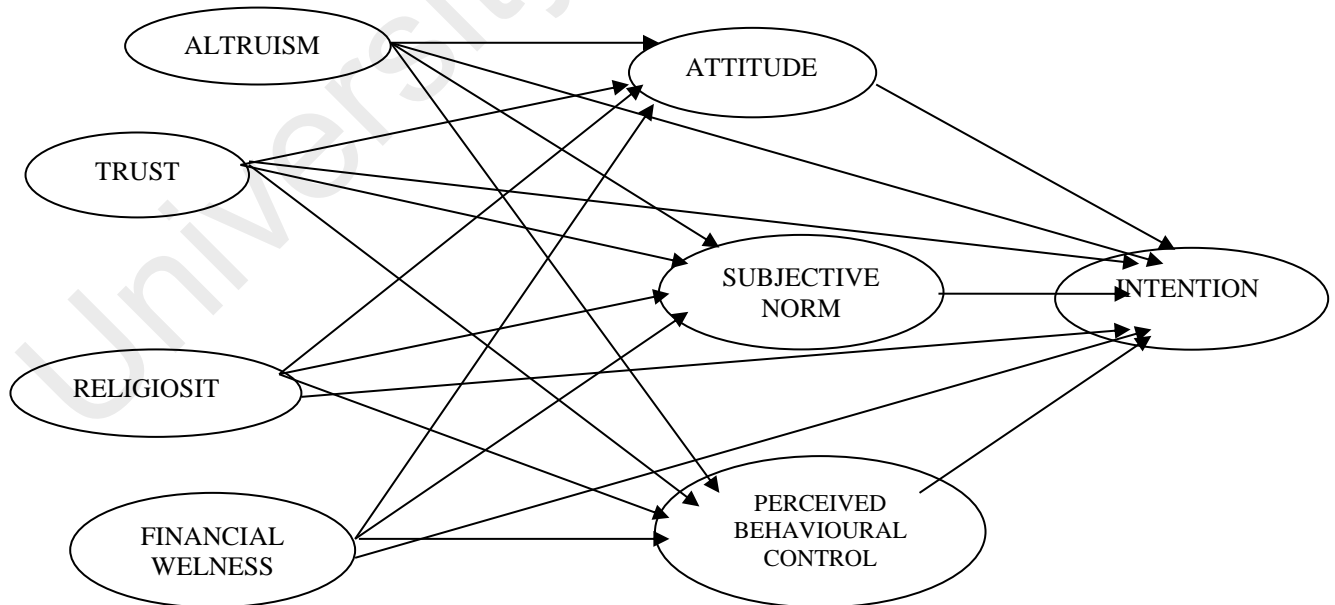
<sup>631</sup> John J. Havens, Mary A. O'Herlihy, "Charitable Giving: How Much, by Whom, to What, and How?"

<sup>632</sup> Okunade and Berl, "Determinants of Charitable Giving of Business School Alumni."

<sup>633</sup> Sohyun Joo, "Personal Financial Wellness," in *Handbook of Consumer Finance Research.*, 2008, 21-33.

### 3.6 The Conceptual Framework

Following the concept of a conceptual framework as according to Miles & Huberman<sup>634</sup> that it should present the key factors, constructs, or variables and explain the relationships among them, this study will highlight only the key or important variables in the conceptual framework but at the same time will also discuss other variables that prove to give impact to the behaviour of giving such as the demographic and socioeconomic variables. As elaborated thoroughly in the previous chapter, this study will employ the Theory of Planned Behaviour as the basis for the conceptual framework. To explore comprehensively the possible determinants of charitable giving that have been studied in the literature, a number of determinants have been chosen and inserted in the framework. The justification of these variables to be chosen is based on the support of the literature. This conceptual framework consists of three components of variables. The first component is the moderating variables, the second component is the independent variables, the third component is the dependent variable as illustrated in the Figure 3.5 below:



**Figure 3. 5: The Conceptual Framework**

<sup>634</sup> Matthew B. Miles and A. Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook* (California, USA: SAGE Publications, Inc, 1994).

The independent variable is also known as the antecedents<sup>635</sup> or the determinants that give effect or impact to the dependent variable. In this study, the independent variables are the three important variables structured in the standard theory of planned behaviour which are the attitude, the subjective norm and the perceived behavioural control. Although not clearly stated in the conceptual framework, demographic variables such as age, income and marital status as well as socio demographic factors such as income, education, home ownership, number of children, employment and place of residence will also be assessed as the independent variables that impact the giving behaviour as discussed in the literature. Besides that, some other extrinsic factors such as tax and media suggested by the literature to impact the behaviour of charitable giving (though not specifically focused in this study) will be also included.

Based on the literature, there are four variables chosen to be integrated in the TPB model namely the altruism, religiosity, trust and financial wellness. These variables play a double role in the conceptual framework as the moderators for attitude, subjective norm and perceived behavioural control and also function as the independent variables. Generally, according to Baron & Kenny,<sup>636</sup> moderators give impact to the direction or strength of the relationship between a predictor or an independent variable and a dependent variable. This means, a moderating variable can either deter or strengthen the relationship between the independent and dependent variable. The function of a moderating variable is similar to an independent variable that it works as causal variables or antecedents of a certain criterion. Thus, it is possible for independent variables to effect as moderating variables to other independent variables.

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<sup>635</sup> Kaur Sp, "Variables in Research," *IJRRMS* 3, no. 4 (2013): 36–38.

<sup>636</sup> Reuben M Baron and David A Kenny, "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations," *Journal of Personality and Social Psychology* 51, no. 6 (1986): 1173–82.

As aforementioned, these variables are found to directly influence the giving behaviour. Most studies on altruism especially with laboratory experimental design imply that different types of altruism influence the behaviour of giving that is commonly discussed within the issue of crowding out effects.<sup>637</sup> To explore the relationship between intention and altruism, evidence from other prosocial behaviour field such as blood and organ donation is gathered due to scarcity of evidence in the area of charitable giving. It is found that impure altruism influences the intention to donate among novice donors while the experienced donors are influenced by warm glow and pure altruism.<sup>638</sup> This is also supported by a study suggesting that altruism has a positive significant relationship with the intention to donate in which the higher the altruism, the higher the willingness to donate.<sup>639</sup>

The second variable that is deemed crucial to predict the charitable behaviour is trust. Much research has uncovered the direct influence of trust towards the behaviour of charitable giving especially related to charitable organisations.<sup>640</sup> The positive relationship between trust and charitable intention can be observed in a study on repeat donation intention by Beldad<sup>641</sup> and a study on public donation in Penang, Malaysia by Ling.<sup>642</sup> However, there is no evidence found in the literature suggesting other roles of trust. The selection of this

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<sup>637</sup> Lilley and Slonim, "The Price of Warm Glow." See also; Null, "Warm Glow, Information, and Inefficient Charitable Giving."; James Konow, "Mixed Feelings: Theories of and Evidence on Giving," *Journal of Public Economics* 94, no. 3-4 (April 2010): 279-97, doi:10.1016/j.jpubeco.2009.11.008.; Tonin and Vlassopoulos, "Disentangling the Sources of pro-Socially Motivated Effort: A Field Experiment."

<sup>638</sup> Eamonn Ferguson et al., "Exploring the Pattern of Blood Donor Beliefs in First-Time, Novice, and Experienced Donors: Differentiating Reluctant Altruism, Pure Altruism, Impure Altruism, and Warm Glow," *Transfusion* 52, no. February (2012): 343-55, doi:10.1111/j.1537-2995.2011.03279.x.

<sup>639</sup> Susan Morgan and Jenny Miller, "Communicating about Gifts of Life: The Effect of Knowledge, Attitudes, and Altruism on Behavior and Behavioral Intentions Regarding Organ Donation," *Journal of Applied Communication Research* 30, no. February 2015 (2002): 163-78, doi:10.1080/00909880216580.

<sup>640</sup> Taniguchi and Marshall, "The Effects of Social Trust and Institutional Trust on Formal Volunteering and Charitable Giving in Japan." See also; Banks and Raciti, "Perceived and Evidenced Credibility-Based Trust and Financial Donors' Loyalty to Charities: A Relationship Marketing Perspective."; Fehrler and Przepiorka, "Charitable Giving as a Signal of Trustworthiness: Disentangling the Signaling Benefits of Altruistic Acts."

<sup>641</sup> Ardion Beldad, "Generosity the Second Time Around: Determinants of Individuals' Repeat Donation Intention."

<sup>642</sup> Ho Eng Ling, "A Study of the Relationship between Indicators and Public Donation in Penang: A Perspective of Planned Behaviour Theory with Inclusion of Some Cognitive Factors" (Universiti Sains Malaysia, 2012).

variable is due to its potential in retaining loyalty among donors towards donation recipients especially the charitable organizations.<sup>643</sup>

Another variable that is proven to impact charitable behaviour is religiosity. The direct impact of religiosity towards charitable behaviour can be seen in many studies.<sup>644</sup> A significant positive relationship between religiosity and intention to donate is also observed in a study in the UK fundraising sector.<sup>645</sup> The relationship between religiosity and intention can also be seen in a study within a different field but particularly related to the Muslim community in which it was proven to influence the intention to choose halal products among Muslims in Pakistan.<sup>646</sup> As discussed in the previous chapter, religiosity plays an important role in shaping one's attitude and behaviour towards goods and services,<sup>647</sup> It is hypothesized that religiosity also acts as a moderator to the main components in the TPB. In a study by Liem, Hidayat and Soemarno<sup>648</sup>, religiosity is found to be positively related to attitude to donate and perceived behavioural control to donate. A few other studies supporting the moderating impact of religiosity and attitude towards charitable behaviour can also be found in studies by Teah, Lwin & Cheah<sup>649</sup> and Ranganathan & Henley<sup>650</sup>.

Doubtlessly, financial dimension has been one of the key factors in charitable giving as people need financial resources in order to accomplish charitable spending.<sup>651</sup> Apart from

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<sup>643</sup> Banks and Raciti, "Perceived and Evidenced Credibility-Based Trust and Financial Donors' Loyalty to Charities: A Relationship Marketing Perspective."

<sup>644</sup> Yen and Zampelli, "What Drives Charitable Donations of Time and Money? The Roles of Political Ideology, Religiosity, and Involvement." See also; Seong-gin Moon and Sang Ok Choi, "Ethnic Giving Versus Mainstream Giving by Foreign-Born Korean Immigrants in California," *Nonprofit and Voluntary Sector Quarterly* (2013), doi:10.1177/0899764012448235. Helms and Thornton, "The Influence of Religiosity on Charitable Behavior: A COPPS Investigation."

<sup>645</sup> Skarmeas and Shabbir, "Relationship Quality and Giving Behaviour in the UK Fundraising Sector Exploring the Antecedent Roles of Religiosity."

<sup>646</sup> Arshia Mukhtar and Muhammad Mohsin Butt, "Intention to Choose Halal Products: The Role of Religiosity," *Journal of Islamic Marketing* 3 (2012): 108–20, doi:10.1108/17590831211232519.

<sup>647</sup> Fam, K.S., Waller, D.S. and Erdogan, B.Z. "The influence of religion on attitudes towards the advertising of controversial products", *European Journal of Marketing*, Vol. 38 Nos 5/6, (2004):537-55.

<sup>648</sup> Liem, Hidayat, and Soemarno, "Behavioral Intentions in Indonesia? The Role of Social Axioms within the Theory of Planned Behavior."

<sup>649</sup> Min Teah, Micheal Lwin, and Isaac Cheah, "Moderating Role of Religious Beliefs on Attitudes towards Charities and Motivation to Donate," *Asia Pacific Journal of Marketing and Logistics* 26, no. 5 (2014): 738–60.

<sup>650</sup> Ranganathan, S.K. and Henley, W.H., "Determinants of charitable donation intentions: a structural equation model", *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 13 No. 1, (2008) pp. 1-11

<sup>651</sup> René Bekkers and Pamala Wiepking, "A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms That Drive Charitable Giving."



financial resources, the perception one has on his or her financial situation influences their level of charitable giving<sup>652</sup> in which the more secure they feel about their financial situation, the more they will give to charitable organizations.<sup>653</sup> This financial situation is best described as personal financial well being that can be determined through one's personal financial management.<sup>654</sup> As such, following the nature of other variables that give direct effect on the giving behaviour, personal financial wellness is also hypothesized to have some influence to predict the behaviour of giving.

The third component of this framework is the dependent variable which is the intention. As the proxy of the actual behaviour, the intention works as a processor that internalizes the effect of the input (independent variables) which is then transformed into the output (dependent variables).<sup>655</sup> It also represents the motivation, plan and decision to exert to a certain behaviour that is not spontaneous and requires planning. Hence, it is believed that people are more likely to engage in behaviours they intend to carry out and that the behavioural intention variable can be used to predict the behaviour.<sup>656</sup> As a result of the discussion, a few hypotheses are developed as presented in the following section.

### 3.7 Hypotheses Development

After an extensive discussion of the literature in the previous sections, a few hypotheses are developed to be tested in this study.

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<sup>652</sup> Pamala Wiepking and Marco H D Van Leeuwen, "Picturing Generosity: Explaining the Success of National Campaigns in the Netherlands," *Nonprofit and Voluntary Sector Quarterly*, 2013, doi:10.1177/0899764012474899.

<sup>653</sup> Schervish, P. G. Major donors, Major motives: The people and purposes behind major gifts. "New Directions for Philanthropic Fundraising", 47, (2005). 59-87.

<sup>654</sup> Joo, "Personal Financial Wellness."

<sup>655</sup> Baron and Kenny, "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations."

<sup>656</sup> Conner and Armitage, "Extending the Theory of Planned Behavior: A Review and Avenues for Further Research."

### 3.7.1 Demographic variables and Charitable Giving Behaviour

There are three demographic variables perceived to influence the charitable giving behaviour namely the age, gender and marital status. Based on Table 3.1 hypotheses H1-H3 are formulated and are analyzed using the technique of logistic regression.

**Table 3. 1: Hypothesis Testing of Demographic variables**

Hypotheses	Technique of Data Analysis
<b>H<sub>1</sub></b> There is a significant relationship between age and charitable giving behaviour	Logistic Regression
<b>H<sub>2</sub></b> There is a significant relationship between gender and charitable giving behaviour	Logistic Regression
<b>H<sub>3</sub></b> There is a significant relationship between marital status and charitable giving behaviour	Logistic Regression

### 3.7.2 Socio demographic variables and Charitable Giving Behaviour

A few socio demographic variables are chosen to be the independent variables in this study such as income, education, home ownership, number of children and employment that lead to the construction of the following hypotheses in Table 3.2:

**Table 3. 2: Hypothesis Testing of Socio demographic variables**

Hypotheses	Technique of Data Analysis
<b>H<sub>4</sub></b> There is a significant relationship between income/household income and charitable giving behaviour	Logistic Regression
<b>H<sub>5</sub></b> There is a significant relationship between education and charitable giving behaviour.	Logistic Regression
<b>H<sub>6</sub></b> There is a significant relationship between home ownership and charitable giving behaviour	Logistic Regression
<b>H<sub>7</sub></b> There is a significant relationship between number of children and charitable giving behaviour	Logistic Regression
<b>H<sub>8</sub></b> There is a significant relationship between employment and charitable giving behaviour	Logistic Regression

### 3.7.3 Tax and Medium of Information and Charitable Giving

As previously mentioned, there are other variables such as tax and media which are not included in the conceptual framework but they are indirectly involved in the research due to

their contribution in the literature such as tax and medium of information as presented in Table 3.3.

**Table 3. 3: Hypothesis Testing of Tax and medium of information**

<b>Hypotheses</b>	<b>Technique of Data Analysis</b>
<b>H<sub>9</sub></b> There is a significant relationship between tax, and charitable giving behaviour	Logistic Regression
<b>H<sub>10</sub></b> There is a significant relationship between medium of information and charitable giving behaviour.	Logistic Regression

### 3.7.4 Attitude, subjective norm and perceived Behavioural Control and Charitable Giving

These three major components of the Theory of Planned Behaviour are hypothesized as in the following Table 3.4.

**Table 3. 4: Hypothesis Testing of Attitude, Subjective Norm and Perceived Behavioural Control**

<b>Hypotheses</b>	<b>Technique of Data Analysis</b>
<b>H<sub>11</sub></b> There is a significant relationship between attitude and charitable giving behaviour	Logistic Regression
<b>H<sub>12</sub></b> There is a significant relationship between subjective Norm and charitable giving behaviour.	Logistic Regression
<b>H<sub>13</sub></b> There is a significant relationship between perceived behavioural control and charitable giving behaviour.	Logistic Regression
<b>H<sub>14</sub></b> There is a significant relationship between attitude and charitable giving intention	PLS SEM
<b>H<sub>15</sub></b> There is a significant relationship between subjective Norm and charitable giving intention	PLS SEM
<b>H<sub>16</sub></b> There is a significant relationship between perceived behavioural control and charitable giving intention	PLS SEM

### 3.7.5 Altruism and Charitable Giving Behaviour

Based on the discussion in the previous section, the hypotheses are developed as in following table:

**Table 3. 5: Hypothesis Testing of Altruism**

	<b>Hypotheses</b>	<b>Technique of Data Analysis</b>
<b>H17</b>	There is a significant relationship altruism and charitable giving behaviour	Logistic Regression
<b>H18</b>	There is a significant relationship altruism and charitable giving intention	PLS SEM
<b>H19</b>	There is a significant relationship altruism and attitude	PLS SEM
<b>H20</b>	There is a significant relationship altruism and subjective norm	PLS SEM
<b>H21</b>	There is a significant relationship altruism and perceived behavioural control	PLS SEM
<b>H22</b>	Altruism moderates the attitude and giving charitable giving intention	PLS SEM
<b>H23</b>	Altruism moderates the subjective norm and giving charitable giving intention	PLS SEM
<b>H24</b>	Altruism moderates the perceived behavioural control and giving charitable giving intention	PLS SEM

### 3.7.6 Trust and Charitable Giving Behaviour

The elaboration on the relationship of trust and giving behaviour leads to the formulation of the hypotheses that follows:

**Table 3. 6: Hypothesis Testing of Trust**

	<b>Hypotheses</b>	<b>Technique of Data Analysis</b>
<b>H25</b>	There is a significant relationship between trust and charitable giving behaviour	Logistic Regression
<b>H26</b>	There is a significant relationship between trust and charitable giving intention	PLS SEM
<b>H27</b>	There is a significant relationship between trust and attitude	PLS SEM
<b>H28</b>	There is a significant relationship between trust and subjective Norm	PLS SEM
<b>H29</b>	There is a significant relationship between trust and perceived behavioural control	PLS SEM
<b>H30</b>	Trust moderates the attitude and giving charitable giving intention	PLS SEM
<b>H31</b>	Trust moderates the subjective norm and giving charitable giving intention	PLS SEM
<b>H32</b>	Trust moderates the perceived behavioural control and giving charitable giving intention	PLS SEM

### 3.7.6 Religiosity and Charitable Giving Behaviour

The role of religiosity in charitable giving behaviour is hypothesized as in Table 3.7.

**Table 3. 7: Hypothesis Testing of Religiosity**

	<b>Hypotheses</b>	<b>Technique of Data Analysis</b>
<b>H<sub>33</sub></b>	There is a significant relationship between religiosity and charitable giving behaviour	Logistic Regression
<b>H<sub>34</sub></b>	There is a significant relationship between religiosity and charitable giving intention	PLS SEM
<b>H<sub>35</sub></b>	There is a significant relationship between religiosity and attitude	PLS SEM
<b>H<sub>36</sub></b>	There is a significant relationship between religiosity and subjective Norm	PLS SEM
<b>H<sub>37</sub></b>	There is a significant relationship between religiosity and perceived behavioural control	PLS SEM
<b>H<sub>38</sub></b>	Religiosity moderates the attitude and giving charitable giving intention	PLS SEM
<b>H<sub>39</sub></b>	Religiosity moderates the subjective norm and giving charitable giving intention	PLS SEM
<b>H<sub>40</sub></b>	Religiosity moderates the perceived behavioural control and giving charitable giving intention	PLS SEM

### 3.7.7 Financial Wellness and Charitable Behaviour

It is hypothesized that the role of financial wellness is as follows:

**Table 3. 8: Hypothesis Testing of Financial Wellness**

	<b>Hypotheses</b>	<b>Technique of Data Analysis</b>
<b>H<sub>41</sub></b>	There is a significant relationship between Financial Wellness and charitable giving behaviour	Logistic Regression
<b>H<sub>42</sub></b>	There is a significant relationship between Financial Wellness and charitable giving intention	PLS SEM
<b>H<sub>43</sub></b>	There is a significant relationship between Financial Wellness and attitude	PLS SEM
<b>H<sub>44</sub></b>	There is a significant relationship between Financial Wellness and subjective Norm	PLS SEM
<b>H<sub>45</sub></b>	There is a significant relationship between Financial Wellness and perceived behavioural control	PLS SEM
<b>H<sub>46</sub></b>	Financial Wellness moderates the attitude and giving charitable giving intention	PLS SEM
<b>H<sub>47</sub></b>	Financial Wellness moderates the subjective norm and giving charitable giving intention	PLS SEM
<b>H<sub>48</sub></b>	Financial Wellness moderates the perceived behavioural control and giving charitable giving intention	PLS SEM

### **3.8 Summary**

After an exhaustive discussion on the behavioural theories and careful examination of previous studies in charitable giving, an appropriate theory is selected to embody the conceptual framework constructed in this study. The importance of the theory of planned behaviour selection is that it opens up to the possibility of incorporating other important variables that predicate the act of charitable giving in the conceptual framework. As a result, a number of variables has been reviewed, selected and categorized into extrinsic and intrinsic variables which lead to the formulation of hypotheses to be tested in this study. As a conclusion, to better understand the behaviour of Muslims towards charitable giving, this research will employ a behavioural model which is the theory of Planned Behaviour, and include all the possible researchable factors comprehensively found in the literature not only focusing on the psychological aspects of the doers themselves but also other factors related to the subject. This conceptual framework and research hypotheses will be discussed in the fourth chapter of the research methodology.

## **CHAPTER 4: THE METHODOLOGY**

### **4.1 Introduction**

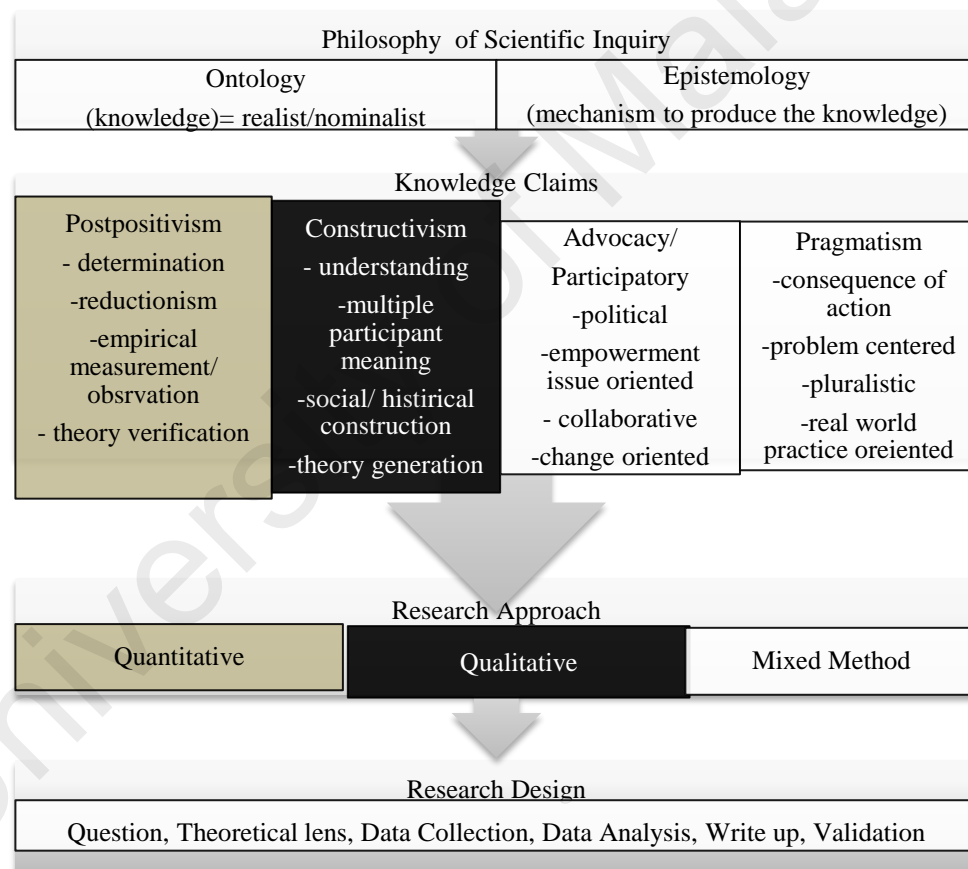
In order to produce new facts and findings as well as to test the hypotheses and the objectives of the study, a systematic planning of the research methodology is crucial. This chapter presents the fundamental aspects of research methodology. A research design is structured in order to establish the conceptual framework and to test the hypotheses initiated from the understanding of the philosophy, research approach and research types. Next, the instrument development is explained in terms of item development and instrument evaluation through pilot study, reliability and validity tests. Then, the discussion focuses on the sampling strategy by determining the population, sampling size and sampling procedure. Later, methods employed for data collection and data analysis are discussed in the following section to achieve the outlined research objectives. Finally, this chapter is concluded in the last section of conclusion.

### **4.2 Research Approach**

Scientific enquiry in social science research rests on two areas of philosophy. The first is the ontology that concerns with the fundamental nature of reality and the issue of what exists which is led by two main views within this philosophy that are the realist and the nominalist. The realist believes that the world is organized in the preexisting categories waiting to be discovered. Thus, the focus of this position is on the external or physical features of the subject such as the colour of the eye and hair that group a person to a specific race. While the nominalist focuses on the internal values that come in the form of interpretations and inner subjectivity. Hence, rather than categorizing a person to a specific race by assessing his or

her physical attributes, the nominalist will include other perspectives of subjective cultural belief. This area is also called as the knowledge.

The second area of philosophy is the epistemology that emphasizes on the knowledge creation by focusing on the mechanism to produce the knowledge and reach the truth in the valid ways.<sup>657</sup> As scientific enquiry exists within these two philosophies, they become the base for making inquiry or knowledge claims. According to Creswell,<sup>658</sup> a research design process is initiated by making knowledge claims as illustrated in the following diagram in Figure 4.1:



**Figure 4. 1: The Research Design Process (J W Creswel, 2003)**

<sup>657</sup> Neuman, Lawrence W., "Social Research Methods: Qualitative and Quantitative Approaches".(Boston: Pearson , 2006). 92-93

<sup>658</sup> John W. Creswell, *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*, Second Edi (Thousand Oaks: SAGE Publications, 2003), doi:10.3109/08941939.2012.723954.:3-13



Knowledge claim is basically the assumptions made by the researcher about how and what they will learn during the inquiry process. There are four approaches that are used to formulate the knowledge claim namely the postpositivism, constructivism, advocacy/participatory and pragmatism.<sup>659</sup> Postpositivism or also known as the scientific approach advocates the philosophy of determinism centering on the need to determine causes that influence the effects or outcomes. It also applies reductionism as it promotes the process of idea reduction into smaller and discrete sets to be tested in hypothesis testing. As careful observation and measurement aspect are very important in this approach, development of numeric measures to observe and study human behaviour is very crucial. Thus, using this approach, an inquiry begins with a theory, followed by data collection to support or reject the theory before making any conclusions or revisions which is called the quantitative approach.

The second type of knowledge claim approach is constructivism which focuses on the understanding of everyday world by developing multiple subjective meanings about a certain subject by relying much on participants' experience. Data is collected using broad and general questions which are open ended in nature to generate interactions. These interactions are the source of information in which the inquirers start the inquiry by generating or inductively developing a theory or pattern of meaning. The research approach is known as the qualitative approach. Another type of approach is the advocacy or participatory research that is related to politics or political agenda. The aim of this inquiry is to give empowerment to the marginalized people by addressing important social issues. The advocacy researcher starts the inquiry by addressing the issues and then proceeds collaboratively with the participants to become their voice that imposes change in the society.

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<sup>659</sup> Ibid.

The final approach is pragmatism. Under this approach, knowledge claims are derived from actions, situations and consequences not the antecedents. As the focus of this approach is to understand and overcome the problem, there are no specific methods drawn, instead any methods that are proven to work can be adopted which is called the pluralistic approach. Both approaches adopt the combination of quantitative and qualitative which is called the mixed method approach. As a conclusion for this study, the quantitative method is deemed appropriate as it matches the positivist approach related to determining the factors, reducing the ideas into a set of hypotheses, involving empirical measurement and observation as well as verifying a theory. Using this approach, there are two main designs of research commonly adopted which are the survey and experimental research.

### 4.3 Research Type

Before deciding on the appropriate research design, the purpose of the research must be clearly defined. There are three main types of research that are based on the purposes of conducting research which are<sup>660</sup>,

- i. Exploratory
- ii. Descriptive
- iii. Explanatory

Exploratory research is conducted to investigate a very new and yet to be explored issues. It aims at formulating and generating preliminary ideas that lead to future research. While the descriptive research is carried out on a well established issue and deals in presenting specific details of the issue by clearly describing a situation, setting or relationship. The explanatory

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<sup>660</sup> Naresh K Malhotra, *Marketing Research: An Applied Orientation*, Sixth Edit (India, 2008):102

research on the other hand, builds on the first two types of research by attempting to explain the reasons or causes of the issue under a frame of a theory. It primarily tests the theory, elaborates the explanation of a theory, extends a theory to new issues or topic, accepts or rejects an explanation or prediction, associates topics or issues to a general principle and determines the best explanation.<sup>661</sup> As the main objectives of this study are to observe the patterns and explore the determinants of charitable giving behaviour among Muslims in Malaysia, this research is classified as an explanatory research by explaining the behaviour using the extended version of TPB.

#### 4.4 Research Design

Research design is an arrangement of plan consisting of a structure and strategies to be employed by the researcher to obtain valid answers for research questions in objective, accurate and economical ways.<sup>662</sup> Thus, a research should be designed in such a way that it is able to attain the research objectives and to answer the research questions outlined for the study. As such, this study will employ the quantitative approach that is used to test objective theories by assessing the relationship among variables through measuring instruments quantifiable in the form of numbered data which later can be analyzed using statistical procedures.<sup>663</sup>

As discussed earlier, under the quantitative approach there are two main research designs which are the survey and experimental research. Most of the studies conducted in this field employ survey or experimental research design and some utilize secondary data analysis or observations. Using the survey method, a wide range of giving patterns and determinants can be identified and tested while other methods such as laboratory experiments, secondary data

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<sup>661</sup>Neuman, Lawrence W., “*Social Research Methods: Qualitative and Quantitative Approaches*”. 38-40

<sup>662</sup> Ranjit Kumar, *Research Methodology: A Step by Step Guide for Beginners*, 3rd Editio (Los Angeles: SAGE Publications Ltd, 2011).:96

<sup>663</sup> John W. Creswell, *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*.:18

analysis or others are proven to test specific and limited number of pattern and variables. For example, using the survey method, a study by Opoku<sup>664</sup> managed to list as many as nine intrinsic factors that motivate young Muslims to contribute in charitable giving namely religiosity, altruism, personal satisfaction, trust, personal characteristics, social norm, psychological benefits, commitment and self image as well as other socioeconomic factors within 12 different areas of giving. Similarly, Rahmatina Awaliah Kasri<sup>665</sup> identified six intrinsic factors such as financial security, religiosity, responsibility, desire to make change, religious concern and self satisfaction as well as extrinsic factors from the demography data varying in types of giving, types of charities and amount of giving.

As aforementioned, other types of study contribute to prove a single or a few specific variables. Decker & Kimbrough<sup>666</sup> studied the effect of market incentive towards charitable giving through laboratory experiments. The results suggest that market incentive increases the supply of assets available to those in need but disproportionately influence the relatively poor. Bartels, Kvaran & Shaun<sup>667</sup> investigated psychological features of donors such as beliefs, values and life goals as well as generosity by involving them in an online charity games. Although this study shows a variety in the variables studied, it is limited in terms of types of charity.

Despite the fact that laboratory experiments enable the researcher to design the test very specifically in a short period of time, they are proven to have certain disadvantages as discussed in Lesner & Rasmussen<sup>668</sup> such as involving only a very small predetermined number of people; having a lower degree of anonymity that might produce the

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<sup>664</sup> Opoku, "Examining the Motivational Factors behind Charitable Giving among Young People in a Prominent Islamic Country."

<sup>665</sup> Rahmatina Awaliah Kasri, "Giving Behaviors in Indonesia: Motives and Marketing Implications for Islamic Charities." *Journal of Islamic Marketing*, Vol 4 (3), (2013): 306-324

<sup>666</sup> Cary Deck and Erik O Kimbrough, "Do Market Incentives Crowd Out Charitable Giving?," *The Journal of Socio-Economics* 47 (December 2013): 16-24, doi:10.1016/j.socec.2013.08.007.

<sup>667</sup> Daniel M Bartels, Trevor Kvaran, and Shaun Nichols, "Selfless Giving," *Cognition* 129, no. 2 (2013): 392-403, doi:10.1016/j.cognition.2013.07.009.

<sup>668</sup> Lesner and Rasmussen, "The Identifiable Victim Effect in Charitable Giving: Evidence from a Natural Field Experiment."

‘experimenter–demand effect’ where people who are willing to donate in laboratory experiments may not be a donor in the actual setting and as the money is provided by the researcher to be donated in the laboratory experiments, it creates a concern on the authenticity of the participants’ donation decision.

As a variety of variables is involved in this study and it includes a large number of samples to observe the pattern of giving, the survey method is chosen as the appropriate method to be employed as suggested by Chua<sup>669</sup> who argues that the survey method offers a comprehensive usage that covers multiple types of questions, issues and problems in multitude of perspectives, practicality in terms of conduct and fast, easy and direct to administer, ability to include large number of samples and to generalize the findings to the population. The rest of the chapter will discuss the details of research design in the aspects of instrument, sampling, method of data collection and data analysis.

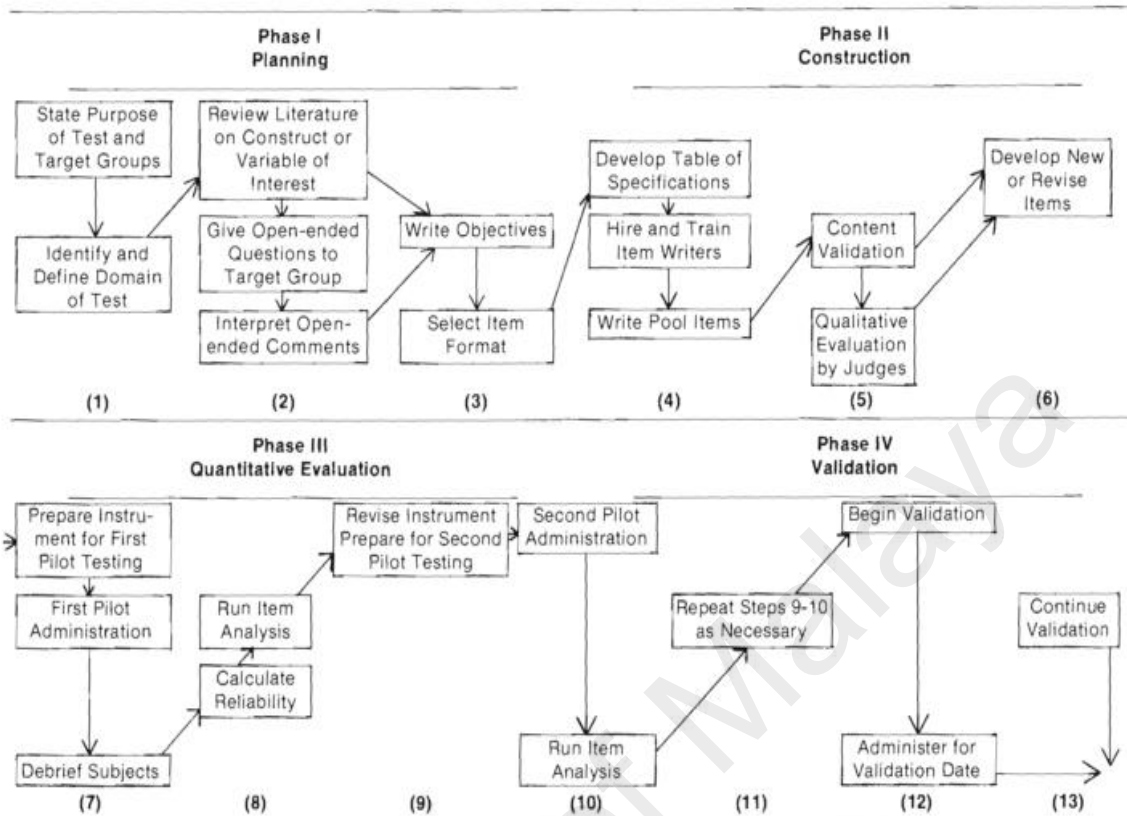
#### **4.5 Instrument Development**

This section will discuss in detail the instrument development process by following the step by step procedure suggested by Benson & Clark<sup>670</sup> as illustrated in Figure 4.2.

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<sup>669</sup> Chua Yan Piaw, “*Kaedah Penyelidikan*”, (Kuala Lumpur: McGraw Hill, 2011). 120-121

<sup>670</sup> Jeri Benson and Florence Clark, “A Guide for Instrument Development and Validation,” *The American Journal of Occupational Therapy* 36, no. 12 (1982): 789–800.



**Figure 4. 2: The Flowchart for Instrument Development (Benson and Clark, 1982)**

The first phase is the planning phase which involves step 1-3. The first step involves the identification of the domain and the target group of the research. The domain refers to the content of the instrument which in this case focusing on charitable giving aspects and the target group is the respondents identified in the sampling procedure section. The next step is identifying the items to be evaluated by basing on the review of the literature. At this step, items in the questionnaire will be developed by adopting and adapting the items found in the literature. Details on the items will be explained in the instrument development section.

In step three, the specification of the items will be constructed based on the objective of the research. There are three main objectives of this research that build the construct of the instrument which are objective 2 to 4. Then the format of the instrument is selected by referring to the previous studies. At this stage, a set of instrument has been developed and

ready for the second phase of the instrument development that involves the initial phase of validation mainly the face and content validation. Later, the third phase of instrument development will proceed with a quantitative evaluation through a pilot study. The quantitative evaluation at this stage includes the reliability test. Finally, the validity and reliability of the instrument is further confirmed in the fourth phase using data analysis methods such as the Structural Equation Modeling of Partial Least Square and Factor Analysis.

#### 4.5.1 Item development

The questionnaire is developed by adopting measures found in established questionnaires related to the variables in the study and using Bahasa Melayu as the medium. The questionnaire is divided into four parts:

- i. Part A (Demography and Socio demography)
- ii. Part B ( Patterns of Giving, Media and Tax)
- iii. Part C (Intention of Giving)
- iv. Part D (Factors of Giving)

##### 4.5.1.1 Part A (Demography and Socio demography)

The first part, the section A is on respondents' demography and socio demography. All information is classified as categorical data with 10 items listed such as described in the following table:

**Table 4.1: Part A Specification**

Label	Description
A1	Gender
A3	Age
A4	Marital Status
A5	Number of Children
A6	Education Level
A7	Employment

**Table 4.1: Continued**

A8	Monthly Income
A9	Household Monthly Income
A12	Home Ownership

**4.5.1.2 Part B (Patterns of Giving, Media and Tax)**

The second part, section B will elicit information on the pattern of charitable giving, media and tax which also in categorical data. To retrieve the information for patterns of giving there are four sections constructed, six categories for medium of information and an item for tax as illustrated in the following table:

**Table 4. 2 Part B Specification**

Category	Label	Description	
Giving to types of recipients	A15RI	Worship Houses	
	A15RK	Charity Homes	
	A15SA	Religious School	
	A15FM	Beggars/Poor	
	A15NGO	Non Profit Institutions	
	A15IP	Higher Education Institutions	
Amount of giving	A16	Estimated annual amount of giving	
	Choice of Recipients	A17(1)	Individual category
		A17(2)	Institutional category
		A17(3)	Charity programs category
Channel of Giving Medium of Information	A18	Chosen channel of giving	
	A19a	Internet	
	A19b	Friends/Family	
	A19c	Door to Door Solicitation	
	A19d	Mass Media	
	A19e	Appeal Letters	
	A19f	Charity boxes in public places	
Tax	A20	Agreement on Effect of tax on giving	

**4.5.1.3 Part C (Measures of Intention)**

The third part is the section C assesses the intention of giving involving 10 items. The items in Part C and D adopt the seven point Likert scale ranging from the least to the most in order to reach the upper limits of reliability scale following the general rule recommended by Likert to use a wide scale as possible.<sup>671</sup> The items in Part C are adopted from various

<sup>671</sup> Allen, I. Elaine, and Christopher A. Seaman. "Likert scales and data analyses." *Quality Progress* 40, no. 7 (2007): 64-65.



questionnaires in studies using the TPB model. As defined by Ajzen<sup>672</sup> intention is the attempt to perform a given behavior which is not related to the present actual performance, the giving intention in this study is measured by asking what people intend to do in future in regards of giving. Raedah Sapling, Normala Ahmad & Marziana Mohamad's<sup>673</sup> study on intention to zakah employment has listed 4 questions pertaining to intention to do zakat in future. Another study by Muhammad Kashif, Syamsulang Sarifuddin & Azizah Hassan<sup>674</sup> used five items to measure the intention to donate money in the next 4 weeks time. Thus to explore the intention of giving in the future, this study prepares 10 items using the 7 Likert scale from 1(very low) to 7 (very high) as reported in the Table 4.3:

**Table 4. 3: Intention Measurement**

Category	Label	Description
Intention	C1	<i>Saya menyimpan hasrat untuk menderma pada tahun ini</i> (I wish to donate this year)
	C2	<i>Saya mungkin akan menderma pada tahun ini</i> ( I probably donate this year)
	C3	<i>Saya bercadang untuk menderma pada tahun ini</i> (I plan to donate this year)
	C4	<i>Saya sememangnya akan menderma pada tahun ini</i> (I surely donate this year)
	C5	<i>Saya menyimpan hasrat untuk menderma dengan lebih kerap pada tahun ini</i> (I wish to donate more frequently this year)
	C6	<i>Saya mungkin akan menderma secara lebih kerap pada tahun ini</i> ( I probably donate more frequently this year)
	C7	<i>Saya bercadang untuk menderma dengan lebih kerap pada tahun ini</i> (I plan to donate more frequently this year)
	C8	<i>Saya menyimpan hasrat untuk menambah jumlah derma saya pada tahun ini</i> (I wish to increase my donation this year)
	C9	<i>Saya mungkin akan menambah jumlah derma saya pada tahun ini</i> (I probably increase my donation this year)
	C10	<i>Saya bercadang untuk menambah jumlah derma saya pada tahun ini</i> (I plan to increase my donation this year)

<sup>672</sup> Icek Ajzen, *Attitudes, Personality and Behaviour*, Second Edi (New York: Open University Press, 2005).:100

<sup>673</sup> Sapling, Ahmad, and Mohamad, "A Study on Zakah of Employment Income: Factors That Influence Academics' Intention to Pay Zakah."

<sup>674</sup> Kashif and Run, "Money Donations Intentions among Muslim Donors: An Extended Theory of Planned Behavior Model."

#### 4.5.1.3 Part D (Measures of attitude, Subjective Norm, Perceived Behavioural Control, Altruism, Trust, Religiosity and Financial Wellness)

##### *Measures of Attitude, Subjective Norm, Perceived Behavioural Control*

These three variables are the three main components in the Theory of Planned Behaviour. By referring to the previously mentioned studies in the previous section, attitude is defined as the belief one's has towards a behaviour, subjective norm is the expectation from the important people in one's life towards conducting a behaviour and perceived behavioural control (PBC) is the perceived ability of a person in conducting a behaviour. There are 8 items constructed for the variables of attitude, 5 items for the subjective norm and another 3 items for the perceived behavioural control as explained in the following table:

**Table 4. 4: Specification of Attitude, Subjective Norm, Perceived Behavioural Control Measures**

Variable	Label	Description
Attitude	DA1	<i>Saya suka menderma</i> (I love to donate)
	DA2	<i>Saya merasakan perbuatan menderma adalah mulia</i> (I feel that donating is a noble deed)
	DA3	<i>Saya menganggap golongan yang meminta derma adalah golongan yang perlu dibantu</i> (I assume those who ask for charitable giving are deserved to be helped)
	DA4	<i>Saya kasihan kepada golongan yang meminta bantuan</i> (I pity those who reach for help)
	DA5	<i>Saya merasakan perbuatan meminta derma oleh golongan yang memerlukan adalah wajar</i> (I think that asking for charitable giving by the needy is rightful)
	DA6	<i>Saya merasakan perbuatan meminta derma oleh institusi sosial adalah wajar</i> (I think that asking for charitable giving by social institution is a rightful)
	DA7	<i>Saya berpendapat menderma boleh menolong golongan yang memerlukan</i> (I think charitable giving can help those in need)
	DA8	<i>Saya berpendapat menderma boleh mengembang dan mengagihkan harta</i> (I think charitable giving can expand and distribute wealth)
Subjective Norm	DB1	<i>Saya menderma kerana pengaruh keluarga</i> (I donate due to the influence of my family)

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**Table 4.4 : Continued**

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	DB2	<i>Saya menderma kerana rakan-rakan saya menderma</i> (I donate because my friends donate)
	DB3	<i>Saya menderma kerana orang-orang di sekitar saya menderma</i> ( I donate because people around me donate)
	DB4	<i>Saya menderma untuk membentuk imej sendiri yang baik kepada masyarakat</i> ( I donate to create a good self image to the community)
	DB5	<i>Saya menderma untuk membentuk imej sendiri yang baik kepada golongan yang menerima derma saya</i> (I donate to create a good self image to those who receive my donation)
Perceived Behavioural Control	DC1	<i>Saya boleh menderma kepada sesiapa sahaja yang memerlukan</i> ( I can donate to anybody who is in need)
	DC2	<i>Saya boleh memperuntukkan sebahagian daripada pendapatan saya untuk menderma secara konsisten</i> (I can allocate a part of my income for charitable giving consistently)
	DC3	<i>Saya boleh menderma walaupun ianya boleh mengurangkan kemampuan kewangan saya</i> (I can donate although it may reduces my financial capability)

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### ***Measures of Altruism***

There are five items constructed to measure altruism which is mainly based on the self reported altruism scale by Rushton<sup>675</sup> who lists general deeds of an altruistic person. It is summarized that altruism in donating money is mainly related to giving money to any people in need. It is also referred to the definition by Nagel<sup>676</sup> who defines altruism as the willingness to act by considering the benefits and interest of others without any implicit motives. Two major types of altruism by Andreoni<sup>677</sup> are also included such as the pure and impure altruism (the effect of warm glow) and empathy-altruism theory since the items are intended to be able to capture the general elements of altruism in charitable giving.

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<sup>675</sup> J. Philippe Rushton, Roland D. Chrisjohn, and G. Cynthia Fekken, "The Altruistic Personality and the Self Report Altruism Scale," *Personality and Individual Differences*, 1981, 1-3. :1-3

<sup>676</sup> Nagel, *The Possibility of Altruism*:91

<sup>677</sup> Andreoni, "Impure Altruism and Donations To Public Goods: A Theory of Warm-Glow Giving."

**Table 4. 5: Specification of Altruism Measurement**

Category	Label	Description
Altruism	DD1	<i>Saya tidak akan teragak-agak untuk memberi bantuan kewangan kepada yang memerlukan</i> (I will not hesitate to give money donation to the needy)
	DD2	<i>Saya percaya bantuan yang saya berikan boleh membantu untuk memberikan kehidupan yang lebih baik kepada orang lain</i> (I believe that my help can assist in giving a better life to others)
	DD3	<i>Menolong orang lain membuatkan saya rasa bahagia</i> (Helping others makes me happy)
	DD4	<i>Saya menderma tanpa mengharapkan sebarang bentuk balasan</i> ( I donate without expecting any returns)
	DD5	<i>Saya merasa simpati dan empati dengan kesusahan orang lain</i> (I symphatize and emphatize in other people’s misery)

#### ***Measures of Financial Wellness***

The measure of financial wellness in this study is formulated using the definition of personal financial wellness by Joo<sup>678</sup> who suggests that there are four subconstructs of financial wellness which include objective status, financial satisfaction, financial behavior, and subjective perception. This study focuses on two important elements of financial wellness which are the financial satisfaction and financial behaviour to describe one’s financial wellness. Financial satisfaction can be measured with items that reflect one’s satisfaction on his or her income situation such as satisfaction with income. While financial behaviors include specific behavior with various personal finance topics such as cash management, credit and debt management, planning for various life cycle events especially which involve future planning.

Similarly in a study by Garman et al <sup>679</sup> financial wellness is measured by financial satisfaction of one’s financial situation and personal financial behaviour that particularly

<sup>678</sup> Joo, “Personal Financial Wellness.”:23

<sup>679</sup> E Thomas Garman et al., “Workplace Financial Education Improves Personal Financial Wellness,” *Association for Financial Counseling and Planning Education*, no. 904 (1999): 79–88.

elicit information on how a person manages personal finance. Narges Delafroo & Laily Hj Paim<sup>680</sup> sum that financial wellness is associated to the level of financial health encompassing satisfaction of one's financial situation, perception on adequacy of financial resources, and objective amount of material and non-material financial resources that each individual possesses with 12 items listed. On the similar note, perceived financial well-being is related to financial satisfaction which is assessed on three items such as money saved, current financial situation, and financial management skills.<sup>681</sup>

**Table 4. 6: Specification of Financial Wellness Measurement**

Category	Label	Description
Financial Wellness	DE1	<i>Pendapatan isi rumah saya mencukupi</i> (My household income is sufficient)
	DE2	<i>Saya merancang dan mengurus perbelanjaan harian saya</i> (I plan and manage my daily expenses)
	DE3	<i>Pendapatan saya mencukupi bagi menampung hutang</i> (My income is sufficient to cover the debt)
	DE4	<i>Saya berbelanja mengikut keutamaan</i> (I spend according to priority)
	DE5	<i>Saya membuat tabungan secara tetap</i> (I have consistent savings)
	DE6	<i>Saya mempunyai asset pelaburan</i> (I have investment assets)
	DE7	<i>Saya membuat caruman insurans/takaful hayat</i> (I subscribe to life/takaful insurance)
	DE8	<i>Saya membuat caruman insurans/takaful pendidikan anak</i> (I subscribe to children education insurance/ takaful)
	DE9	<i>Saya membayar cukai pendapatan</i> (I pay income tax)
	DE10	<i>Saya membayar zakat pendapatan/harta</i> ( I pay income/asset zakah)

### **Measures of Religiosity**

Generally, religiosity is related to a person's commitment, identification and involvement in a religion or system of religious beliefs which is reflected on the attitude and

<sup>680</sup> Narges Delafrooz and Laily Hj Paim, "Determinants of Financial Wellness among Malaysia Workers," *The Asian International Journal of Life Sciences* 20, no. 24 (2011): 307–21, doi:10.5897/AJBM10.1267.

<sup>681</sup> Mohamad Fazli Sabri, Christine C. Cook, and Clinton G. Gudmunson, "Financial Well-Being of Malaysian College Students," *Asian Education and Development Studies* 1 (2012): 153–70, doi:10.1108/20463161211240124.

behaviour.<sup>682</sup> Following this definition there are two elements of religiosity that should be measured which are the cognitive dimension and the behavioural dimension as seen in the Religious Commitment Inventory developed by Worthington et al.<sup>683</sup> The advantage of this measure is that it can be used to measure religiosity of any faiths and without any bias towards any genders. However, to suit the elements of belief in wealth management especially for Muslims, the items are modified and changed. A few other studies in religiosity are referred as a guide in developing the items in this measurement such as in studies by Syed Shah Alam, Rohani Mohamad and Badrul Hisham<sup>684</sup>, Arshia Mukhtar Muhammad Mohsin Butt<sup>685</sup> and Wan Marhaini Wan Ahmad, Asmak Ab Rahman, Nor Aini Ali & Azizi Che Seman.<sup>686</sup>

**Table 4. 7: Specification of Religiosity Measurement**

Category	Label	Description
Religiosity	DF1	<i>Saya melaksanakan tuntutan agama sepenuhnya</i> (I conduct religious obligations fully)
	DF2	<i>Saya percaya bahawa harta adalah milik Tuhan dan bukan milik mutlak manusia</i> (I believe that wealth belongs to the God not absolutely to human)
	DF3	<i>Saya percaya bahawa dengan menderma saya telah menunaikan hak orang lain terhadap harta saya</i> (I believe that by donating, I have paid the rights of others towards my wealth)
	DF4	<i>Saya percaya bahawa menderma dapat membersihkan harta</i> (I believe that donating can purify one's wealth)
	DF5	<i>Saya percaya bahawa orang yang menderma akan mendapat kebaikan dalam agama</i> (I believe that people who donate will gain goodness in religion)
	DF6	<i>Saya sentiasa memastikan bahawa sumber pendapatan saya adalah bersih (contohnya: bebas rasuah)</i> (I always ensure that my income resources are clean (for example: free from bribery))

<sup>682</sup> Hardy and Carlo, "Religiosity and Prosocial Behaviours in Adolescence: The Mediating Role of Prosocial Values."

<sup>683</sup> Worthington Jr, Everett L., et al. "The Religious Commitment Inventory--10: Development, refinement, and validation of a brief scale for research and counseling." *Journal of Counseling Psychology* 50.1 (2003): 84.

<sup>684</sup> Rohani Mohd and Badrul Hisham Syed Shah Alam, "Is Religiosity an Important Determinant on Muslim Consumer Behaviour in Malaysia?," *Journal of Islamic Marketing* 2, no. 1 (2011): 83–96, doi:10.1108/17590831111115268.

<sup>685</sup> Mukhtar and Butt, "Intention to Choose Halal Products: The Role of Religiosity."

<sup>686</sup> Wan Marhaini Wan Ahmad et al., "Religiosity And Banking Selection Criteria Among Malays In Lembah Klang," *Jurnal Syariah* 16, no. 2 (2008): 279–304.

**Table 4.7: Continued**

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DF7	<i>Saya sentiasa memastikan perbelanjaan pada perkara yang baik dan berfaedah</i> (I always ensure my expenses are on good and beneficial things)
DF8	<i>Saya mengamalkan cara hidup sepertimana yang ditetapkan oleh agama</i> (I practice a way of life as obligated by the religion)

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### ***Measures of Trust***

Trust plays an important part in charitable giving as it involves another party. The element can be assessed as one of the cognitive component similar to assessing beliefs<sup>687</sup>. In the context of charitable giving, Bennett & Barkensjo<sup>688</sup> assert that trust is associated to the belief that the trusted party will fulfill the obligation and satisfy the trusting party. Accordingly, trust is also related to the feeling of trust or satisfaction of trust can only be achieved when it is trusted that the donation is being put to appropriate use.<sup>689</sup>The measurement of trust in this paper is adapted from the items in studies by Murtala Oladimeji Abioye Mustafa, Har Sani Mohamad & Muhammad Akhyar Adnan<sup>690</sup>, Banks & Raciti<sup>691</sup> and Sargeant, Ford & West<sup>692</sup> by generalizing the recipient of donation that includes individuals and organizations.

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<sup>687</sup> Morgan, Robert M., and Shelby D. Hunt. "The commitment-trust theory of relationship marketing." *the journal of marketing* (1994): 20-38.

<sup>688</sup> Bennett, Roger, and Anna Barkensjo. "Causes and consequences of donor perceptions of the quality of the relationship marketing activities of charitable organisations." *Journal of Targeting, Measurement and Analysis for Marketing* 13.2 (2005): 122-139.

<sup>689</sup> Fenton, Natalie, Andrew Passey, and Les Hems. "Trust, the voluntary sector and civil society." *International journal of sociology and social policy* 19.7/8 (1999): 21-42 see also; Bryce, Herrington J. "The public's trust in nonprofit organizations: The role of relationship marketing and management." *California Management Review* 49.4 (2007): 112.

<sup>690</sup> Oladimeji, Mustafa, and Adnan, "Antecedents of Zakat Payers' Trust in an Emerging Zakat Sector: An Exploratory Study."

<sup>691</sup> Banks and Raciti, "Perceived and Evidenced Credibility-Based Trust and Financial Donors' Loyalty to Charities: A Relationship Marketing Perspective."

<sup>692</sup> Sargeant, Ford, and West, "Perceptual Determinants of Nonprofit Giving Behavior."

**Table 4. 8: Specification of Trust Measurement**

Category	Label	Description
Trust	DG1	Saya percaya orang yang meminta derma adalah golongan yang memang berkelayakan (I trust that those who ask for donation are eligible for it)
	DG2	Saya percaya orang yang menerima derma akan membelanjakan bagi tujuan keperluan hidup (I trust that those who receive donation will spend it for the purpose of life necessities)
	DG3	Saya percaya bahawa penerima derma mampu menggunakan derma sebaik-baiknya (I trust that those who receive donation can utilize it wisely)
	DG4	Saya percaya bahawa penerima derma akan berusaha untuk tidak meminta sekiranya dirinya berkemampuan (I trust that those who receive donation will try not to ask for donation if they can afford themselves)
	DG5	Saya dapat membezakan antara peminta derma yang tulen dan palsu (I can differentiate between the true and the fake donation recipients)

#### 4.5.2 Pilot Study

To preliminary test the validity and the reliability of the instrument and to detect and expect any problems that would possibly deter the study, a pilot study has to be conducted. The result from a pilot study can provide valuable information in testing the efficiency of the instrument and the practicality of the actual study, directing the suggestions and outline of the study, evaluating the research and sampling design, identifying possible problems to arise, estimating the appropriate sample size, projecting the cost, examining the suitability of data analysis technique as well as a source of reference to align the research questions. All in all, a pilot study should provide beneficial information for researchers to conduct the actual research effectively.<sup>693</sup>

<sup>693</sup> Chua, Yan Piaw. *Kaedah penyelidikan*.284-288



A pilot study has been conducted at one of the polytechnics in Malaysia because the respondents fit the main criterion of the population studied that is Muslim Malaysian workers. The number of samples for the pilot study is decided by basing on recommendations found in a few studies. Hertzog<sup>694</sup> suggests 25 to 40 respondents for instrument development while an estimation of 24 to 36 is proposed by Johanson & Brooks.<sup>695</sup> On the other hand, Mooney and Duval<sup>696</sup> claim that when the  $n$  is in the range of 30-50 and the sampling is done in truly random manner, it produces high quality of parameter estimates approximations through bootstrapping and confidence intervals. Thus, the ideal number of samples in a pilot study can range between 24 to 50 respondents. To produce better result, the maximum number of 50 is chosen for the pilot study. The process of questionnaire distribution and collection took about three weeks to complete between 6<sup>th</sup> October 2014 and 24<sup>th</sup> October 2014 as the respondents were engaged in training courses and teaching and learning activities at the institution.

#### 4.5.3 Validity

According to Hair<sup>697</sup>, validity refers to the representative degree of a measure to measure what it is supposed to be measuring. Validity of an instrument can be evaluated in qualitative and quantitative manner. In this study, the qualitative measurement of validity was carried out before commencing to the pilot study stage through face validity and content validity. Face validity is measured by the impression of the instrument to measure what it is intended to.<sup>698</sup> It mainly deals with the technical part of the instrument. Through this validation, a few technical errors have been indentified such as omission of scale in some part of the

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<sup>694</sup> Hertzog, Melody A. "Considerations in determining sample size for pilot studies." *Research in nursing & health* 31, no. 2 (2008): 180-191.

<sup>695</sup> G. a. Johanson and G. P. Brooks, "Initial Scale Development: Sample Size for Pilot Studies," *Educational and Psychological Measurement* 70, no. 3 (2010): 394–400, doi:10.1177/0013164409355692.

<sup>696</sup> Mooney, Christopher Z. and Duval, Robert D, "Bootstrapping: A Nonparametric Approach to Statistical Inference". No. 94-95. (Newbury Park, CA: Sage, 1993):9-14

<sup>697</sup> Joseph F. Jr Hair et al., *Multivariate Data Analysis* (New York: Pearson Prentice Hall, 2009):.3

<sup>698</sup> Arshad Abd Samad, " *Essentials of Language Testing for Malaysian Teachers*," (Serdang: UPM Press, 2004):19

questionnaire and errors in numbering. Face validity was achieved by involving four experts in the field who were two academicians in the area of Islamic economics from Universiti Kebangsaan Malaysia and Universiti Pendidikan Sultan Idris, an academician from Universiti Utara Malaysia who is also a program instructor for Smart PLS and has produced work using the Planned Behaviour Theory framework and an officer in the Ministry of Women, Family and Community Development of Malaysia in Putrajaya. This process also involved 10 selected participants of the pilot study.

Another qualitative validity measurement which is the content validity is also crucial to be conducted. Content validity measures the extent of the measurement to represent the aspects of the content measured.<sup>699</sup> It was done by the four aforementioned experts in the field. The results of the assessment showed that the instrument captures the content related to charitable giving and the items in the factors of charitable giving were also deemed relevant and suitable to the context. After undergoing the qualitative measurement validity, some corrections were made especially in terms of psychometric assessment. Some addition and fixation of categories in the items were made to suit the data analysis process. The next step was to run the pilot study.

In order to further confirm the validity of the instrument, quantitative validity measurement is carried out by assessing the construct validity, convergent validity and discriminant validity. Construct validity measures whether a scale or test is measuring the construct adequately. To achieve this, the analysis technique of factor analysis was done. As this study also applies the Partial Least Square Structural equation modeling, the result from the analysis used to measure the convergent and discriminant validity were also compared. The convergent validity measures the degree of a measure to correlate in a positive way to

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<sup>699</sup> Chua, Yan Piaw. “*Kaedah penyelidikan*.”:240

other measures of the similar construct. This is reflected through the outer loading and the average variance extracted (AVE) values. The higher the values reflect the higher degree of validity. Whereas the discriminant validity measures the distinct value of a construct from other constructs so that the construct does not overlap with other constructs and it should be able to measure one unique construct not shared by other constructs. This can be assessed by the value of cross loadings or the Fornell-Larcker criterion.<sup>700</sup> The result of both analyses will be discussed in the chapter five of result and discussion.

#### 4.5.4 Reliability

The reliability of an instrument reflects the degree of two important criteria of a measurement which are producing the true value and being error free. Contrasting with the validity that deals with what to be measured, the reliability deals with the question of how it is measured. It also indicates the extent of consistency of a measurement in measuring what it supposedly measuring at different times.<sup>701</sup> This means an instrument with high value of reliability will produce consistent results when asked repeatedly. Achieving high reliability value is important in avoiding measurement error that will affect the strength of the result.

One of the ways to estimate the instrument reliability is through internal consistency that estimates the equivalence of sets of items from the same measurement. The internal consistency assumes that items which supposed to measure the same construct should correlate and the most conventional method for estimating internal consistency reliability is using the Cronbach's alpha which is a function of the average intercorrelation of items and the number of items in the scale.<sup>702</sup> Thus, the higher the value obtained, the higher the degree of reliability assumed. The instrument of this study has gone through the reliability analysis

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<sup>700</sup> Joseph F. Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (Los Angeles: SAGE, 2014): 104

<sup>701</sup> Hair et al., *Multivariate Data Analysis*: 2

<sup>702</sup> Carole L. Kimberlin and Almut G. Winterstein, "Validity and Reliability of Measurement Instruments Used in Research," *American Society of Health-System Pharmacists*, 65 (2008), doi:10.2146/ajhp070364.

for items in each construct and the result from the pilot study and the actual study is presented in the following Table 4.9:

**Table 4. 9: Result of Reliability Analysis (Cronbach’s Alpha)**

Construct	Number of items	Remarks	Pilot Test (50 Respondents)	Actual Study (1034 Respondents)	Remarks
	Original				
Intention	10		0.975	0.967	
Attitude	8		0.935	0.906	1 item deleted
Subjective Norm	5		0.836	0.865	
Perceived Behaviour Control	3		0.837	0.761	
Altruism	5		0.939	0.927	
Financial Wellness	10		.827	0.882	Suggested for item reduction into two components
				0.861	
Religiosity	8		0.973	0.958	
Trust	5	1 item deleted	0.904	0.879	

The result from the table indicates that all constructs through comparisons of value from the pilot study and the actual study score strong values of Cronbach Alpha more than 0.7 which infer high and very good internal consistency reliability as recommended by Pallant<sup>703</sup>.

#### 4.6 Sampling Strategy

In research, the element of sampling is very essential to determine a representative sample to the real population. There are two types of sampling designs which are the probability sampling and non-probability sampling. Probability sampling infers that every element in the population has an equal and independent chance to be randomly selected so that the selection

<sup>703</sup> Julie Pallant, *SPSS Survival Manual(4<sup>th</sup> Ed)* (Australia: Allen & Unwin, 2011):.6

of the sample is free from the element of bias. The advantage of this sampling is it ensures the representativeness and generalisability to the population.<sup>704</sup> To achieve this ‘gold standard’ of sampling, not only it requires a detailed explanation on the target population, but it also needs to have a specific sampling frame that is used to identify the elements in the population. Sampling frames can be maps of areas to find the elements or lists of population elements such as organization memberships or business organizations in certain locations or registries of addresses or telephone directories.<sup>705</sup>

The second design of sampling is the non probability sampling. The non probability sampling does not apply the probability theory in the selection of elements due to unknown number of elements in the population and unidentifiable of the individual element. The choice of element is also made nonrandomly with different considerations depending on the need of the study. These two aforementioned sampling designs have different types of sampling which is described in the following table:

**Table 4. 10: Types of sampling (Teddlie and F. Yu (2007))**

Probability Sampling	Non- Probability Sampling
<ul style="list-style-type: none"> <li>• Random Sampling</li> <li>• Stratified Sampling (Proportionate/ Disporpotionate)</li> <li>• Cluster Sampling (single./Double/Multi-stage)</li> <li>• Sampling Using Multiple Probability Techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Purposive Sampling</li> <li>• Sampling To Achieve Representativeness Or Comparability :(Quota sampling)</li> <li>• Sampling Special Or Unique Cases :</li> <li>• Sequential Sampling (snowball sampling)</li> <li>• Sampling Using Multiple Purposive Techniques:</li> <li>• Convenience Sampling</li> <li>• Captive Sample (accidental)</li> </ul>

<sup>704</sup> Ranjit Kumar, *Research Methodology: A Step by Step Guide for Beginners*:182

<sup>705</sup> Robert M. Groves et al., *Survey Methodology* (Hoboken, New Jersey: John Wiley & Sons, 2009):45

Due to some constraints in the study especially in regards to sampling frame issue, large geographical area of the population and very costly to reach every sampled element, this study applies the multi stage cluster sampling.

#### **4.6.1 Sampling Type**

The target population is identified as Muslim worker population who prove to have two distinctive criteria. The first criterion is Muslim and the second criterion is to have a source of income. The income has been the most important requirement in charitable giving as one needs to have a source of income to be able to donate. Therefore, the samples must be taken from the employed population as they are guaranteed to have the basic criteria of donation that is the income. As majority of Malaysian population are Muslim by 61.3%<sup>706</sup>, choosing the Muslim community as the sample will also represent the majority population in Malaysia.

The total population is derived by basing on the statistics of labour force in Malaysia 2013<sup>707</sup> as presented in Table 4.11. However, to substitute the unavailability of information on labour force according to religion, the indication of ethnic will be used to represent the Muslim community. Therefore, data on Malay ethnic will be referred as according to the Malaysian Federal Constitution, the key definition of a Malay is a person who embraces Islam as the religion in article 160.<sup>708</sup> Thus, it is estimated that the number of population in this study is 6,093,500 under the Malay employed figure.

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<sup>706</sup> Department of Statistics, Malaysia, Laporan Taburan Penduduk Dan Ciri-Ciri Asas Demografi 2010, Accessed 20 December 2013 , [http://www.statistics.gov.my/portal/index.php?option=com\\_content&id=1215&Itemid=89&lang=bn](http://www.statistics.gov.my/portal/index.php?option=com_content&id=1215&Itemid=89&lang=bn)

<sup>707</sup> Department of Statistics, "Labour Force Survey Report."

<sup>708</sup> The Commissioner of Law Revision of Malaysia, "Federal Constitution" (Kuala Lumpur: Percetakan Nasional Malaysia Bhd, 2010).:153

**Table 4.11: Employed Persons According to Ethnic in Malaysia 2013 (Malaysia Department of Statistics 2013.)**

Taraf pekerjaan Status in employment	Jumlah Total	Warganegara Malaysia Malaysian citizens						Bukan warga- negara Malaysia Non- Malaysian citizens		
		Jumlah Total	Bumiputera			Cina Chinese	India Indians		Lain-lain Others	
			Jumlah Bumiputera Total Bumiputera	Melayu Malay	Bumiputera lain Other Bumiputera					
Jumlah Total	('000) (%)	13,210.0 100.0	11,433.7 100.0	7,510.8 100.0	6,093.5 100.0	1,417.3 100.0	2,995.0 100.0	844.5 100.0	83.4 100.0	1,776.4 100.0

Cluster sampling is used to address the problems of lack of good sampling frame for a population that is dispersed and high cost to reach the samples by using multiple stages of clustering the samples.<sup>709</sup> In a multistage clustering, the first stage is to sample a cluster from a large cluster. Next, a few small clusters are selected within the large selected cluster. Then, elements are drawn from the small clusters. To conduct the multiple stages of clustering, data of employed persons in Malaysia according to the states in 2013 is used as a guide in the sampling procedure.

<sup>709</sup> Neuman, W.L., "Social Research Methods: Qualitative and Quantitative Approaches." :257

**Table 4. 12: Employed Persons according to States, Strata and Gender in Malaysia 2013 (Malaysia Department of Statistics, 2013).**

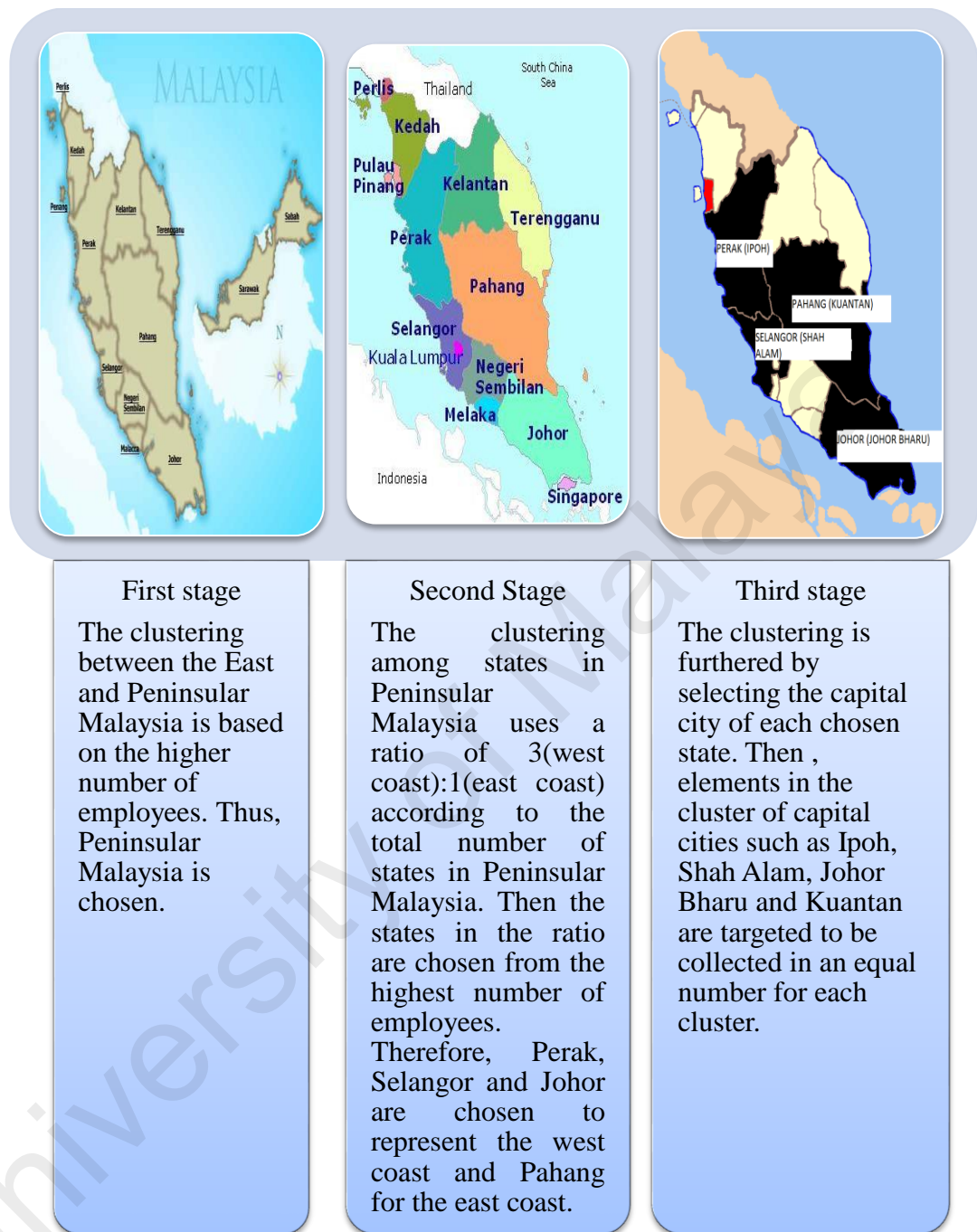
Negeri State		Jumlah Total			Bandar Urban			Luar bandar Rural		
		Jumlah	Lelaki	Perempuan	Jumlah	Lelaki	Perempuan	Jumlah	Lelaki	Perempuan
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Jumlah Total	('000) (%)	13,634.6 100.0	8,485.4 100.0	5,149.2 100.0	9,652.1 100.0	5,867.1 100.0	3,785.0 100.0	3,982.5 100.0	2,618.3 100.0	1,364.2 100.0
Johor		1,608.8 11.8	1,042.8 12.3	566.0 11.0	1,226.0 12.7	785.1 13.4	440.8 11.6	382.8 9.6	257.7 9.8	125.2 9.2
Kedah		849.3 6.2	528.0 6.2	321.3 6.2	398.3 4.1	243.5 4.2	154.7 4.1	451.0 11.3	284.4 10.9	166.6 12.2
Kelantan		615.2 4.5	375.7 4.4	239.5 4.7	216.6 2.2	125.0 2.1	91.6 2.4	398.6 10.0	250.7 9.6	147.9 10.8
Melaka		375.0 2.8	221.9 2.6	153.0 3.0	316.2 3.3	186.1 3.2	130.1 3.4	58.8 1.5	35.9 1.4	22.9 1.7
Negeri Sembilan		469.9 3.4	292.3 3.4	177.7 3.5	299.9 3.1	182.8 3.1	117.2 3.1	170.0 4.3	109.5 4.2	60.5 4.4
Pahang		670.6 4.9	444.8 5.2	225.8 4.4	357.8 3.7	223.6 3.8	134.1 3.5	312.9 7.9	221.2 8.4	91.7 6.7
Perak		976.2 7.2	635.8 7.5	340.4 6.6	650.4 6.7	405.3 6.9	245.1 6.5	325.8 8.2	230.5 8.8	95.3 7.0
Perlis		97.7 0.7	61.0 0.7	36.8 0.7	39.7 0.4	24.2 0.4	15.5 0.4	58.0 1.5	36.8 1.4	21.3 1.6
Pulau Pinang		797.7 5.9	470.0 5.5	327.7 6.4	673.8 7.0	394.3 6.7	279.5 7.4	124.0 3.1	75.7 2.9	48.3 3.5
Sabah		1,669.4 12.2	1,077.9 12.7	591.5 11.5	944.6 9.8	592.4 10.1	352.2 9.3	724.8 18.2	485.6 18.5	239.3 17.5
Sarawak		1,187.1 8.7	749.9 8.8	437.2 8.5	628.6 6.5	388.6 6.6	240.0 6.3	558.5 14.0	361.3 13.8	197.2 14.5
Selangor		2,903.9 21.3	1,743.8 20.5	1,160.4 22.5	2,691.4 27.9	1,608.9 27.4	1,082.5 28.6	212.5 5.3	134.6 5.1	77.9 5.7
Terengganu		422.3 3.1	271.1 3.2	151.2 2.9	227.8 2.4	143.1 2.4	84.7 2.2	194.5 4.9	128.0 4.9	66.5 4.9
W.P. Kuala Lumpur		906.5 6.6	523.3 6.2	383.2 7.4	906.5 9.4	523.3 8.9	383.2 10.1	n.a	n.a	n.a
W.P. Labuan		42.5 0.3	27.8 0.3	14.7 0.3	32.3 0.3	21.3 0.4	11.0 0.3	10.2 0.3	6.5 0.2	3.7 0.3
W.P. Putrajaya		42.3 0.3	19.6 0.2	22.7 0.4	42.3 0.4	19.6 0.3	22.7 0.6	n.a	n.a	n.a

The samples are clustered according to two main areas of the country which is the Peninsular Malaysia and the East Malaysia or also known as the Borneo. The number of employers in Peninsular Malaysia is 10077 while in Borneo 3133. Thus, the Peninsular Malaysia is chosen as the target area where the majority of employers are working. The working population is then further grouped into two major areas of the Peninsular Malaysia which are the West Coast and the East Coast. The western coast of Malaysia comprises of 9 different states such as Perlis, Kedah, Penang, Perak, Selangor, Kuala Lumpur, Negeri



Sembilan, Malacca and Johor. The eastern coast on the other hand has only three states such as Pahang, Terengganu and Kelantan. Using the ratio of 3:1, three states are chosen to represent the west coast of Malaysia and one state is chosen for the east coast. The selection of the states is according to the highest number of employers in the target area because it is believed the higher the number of employers in the targeted area, the higher the chances of getting the representative samples of the population.

Thus, the three chosen states for the west coast are Selangor (2832.5), Johor (1563.2) and Perak (938.4) and Pahang represents the east coast, with the highest number of employers in the region (651.2). To determine the target location of each state, it is further clustered to capital city of each state as it would occupy the largest number of worker population. Since there is no sampling frame to select the sample, an equal number of respondents is specified according to the required size of sample for each cluster. The steps in constructing the multiple stages of cluster sampling are outlined in the following diagram:



**Figure 4. 3: Cluster Sampling**

#### 4.6.2 Sampling Size Determination

In general, the most important aim in a survey design is to minimize both alpha error (Type I error) and beta error (Type II error).<sup>710</sup> Type I error is made when the result shows that the null hypothesis must be rejected when actually the null hypothesis is true. While type II error is made when the data supports the acceptance of the null hypothesis but the null hypothesis is actually false.<sup>711</sup> To minimize these errors, appropriate sampling size is crucial. There are many formulas to determine the appropriate size of the sample, such as the sampling table by Krejcie and Morgan<sup>712</sup> and Cochran<sup>713</sup>.

The first sampling formula is suitable to be used for survey research with large population and when the exact number of population is known. However, this formula only assumes confidence interval of 0.05 and degree of accuracy of 0.05. The number of samples also very much relies on the number of population in which the larger the population, the larger the sample size. Thus it is not cost effective for small budget research involving a large population that often encounters problems of inaccessible number of appropriate sample. While the latter formula by Cochran estimates the sampling using the margin of error 5% for categorical data and 3% for continuous data as the rule of thumb and confidence interval of 0.05 and 0.01. Although this formula is easy to interpret, the formula to determine the required margin of error for specific studies is vague because it depends to the researcher to choose.<sup>714</sup> Both aforementioned formulas do not address the issue of the type II error in details.

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<sup>710</sup> Ian Peers, *Statistical Analysis for Education & Psychology Researchers* (UK: Taylor & Francis, 1996):138-139

<sup>711</sup> Author J Neyman and E S Pearson, "Biometrika Trust On the Use and Interpretation of Certain Test Criteria for Purposes of Statistical Inference : Part I On The Use And Interpretation Of Certain Test Criteria For Purposes Of Statistical Inference .," *Biometrika* 20A, no. 3/4 (1928): 263–294.

<sup>712</sup> Robert V Krejcie and Daryle W Morgan, "Determining Sample Size For Research Activities," *Educational And Psychological Measurement* 38 (1970): 607–610.

<sup>713</sup> William G Cochran and John Wiley, *Sampling Techniques*, Third Edit (New York: John Wiley & Sons, 1977): 94

<sup>714</sup> James E. Bartlett, Joe W Kotrlík Joe W Kotrlík, and Cchcc Higgins, "Organizational Research: Determining Appropriate Sample Size in Survey Research Appropriate Sample Size in Survey Research," *Information Technology, Learning, and Performance Journal* 19, no. 1 (2001): 43.

The third approach in determining sample size is using statistical power analysis and effect size pioneered by Jacob Cohen.<sup>715</sup> To determine the size of the sample for this study, the element of power analysis is chosen as according to Cohen<sup>716</sup>, the selection of unbiased samples that representative of the population is better than having a large number of samples but contain bias. Thus, the calculation of sampling size by considering only the type I error that is controlled by the significance level per se is not adequate. Another type of error, the type II error should also be controlled by the element of effect size that calculates the difference between groups.<sup>717</sup> According to Hair<sup>718</sup>, effect size estimates the degree of the studied phenomena that actually occurs in the population.

As this study represents a large number of population, a careful selection of sampling size that can result in powerful statistical analysis is crucial. It is also the need of this study to estimate a sampling number which is not only able to capture representative respondents but also effective in cost and time. For this reason, G\*Power 3.1 software is used to estimate the sampling size needed not just because it addresses the issues of both errors and it produces statistical power but also it calculates the sampling estimation according to statistical techniques used in the analysis. To achieve the research objectives, this study employs structural equation modeling that is based on multiple regression technique and also logistic regression. With the power of 0.80, the estimate number of samples to be used for multiple regression and logistic regression analysis is illustrated in the following diagram. As a result, the minimum number of samples estimated for this study using the multiple regression analysis is 114 and logistic regression analysis is 988.

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<sup>715</sup> Jacob Cohen, *Statistical Power Analysis for the Behavioral Sciences* (Hillsdale, New Jersey: Lawrence Earlbaum Associates, Publishers, 1988).

<sup>716</sup> Jacob Cohen, "Statistical Power Analysis," *Current Directions in Psychological Science* (Wiley-Blackwell) 1, no. 3 (1992): 98–101, doi:10.1111/1467-8721.ep10768783.

<sup>717</sup> Robert Coe, "It ' S the Effect Size , Stupid," in *British Educational Research Association Annual Conference, Exeter, 12-14 September, 2002*, 2002, 1–18.

<sup>718</sup> Hair et al., *Multivariate Data Analysis*.:1

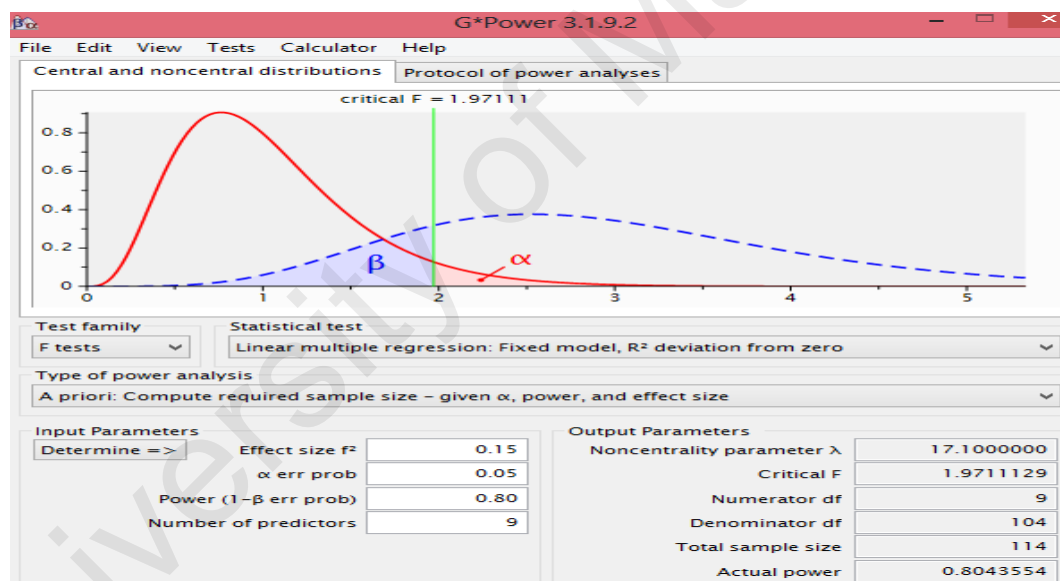
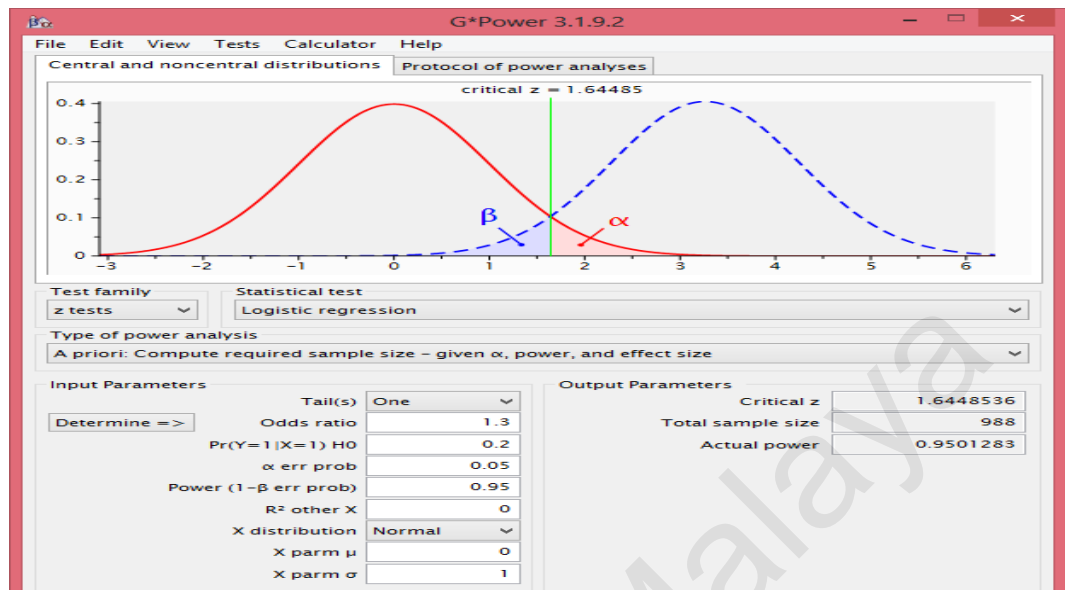


Figure 4. 4: Sampling size using G\*Power 3.1

#### 4.6.3 Sampling Procedure

By basing on the minimum number of 988 required samples, the target number is rounded up to 1000, which required each state to sample 250 employers. Increasing the size of the sample effects to the increase of accuracy and statistical power as suggested by Cohen<sup>719</sup> and Hair<sup>720</sup> However, for the sake of precaution, 300 questionnaire sets were distributed for each

<sup>719</sup> Cohen, "Statistical Power Analysis.":98

<sup>720</sup> Hair et al., *Multivariate Data Analysis*.:11

state to overcome the problem of insufficient and missing data. The target location of questionnaire distribution were public places which could be the target of fundraisers such as shopping malls, banks, restaurants, public amenities and others. For each state, data collection was completed when it reached the number of 250-300 respondents.

#### **4.7 Method of Data Collection**

The survey data collection method is employed in this study by using a set of questionnaire. This study covers quite a large area of research as discussed in the previous section of sampling procedure and it has to be done simultaneously. Therefore, as many as 8 enumerators mainly students from Universiti Pendidikan Sultan Idris were assigned for this task and the target area was the capital city of each involved state namely Shah Alam for Selangor, Johor Bharu for Johor, Ipoh for Perak and Kuantan for Pahang . Two enumerators were assigned for each location for the data collection prepared with 300 sets of questionnaire. The target locations were specified as public places that are usually the target of fund raisers such as banks, shopping malls, restaurants, public amenities and others. The duration for this process took about three months to complete between 10<sup>th</sup> of November 2014 until 31<sup>st</sup> January 2015.

#### **4.8 Method of Data Analysis**

The method of analysis is set to accomplish the objectives of the study by employing two main types of statistics that are the descriptive and the inferential statistics. To achieve the objective of identifying the patterns of voluntary charitable giving among Muslims in Malaysia as well as to describe the demography and socioeconomic status of the respondents, descriptive statistics was used. While to attain the objectives of determining the relationship between patterns and factors behind the act of voluntary charitable giving among Muslims in

Malaysia, the inferential statistics was employed. Two techniques of statistics were involved in this study namely the logistic regression analysis and PLS Structural Equation Modeling. Both techniques were applied to attain the research objectives of determining predictors of charitable giving behaviour depending on the types of data involved in the analysis. Thus, two statistical software packages were used in this process, namely the Statistical Package of Social Science version 21 and the SmartPLS 2.0.

However, the process of data analysis can only be done after screening and cleaning the data from any errors<sup>721</sup> by using the statistical package of social science (SPSS) version 21. After coding the data, it was screened through the descriptives option in the SPSS to detect any errors. A few coding errors were identified for items using only two answer options. The answer option should be coded as 1 and 0 but the 0 was miscoded as 2. The next step was the data cleaning process where the error was rectified through the recoding process. As a clean data had been confirmed, the data analysis process was commenced. For this study, the collected data was examined by focusing on the missing data, outliers and normality.

#### **4.8.1 Missing Data**

One of the common problems faced in survey research is missing data as respondents have the freedom to skip some of the questions.<sup>722</sup> The missing data can lead to particularly two main problems in which it reduces the statistical test ability to infer a relationship in the dataset and it produces biased parameter estimations.<sup>723</sup> Tabachnick and Fidell<sup>724</sup> suggest that the importance of missing data relies on its pattern of missing observations, the frequency of occurrence, and the reason for the missing data. They recommend that for missing data with a systematic pattern, treatment to correct this problem could lead to biased results but for

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<sup>721</sup> Pallant, *SPSS Survival Manual*:43

<sup>722</sup> Alan Bryman, *Social Research Methods*, 4th editio (Oxford: Oxford University Press, 2012):333

<sup>723</sup> De Vaus, David. "Analyzing social science data: 50 key problems in data analysis". (London:SAGE, 2002):64

<sup>724</sup> Barbara G Tabachnick and Linda S Fidell, *Using Multivariate Statistics, Using Multivariate Statistics 5th Ed* (New York: Pearson, 1996), doi:10.1037/022267.:62

missing data that are randomly scattered without any obvious pattern, treatment to rectify this problem can generate acceptable results. The extent of acceptable missing is arguable and undefined. Cohen et al<sup>725</sup> argue that the treatment of a small percentage of missing data less than 3% creates less effect than treating much larger missing data of 10%, 20% or 30%, Tabachnick and Fidell<sup>726</sup> opine that 5% or less of missing data is less serious while Malhotra and Birks<sup>727</sup> posit that treatment of more than 10% missing data can create problems. Hair<sup>728</sup> has produced a clear rule that any missing data less than 10% is ignorable and any kinds of treatment on these data are acceptable. Thus, there are three common options to treat missing data<sup>729</sup>:

- i. List-wise deletion;
- ii. Pair-wise deletion; and,
- iii. Replacement of missing data with estimated value.

In list-wise deletion, all cases of missing data are excluded from the analysis. Although this technique ensures that analysis will be done with a consistent sample, the result will be unsatisfactory as good data would be probably discarded which could lead to losing a substantial amount of missing data that scattered in the dataset.<sup>730</sup> On the other hand, pair-wise deletion excludes the missing data only if they are on the variable involved for the specific analysis computation.<sup>731</sup> However, this method produces inconsistent sample size that may lead to infeasible results.<sup>732</sup> The last approach is to replace the missing data by estimating the missing data value based on the valid values of other variables and/or cases or

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<sup>725</sup> Jacob Cohen et al., *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*, 3rd Edition (Mahwah, New Jersey: Lawrence Erlbaum Associates, Publishers, 2003):432

<sup>726</sup> Tabachnick and Fidell, *Using Multivariate Statistics*:63

<sup>727</sup> David F Birks and Naresh K. Malhotra, *Marketing Research: An Applied Approach* (Harlow: Pearson Education Limited, 2006). :431

<sup>728</sup> Hair et al., *Multivariate Data Analysis*:45-46

<sup>729</sup> Birks and K. Malhotra, *Marketing Research: An Applied Approach*.432

<sup>730</sup> Malhotra, *Marketing Research: An Applied Orientation*:461

<sup>731</sup> Rex B. Kline, *Principles and Practice of Structural Equation Modeling*, Third Edition (New York: The Guilford Press, 2011):57

<sup>732</sup> Birks and K. Malhotra, *Marketing Research: An Applied Approach*:431



substitute the missing value with a mean, using regression, expectation-maximization or multiple imputation.<sup>733</sup> For this study, missing values of descriptive information are not treated and reported as it is but for inference analysis, the missing continuous data are treated as the percentage of missing data is not more than 10% using the third approach by substituting the value with a mean. This procedure however is not suggested for treating the missing data if the cases are a lot<sup>734</sup>. This technique is also suggested for SEM analysis under mean imputation.<sup>735</sup>

#### 4.8.2 Outliers

Another problem in survey research is outlier encounters which are the cases that have unreasonable characteristics that make them obviously distinct from other observations in the dataset.<sup>736</sup> Outliers are likely to happen due to mistakes during recording responses by respondents or during data entry by researchers. Removing an outlier might be influential if by doing so, can create significant changes in the overall estimation of specific analysis.<sup>737</sup> Although there is no absolute categorisation of “extreme” point, an accepted rule of thumb is that the outliers are detected when the values are more than three standard deviations away from the mean.<sup>738</sup> For a large sample size, it is suggested that an observation with standardised variable values exceeding three to four are considered as outliers.<sup>739</sup> According to Pallant<sup>740</sup>, the value of 5% trimmed mean must be compared to the value of mean in order to decide whether to remove or retain the outliers. If the values are quite similar, it is suggested to retain the outlier values. If not, it is recommended that these outliers to be removed or treated to reduce the influence of the outliers by converting extreme scores to a value that

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<sup>733</sup> Tabachnick and Fidell, *Using Multivariate Statistics*.:66

<sup>734</sup> Pallant, *SPSS Survival Manual*.:58

<sup>735</sup> Barbara M. Byrne, *Structural Equation Modeling with AMOS*, 2nd Edition (New York: Routledge, 2010).:357

<sup>736</sup> Hair et al., *Multivariate Data Analysis*.:35

<sup>737</sup> Tabachnick and Fidell, *Using Multivariate Statistics*.:77

<sup>738</sup> Kline, *Principles and Practice of Structural Equation Modeling*...:54

<sup>739</sup> Hair et al., *Multivariate Data Analysis*.:47

<sup>740</sup> Pallant, *SPSS Survival Manual*.64

equals the next most extreme score that is within three standard deviations of the mean or applying a mathematical transformation to a variable with outliers.<sup>741</sup>

### 4.8.3 Normality

The distribution of the data can also be assessed by skewness and kurtosis in which a value of 0 indicates a perfectly normal data.<sup>742</sup> The value of skewness provides information on the symmetry of the distribution while the Kurtosis informs of the peakedness of the data. Skewness values that result in positive or negative scores reflect the data that tend to cluster towards the lower end or the higher end. In other words, the positive skew indicates the tendency towards the low values which is the left side of the graph and the negative skew reflects the tendency of the data to cluster at the higher end or the right side of the graph. Whereas, the positive value of kurtosis shows some peakedness in the centre of the data and the negative value of kurtosis infers that the data is rather flat due to a lot of extreme cases.<sup>743</sup> These two values are mostly used to describe the normality of the distribution. Although the value of 0 or  $\pm 1$  is considered as the excellent normality, in some cases according to George & Mallery<sup>744</sup>, the value of  $\pm 2$  is also considered as acceptable while for Kline<sup>745</sup>, a value of 3.0 indicates a normal distribution in which a value greater than 3.0 indicates positive kurtosis, and a value less than 3.0 indicates negative kurtosis.

### 4.8.4 Descriptive Statistics

There are two main types of data gathered from this study which are the categorical and the continuous data. The categorical data informs us on the demographic and socioeconomic information of the respondents such as the age, gender, income, number of children, home

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<sup>741</sup> Kline, *Principles and Practice of Structural Equation Modeling*.:55

<sup>742</sup> Pallant, *SPSS Survival Manual*.:57

<sup>743</sup> Ibid.:57-58

<sup>744</sup> George, Darren, and M. Mallery. "Using SPSS for Windows step by step: a simple guide and reference." (Boston, MA: Allyn y Bacon.[Links], 2003):99

<sup>745</sup> Kline, *Principles and Practice of Structural Equation Modeling*.:62

employment and others as well as the patterns of giving. Therefore to describe the data obtained in this study, analysis of frequencies is used for categorical data. For continuous data, descriptive statistics can be obtained from the mean, median and standard deviation.

#### 4.8.5 Inferential Statistics

Generally, we use inferential statistics to infer and generalize what is observed in the sample of the study to the studied population.<sup>746</sup> It is also used to assess the strength of relationship between variables in the study. There are many types of inferential statistical analysis that are used to determine the strength of relationship between different types of variables. The appropriate type of analysis chosen for this study is the multivariate analysis as it involves multiple variables in a set of relationships<sup>747</sup>. In multivariate analysis, there are several techniques used to analyze different types of variables and for this study the use of multivariate analysis is illustrated in the following table:

**Table 4. 13: The Specification of Multivariate Analysis (Hair, 2009)**

Technique	Purpose	Types of variables	
		Dependent	Independent
Factor analysis	To assess construct validity	Interval (Metric)	Interval (Metric)
Logistic Regression	To determine relationship of variables with patterns of giving	Nominal (Non Metric)	Nominal (non metric) and interval (Metric)
Structural Equation Modeling	To determine influencing variables that predict the behaviour of giving	Interval (Metric)	Interval (Metric)

##### 4.8.2.1 Factor Analysis

Factor analysis is a statistical analysis technique used to determine which variables are coherent to form factors by examining the correlation of the subsets that are independent of

<sup>746</sup>Peers, *Statistical Analysis for Education & Psychology Researchers*:1

<sup>747</sup>Hair et al., *Multivariate Data Analysis*.:3

one another.<sup>748</sup>The objective of this analysis is to observe the correlation patterns among the variables and to reduce the variables into smaller factors. It is also a form of a method in the construct validation using a statistical tool. There are three important steps in factor analysis; the first step is to evaluate the suitability of the data for the analysis, the second step is the extraction factor and the third step is the rotation factor and interpretation. The minimum number of samples adequate for running the factor analysis is 150-200.<sup>749</sup>

The analysis process begins with the Bartlett's test of sphericity and Kaiser Mayer Olkin or KMO to confirm the adequacy of the number of samples. KMO is a statistical test that reflects the proportion of variance in the variables and the Bartlett's test of sphericity on the other hand, determines the presence of correlations among the variables.<sup>750</sup> The suggested result of these two tests to indicate suitability of usage is significant at  $p < 0.05$  and the range of KMO index is between 0 to 1 with a 0.6 is the minimum acceptable value. The value of correlation coefficient is also accounted for by screening the variables with values of more than 0.3.<sup>751</sup> The second step is factor extraction which purposively to determine the smallest number of possible factors for data reduction. There are two commonly used techniques of factor extraction namely Principle Component Analysis or PCA and the common factor analysis. The first technique stresses on the importance of number of factors involved in the variance for prediction and the latter focuses on the underlying factors shared by the variables.<sup>752</sup> As the objective of the analysis in this study is to identify the component or number of factors involved, thus the Principle Component Analysis is employed. Under this technique, Kaiser's criterion and the scree plot are used to determine the number of factors

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<sup>748</sup> Tabachnick and Fidell, *Using Multivariate Statistics*.:67

<sup>749</sup> Pallant, *SPSS Survival Manual*.:187

<sup>750</sup> Hair et al., *Multivariate Data Analysis*.:102

<sup>751</sup> Pallant, *SPSS Survival Manual*. :183

<sup>752</sup> Hair et al., *Multivariate Data Analysis*.:106

to be retained in which factors with an eigenvalue of 0.1 or more are retained. The eigenvalue works as an indicator to the amount of variance explained by the factor <sup>753</sup>

The third step is factor rotation, which determines the variables that group together. There are two techniques employed for factor rotation which are the oblique and the orthogonal rotation. According to Hair<sup>754</sup>, to decide on using the appropriate technique depends on the research problem. If the objective is to reduce the number of original variables without focusing on the aim of producing meaningful result of the factor analysis, then orthogonal rotation methods will be suitable. However, if the aim is to obtain theoretical meaningful factors or constructs, then an oblique rotation method will be more appropriate. In this study the orthogonal rotation method is used and Varimax rotation technique is adopted to suit the aim of conducting the factor analysis. The interpretation of the values of the loadings are based on Hair<sup>755</sup> who considers the 0.3 level to be a minimum requirement, 0.4 more important, and 0.5 or higher as practically more significant.

#### **4.8.2.2 Structural Equation Modeling**

In a research of model development especially involving the measurement of relationship between latent variables, the most appropriate analysis technique to be applied is the Structural Equation Modeling. It is the second generation technique that enables a simultaneous estimation to be done on separate sets of multiple regression equations consists of two basic components which are the structural model and the measurement model. The structural model is also known as the path model relating the independent variables to the dependent variables which is guided by theories or experiences or guidelines. Using this technique, multiple dependent variables can be estimated and the variables can be the

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<sup>753</sup> Pallant, *SPSS Survival Manual*.:184

<sup>754</sup> Hair et al., *Multivariate Data Analysis*.:115

<sup>755</sup> Ibid.

observed or unobserved (latent) variables. The measurement model on the other hand, allows the use of many indicators for each dependent or independent variable. This analysis is called the confirmatory factor analysis that works as the factor analysis but enables the estimation to be done on each scale item without using the summated scale. By doing so, the contribution of each scale item can be determined. These scales are then integrated to estimate the relationships between the dependent and independent variables in the structural model.<sup>756</sup>

There are two main types of approaches in the structural equation modeling analysis which are the CB SEM (the Co-Variance) and the PLS SEM (Partial Least Squares) that are different in terms of characteristics and objective of use. As there is no definite mechanism to capture the giving behaviour, another model is created to predict the intention of giving. Departing on the main objective of this study to determine the variables that predict the intention of giving, PLS SEM is deemed appropriate for the analysis as the focus of this method is to maximize the explained variance of the dependent variables focusing on prediction compared to the CB SEM that focuses on theory testing. Although the TPB model is an established model, the insertion of a few new variables to the model, requires further testing on the variables. It is also because the addition of variables produces a model that is quite complex with many constructs and indicators which is not addressed by the CBSEM that only accommodates small to moderate complexity.

Further comparison between PLS and CBSEM is explained in the following table by Chin and Newsted.<sup>757</sup> It is noted that PLS SEM requires small samples but it does not mean that it only works for small samples. It only limits the minimum required samples from 30 to 100 samples without limiting any maximum number. It is also highlighted that PLS SEM is prediction oriented as opposed to CBSEM that is parameter oriented. Another advantage of

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<sup>756</sup> Ibid.:609-610

<sup>757</sup> Chin, Wynne W. and Peter R. Newsted. "Structural equation modeling analysis with small samples using partial least squares", *Statistical Strategies For Small Sample Research 2*, (1999): 307-342

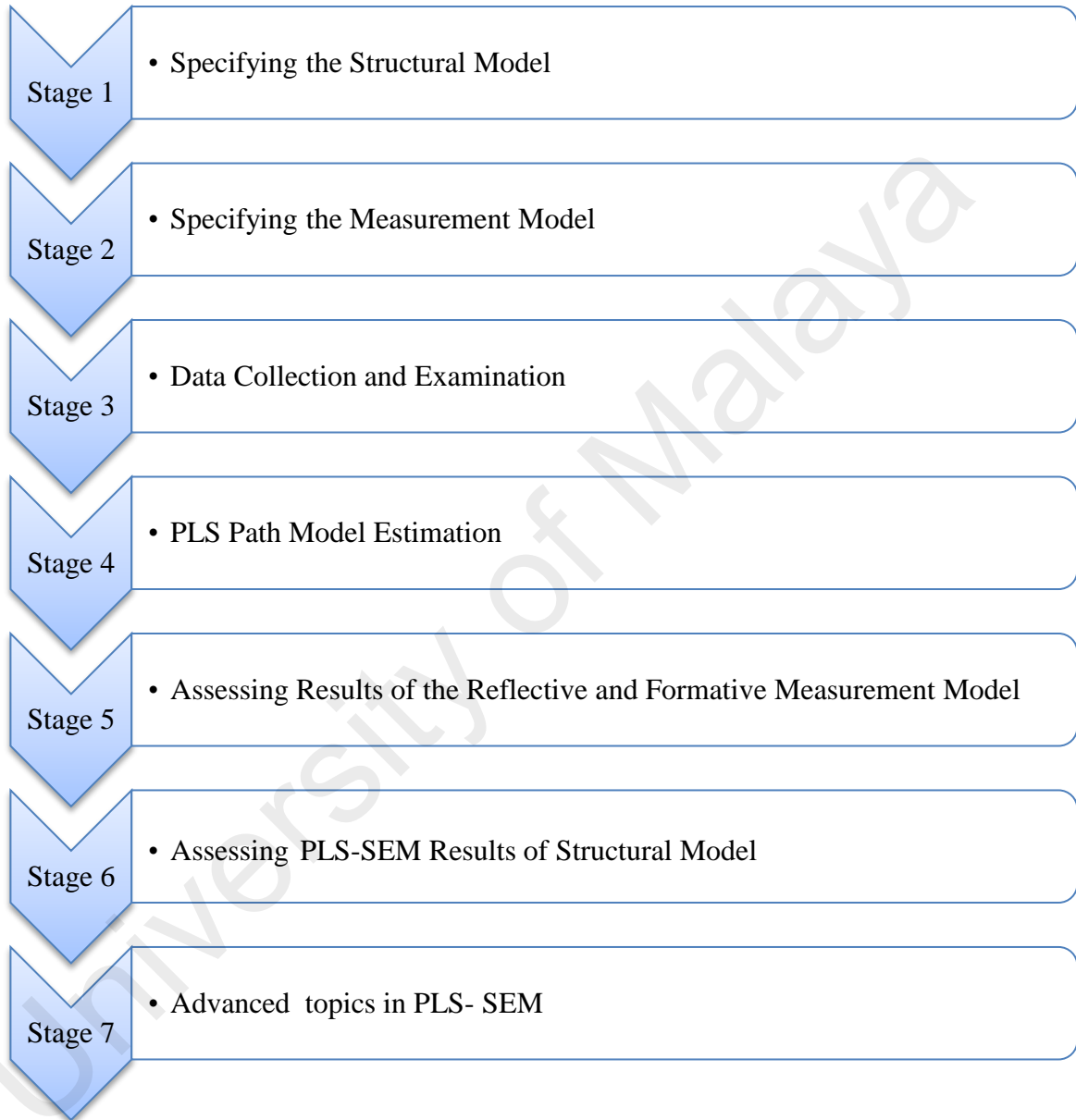
PLS SEM is that it is a non parametric test that does not require the data to be normally distributed and it has the ability to model using the formative and also reflective types of variable compared to CBSEM which only accommodate the reflective indicators.

**Table 4. 14: The Comparison between PLS and CBSEM (Chin, W. and Newsted, P.R, 1999)**

Criteria	PLS	CBSEM
Objective	Prediction-oriented	Parameter-oriented
Approach	Variance-based	Covariance-based
Assumption	Predictor specification (nonparametric)	Typically multivariate normal distribution and independent observations (parametric)
Parameter estimates	Consistent as indicators and sample size increase (i.e., consistency at large)	Consistent
Latent variable scores	Explicitly estimated	Indeterminate
Epistemic relationship between an LV and its measures	Can be modeled in either formative or reflective mode	Typically only with reflective indicators. However, the formative mode is also supported.
Implications	Optimal for prediction accuracy	Optimal for parameter accuracy
Model complexity	Large complexity (e.g., 100 constructs and 1,000 indicators)	Small to moderate complexity (e.g., less than 100 indicators)
Sample size	Power analysis based on the portion of the model with the largest number of predictors. Minimal recommendations range from 30 to 100 cases.	Ideally based on power analysis of specific model—minimal recommendations range from 200 to 800.
Type of optimization	Locally iterative	Globally iterative
Significance tests	Only by means of simulations; restricted validity	Available
Availability of global Goodness of Fit (GoF) metrics	Are currently being developed and discussed	Established GoF metrics available

### *Steps in Partial Least Square Analysis*

In conducting analysis using the PLS SEM technique, the software of PLS 2.0 version is used by following these 6 crucial steps:

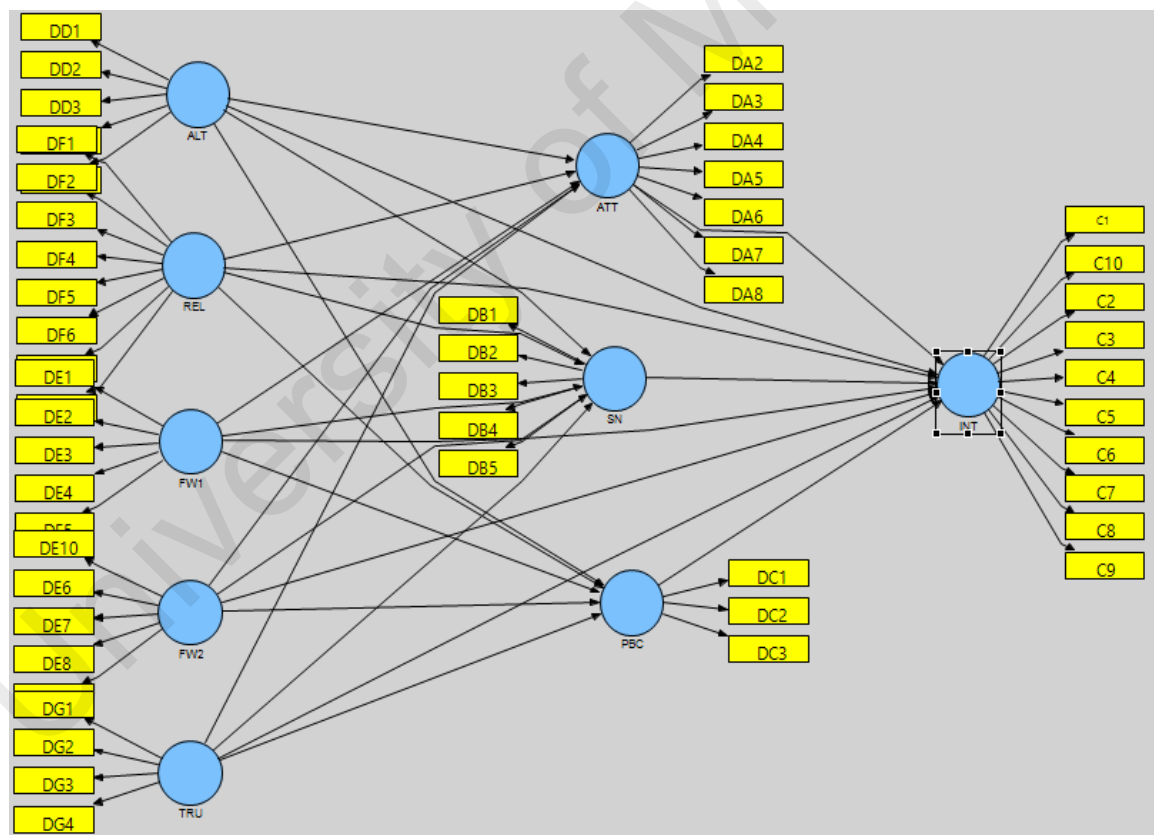


**Figure 4. 5 Systematic Procedure of PLS SEM Application (Hair, 2014)**

At the initial stage of analysis, the path model or the diagram visually describe the hypotheses and specifies the relationship between variables. This PLS path model comprises of two elements which are the structural model and the measurement model. The structural



model or the inner model contains the constructs and indication of relationship between them. The measurement model describes the relationship between the constructs and indicator variables or items. At the initial stage, both models are specified based on theory. During this process, the models are classified as reflective or formative. The reflective model is indicated when the direction of arrows is from the construct to the indicator variables (items) assuming that the construct causes the indicator variables. The formative model is indicated when the direction of arrows are pointed from the indicator variables to the constructs assuming that the indicator variables are the causes of the construct.<sup>758</sup> Reflective indicators require high correlation to one another but not for the formative indicators.<sup>759</sup>



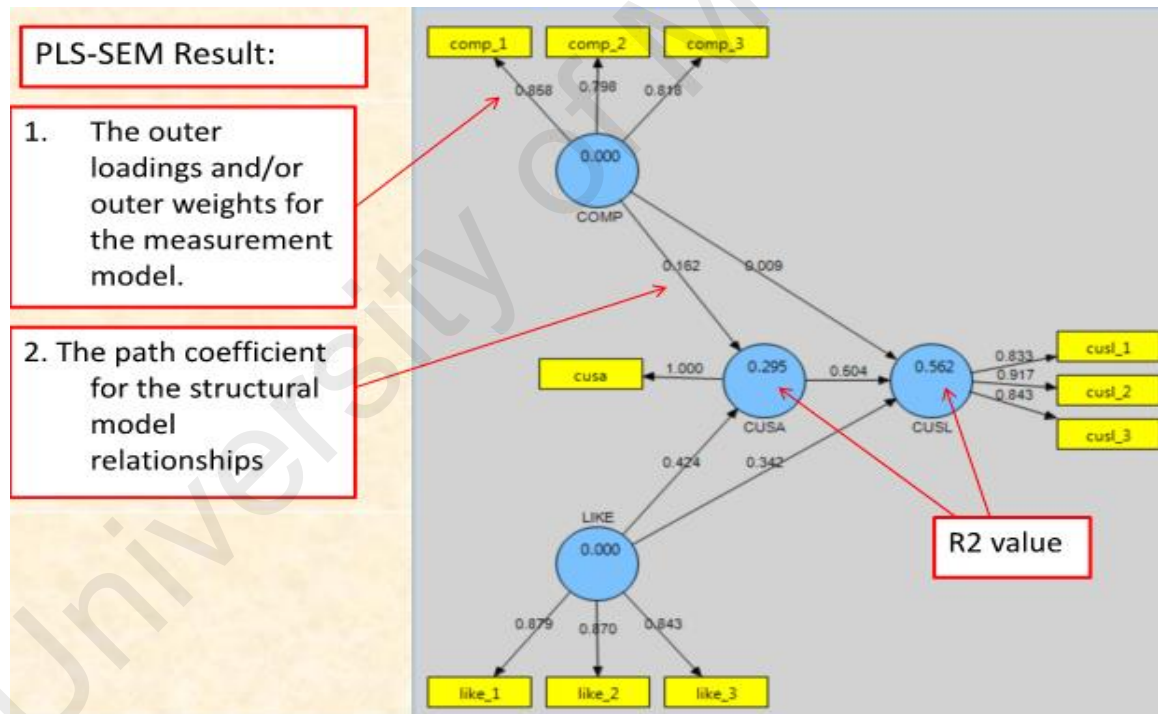
**Figure 4. 6: Specification of the model**

<sup>758</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*:42

<sup>759</sup> Hulland, John. "Use of partial least squares (PLS) in strategic management research: A review of four recent studies." *Strategic management journal* 20.2 (1999): 195-204.

In this model, the connected circles describe the structural model and the connection between the circles and the rectangular boxes reflects the measurement model. All models are reflective model. This specification of models is crucial as it involves different types of analysis.

The next step proceeds with data collection and examination. There are four important parts of data examination which are estimating the path model, the reflective measurement model, the formative measurement model and the structural model. To estimate the path model, it is important to be able to identify these main indicators:



**Figure 4. 7: Path Model Estimation (Hair, 2014)**

The outer loadings value estimates the reflective measurement model and the outer weights for formative measurement model. The path coefficients reflect the relationship values between the latent variables in the structural model. These values are used later for estimation calculation except for outer weights as the model is in reflective forms. The  $R^2$  values

represent the amount of explained variance of endogenous latent variables in the structural model. The higher  $R^2$  values the better as it indicates the percentage of predictability of the constructs. The next stage is to estimate the measurement model. This is where the importance of differentiating between formative and reflective comes into play because both types of measurement models involve different types of analysis:

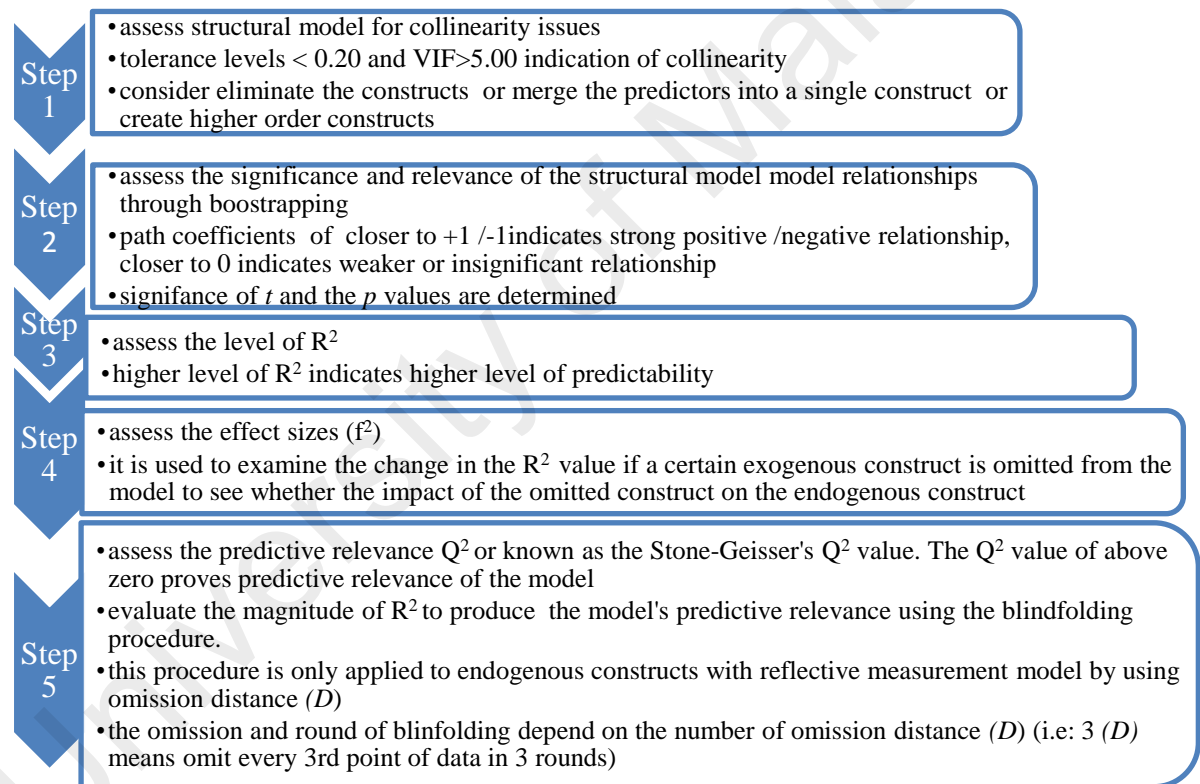
**Table 4. 15: Reflective and Formative Types of Analysis (Hair, 2014)**

Reflective Measurement Models	Indicator	Formative Measurement Models	Indicator
Internal consistency -refers to consistency of results across items on similar test.	composite reliability(CR) CR>0.7 CR<0.6 lack of reliability 0.60 – 0.70 is acceptable in exploratory research <0.9 indicates all indicators measure the same phenomenon (Hair et al) <sup>760</sup> 0.70-0.90 is satisfactory (Nunnally & Bernstein <sup>761</sup> )	Convergent validity -represents the extent of correlations between measures of the same construct.	AVE>0.50 (average variance extracted)
Indicator reliability -reflects the extent of an item variation explained by the construct.	Item's loadings>0.7, significant level 0.05	Collinearity among indicators -occurs when two or more indicators are highly correlated	Collinearity is detected when tolerance value <0.20 and VIF>5.
Convergent validity -represents the extent of correlations between indicators of the same construct.	AVE>0.50 (average variance extracted)	Significance and relevance of outer weights	Outer loadings>0.50 Significant at 0.05
Discriminant validity -describes the extent of distinction between constructs to measure whether it represents only a single construct or correlates with other constructs.	Cross Loading Fornell and Larker the square root of the AVE should be greater than the correlations between the construct and other constructs in the model		

<sup>760</sup> Ibid.

<sup>761</sup> Jum C Nunnally and Ira H Bernstein, *Psychometric Theory*, 3rd Editio (New York: McGraw-Hill, Inc, 1994):.265

Since this model only uses reflective measurement model, the analysis deals with internal consistency, indicator reliability, convergent validity and discriminant validity. Although the validity of the items is already measured in the factor analysis, comparison of the results is made for further confirmation. The stage of analysis commences to measuring the structural model in order to examine the predictability of the model and the relationships between the constructs in the model. This is where the explained variance of the endogenous latent variables is maximized by getting the best parameter estimates. The five steps of the assessment procedure are explained in the following diagram:



**Figure 4. 8: Structural Model Assessment Procedure (Hair, 2014)**

The formula to calculate the effect size is as follows:

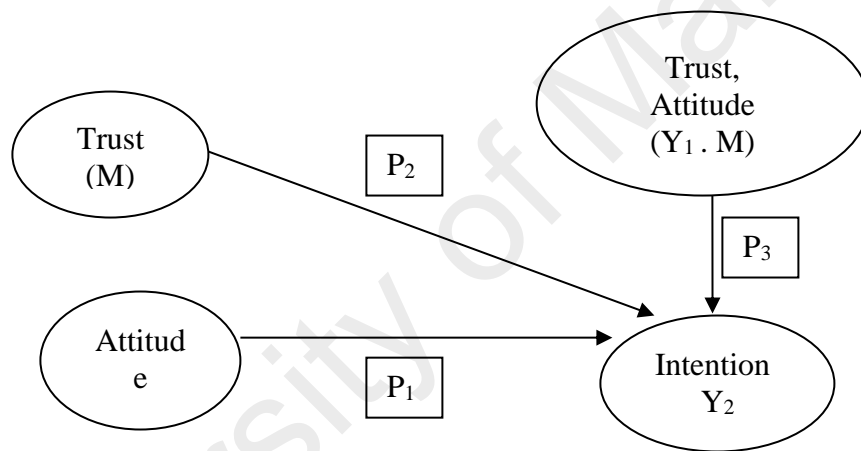
$$F^2 = \frac{R^2 \text{ included} - R^2 \text{ excluded}}{1 - R^2 \text{ included}}$$

Similarly the formula to calculate  $Q^2$  is:

$$Q^2 = \frac{Q^2 \text{ included} - Q^2 \text{ excluded}}{1 - Q^2 \text{ included}}$$

$$1 - Q^2 \text{ included}$$

Lastly, to further analyze the relationship of the constructs in the model, a continuous moderator analysis is conducted to observe the moderating effects or also known as the interaction effects of other variable on the exogenous latent variables toward the endogenous latent variables whether it strengthens or weakens the relationship. To understand the integration of moderator in the model, the process is illustrated in the following diagram and rewritten in an equation as discussed by Hair.<sup>762</sup>



**Figure 4. 9: Interaction term in Moderation (Hair, 2014)**

Based on the above diagram,  $P_1$  is the simple effect of attitude variable ( $Y_1$ ) on Intention variable ( $Y_2$ ) and  $P_2$  is the simple effect of Trust ( $M$ ) on Intention ( $Y_2$ ). To see any interaction or moderating effect of trust on attitude, both variables are combined as one new variable to produce  $P_3$  which is the interaction term of Attitude and Trust or ( $Y_1.M$ ) on intention ( $Y_2$ ).

The integration process is rewritten in the following equation:

$$Y_2 = P_1.Y_2 + P_2.M + P_3.(Y_1.M)$$

<sup>762</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*.:257:259

Thus, using the PLS SEM technique there are two approaches offered to create interaction term which are the product indicator approach and the two stage approach. The product indicator approach is deemed appropriate for this study as it measures reflective indicators by multiplying each indicator of exogenous latent variable with each indicator of moderator variable to produce interaction terms. The two stage approach on the other hand, is suitable for formative measures.

#### 4.8.2.3 Logistic Regression

Logistic regression also known as logit analysis is actually a combination of multiple regression and multiple discriminant analysis but different in the types of variables involved in the analysis. The similarity of logistic regression with the multiple regression is that it is used to predict one or more independent variables on a single dependent variable. The type of independent variables can vary from continuous, discrete, dichotomous or mix. And what makes it similar to the discriminant analysis is that the type of dependent variable must be discrete or non metric.<sup>763</sup> This technique is distinguishable from the discriminant analysis because it is more flexible as it can accommodate all types of dependent variable and does not require any assumptions about the distributions of the predictors in terms of normality, linearity and equality of variance within each group.<sup>764</sup> For this study, logistic regression analysis is used to analyze the prediction of variables to the patterns of charitable giving which are mostly in categorical or discrete information.

Furthermore, this analysis requires a large sample with at least 50 samples for each independent sample. For this part of analysis, as many as 19 independent variables are involved thus the required minimum samples is 950. There are a few important rudimentary tests in the analysis such as the Omnibus test to test the model coefficient by basing on the

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<sup>763</sup> Hair et al., *Multivariate Data Analysis*.:17-18

<sup>764</sup> Tabachnick and Fidell, *Using Multivariate Statistics*.:439

values of chi square, degree of freedom and significant value; Cox & Snell R Square and Nagelkerke R Square tests to describe the percentage of variance explained by the model by referring on the value of  $R^2$ . The number closer to 1 indicates stronger relationship and usually the value of Nagelkerke  $R^2$  exceeds the Cox & Snell  $R^2$ . While the Hosmer & Lemeshow test estimates the fit of the model through the value of chi square, degree of freedom and significance level in which a non significant chi square indicates a good fit. The maximum likelihood value represents the amount of information cannot be explained by the model or the total information must be explained by the model.<sup>765</sup>

The equation used to portray the outcome is more complex due to its non linearity. Thus, a combination of a nonlinear function and the usual linear regression equation for charitable giving pattern is structured as;

$$P_i = E(Y = 1|X_i) = \frac{1}{1+e^{-z_i}} \quad (4.1)$$

With  $P_i$  as the probability of giving,  $Y=1$ , and  $Y=0$  for probability of not giving. Based on the equation (1), the probability equation for respondents to give can be written as:

$$P_i = \frac{1}{1+e^{-z_i}} = \frac{e^z}{1+e^z}$$

In which  $Z_i = \beta_0 + \beta_1 X_i + \beta_2 X_2 + \dots + \beta_k X_k$  (4.2)

While the probability equation for not giving is as;

$$1 - P_i = \frac{1}{1+e^{z_i}} \quad (4.3)$$

Based on the equation (2) and (3), the probability equation for not giving is;

$$\frac{P_i}{1-P_i} = \frac{1+e^{z_i}}{1+e^{-z_i}} = e^{z_i} \quad (4.4)$$

<sup>765</sup> Hair et al., *Multivariate Data Analysis*:333-337

From the equation (4) and (5) natural log is inserted to form:

$$L_i = \ln \left( \frac{P_i}{1-P_i} \right) = Z_i$$

$$= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k \quad (4.5)$$

L is the log of odds or known as logit that has a linear function in the categorical or discrete independent variable (X). Based on equation (5), this study is testing the influencing variables to giving as;

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_k X_k \quad (4.6)$$

Z<sub>i</sub> is a function of f(X) and X is the independent variable such as demographic variables, socioeconomic variables, tax and others.

By basing on the equation (6), the estimated specified model is written as;

$$L_i = \ln \left( \frac{P_i}{1-P_i} \right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_{15} X_{15} \quad (4.7)$$

In which:

L = Log for odds ratio of giving with Y=1

X<sub>1</sub> = Gender

X<sub>2</sub> = Age

X<sub>3</sub> = Marital Status

X<sub>4</sub> = Number of children

X<sub>5</sub> = Academic level

X<sub>6</sub> = Employment

X<sub>7</sub> = Monthly Income

X<sub>8</sub> = Household Monthly Income

X<sub>9</sub> = Home Ownership

X<sub>10</sub> = Tax

X<sub>11</sub> = Source of information (Media)

X<sub>12</sub> = Attitude

X<sub>13</sub> = Subjective Norm

X<sub>14</sub> = Perceived Behavioural Control

X<sub>15</sub> = Altruism

X<sub>16</sub> = Religiosity

X<sub>17</sub> = Financial Wellness 1

X<sub>18</sub> = Financial Wellness 2

X<sub>19</sub> = Trust



Using the SPSS version 21, the logistic regression analysis tool used in this study is the binary logistic regression and a few variables have been converted into dummies of 1 and 0 for the sake of ease in the interpretation as listed in the following table:

**Table 4. 16: List of Independent Variables**

Label	Independent Variables	Remarks
X <sub>1</sub>	Gender	1= Male, 0 = Female
X <sub>2</sub>	Age	Dummy 1= (<36), 0 = >35
X <sub>3</sub>	Marital Status	Dummy 1= Married, 0 = single
X <sub>4</sub>	Number of children	Dummy 1=(<4), 0 = (>3)
X <sub>5</sub>	Academic level	Dummy 1= (<bachelor), 0 = (> diploma)
X <sub>6</sub>	Employment	Dummy 1= (secured income), 0= (unsecured income)
X <sub>7</sub>	Monthly Income	Dummy 1=(<4001), 0 = (>4000)
X <sub>8</sub>	Household Monthly Income	Dummy 1 = (<8001), 0= (>8000)
X <sub>9</sub>	Home Ownership	1= Yes 0= No
X <sub>10</sub>	Tax	1= Yes 0= No
X <sub>11</sub>	Source of Information	Internet dummy 1= Yes, 0= No Friends/ Family dummy 1= Yes, 0=No Door to door dummy 1= Yes, 0=No Mass Media dummy 1= Yes, 0=No Appeal letters dummy 1= Yes, 0=No Charity boxes dummy 1= Yes, 0=No
X <sub>12</sub>	Attitude	Mean
X <sub>13</sub>	Subjective Norm	Mean
X <sub>14</sub>	Perceived Behavioural Control	Mean
X <sub>15</sub>	Altruism	Mean
X <sub>16</sub>	Religiosity	Mean
X <sub>17</sub>	Financial Wellness 1	Mean
X <sub>18</sub>	Financial Wellness 2	Mean
X <sub>19</sub>	Trust	Mean

For the dependent variables, there are six different categories of variables representing six different recipient types which are:

**Table 4. 17: List of Dependent Variables**

Label	Dependent Variables	Remarks
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RI	Giving to Worship House	Yes= 1, No= 0
RK	Giving to Charity Homes	Yes= 1, No= 0
SA	Giving to Religious schools	Yes= 1, No= 0
FM	Giving to Beggars/ Poor	Yes= 1, No= 0
NGO	Giving to Nonprofit Institutions	Yes= 1, No= 0
IP	Giving to Higher Education Institutions	Yes= 1, No= 0

#### 4.9 Summary

In this chapter, the details on the process of research methodology are presented by discussing the appropriate research approach aligned to the research objectives of this study. The type and design of this study is then decided based on the quantitative research approach. Later, crucial elements of survey design are explained in terms of instrument development and validation, sampling strategy and procedure as well as method of data collection and data analysis. Having completed all the predetermined steps in the research methodology, a complete data is expected to be gathered and ready for the analysis stage which proceeds in the next chapter.

## **CHAPTER 5: THE RESULT AND DISCUSSION**

### **5.1 Introduction**

After the distribution of 1200 sets of questionnaires throughout four selected regions in Peninsular Malaysia such as Johor, Perak, Pahang and Selangor, targeting the capital state of each state namely the Johor Bharu, Ipoh, Kuantan and Shah Alam, 1038 sets were returned. However, only 1038 of the collected sets were deemed usable for analysis. This chapter presents the result of analysis and discussion of the analysis. Using two main types of analysis which were the descriptive analysis and the inference analysis, two major parts of analysis were prepared. The first part contained the result of descriptive analysis and the second parts consisted of the findings from the inference analysis using the factor analysis, PLS Structural Equation Modelling Analysis and the Logistic Regression analysis. The outcome of each part was discussed tailoring to the research objectives outlined for this study.

### **5.2 Descriptive Analysis**

The result of descriptive analysis discussed in this section is focused on the categorical variables consisting two main parts of the respondents' profile and the patterns of giving.

#### **5.2.1 Respondents' profile**

Based on Table 5.1, almost a balanced gender composition was shown in the percentage of 41.8% male and 58.2% female with majority of respondents were relatively young aging from 26-35 years old by 44.9% followed by 28.1% from the 36-49 years old group and 16.7% age 18-25 years old. Only 10.3% of the respondent aged more than 50 years old. This indicates that the respondents represent the age of working population ranging from 18-50 year old. Most of the respondents (67.2%) were married and as young couples, majority of

them by 38.2% do not have any children, followed by 37.1% having only 1-3 children and 21.6% with 4-6 children while another 3% have more than 7 children.

In terms of education, the respondents come from these two largest groups, 35.3% having highest academic qualification of SPM or STPM and 31.3% with Bachelor degrees. The third major group with 26.4% have diploma and only a handful of 7% possess higher degrees of Master or PhD. Majority of the respondents by 73.8% are government employees. Although the working sector is not predetermined in this study, having a large group of government employees is significant in this study as government personnel are proven to be more participative in charity than private sector workers.<sup>766</sup> Most of the respondents were also classified under the lower income group whom the largest group by 70.1% earns the salary under RM3000 per month. 25.1% were from the middle income group earning from RM3001-6000 a month and only 4.8% from the high income group earning a monthly income higher than RM6001. Of that, 63.7% recorded a monthly household income below than RM4000, 32.6% earned below than RM10000 and only 2.8% more than RM10001. Most of them by 67.3% owned a house and the rest by 32.7% did not.

**Table 5.1: Respondents' Profile**

Category		F	%
Gender	Male	432	41.8
	Female	602	58.2
Age	18-25	173	16.7
	26-35	464	44.9
	36-49	291	28.1
	More than 50	106	10.3
Marital Status	Single	291	28.1
	Married	695	67.2
	Others	48	4.6
Number of Children	Missing	1	.1
	None	395	38.2
	1-3	384	37.1
	4-6	223	21.6
	7 and above	31	3.0
Highest academic Qualification	SPM/STPM	365	35.3
	Diploma	273	26.4
	Bachelor Degree	324	31.3

<sup>766</sup> Houston, "Walking the Walk' of Public Service Motivation: Public Employees and Charitable Gifts of Time, Blood, and Money."

**Table 5.1 : Continued**

	Master/PhD	72	7.0
Employment	Self employed	125	12.1
	Government servant	763	73.8
	Private Worker	128	12.4
	Pensioner	18	1.7
	Monthly income (RM)	1-1000	117
	1001-2000	404	39.1
	2001-3000	204	19.7
	3001-4000	156	15.1
	4001-5000	75	7.3
	5001-6000	28	2.7
	6001-7000	29	2.8
	More than 7001	21	2.0
Household Monthly Income (RM)	Missing	9	.9
	1-2000	307	29.7
	2001-4000	352	34.0
	4001-6000	175	16.9
	6001-8000	95	9.2
	8001-10000	67	6.5
	10001-12000	16	1.5
	12001-14000	11	1.1
	More than 14001	2	.2
	Home Ownership	Yes	696
No		338	32.7

### 5.2.2 Patterns of Charitable Giving

To assess the pattern of giving, six categories of charity were listed in the questionnaire namely the worship places, charity homes, religious schools, poor or beggars, nonprofit institutions and higher education institutions as illustrated in the following Table 5.2. It was found that worship house was the most selected place to contribute among the respondents by 85.8%. The explanation of this scenario can be related to the congregation of weekly Friday prayer that has raised a lot of monetary donation.<sup>767</sup> The second highest donation was channeled to poor or beggars by 55.4% which support the finding that Malaysians love to donate to beggars<sup>768</sup> while charity homes by 44.8% was in third place. Higher education institution on the other hand, received the least contribution by 17.1%. This shows that giving

<sup>767</sup> Joni Tamkin Borhan et al., "Membentuk Usahawan Muslim : Peranan Dana Masjid," *Al-Basirah* 1, no. 1 (2011): 53–63.

<sup>768</sup> Josie and Abdul Rahim Ibrahim, *A Giving Society?: The State of Philanthropy in Malaysia*.:202

to nonprofit institutions and higher education institutions has yet been a custom and a practice among Muslims in Malaysia.

**Table 5.2: Participation in Charitable Giving**

Category of Charity		F	%
Worship House	Yes	887	<b>85.8</b>
	No	147	14.2
Poor/ Beggar	Yes	573	<b>55.4</b>
	No	461	44.6
Religious School	Yes	326	<b>31.5</b>
	No	708	68.5
Charity Homes	Yes	463	<b>44.8</b>
	No	571	55.2
Non Profit Institutions	Yes	213	<b>20.6</b>
	No	821	79.4
Higher Education Institutions	Yes	183	<b>17.7</b>
	No	851	82.3

In addition, one of the ways to capture the level of giving is through the estimation of annual giving amount. Based on Table 5.3, it was found that most of the respondents by 58.3 % contributed around RM1 to RM100 annually to charitable giving which is considered as quite low. By that amount it is estimated that majority of the respondents were willing to give from RM 0.08 to RM8.33 for charity per month. However, to accurately estimate the level of giving by basing on this information alone might not be precise as the amount of giving may be influenced by other factors such as income and others.

**Table 5.3: Estimated Amount of Annual Charitable Giving**

Amount	F	%
Missing	22	2.1
1-100	<b>603</b>	<b>58.3</b>
101-200	174	16.8
201-300	101	9.8
301-400	35	3.4
401-500	51	4.9
501-600	11	1.1
601-700	11	1.1
More than 701	26	2.5
Total	1034	100.0

To observe the preference of giving channel, a few methods of giving were listed and it was found that direct donation, charity boxes and salary deduction were the most preferred method placed as the first choice. The second preferred method were also direct donation, charity boxes and door to door solicitation and the third option were also door to door solicitation, charity boxes and direct donation. Thus, it is concluded that the preferred channels of giving are direct donation, charity boxes, salary deduction and door to door solicitation as summarized in Table 5.4. This finding was very interesting because although most of the respondents were young people who were assumed to be technologically savvy, the conventional method was still the preferred method compared to online transfer, SMS credit transfer and others.

**Table 5.4: Preference in Channel of Giving**

Channel	1		2		3	
	F	%	F	%	F	%
Missing	8	.8	43	4.2	72	7.0
Salary deduction	<b>203</b>	<b>19.6</b>	93	9.0	143	13.8
Account/online transfer	126	12.2	119	11.5	141	13.6
Charity boxes	<b>303</b>	<b>29.3</b>	<b>306</b>	<b>29.6</b>	<b>171</b>	<b>16.5</b>
Direct donation	<b>341</b>	<b>33.0</b>	<b>329</b>	<b>31.8</b>	<b>170</b>	<b>16.4</b>
Door to door solicitation	43	4.2	<b>125</b>	<b>12.1</b>	<b>262</b>	<b>25.3</b>
SMS Credit transfer	10	1.0	19	1.8	75	7.3

In addition, the medium of information also plays an important role in giving the awareness of need.<sup>769</sup> Most of the respondents were found to receive information to help others through friends or family by 65.4%, charity boxes at public places by 49.6% and door to door solicitation by 47.9%. These three sources of information are found to be effective in spreading the news to the public pertaining charity.

<sup>769</sup> René Bekkers and Pamala Wiepking, "A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms That Drive Charitable Giving."

**Table 5.5: Medium of information**

Medium		F	%
Internet	Yes	347	33.6
	No	687	66.4
Friends/family	<b>Yes</b>	<b>676</b>	<b>65.4</b>
	No	358	34.6
Door to door solicitation	<b>Yes</b>	<b>495</b>	<b>47.9</b>
	No	539	52.1
Media	Yes	430	41.6
	No	604	58.4
Appeal letters	Yes	109	10.5
	No	925	89.5
Charity boxes at public places	<b>Yes</b>	<b>513</b>	<b>49.6</b>
	No	521	50.4

Furthermore, to obtain information on the effect of tax on charitable giving decision, most of respondents by 50.9% opined that tax deduction policy does not influence their decision to give for charity while 49.1% of them acknowledged the role of tax policy in their decision to spend in charitable giving as presented in Table 5.6. This finding contrasted to the previous findings which supported the role of tax in encouraging charitable giving as found in Clotfelter<sup>770</sup>, Auten<sup>771</sup>, Eaton & Milkman<sup>772</sup> and others. However, to further confirm the relationship of tax and charitable giving behaviour, further analysis was conducted and the result is discussed in the inference analysis section.

**Table 5.6: Influence of Tax**

Deduction of Tax		F	%
Yes	Yes	508	49.1
	No	<b>526</b>	<b>50.9</b>
		1034	100.0

<sup>770</sup> Clotfelter, "Charitable Giving Behavior and the Evaluation of Tax Policy."

<sup>771</sup> Auten et al., "Charitable Giving, Income, and Taxes: An Analysis of Panel Data."

<sup>772</sup> Eaton and Milkman, "An Empirical Examination of the Factors That Influence the Mix of Cash and Oncash Giving to Charity."



### 5.2.3 Descriptive Analysis of Constructs

Based on Table 5.7, all items in intention factor indicated high mean values of more than 5 with only one item (C7) recorded a missing value of 0.7%. For attitude factor, high values of mean were also obtained for each item with the highest was 6.15 for DA2. No missing values were detected for this factor. Similarly, for subjective norm factor, all items showed high values of means of above 5.4 with no record of missing values. The values of mean for Perceived Behavioural Control factor were also high with more than 5.2 and missing values were detected for DC2 by 0.4%.

All constructs measuring the altruism factor also indicated high values of mean more than 5.4 with no record of missing values. A range of 5.4-5.8 value of mean was obtained for the financial wellness factor with a missing value of 0.5% for DE8. The highest range of mean values was recorded for all religiosity items between 5.8 to 6.2 and no statement of missing data. Lastly, for the factor of trust, the mean values were also found to be high with more than 5.4 but two items namely DG3 and DG4 recorded missing values of 0.4% respectively. Therefore, it is summarized that all items indicate high mean values between 5 to 6 and missing values less than 1%. This led to the decision of treating the missing data by replacing them with a mean value without causing any problems as the percentage of missing data was not larger than 10% as suggested by Cohen et al<sup>773</sup>, Tabachnick and Fidell<sup>774</sup>, Malhorta and Briks<sup>775</sup> and Hair.<sup>776</sup>

**Table 5.7: Descriptive Analysis of Each Construct\***

Category	Label	Description	Mean	Missing value
Intention	C1	<i>Saya menyimpan hasrat untuk menderma pada tahun ini</i> (I wish to donate this year)	5.57	
	C2	<i>Saya mungkin akan menderma pada tahun ini</i> (I probably donate this year)	5.56	

<sup>773</sup> Cohen et al., *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*.:432

<sup>774</sup> Tabachnick and Fidell, *Using Multivariate Statistics*.:63

<sup>775</sup> Birks and K.Malhotra, *Marketing Research: An Applied Approach*. :431

<sup>776</sup> Hair et al., *Multivariate Data Analysis*.:45-46

**Table 5.7 : Continued**

	C3	<i>Saya bercadang untuk menderma pada tahun ini</i> (I plan to donate this year)	5.64	
	C4	<i>Saya sememangnya akan menderma pada tahun ini</i> (I surely donate this year)	5.61	
	C5	<i>Saya menyimpan hasrat untuk menderma dengan lebih kerap pada tahun ini</i> (I wish to donate more frequently this year)	5.66	
	C6	<i>Saya mungkin akan menderma secara lebih kerap pada tahun ini</i> (I probably donate more frequently this year)	5.57	
	C7	<i>Saya bercadang untuk menderma dengan lebih kerap pada tahun ini</i> (I plan to donate more frequently this year)	5.59	(0.7%)
	C8	<i>Saya menyimpan hasrat untuk menambah jumlah derma saya pada tahun ini</i> (I wish to increase my donation this year)	5.56	
	C9	<i>Saya mungkin akan menambah jumlah derma saya pada tahun ini</i> (I probably increase my donation this year)	5.52	
	C10	<i>Saya bercadang untuk menambah jumlah derma saya pada tahun ini</i> (I plan to increase my donation this year)	5.56	
Attitude	DA1	<i>Saya suka menderma</i> (I love to donate)	5.60	
	DA2	<i>Saya merasakan perbuatan menderma adalah mulia</i> (I feel that donating is a noble deed)	6.16	
	DA3	<i>Saya menganggap golongan yang meminta derma adalah golongan yang perlu dibantu</i> (I assume those who ask for charitable giving are deserved to be helped)	5.70	
	DA4	<i>Saya kasihan kepada golongan yang meminta bantuan</i> (I pity those who reach for help)	5.87	
	DA5	<i>Saya merasakan perbuatan meminta derma oleh golongan yang memerlukan adalah wajar</i> (I think that asking for charitable giving by the needy is rightful)	5.63	
	DA6	<i>Saya merasakan perbuatan meminta derma oleh institusi sosial adalah wajar</i> (I think that asking for charitable giving by social institution is a rightful)	5.56	
	DA7	<i>Saya berpendapat menderma boleh menolong golongan yang memerlukan</i> (I think charitable giving can help those in need)	5.90	
	DA8	<i>Saya berpendapat menderma boleh mengembang dan mengagihkan harta</i> (I think charitable giving can expand and distribute wealth)	5.83	
Subjective Norm	DB1	<i>Saya menderma kerana pengaruh keluarga</i> (I donate due to the influence of my family)	5.44	
	DB2	<i>Saya menderma kerana rakan-rakan saya menderma</i> (I donate because my friends donate)	5.47	
	DB3	<i>Saya menderma kerana orang-orang di sekitar saya menderma</i> (I donate because people around me donate)	5.48	
	DB4	<i>Saya menderma untuk membentuk imej sendiri yang baik kepada masyarakat</i> (I donate to create a good self image to the community)	5.61	

**Table 5.7 : Continued**

	DB5	<i>Saya menderma untuk membentuk imej sendiri yang baik kepada golongan yang menerima derma saya</i> (I donate to create a good self image to those who receive my donation)	5.49	
Perceived Behavioural Control	DC1	<i>Saya boleh menderma kepada sesiapa sahaja yang memerlukan</i> ( I can donate to anybody who is in need)	5.56	
	DC2	<i>Saya boleh memperuntukkan sebahagian daripada pendapatan saya untuk menderma secara konsisten</i> (I can allocate a part of my income for charitable giving consistently)	5.24	0.4 %
	DC3	<i>Saya boleh menderma walaupun ianya boleh mengurangkan kemampuan kewangan saya</i> (I can donate although it may reduces my financial capability)	5.34	
Altruism	DD1	<i>Saya tidak akan teragak-agak untuk memberi bantuan kewangan kepada yang memerlukan</i> (I will not hesitate to give money donation to the needy)	5.41	
	DD2	<i>Saya percaya bantuan yang saya berikan boleh membantu untuk memberikan kehidupan yang lebih baik kepada orang lain</i> (I believe that my help can assist in giving a better life to others)	5.59	
	DD3	<i>Menolong orang lain membuatkan saya rasa bahagia</i> (Helping others makes me happy)	5.79	
	DD4	<i>Saya menderma tanpa mengharapkan sebarang bentuk balasan</i> ( I donate without expecting any returns)	5.78	
	DD5	<i>Saya merasa simpati dan empati dengan kesusahan orang lain</i> (I symphatize and emphatize in other people's misery)	5.76	
Financial Wellness	DE1	<i>Pendapatan isi rumah saya mencukupi</i> (My household income is sufficient)	5.38	
	DE2	<i>Saya merancang dan mengurus perbelanjaan harian saya</i> (I plan and manage my daily expenses)	5.44	
	DE3	<i>Pendapatan saya mencukupi bagi menampung hutang</i> (My income is sufficient to cover the debt)	5.43	
	DE4	<i>Saya berbelanja mengikut keutamaan</i> (I spend according to priority)	5.51	
	DE5	<i>Saya membuat tabungan secara tetap</i> (I have consistent savings)	5.40	
	DE6	<i>Saya mempunyai asset pelaburan</i> (I have investment assets)	5.46	
	DE7	<i>Saya membuat caruman insurans/takaful hayat</i> (I subscribe to life/takaful insurance)	5.67	
	DE8	<i>Saya membuat caruman insurans/takaful pendidikan anak</i> (I subscribe to children education insurance/ takaful)	5.62	0.5%
	DE9	<i>Saya membayar cukai pendapatan</i> (I pay income tax)	5.71	
	DE10	<i>Saya membayar zakat pendapatan/harta</i> ( I pay income/asset zakah)	5.78	
Religiosity	DF1	<i>Saya melaksanakan tuntutan agama sepenuhnya</i> (I conduct religious obligations fully)	5.77	
	DF2	<i>Saya percaya bahawa harta adalah milik Tuhan dan bukan milik mutlak manusia</i> (I believe that wealth belongs to the God not absolutely to human)	6.20	
	DF3	<i>Saya percaya bahawa dengan menderma saya telah menunaikan hak orang lain terhadap harta saya</i> (I believe that by donating, I have paid the rights of others towards my wealth)	6.04	
	DF4	<i>Saya percaya bahawa menderma dapat membersihkan harta</i> (I believe that donating can purify one's wealth)	6.07	

**Table 5.7 : Continued**

	DF5	<i>Saya percaya bahawa orang yang menderma akan mendapat kebaikan dalam agama</i> (I believe that people who donate will gain goodness in religion)	6.13	
	DF6	<i>Saya sentiasa memastikan bahawa sumber pendapatan saya adalah bersih (contohnya: bebas rasuah)</i> (I always ensure that my income resources are clean (for example: free from bribery))	6.10	
	DF7	<i>Saya sentiasa memastikan perbelanjaan pada perkara yang baik dan berfaedah</i> (I always ensure my expenses are on good and beneficial things)	6.06	
	DF8	<i>Saya mengamalkan cara hidup sepertimana yang ditetapkan oleh agama</i> (I practice the way of life as obligated by the religion)	6.01	
Trust	DG1	<i>Saya percaya orang yang meminta derma adalah golongan yang memang berkelayakan</i> (I trust that those who ask for donation are eligible for it)	5.36	
	DG2	<i>Saya percaya orang yang menerima derma akan membelanjakan bagi tujuan keperluan hidup</i> (I trust that those who receive donation will spend it for the purpose of life necessities)	5.44	
	DG3	<i>Saya percaya bahawa penerima derma mampu menggunakan derma sebaik-baiknya</i> (I trust that those who receive donation can utilize it wisely)	5.50	0.4%
	DG4	<i>Saya percaya bahawa penerima derma akan berusaha untuk tidak meminta sekiranya dirinya berkemampuan</i> (I trust that those who receive donation will try not to ask for donation if they can afford themselves)	5.50	0.4%
	DG5	<i>Saya dapat membezakan antara peminta derma yang tulen dan palsu</i> (I can differentiate between the true and the fake donation recipients)	5.44	

\*Scale 1 (strongly disagree) to 7 (strongly agree)

### 5.3 Inference Analysis

#### 5.3.1 Normality Test

The normality of the data is assessed by the value of skewness and kurtosis in which a value of 0 indicates a perfectly normal data. Although the value of 0 or  $\pm 1$  is considered as the excellent normality<sup>777</sup>, in some cases according to George & Mallery<sup>778</sup>, the value of  $\pm 2$  is also considered as acceptable while for Kline<sup>779</sup>, a value of 3.0 indicates a normal distribution in which a value greater than 3.0 indicates positive kurtosis, and a value less than

<sup>777</sup> Pallant, *SPSS Survival Manual*.:57

<sup>778</sup> George, Darren, and M. Mallery. "Using SPSS for Windows step by step: a simple guide and reference." (Boston, MA: Allyn & Bacon.[Links], 2003):99

<sup>779</sup> Kline, *Principles and Practice of Structural Equation Modeling*.:62

3.0 indicates negative kurtosis. Referring to Table 5.8, all values of skewness and kurtosis were within -1 to 1 which reflected that the data was excellently normal. Positive values of the skewness showed that the data tend to cluster towards the low values at the left side of the graph and negative values of the skewness show that the tendency of the data to cluster at the higher end at the right side of the graph such as for variables of Attitude (ATT), Perceived Behavioural Control (PBC, Financial Wellness 2 (FW2) and Religiosity (REL). As according to Pallant,<sup>780</sup> negative value of kurtosis inferred that the data was rather flat due to a lot of extreme cases, all kurtosis values of this data were in negative form which described the flatness of this data due to extreme cases such as outliers. This might be due to the application of a larger scale from 1 to 7 which may lead to the possibility of outlier cases to occur. Although some outliers were detected, by comparing the values of 5% trimmed mean and the mean, they were retained as the values were not too vastly deviated.

**Table 5.8: Result of Skewness and Kurtosis**

Variables	N	Mean	Std. Deviation	Skewness		Kurtosis		5% Trimmed Mean
				Statistic	Std. Error	Statistic	Std. Error	
Intention (INT)	1034	5.585	.878	.009	.076	-.959	.152	5.594
Attitude (ATT)	1034	5.805	.770	-.253	.076	-.528	.152	5.830
Subjective Norm (SN)	1034	5.499	.847	.131	.076	-.822	.152	5.499
Perceived Behavioural Control (PBC)	1034	5.380	.798	.302	.076	-.581	.152	5.366
Altruism (ALT)	1034	5.665	.860	-.129	.076	-.926	.152	5.682

<sup>780</sup>Pallant, *SPSS Survival Manual*.:57-58

**Table 5.8: Continued**

Financial Wellness 1 (FW1)	1034	5.432	.803	.185	.076	-.692	.152	5.440
Financial Wellness 2 (FW2)	1034	5.667	.834	-.100	.076	-.854	.152	5.682
Religiosity (REL)	1034	6.046	.841	-.603	.076	-.676	.152	6.093
Trust (TRU)	1034	5.450	.798	.114	.076	-.614	.152	5.439

### 5.3.2 Results of Factor Analysis

To measure the construct validity of the instrument, Exploratory Factor Analysis or EFA was conducted. The methodology of EFA involves three main steps, which are: assessing the data suitability for conducting factor analysis, factor extraction, and factor rotation. For the first step, Kaiser-Meyer-Olin (KMO) and Bartlett's test of sphericity were used to examine the suitability of study data for factor analysis<sup>781</sup> on all continuous variables involved in this study. Based on Table 5.9, it was found that the KMO result for 54 items is 0.947 which is more than 0.6 as suggested by Pallant<sup>782</sup> and the Bartlett's Test was also found to be statistically significant indicating the suitability of the data to run the factor analysis.

**Table 5.9: The result of KMO and Bartlett's Test of Sphericity**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.947
Bartlett's Test of Sphericity	51219.569
df	1431
Sig.	.000

Based on the result of Component Matrix<sup>a</sup>, it was found that all coefficients correlation values are above  $r = 0.3$  thus signaling to proceed to the next stage of factor analysis. The next step

<sup>781</sup> Hair et al., *Multivariate Data Analysis*:102

<sup>782</sup>Pallant, *SPSS Survival Manual*. :183

was factor extraction process which was conducted using the Principal Component Method. Under this technique, the Kaiser's criterion and the scree plot were used to determine the number of factors to be retained. Factors with an eigenvalue of 0.1 or more were retained.<sup>783</sup> The result of PCA is illustrated in the following Table 5.10 showing that 10 components were extracted by the indication of eigenvalue more than 0.1. The total variance explained indicated that all components explained the charitable giving behaviour by 74.12%.

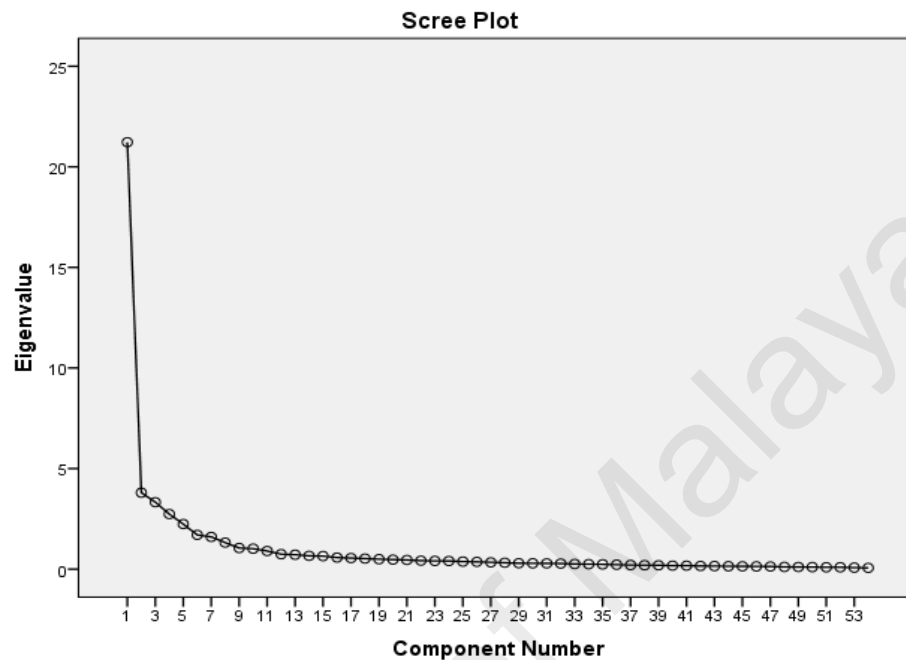
**Table 5.10: The Result of Principal Component Analysis**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	21.22	39.30	39.30	21.22	39.30	39.30	8.61	15.94
2	3.80	7.04	46.35	3.80	7.04	46.35	7.32	13.55	29.49
3	3.33	6.16	52.51	3.33	6.16	52.51	4.03	7.46	36.95
4	2.74	5.07	57.58	2.74	5.07	57.58	3.51	6.51	43.46
5	2.24	4.15	61.73	2.24	4.15	61.73	3.29	6.35	49.81
6	1.70	3.15	64.88	1.70	3.15	64.88	3.42	6.33	56.14
7	1.60	2.97	67.85	1.60	2.97	67.85	3.19	5.91	62.05
8	1.32	2.44	70.29	1.32	2.44	70.29	2.77	5.13	67.17
9	1.05	1.95	72.24	1.05	1.95	72.24	2.05	3.79	70.96
10	1.02	1.88	74.12	1.02	1.88	74.12	1.71	3.16	74.12
11	.90	1.67	75.79						
12	.74	1.38	77.17						

The first component explained the variance by 15.94%, the second component 13.55%, the third component 7.46%, the fourth component 6.5%, the fifth component 6.35%, the sixth component 6.33%, the seventh component 5.91%, the eighth component 5.13%, the ninth component 3.79% and the tenth component 3.16%. To further confirm the number of components extracted, it is important to also look at the Screeplot as below in figure 5.1. The

<sup>783</sup> Ibid.:184

components above the elbow point or the change of the plot were retained. Based on the scree plot it is clear that the number of components among the curvy elbow is between 1 to 10.



**Figure 5.1: The Scree Plot**

The last step in factor analysis is factor rotation to minimize the number of items that have high loadings on each factor. As the emphasis of this analysis was on the number of variables and not so much on the meaning of the results, orthogonal rotation method was deemed appropriate as suggested by Hair.<sup>784</sup> Hence, the commonly used technique of Varimax rotation was used. The interpretation of the values of the loadings was based on Hair<sup>785</sup> who considers the 0.3 level to be a minimum requirement, 0.4 more important, and 0.5 or higher as practically more significant. The result of the Varimax rotation is presented in Table 5.11 as follows:

<sup>784</sup> Hair et al., *Multivariate Data Analysis*:115

<sup>785</sup> Ibid.



**Table 5.11: Rotated Component Matrix**

	Component									
	1	2	3	4	5	6	7	8	9	10
<b>C1</b>	<b>.781</b>									
<b>C2</b>	<b>.785</b>									
<b>C3</b>	<b>.800</b>									
<b>C4</b>	<b>.780</b>									
<b>C5</b>	<b>.821</b>									
<b>C6</b>	<b>.847</b>									
<b>C7</b>	<b>.825</b>									
<b>C8</b>	<b>.798</b>									
<b>C9</b>	<b>.782</b>									
<b>C10</b>	<b>.778</b>									
DA1	.416								.353	
DF1		<b>.656</b>							.330	
DF2		<b>.831</b>								
DF3		<b>.765</b>								
DF4		<b>.813</b>								
DF5		<b>.807</b>								
DF6		<b>.842</b>								
DF7		<b>.849</b>								
DF8		<b>.837</b>								
DA2	.313	.475	<b>.436</b>				.334			
DA3			<b>.669</b>							
DA4			<b>.700</b>							
DA5			<b>.777</b>							
DA6			<b>.774</b>							
DA7		.349	<b>.606</b>							
DA8		.377	<b>.598</b>							
DE6				<b>.716</b>						
DE7				<b>.799</b>						
DE8				<b>.767</b>						
DE9				<b>.692</b>						
DE10				<b>.727</b>						
DG1					<b>.724</b>					
DG2					<b>.771</b>					
DG3					<b>.755</b>					
DG4					<b>.673</b>					
DG5					<b>.650</b>					
DE1						<b>.694</b>				
DE2						<b>.707</b>				

**Table 5.11: Continued**

DE3			<b>.729</b>	
DE4	.319		<b>.699</b>	
DE5			<b>.662</b>	
DD1			<b>.561</b>	.346
DD2	.317		<b>.686</b>	
DD3	.309	.366	<b>.699</b>	
DD4		.376	<b>.661</b>	
DD5	.391		<b>.643</b>	
DB1				<b>.845</b>
DB2				<b>.858</b>
DB3				<b>.791</b>
DC1	.349			<b>.483</b>
DC2				<b>.733</b>
DC3				<b>.583</b>
DB4			<b>.326</b>	.774
DB5			<b>.354</b>	.757

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

Of 54 items underwent the Varimax rotation procedure, it was found that all items under intention factor from C1 to C10 produce one component that have high significant loadings from .778 to .847. Similar result was generated on all items for measuring religiosity when all items produced high significant loadings more than 0.5. For attitude component, it was seen that an item (DA1) was not grouped together with other items under attitude. Thus, item DA1 was removed from the component. All items in the component produced high loadings more than 0.5 except for DA2 (.436). However, as the value of 0.4 is considered as more important, this item was retained in the component.

Originally, all financial wellness items were perceived to be under one component, however through this analysis it was discovered that these items should be broken down into two components. Thus, items DE1 to DE5 which were grouped under one component were labeled as the financial wellness 1 (FW1) component consisting variables pertaining to

personal financial satisfaction while items DE6 to DE10 were classified as the second component of financial wellness (FW2) comprises of personal financial planning. For items of trust from DG1 to DG5, they were seen to have high loadings of more than 0.5 and formed as a component. The same results were obtained for attitude and perceived behavioural control components.

For subjective norm component, quite a complex result was generated when two of its items DB4 and DB5 were seen to form a separate component which was the tenth component with relatively high loadings. These two items measure specifically the self image variable which has a similarity to the subjective norm where the emphasis is put on other's expectation for a person to conduct a behaviour. As the aim to perform this procedure is to decide on the number of variables, it is decided that the tenth component to be removed and merged with the subjective norm component as the two items were also seen to have loadings on subjective norm component but with lower loadings of 0.326 and 0.354 respectively which were categorized as the acceptable minimum value. To conclude, the result of factor analysis shows that the instrument has satisfied the criteria of construct validity by proving that all components explain the variance by 74.12% and generate the number of components as specified in the instrument with most of the items produce high loadings of more than 0.5.

### **5.3.3 Results of Partial Least Square Structural Equation Modeling**

To estimate the predictability of latent variables in influencing the charitable giving behaviour, a conceptual model was built and the Partial Least Square technique of Structural Equation Modeling was used to assess the predictive influence of latent independent variables of attitude, perceived behavioural control, subjective norm, religiosity, financial wellness 1, financial wellness 2 and trust on the dependent variable of giving intention. As aforementioned in the previous chapter, the PLS SEM technique involves the assessment on

two important components which are the measurement model and the structural model. For ease of interpretation, Table 5.12 is referred for variable description throughout this analysis.

**Table 5.12: Description of Variables**

Abbreviation	Description
<b>ATT</b>	Attitude
<b>SN</b>	Subjective Norm
<b>PBC</b>	Perceived Behavioural Control
<b>ALT</b>	Altruism
<b>FW1</b>	Financial Wellness 1
<b>FW2</b>	Financial Wellness 2
<b>REL</b>	Religiosity
<b>TRU</b>	Trust

#### *Analysis on the Reflective Measurement Model*

The result of reflective measurement model in Table 5.13 shows that all variables had a high internal consistency by basing on the values of composite reliability more than 0.9 except for Perceived Behavioural control which scored 0.858 indicating satisfactory internal consistency as according to Nunnally & Bernstein<sup>786</sup>, the composite reliability value more than 0.9 indicates that all indicators in the variable measure the same phenomenon. Another important criterion to be examined is the indicator reliability which reflects the extent of an item variation explained by the construct. It is shown on the value of outer loadings where a standard outer loading should be higher than 0.708.<sup>787</sup> Based on the result it was shown that all indicators produced high values of outer loadings of more than the cut off value 0.708 signifying that all indicators were able to explain the variance in the construct in more than 50%. Thus, all indicators were retained.

<sup>786</sup> Nunnally and Bernstein, *Psychometric Theor.*:265

<sup>787</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*.:37

**Table 5.13: Result Summary for Reflective Measurement Model**

Latent Variable	Indicators	Outer Loadings	Composite Reliability	AVE	Discriminant Validity
Intention (INT)	C1	0.88	0.970	0.767	YES
	C2	0.883			
	C3	0.889			
	C4	0.874			
	C5	0.874			
	C6	0.874			
	C7	0.839			
	C8	0.885			
	C9	0.865			
	C10	0.890			
Attitude (ATT)	DA2	0.771	0.926	0.641	YES
	DA3	0.739			
	DA4	0.859			
	DA5	0.779			
	DA6	0.775			
	DA7	0.854			
	DA8	0.822			
Subjective Norm (SN)	DB1	0.767	0.903	0.650	YES
	DB2	0.861			
	DB3	0.861			
	DB4	0.742			
	DB5	0.794			
Perceived Behavioural Control (PBC)	DC1	0.782	0.858	0.668	YES
	DC2	0.840			
	DC3	0.830			
Altruism (ALT)	DD1	0.789	0.946	0.778	YES
	DD2	0.880			
	DD3	0.912			
	DD4	0.912			
	DD5	0.909			
Financial Wellness 1 (FW1)	DE1	0.788	0.965	0.776	YES
	DE2	0.851			
	DE3	0.855			
	DE4	0.847			
	DE5	0.784			
Financial Wellness 2 (FW2)	DE6	0.725	0.914	0.681	YES
	DE7	0.832			
	DE8	0.791			
	DE9	0.830			
	DE10	0.830			

**Table 5.13 : Continued**

Religiosity (REL)	DF1	0.736	0.900	0.644	YES
	DF2	0.912			
	DF3	0.872			
	DF4	0.9			
	DF5	0.907			
	DF6	0.910			
	DF7	0.910			
	DF8	0.883			
Trust (TRU)	DG1	0.780	0.909	0.716	YES
	DG2	0.892			
	DG3	0.886			
	DG4	0.821			

To assess the convergent validity of these variables which describes the extent of correlations between indicators of the same construct, the average values extracted or AVE values were obtained. It was found that all variables obtained the AVE values more than the acceptable value of 0.5 showing a high convergent validity between 0.64 to 0.78. Then, discriminant validity is measured to describe the extent of distinction between constructs to measure whether it represents only a single construct or correlates with other constructs by using the techniques of Fornell-Larcker Criterion and cross loading. The discriminant validity of all variables was proven based on the result of Fornell-Larcker Criterion that all variables generated the value of 1 representing as a single construct. Another technique which is the cross loading, produced a result that each variable was of a single construct and the highest loadings of each indicator were gathered in the same construct for each variable. The result was consistent to the principal component analysis conducted in Factor Analysis.

#### ***Analysis on the Measurement of Structural Model***

The second part of analysis is to measure the structural model. The first step is to assess the structural model for collinearity issues by the indication of tolerance levels  $< 0.20$  and  $VIF > 5.00$ . For intention variable, all tolerance levels were found to be above 0.2 as well the VIF values were less than 5.00. This means that no collinearity was found for intention.

Similar result was also found for attitude, subjective norm and perceived behavioural control signifying that all dependent latent variables had no collinearity issues as presented in the following table:

**Table 5.14: Result of Collinearity Analysis for Dependent Latent Variables**

Dependent Latent Variable	Indicator	Tolerance	VIF	Indicator	Tolerance	VIF	Indicator	Tolerance	VIF	Indicator	Tolerance	VIF	Indicator	Tolerance	VIF
<b>Intention</b>	ATT	0.47	2.1	ATT	0.5	2.01	ALT	0.43	2.3	ALT	0.39	2.6	ATT	1	1
	SN	0.77	1.3	ALT	0.41	2.44	REL	0.51	1.9	REL	0.50	1.98	SN	1	1
	PBC	0.58	1.7	REL	0.46	2.16	FW1	0.51	1.9	FW1	0.50	2	PBC	1	1
	ALT	0.37	2.7	FW1	0.51	1.98	FW2	0.67	1.5	FW2	0.69	1.45			
	REL	0.45	2.2	FW2	0.69	1.45	TRU	0.67	1.4	TRU	0.61	1.63			
	FW1	0.50	2	TRU	0.64	1.58	SN	0.81	1.2	PBC	0.59	1.69			
	FW2	0.66	1.5												
	TRU	0.59	1.7												
<b>Attitude</b>	ALT	0.44	2.3												
	REL	0.51	2												
	FW1	0.51	2												
	FW2	0.69	1.5												
	TRU	0.67	1.5												
<b>Subjective Norm</b>	ALT	0.44	2.3												
	REL	0.51	2												
	FW1	0.51	2												
	FW2	0.69	1.4												
	TRU	0.67	1.5												
<b>Perceived</b>	ALT	0.44	2.3												
	REL	0.51	2												
	FW1	0.51	2												
	FW2	0.69	1.4												
<b>Behavioural Control</b>	TRU	0.67	1.5												

The second step in the structural model measurement is to assess the relationship of the variables in the model by basing on the result of path coefficients as described in Table 5.15. The significance test of TPB components in the model found that there was a significant relationship between attitude (ATT) and perceived behavioural control (PBC) with the intention (INT) of giving at 99% confidence level leading to the acceptance of H<sub>14</sub> and H<sub>16</sub>

but not for subjective norm as also found by Marziana Mohamad et al.<sup>788</sup> This finding proves to the relevance of TPB components in predicting the intention of giving.

**Table 5.15: Result of Significance Testing of the Structural Model Path Coefficients**

Hypothesis	Path Coefficients	T Values	Significance Levels	P Values	95% Confidence Intervals	
ATT -> INT (H <sub>14</sub> )	0.259	<b>7.604</b>	**	0.000	0.242	0.277
SN -> INT (H <sub>15</sub> )	-0.018	0.774		0.439	-0.018	-0.019
PBC -> INT (H <sub>16</sub> )	0.244	<b>7.342</b>	**	0.000	0.227	0.259
ALT -> INT (H <sub>18</sub> )	0.172	<b>4.321</b>	**	0.000	0.158	0.185
ALT -> ATT (H <sub>19</sub> )	0.283	<b>7.925</b>	**	0.000	0.264	0.303
ALT -> SN (H <sub>20</sub> )	0.181	<b>4.043</b>	**	0.000	0.165	0.196
ALT -> PBC (H <sub>21</sub> )	0.439	<b>10.880</b>	**	0.000	0.404	0.474
TRU -> INT (H <sub>26</sub> )	0.061	1.853		0.064	0.057	0.065
TRU -> ATT (H <sub>27</sub> )	0.210	<b>6.510</b>	**	0.000	0.197	0.223
TRU -> SN (H <sub>28</sub> )	0.056	1.548		0.122	0.052	0.06
TRU -> PBC (H <sub>29</sub> )	0.290	<b>9.866</b>	**	0.000	0.273	0.307
REL -> INT (H <sub>34</sub> )	0.015	0.413		0.680	0.014	0.016
REL -> ATT (H <sub>35</sub> )	0.314	<b>9.098</b>	**	0.000	0.293	0.335
REL -> SN (H <sub>36</sub> )	-0.005	0.116		0.905	-0.004	-0.005
REL -> PBC (H <sub>37</sub> )	-0.129	<b>3.809</b>	**	0.000	-0.12	-0.137
FW1 -> INT (H <sub>42</sub> )	0.058	1.681		0.093	0.054	0.062
FW1 -> ATT (H <sub>43</sub> )	0.074	<b>2.342</b>	*	0.019	0.07	0.079
FW1 -> SN (H <sub>44</sub> )	0.107	<b>2.392</b>	*	0.017	0.097	0.116
FW1 -> PBC (H <sub>45</sub> )	0.146	<b>4.042</b>	**	0.000	0.136	0.156
FW2 -> INT (H <sub>42</sub> )	0.164	<b>6.090</b>	**	0.000	0.156	0.173
FW2 -> ATT (H <sub>43</sub> )	-0.053	<b>2.132</b>	*	0.033	-0.051	-0.056
FW2 -> SN (H <sub>44</sub> )	0.211	<b>5.285</b>	**	0.000	0.195	0.228
FW2 -> PBC (H <sub>45</sub> )	-0.039	1.289		0.198	-0.037	-0.041

\*t-values>1.96 (p<0.05);\*\*t-values>2.58 (p<0.01)

<sup>788</sup> Sapling, Ahmad, and Mohamad, "A Study on Zakah of Employment Income: Factors That Influence Academics' Intention to Pay Zakah."



Altruism (ALT) was found to have a significant relationship with intention, attitude, Subjective Norm (SN) and perceived behavioural control at 99% significance level resulting to the acceptance of hypotheses H<sub>18</sub>, H<sub>19</sub>, H<sub>20</sub> and H<sub>21</sub>. Of four relationships, altruism was seen to have the highest impact on PBC with 0.44, followed by attitude, subjective norm and intention. This signifies the importance of altruism in predicting the giving as found in many studies such as by Morgan & Miller<sup>789</sup> who proved that the higher the altruism, the higher the intention to give. Attitude and perceived behavioural control were found to have a significant relationship with trust at 99% significance level indicating the acceptance of H<sub>27</sub> and H<sub>29</sub>. Between the two variables, trust was seen to be more impactful on PBC by 0.29 compared to attitude by 0.21. However, the finding also proved that there was no significant relationship between trust and intention indicating that it did not influence the intention of giving but significantly related to components for intention of giving by contributing to the increase of attitude and self efficacy contradicting to previous findings that found direct relationship between trust and giving.<sup>790</sup>

Similarly, the two mentioned variables were also found significantly related to religiosity at 99% confidence level hence the acceptance of H<sub>35</sub> and H<sub>37</sub>. The impact of religiosity was seen to be strongly and positively influential on attitude by 0.31 as found by Fam, Waller & Erdogan<sup>791</sup> but a small negative effect was found on PBC with 0.13. The explanation to this could be that religious people are more careful and selective in giving donation to ensure their donation to be religiously accountable due the issues of fraudulence existed among

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<sup>789</sup> Morgan and Miller, "Communicating about Gifts of Life: The Effect of Knowledge, Attitudes, and Altruism on Behavior and Behavioral Intentions Regarding Organ Donation."

<sup>790</sup> Taniguchi and Marshall, "The Effects of Social Trust and Institutional Trust on Formal Volunteering and Charitable Giving in Japan." See also; Banks and Raciti, "Perceived and Evidenced Credibility-Based Trust and Financial Donors' Loyalty to Charities: A Relationship Marketing Perspective."; Fehrer and Przepiorka, "Charitable Giving as a Signal of Trustworthiness: Disentangling the Signaling Benefits of Altruistic Acts."

<sup>791</sup> Fam, K.S., Waller, D.S. and Erdogan, B.Z. "The influence of religion on attitudes towards the advertising of controversial products", *European Journal of Marketing*, Vol. 38 Nos 5/6, (2004):537-55.

charity raisers which were illegally handled by syndicates<sup>792</sup> in Malaysia and which were also proven to be increasing in many countries such as the USA and UK.<sup>793</sup> Moreover, religiosity has no significant relationship with intention to give and subjective norm meaning that it did not directly influence the intention to give and has no relationship with subjective norm but contribute to the components related to intention to give.

The financial wellness 1 on the other hand was found to have significant relationship with all components in the TPB except for intention to give. Attitude and subjective norm was significantly related to FW1 at 95% and with perceived behavioural control at 99% thus accepting the hypotheses of H<sub>43</sub>, H<sub>44</sub> and H<sub>45</sub>. The strength of relationships were small with the largest was scored by PBC by 0.15, followed by Subjective Norm by 0.11 and attitude by 0.07. This finding however proved that people with high financial satisfaction had higher self efficacy to conduct giving, are influenced by significant others to contribute and have a favourable attitude toward giving,

Another component of financial wellness, the financial wellness 2 (FW2) was found significantly related to intention and subjective norm at 99% confidence level and with attitude at 95%. This result led to the acceptance of H<sub>42</sub>, H<sub>43</sub> and H<sub>44</sub>. The positive relationship of FW2 was stronger on subjective norm by 0.211 compared to the impact on intention by 0.164. This shows that people who had their financial planned reacted to the perception of the norm. A weak relationship between FW2 and attitude was found negatively significant by 0.05 indicating that people who plan their financial have unfavourable attitude toward spending to charity. This might be due to the fact that people who plan financially are prudent and only spend based on what is planned in the budget. Thus, unexpected expenses such as

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<sup>792</sup> Rozaman Ismail. "Jangan Mengalah Perangi Sindiket Pengemis". Accessed on 20 Disember 2014 <http://www.utusan.com.my/rencana/jangan-mengalah-perangi-sindiket-pengemis-1.38655#sthash.EbbWexpZ.dpuf>.

<sup>793</sup> Noraini Mohd Nasir et al., "Financial Reporting Practices of Charity Organisations : A Malaysian Evidence," *International Bulletin of Business Administration* 6, no. 6 (2009): 19–27.

giving to charity might reduce the utility of planning financially. However, as mentioned earlier, FW2 or financial planning construct was an important predictor for intention of giving so the inclusion of charitable giving in the financial planning is crucial as suggested in a study by Wymer, Scaife & McDonald.<sup>794</sup>

To assess the magnitude of model predictability and predictive relevance, the result of  $R^2$  and  $Q^2$  are discussed as in Table 5.19. Based on  $R^2$  values, it was found that intention was able to explain the variance by 53%, attitude by 50%, PBC by 41% indicating a strong model predictability and Subjective Norm by 19% indicating a moderate predictability. For predictive relevance all values exceeded zero indicating that the constructs in the model possessed predictive relevance and as outlined by Hair<sup>795</sup>, the value of 0.02 indicates that the exogenous construct has small predictive relevance, 0.15 signifies medium predictive relevance and 0.35 represents large predictive relevance. A large predictive relevance was found for intention, medium predictive relevance for attitude and perceived behavioural control and small predictive relevance for subjective norm. Conclusively, intention was found to be the strongest predictor of giving while attitude and perceived behavioural control moderately predicted the giving and the subjective norm was the weakest predictor.

**Table 5.16: Result of  $R^2$  and  $Q^2$**

Exogenous Latent Variables	$R^2$	$Q^2$
INT	0.529	0.401
ATT	0.504	0.312
SN	0.194	0.124
PBC	0.407	0.27

Then, to measure the impact of a predictor on the model, the effect size of  $f^2$  and  $q^2$  were calculated using the similar rule of thumb for interpretation as discussed in the previous

<sup>794</sup> Walter Wymer, Wendy Scaife, and Katie McDonald, "Financial Planners and Philanthropic Planning".

<sup>795</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*:102

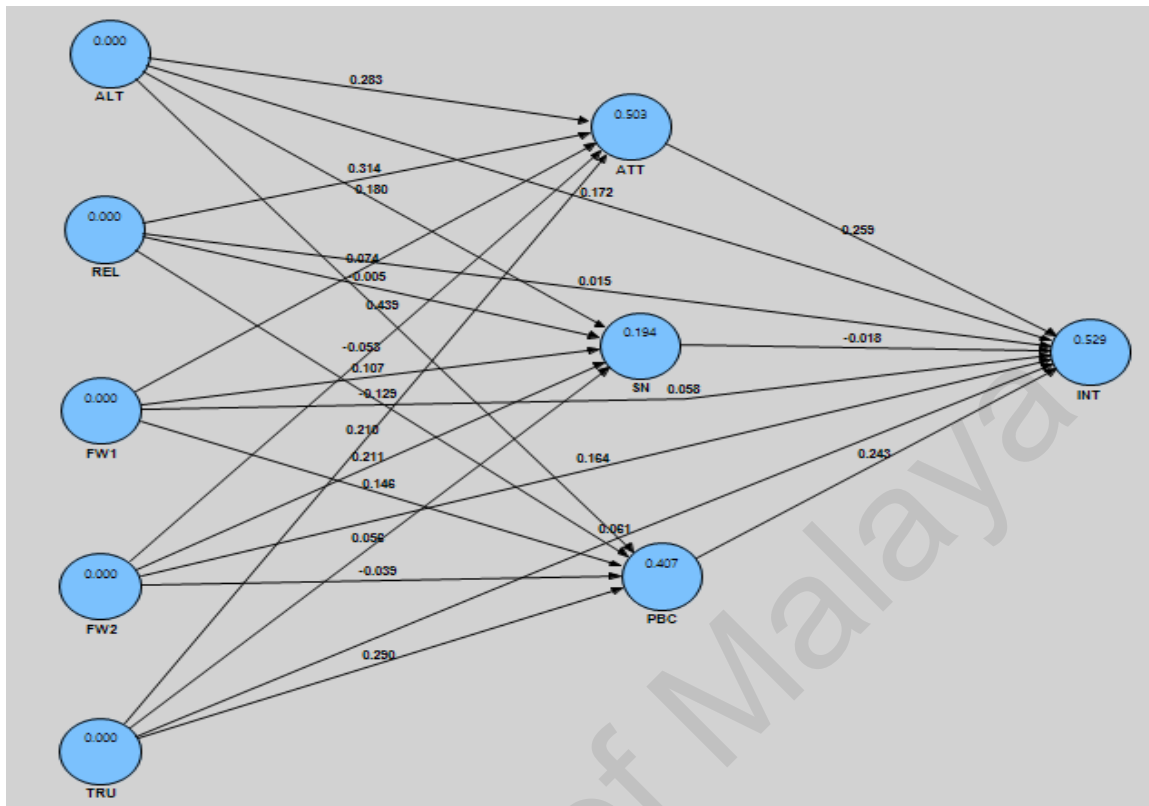
section of predictive relevance. The  $f^2$  effect size calculates the change in  $R^2$  when a specific exogenous construct is removed or omitted from the model. Similarly the  $q^2$  effect size measures the change in  $Q^2$  when certain exogenous construct is omitted<sup>796</sup>. The result is presented in Table 5.17 below.

**Table 5.17: Result Summary of Path Coefficients,  $f^2$  and  $q^2$**

	INT				SN				PBC			
	ATT											
latent variables	path coefficients	$f^2$	$q^2$	path coefficients	$f^2$	$q^2$	path coefficients	$f^2$	$q^2$	path coefficient	$f^2$	$q^2$
<b>ATT</b>	0.26	0.45	0.40	0.00	0.51	0.31	0.00	0.19	0.13	0.00	0.41	0.27
<b>SN</b>	-0.02			0.00			0.00			0.00		
<b>PBC</b>	0.24			0.00			0.00			0.00		
<b>ALT</b>	0.17			0.28			0.18			0.44		
<b>REL</b>	0.02			0.31			0.00			-0.13		
<b>FW1</b>	0.06			0.07			0.11			0.15		
<b>FW2</b>	0.16			-0.05			0.21			-0.04		
<b>TRU</b>	0.06			0.21			0.06			0.29		

From the table it was shown that the intention construct produced large effect size of  $f^2$  and  $q^2$ . For attitude construct, large  $f^2$  effect size was obtained with medium effect size for  $q^2$ . For subjective norm, medium effect size of  $f^2$  was detected while close to medium effect size for  $q^2$ . A large  $f^2$  effect size was also detected for Perceived Behavioural Control and medium effect size for  $q^2$ . Thus, it is concluded that all four components of TPB are the strong predictors to the behaviour of giving. The following Figure 5.2 visually describes the relationship and the path coefficients of the structural model.

<sup>796</sup> Ibid.



**Figure 5. 2: The Measurement of Structural Model**

The final stage of analysis is to observe the moderating effects of these latent variables on the endogenous constructs in the model. The result in Table 5.18 shows that significant effect of moderation of several latent variables was captured for perceived behavioural control and intention of giving. Financial Wellness 1 was found to positively moderate PBC to intention with small effect of 0.073 at 99% significance level leading to the acceptance of hypothesis H<sub>48</sub>.

**Table 5.18: Result Summary of Moderator Analysis**

Hypothesis	Path Coefficients	T Values	Significance Levels	P Values	95% Confidence Intervals
ATT * ALT -> INT	-0.045	0.860		0.390	
ATT * REL -> INT	0.002	0.093		0.926	
ATT * TRU -> INT	0.043	0.939		0.348	
ATT * FW1 -> INT	0.078	0.983		0.326	
ATT * FW2 -> INT	-0.009	0.408		0.683	

**Table 5.18: Continued**

SN * ALT -> INT	0.093	1.003		0.316		
SN * REL -> INT	-0.084	0.998		0.318		
SN * TRU -> INT	0.037	0.470		0.639		
SN * FW1 -> INT	0.035	0.571		0.563		
SN * FW2 -> INT	-0.072	0.927		0.354		
PBC * ALT -> INT	0.031	1.620		0.106		
PBC * REL -> INT	0.074	2.315	*	0.021	0.069	0.078
PBC * TRU -> INT	-0.047	1.270		0.204		
PBC * FW1 -> INT	0.073	3.217	**	0.001	0.069	0.076
PBC * FW2 -> INT	0.050	2.130	*	0.033	0.047	0.052

\*t-values>1.96 (p<0.05);\*\*t-values>2.58 (p<0.01)

Another moderator found significant to PBC and intention was religiosity at 95% significance level. This finding supported the moderating role of religiosity toward the PBC which eventually increased the intention to give, thus accepting the H<sub>40</sub> hypothesis. This finding proved the moderator effect of religiosity as also found by Teah, Lwin & Cheah.<sup>797</sup> The last variable that proved to moderate the relationship between PBC and intention was financial wellness 2 at 95% significance level leading to the acceptance of H<sub>48</sub>. Therefore it is concluded that religiosity and financial wellness are two important moderators that strengthen the relationship between PBC and intention to give.

### 5.3.4 Results of Logistic Regression Analysis

To achieve the research objective of analyzing the prediction of variables on the patterns of charitable giving which are mostly in categorical or discrete information and estimating the model fit, binary logistic regression analysis was employed in this study. As aforementioned, there were six categories of recipients listed to assess the behaviour of giving as also discussed in a study by Josie M.F & Abdul Rahim Ibrahim.<sup>798</sup> The categories were the worship house, charity homes, religious schools, beggars or poor, nonprofit

<sup>797</sup> Teah, Lwin, and Isaac Cheah, "Moderating Role of Religious Beliefs on Attitudes towards Charities and Motivation to Donate."

<sup>798</sup> Josie and Abdul Rahim Ibrahim, *A Giving Society?: The State of Philanthropy in Malaysia*.:246

organizations and higher education institutions. For each category there are five models analyzed containing different variables.

The analysis commences by classification table with cut off value of 0.5 used to predict the correct percentage of actual occurrence<sup>799</sup>. Then, variables in the equation were analyzed by the *B* coefficients that represent the log odds and ‘Exp (B)’ that represents the odds ratio which estimate the change in the variables.<sup>800</sup> Lastly, the Omnibus test was used to test the model coefficient by basing on the values of chi square, degree of freedom and significant value; Cox & Snell R Square and Nagelkerke R Square tests to describe the percentage of variance explained by the model by referring on the value of  $R^2$ . The number closer to 1 indicates stronger relationship and usually the value of Nagelkerke  $R^2$  exceeds the Cox & Snell  $R^2$ . While the Hosmer & Lemeshow test estimates the fit of the model through the value of chi square, degree of freedom and significance level in which a non significant chi square indicates a good fit.<sup>801</sup>

### ***Giving to Worship House***

Giving to worship house or the mosque in Muslim context, is one of the significant donation in Malaysia as suggested by Hairunnizam Wahid et al<sup>802</sup> that the donation for worship house nationwide was estimated to amount RM300 million annually by basing on the number of worship houses in Malaysia which was more than 5000. Thus, to study the predictors behind this giving is crucial. Based on classification table in Table 5.19, the model was able to predict the correct percentage of Giving to Worship House without the inclusion of independent variables by 85.8%. To achieve accuracy in the correct percentage, proportional chance criterion or *c prop* was calculated for each model. Thus it was calculated

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<sup>799</sup> Fauzi Hussin et al. “*Kaedah Penyelidikan & Analisis Data SPSS*”. (Sintok: Penerbit UUM, 2014): 45

<sup>800</sup> Hair et al., *Multivariate Data Analysis*.:322

<sup>801</sup> *Ibid*.:336

<sup>802</sup> Hairunnizam Wahid Jaafar Ahmad, Sanep Ahmad, Mariani Ab Majid, “Dana Dan Harta Masjid Di Malaysia: Ke Arah Pengurusan Strategik,” 2006, 1–13.

that the base model was able to predict the giving behaviour by 76%. All models obtained c prop values higher than 76% of the base model except for Model 3 which showed a decrease percentage of 75.1% after the insertion of socio economic variables in the model. However, it was still beyond the 50% cut off value. Thus it concluded that all models were able to predict the giving behaviour to worship house between 75.1% to 76.9% representing high value of prediction.

**Table 5.19: Classification Table for Giving to Worship House\***

Without Independent Variables		Model 1		Model 2		Model 3		Model 4		Model 5	
Correct percentage	c	%	c	%	c	%	c	%	c	%	c
%	pro		pro		pro		pro		pro		pro
85.8	p	86	p	86	p	85.4	p	86.3	p	86.7	p
	76		76		76		75.1		76.4		76.9

\*50% cut off value

Next, to observe which variables are statistically significant with the behaviour and to conduct the hypothesis test, the result of logistic regression was examined and presented in Table 5.20. In Model 1, variables of attitude, subjective norm, financial wellness 2 and trust were found significant at 99% while altruism at 90%. The log odds value for attitude was 0.43 with odds ratio 1.53 indicating that for I unit of increase in attitude, it influences the giving by 53%. Positive influence of Subjective Norm was detected by the log odds value of 0.45 and odds ratio of 1.57. This means that for every 1 unit increase in Subjective Norm, it increases the giving by 57%. For altruism variable, 1 unit increase in altruism will likely to increase the giving behaviour by 42%. Meanwhile Financial Wellness 2 and Trust variables were found to be negatively influential with odds value of -0.49 and odds ratio of 0.61 and odds value of -0.33 and odds ratio of 0.72 respectively. The results imply that lack of financial wellness in terms of personal financial planning and trust reduce the involvement in giving particularly to worship house by 61% and 72% respectively.



**Table 5.20: Variables in the Equation for Giving to Worship House\***

Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig
Constant	-2.53	0.08	0.01	-2.71	0.07	0.01	-2.60	0.07	<b>0.01</b>	-2.56	0.08	<b>0.01</b>	-3.30	0.04	<b>0.00</b>
ATT	0.43	1.53	<b>0.01</b>	0.50	1.66	<b>0.00</b>	0.44	1.55	<b>0.01</b>	0.41	1.51	<b>0.02</b>	0.45	1.57	<b>0.01</b>
SN	0.45	1.57	<b>0.00</b>	0.44	1.55	<b>0.00</b>	0.44	1.55	<b>0.00</b>	0.45	1.58	<b>0.00</b>	0.35	1.42	<b>0.01</b>
PBC	-0.11	0.89	0.50	-0.15	0.86	0.37	-0.10	0.91	0.57	-0.12	0.89	0.47	-0.16	0.85	0.37
ALT	0.35	1.42	<b>0.06</b>	0.39	1.47	<b>0.04</b>	0.37	1.45	<b>0.05</b>	0.37	1.44	<b>0.06</b>	0.50	1.64	<b>0.01</b>
FW1	0.24	1.27	0.16	0.12	1.13	0.48	0.26	1.29	0.16	0.18	1.20	0.29	0.34	1.41	<b>0.06</b>
FW2	-0.49	0.61	<b>0.00</b>	-0.53	0.59	<b>0.00</b>	-0.52	0.60	<b>0.00</b>	-0.51	0.60	<b>0.00</b>	-0.41	0.66	<b>0.01</b>
REL	0.24	1.28	0.13	0.35	1.42	<b>0.04</b>	0.23	1.26	0.16	0.26	1.30	0.11	0.14	1.15	0.40
TRU	-0.33	0.72	<b>0.04</b>	-0.29	0.75	<b>0.08</b>	-0.33	0.72	<b>0.05</b>	-0.32	0.73	<b>0.05</b>	-0.34	0.71	<b>0.04</b>
Gender				0.61	1.84	<b>0.00</b>									
Age				-0.21	0.81	0.30									
Marital				-0.45	0.64	<b>0.05</b>									
Children							-0.33	0.72	0.18						
Education							-0.44	0.64	<b>0.04</b>						
Employment							0.18	1.19	0.51						
Income							0.43	1.54	0.26						
own home							0.12	1.12	0.60						
H/hold Inc Tax							0.20	1.22	0.66	0.72	2.05	<b>0.00</b>			
Internet													0.72	2.05	<b>0.00</b>
friends/fam													0.02	1.02	0.93
door to door													0.51	1.66	<b>0.02</b>
mass media													0.81	2.25	<b>0.00</b>
appeal letter													-2.02	0.13	<b>0.00</b>
charity box													-0.12	0.89	0.58

Note: \*Significant at p<0.10, \*\*Significant at p<0.05, \*\*\*Significant at p<0.01

For Model 2, variables of attitude, subjective norm, financial wellness 2 and gender were proven to be statistically significant at 99%, altruism, religiosity and marital status were significant at 95%. Positive influence was observed for each significant variable except for Financial wellness 2 by the log odds value of -0.53 and odds ratio of 0.60 and marital status by the log odds value of -0.45 and odds ratio of 0.64. In terms of gender, it was revealed that men were more dominant by 84% in contributing to worship house detected by the log odds value of 0.61 and odds ratio of 1.84. This reaffirmed the assumption that collection was raised largely during the weekly Friday Prayer. Although women were found to be more generous

than men in the studies by Xiaonan Kou et al,<sup>803</sup>Piper & Schnepf<sup>804</sup>and Mesch<sup>805</sup> this study found that men were more generous than women in giving to worship house which was consistent to the finding that men gave more for religious purposes by Chang<sup>806</sup>, Brown and Ferris<sup>807</sup>and Einolf.<sup>808</sup> As for marital status it was found that single people contributed more toward worship house by 64% indicating that those who frequented the worship house largely were single which might be due to the single status that gave convenience for them to do so.

Model 3 exhibits that three variables namely the attitude, subjective norm and financial wellness 2 were found significant at 99% and that trust, altruism and education were significant at 95%. Three variables showed positive influences such as attitude, subjective norm and altruism while negative influences were recorded for financial wellness 2, trust and education. Interestingly, the negative influence in education reveals that lower educated people donated more than the higher educated people by 64% with the log odds value of -0.44 and odds ratio of 0.64. As found in the previous models the fourth model indicated significant results for attitude, subjective norm, financial wellness 2, altruism and trust with an addition of significant result for tax. Negative influence was also observed for financial wellness 2 and trust. More importantly this model exhibits that tax influenced the giving by 105% for 1 unit of change in the variable which doubled the effect by the log odds value of 0.72 and odds ratio of 2.05.

The last model in this category, Model 5 measured the influence of medium of information on giving. It was shown that seven variables obtained significant value of 99% namely attitude, Subjective Norm, Altruism, Financial Wellness 2, internet, mass media and appeal

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<sup>803</sup> Kou et al., "The Global Dynamics of Gender and Philanthropy in Membership Associations: A Study of Charitable Giving by Lions Clubs International Members."

<sup>804</sup> Schnepf, "Gender Differences in Charitable Giving in Great Britain."

<sup>805</sup> Mesch et al., "The Effects of Race, Gender, and Marital Status on Giving and Volunteering in Indiana."

<sup>806</sup> Chang, "Determinants of Religious Giving in an Eastern-Culture Economy : Empirical Evidence from Taiwan."

<sup>807</sup> Brown, Eleanor, and James M. Ferris. "Social capital and philanthropy: An analysis of the impact of social capital on individual giving and volunteering." *Nonprofit and Voluntary Sector Quarterly* 36.1 (2007): 85-99.

<sup>808</sup> Einolf, "Gender Differences in the Correlates of Volunteering and Charitable Giving."

letters with another two variables, trust and door to door solicitation were significant at 95%. Consistent to the previous models, financial wellness 2 and trust negatively influenced the giving. As this model purposively analysed the role of medium of information in giving, it was found that all six mediums were statistically significant except for friends/family and charity boxes. A strong positive influence was recorded for the mass media by 125% by the log odds value of 0.81 and odds ratio of 2.25, the internet by 105% with the log odds value of 0.72 and odds ratio of 2.05 and door to door solicitation by 66% with the log odds value of 0.51 and odds ratio of 1.66. Appeal letters however indicated negative influence implying that this method was the most inefficient as it might impose some kind of social pressure for the recipients of the appeal letters which accustomedly mailed at personal basis that it reduces the likelihood of giving by 13% with the log odds value of -2.02 and odds ratio of 0.13.

#### ***Hypothesis Test of Giving to Worship House***

Based on the results in the previous section, hypothesis testing was conducted and the result is presented in the table below:

**Table 5.21: Result of Hypothesis Testing of Worship House Giving**

Model	Hypotheses	Result
Model 1	H <sub>11</sub> There is a significant relationship between attitude and charitable giving behaviour	*** accepted
	H <sub>12</sub> There is a significant relationship between subjective Norm and charitable giving behaviour.	*** accepted
	H <sub>25</sub> There is a significant relationship between trust and charitable giving behaviour	** accepted
	H <sub>41</sub> There is a significant relationship between Financial Wellness and charitable giving behaviour	*** accepted
Model 2	H <sub>1</sub> There is a significant relationship between age and charitable giving behaviour	**accepted
	H <sub>2</sub> There is a significant relationship between gender and charitable giving behaviour	***accepted
	H <sub>11</sub> There is a significant relationship between attitude and charitable giving behaviour	***accepted
	H <sub>12</sub> There is a significant relationship between subjective Norm and charitable giving behaviour.	***accepted
	H <sub>17</sub> There is a significant relationship altruism and charitable giving behaviour	**accepted
	H <sub>33</sub> There is a significant relationship between religiosity and charitable giving behaviour	**accepted
	H <sub>41</sub> There is a significant relationship between Financial Wellness and charitable giving behaviour	***accepted

**Table 5.21: Continued**

Model 3	H <sub>5</sub>	There is a significant relationship between education and charitable giving behaviour.	**accepted
	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	***accepted
	H <sub>12</sub>	There is a significant relationship between subjective Norm and charitable giving behaviour.	***accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	**accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	**accepted
	H <sub>41</sub>	There is a significant relationship between Financial Wellness and charitable giving behaviour	***accepted
Model 4	H <sub>9</sub>	There is a significant relationship between tax, and charitable giving behaviour	***accepted
	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	**accepted
	H <sub>12</sub>	There is a significant relationship between subjective Norm and charitable giving behaviour.	***accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	*accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	**accepted
	H <sub>41</sub>	There is a significant relationship between Financial Wellness and charitable giving behaviour	***accepted
Model 5	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	***accepted
	H <sub>12</sub>	There is a significant relationship between subjective Norm and charitable giving behaviour.	***accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	***accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	**accepted
	H <sub>41</sub>	There is a significant relationship between Financial Wellness and charitable giving behaviour	***accepted
	H <sub>10</sub>	There is a significant relationship between medium of information and charitable giving behaviour.	***accepted

Results of hypothesis testing reveal that for demographic variables, hypotheses H<sub>1</sub> and H<sub>3</sub> were accepted proving that gender and marital status as the influential predictor for giving behaviour towards worship house. For socio demographic variables, only hypothesis H<sub>5</sub> was accepted representing the significance of education variable in giving which revealed that people with lower education gave more. This finding contrasted to the previous findings that proved positive relationship between charitable giving and education by Apinunmahakul &

Devlin<sup>809</sup>, Bekkers & Wiepking,<sup>810</sup> Gittel & Tebaldi,<sup>811</sup> Glaeser et al<sup>812</sup>, James III<sup>813</sup>, Schlegelmilch, Kou et al<sup>814</sup>, Diamantopoulos & Love<sup>815</sup> and Wiepking & Maas.<sup>816</sup>

To determine the influence of tax and media, it was found that tax was significantly influential in the giving which results in the acceptance of hypothesis H<sub>9</sub>. For medium of information, six categories were analyzed such as internet, friends/family, door to door solicitation, mass media, appeal letters and charity boxes at public places. It was found that internet, door to door solicitation, mass media and appeal letters were significant mediums in influencing giving behaviour and that hypothesis H<sub>10</sub> was accepted with detailing on the category of information source. Of the four types of information source, mass media was found to be the strongest predictor of giving which not only influential to reach help in time of disaster as discussed in many studies<sup>817</sup> but it is also effective to spread information about charity. This development also explains the growing habit of giving among young people which is influenced by sources of information. Appeal letters however appeared to be the least preferred method in which it reduced the act of giving.

Other than that, it was found that across five models, four variables generated consistent significant results namely attitude, subjective norm, altruism and financial wellness leading to the acceptance of hypotheses H<sub>11</sub>, H<sub>12</sub>, H<sub>17</sub> and H<sub>41</sub>. The findings on two variables, the attitude and subjective norm supported the importance of TPB component in predicting

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<sup>809</sup> Apinunmahakul, Amornrat, and Rose Anne Devlin. "Social networks and private philanthropy." *Journal of Public Economics* 92.1 (2008): 309-328.

<sup>810</sup> Bekkers, René, and Pamala Wiepking. "Who gives? A literature review of predictors of charitable giving part one: religion, education, age and socialisation." *Voluntary Sector Review* 2.3 (2011): 337-365.

<sup>811</sup> Gittel and Tebaldi, "Charitable Giving: Factors Influencing Giving in U.S. States."

<sup>812</sup> Glaeser, Edward L., David Laibson, and Bruce Sacerdote. "An economic approach to social capital\*." *The Economic Journal* 112.483 (2002): 437-458.

<sup>813</sup> Iii, "Health, Wealth, and Charitable Estate Planning A Longitudinal Examination of Testamentary Charitable Giving Plans."

<sup>814</sup> Kou et al., "The Global Dynamics of Gender and Philanthropy in Membership Associations: A Study of Charitable Giving by Lions Clubs International Members."

<sup>815</sup> Bodo B. Schlegelmilch, Adamantios Diamantopoulos and Alix Love "Characteristics Affecting Charitable Donations: Empirical Evidence from," *Journal of Marketing Practice: Applied Marketing Science* 3, no. 1 (1997): 14-28.

<sup>816</sup> Wiepking, Pamala, and Ineke Maas. "Resources that make you generous: Effects of social and human resources on charitable giving." *Social Forces* 87.4 (2009): 1973-1995.

<sup>817</sup> Brown and Minty, "Media Coverage & Charitable Giving After the 2004 Tsunami.";Eckel et al., "Is More Information Always Better? An Experimental Study of Charitable Giving and Hurricane Katrina."

giving behaviour and challenged the finding by Lambarraa & Riener<sup>818</sup> who argued that anonymity is more influential than norm in charitable giving among Muslims. Altruism was found to be among the strong predictors of giving which was consistent with the findings in studies by Andreoni,<sup>819</sup> Ribar et al<sup>820</sup> and Crumpler & Grossman.<sup>821</sup> Another strong predictor of giving was Financial Wellness 2 which deals with the personal financial planning. It was found that lack of financial planning reduced the act of giving and as income did not influence the giving, it explains that the size of financial source such as income does not matter in giving but financial planning matters as also suggested by Havens, O'Herlihy & Schervish<sup>822</sup>

Another important variable was trust which was found significant in all models except in Model 2 inferring to its influential role toward worship house giving. Thus, H<sub>25</sub> was accepted proving its negative significant influence on giving which implies that lack of trust reduces the possibility of giving. This supports the important role of trust in giving as found in many studies as in Sargeant<sup>823</sup> and Hiromi Taniguchi & Gul Aldikacti Marshall.<sup>824</sup> Apart from that, a significant value was also detected for religiosity in Model 2 that leads to the acceptance of hypothesis H<sub>33</sub> acknowledging the role of religiosity in influencing the act of giving especially toward worship house. This is in line with the finding by Brown & Ferris<sup>825</sup> and Ranganathan & Henley<sup>826</sup> who proved the influence of religiosity in the act of giving.

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<sup>818</sup> Fatima Lambarraa and Gerhard Riener, *On the Norms of Charitable Giving in Islam: A Field Experiment*, DICE Discussion Paper, vol. 59, 2012.

<sup>819</sup> James Andreoni, "Impure Altruism and Donations to Public Goods: A Theory of Warm-Glow Giving," *The Economic Journal* 100, no. 401 (1990): 464-477.

<sup>820</sup> Ribar et al., "Altruistic and Joy of Giving Motivations in Charitable Behavior."

<sup>821</sup> Crumpler and Grossman, "An Experimental Test of Warm Glow Giving."

<sup>822</sup> John J Havens and Paul G Schervish, "Boston College Social Welfare Research Institute ' Millionaires and the Millennium : New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy .,'" 1999.

<sup>823</sup> Sargeant, "Charitable Giving: Towards a Model of Donor Behaviour."

<sup>824</sup> Taniguchi and Marshall, "The Effects of Social Trust and Institutional Trust on Formal Volunteering and Charitable Giving in Japan."

<sup>825</sup> Brown and Ferris, "Social Capital and Philanthropy: An Analysis of the Impact of Social Capital on Individual Giving and Volunteering."

<sup>826</sup> Ranganathan, Sampath Kumar, and Walter H. Henley. "Determinants of charitable donation intentions: a structural equation model." *International Journal of Nonprofit and Voluntary Sector Marketing* 13.1 (2008): 1-11.

To further estimate the model fit, a few tests were conducted as described in Table 5.25. Omnibus test was conducted to test the model coefficients and it was found that all five models were significant at 99% indicating the fit of the model with R<sup>2</sup> of Cox & Snell and Nagelkerke between 7.3% and 13% for variables in Model 1, 8.8% and 15.8% for Model 2, 8.1% and 14.5 for Model 3, 8.5% and 15.3% for Model 4 and 13.3% and 23.8% for Model 5. According to Hosmer & Lemeshow test, a good fit model was indicated for Model 1 and Model 4.

**Table 5.22: Model measurement for Giving to Worship House**

	Omnibus			Cox & Snell	Nagelkerke	Hosmer & Lemeshow			
	Chi Square	Df	sig	R <sup>2</sup>	R <sup>2</sup>	-2 Log likelihood	Chi-Square	Df	Sig
Model 1	78.226	8	0.00	0.073	0.13	767.331	11.164	8	0.19
Model 2	95.489	11	0.00	0.088	0.158	750.068	25.315	8	0.00
Model 3	86.461	14	0.00	0.081	0.145	748.225	18.299	8	0.02
Model 4	92.119	9	0.00	0.085	0.153	753.438	11.599	8	0.17
Model 5	147.805	14	0.00	0.133	0.238	697.752	15.748	8	0.05

### *Giving to Charity Homes*

Giving to charity homes in this study is basically referred to giving donation to orphanage, shelter homes and other charitable institutions that provide home for the needy. Accordingly, to determine the accurate correct percentage of the model, c prop calculation was also conducted for charity homes. The result in Table 5.23 demonstrates that all models produced c prop values more than 50% indicating the fit of the model to explain the giving for charity homes.

**Table 5.23: Classification Table for Giving to Charity homes\***

Without Independent Variables	Model 1		Model 2		Model 3		Model 4		Model 5		
Correct Percentage %	c prop	%	c prop	%	c prop	%	c prop	%	c prop	%	
55.1	51	62.2	53	61	52	60.1	52	63.8	54	61	52.4

\*50% cut off value

The result of logistic regression analysis as presented in Table 5.24 produced interesting results. For Model 1, Perceived Behavioural Control variable was proven to be a negative significant predictor toward charity homes at 95% significance level in which lack of self efficacy reduced the likelihood of giving to charity homes by 77%. Another predictor of giving to charity homes was financial wellness 1 which was significant at 99% with Exp (B) value of 1.65 indicating that for 1 unit increase in financial wellness 1 variable, the likelihood of giving is increased by 65%. This finding signals to the importance of financial satisfaction toward giving regardless the size of income, as also found by Edmundson<sup>827</sup>. While trust variable was found significant at 90% with the indication of 21% increase in giving determined by 1 unit increase in trust as refelected by the log odds value of 0.19 and odds ratio of 1.21.

**Table 5.24: Result of Logistic Regression Analysis for Giving to Charity Homes**

Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig
<b>Constant</b>	-2.90	0.06	0.00	-2.93	0.05	0.00	-2.82	0.06	0.00	-2.97	0.05	0.00	-3.33	0.04	0.00
<b>ATT</b>	-0.13	0.88	0.27	-0.10	0.91	0.41	-0.16	0.85	0.18	-0.15	0.86	0.21	-0.08	0.92	0.50
<b>SN</b>	0.04	1.04	0.62	0.04	1.04	0.69	0.06	1.06	0.54	0.05	1.05	0.56	0.05	1.05	0.60
<b>PBC</b>	-0.26	0.77	<b>0.02</b>	-0.28	0.75	<b>0.01</b>	-0.26	0.77	<b>0.02</b>	-0.26	0.77	<b>0.02</b>	-0.33	0.72	<b>0.00</b>
<b>ALT</b>	0.06	1.07	0.61	0.11	1.12	0.37	0.11	1.12	0.37	0.08	1.08	0.55	0.09	1.09	0.49
<b>FW1</b>	0.50	1.65	<b>0.00</b>	0.49	1.62	<b>0.00</b>	0.56	1.75	<b>0.00</b>	0.48	1.62	<b>0.00</b>	0.52	1.67	<b>0.00</b>
<b>FW2</b>	0.07	1.07	0.48	0.03	1.04	0.72	0.09	1.09	0.38	0.06	1.06	0.54	0.12	1.12	0.26
<b>REL</b>	0.02	1.02	0.90	0.02	1.02	0.87	0.01	1.01	0.92	0.03	1.03	0.82	-0.02	0.98	0.88
<b>TRU</b>	0.19	1.21	<b>0.07</b>	0.19	1.20	<b>0.08</b>	0.19	1.21	<b>0.07</b>	0.19	1.21	<b>0.07</b>	0.16	1.17	0.14
<b>Gender</b>				0.22	1.25	<b>0.10</b>									

<sup>827</sup> Edmundson, B. "Who gives to charity?"



**Table 5.24: Continued**

Age	0.25	1.28	<b>0.09</b>				
Marital	-0.22	0.80	0.15				
Children				-0.18	0.84	0.30	
Education				-0.08	0.92	0.58	
Employment				-0.82	0.44	<b>0.00</b>	
Income				-0.08	0.92	0.75	
own home				0.19	1.21	0.20	
H/hold Inc Tax				0.27	1.31	0.31	
							0.35 1.42 <b>0.01</b>
Internet							0.25 1.28 <b>0.10</b>
friends/fam							0.33 1.39 <b>0.02</b>
door to door							0.18 1.19 0.22
mass media							0.47 1.60 <b>0.00</b>
appeal letter							0.19 1.21 0.38
charity box							-0.33 0.72 <b>0.02</b>

Note: \*Significant at  $p < 0.10$ , \*\*Significant at  $p < 0.05$ , \*\*\*Significant at  $p < 0.01$

For Model 2, the three significant predictors in Model 1 were also found significant in this model but with stronger level of significance for PBC by 99% with addition of two more significant variables of gender and marital status at 90% significant level. Interestingly, for this category of giving, men were found to give more than women by 25% as detected by the log odds value of 0.22 and odds ratio of 1.25 and older people were found to be more generous by 28% based on the log odds value of 0.25 and odds ratio of 1.28. While for Model 3, similar result was produced as in Model 1 with another significant variable of employment showing negative influence at 99% significance level. Surprisingly, for giving to charity homes, people with unsecured job gave more by 44% as compared to those with secured job proven by the log odds value of -0.82 and odds ratio of 0.44 which was also discovered by Einolf<sup>828</sup> that part time employment was a predictor to men's prosocial behaviour.

To assess the predictability of tax on giving, it was found that all significant variables in Model 1 were also consistent in this model with the proof of the tax influence on giving by

<sup>828</sup> Einolf, "Gender Differences in the Correlates of Volunteering and Charitable Giving."

42% at 99% significance level with the log odds value of 0.35 and odds ratio of 1.42. Lastly, Model 5 which specifically measured the role of information sources on giving to charity homes found similar result as in the base model with mass media as the strongest predictor by 60% detected by the log odds value of 0.47 and odds ratio of 1.60. followed by friends/family by 39% and the internet by 28%. Negative significant result was obtained for charity boxes at public places indicating its inefficiency to create awareness of help and reduced the likelihood of giving by 72% based on the log odds value of -0.33 and odds ratio of 0.72. What could be the explanation to this relies on the significance of trust variable in this model reflecting the importance of trust element to give to charity homes which was not satisfied for the medium of charity boxes.

### *Hypothesis Test of Giving to Charity Homes*

**Table 5.25: Result of hypothesis testing for Giving to Charity Homes**

	<b>Hypotheses</b>	<b>Result</b>
<b>Model 1</b>	H <sub>13</sub> There is a significant relationship between perceived behavioural control and charitable giving behaviour.	** accepted
	H <sub>25</sub> There is a significant relationship between trust and charitable giving behaviour	* accepted
	H <sub>41</sub> There is a significant relationship between Financial Wellness and charitable giving behaviour	*** accepted
<b>Model 2</b>	H <sub>2</sub> There is a significant relationship between gender and charitable giving behaviour	* accepted
	H <sub>3</sub> There is a significant relationship between marital status and charitable giving behaviour	* accepted
	H <sub>13</sub> There is a significant relationship between perceived behavioural control and charitable giving behaviour.	*** accepted
	H <sub>25</sub> There is a significant relationship between trust and charitable giving behaviour	* accepted
<b>Model 3</b>	H <sub>41</sub> There is a significant relationship between Financial Wellness and charitable giving behaviour	*** accepted
	H <sub>5</sub> There is a significant relationship between education and charitable giving behaviour.	***accepted
	H <sub>13</sub> There is a significant relationship between perceived behavioural control and charitable giving behaviour.	** accepted
<b>Model 4</b>	H <sub>25</sub> There is a significant relationship between trust and charitable giving behaviour	* accepted
	H <sub>41</sub> There is a significant relationship between Financial Wellness and charitable giving behaviour	*** accepted
	H <sub>9</sub> There is a significant relationship between tax, and charitable giving behaviour	***accepted
	H <sub>13</sub> There is a significant relationship between perceived behavioural control and charitable giving behaviour.	** accepted

**Table 5.25: Continued**

Model 5			
H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	* accepted	
H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	** accepted	
H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	* accepted	
H <sub>41</sub>	There is a significant relationship between Financial Wellness and charitable giving behaviour	*** accepted	
H <sub>10</sub>	There is a significant relationship between medium of information and charitable giving behaviour.	***accepted	

For demographic variables, hypotheses of H<sub>1</sub> for age and H<sub>2</sub> for gender were accepted indicating that older people and men were more generous toward charity homes. For socioeconomic variables, only hypothesis on employment, H<sub>8</sub> was accepted which showed a significant negative influence on giving whereby people with unsecured job donated more to charity homes. Furthermore, consistent significant variables were observed for perceived behavior control, trust and financial wellness 1 across five models which lead to the acceptance of H<sub>13</sub>, H<sub>25</sub> and H<sub>41</sub> signifying the importance of these variables in predicting the giving toward charity homes. Hypotheses for tax (H<sub>9</sub>) and medium of information (H<sub>10</sub>) were also accepted implying tax as a strong predictor of giving and for medium of information, internet, friends/family and mass media predicated the giving positively while charity boxes posed a negative influence on giving to charity homes reflecting the ineffectiveness of this method for giving to charity homes. The test of model measurement in Table 5.26 on Omnibus test revealed that all models were fit but using the Hosmer & Lemeshow test however, no models indicated a good fit.

**Table 5.26: Model Measurement for Giving to Charity Homes**

	Omnibus			Cox & Snell	Nagelkerke	Hosmer & Lemeshow			
	Chi Square	Df	sig	R <sup>2</sup>	R <sup>2</sup>	-2 Log likelihood	Chi-Square	df	sig
Model 1	50.473	8	0.00	0.048	0.064	1371.654 <sup>a</sup>	36.531	8	0.00

Model 2	57.359	11	0.00	0.054	0.072	1364.768 <sup>a</sup>	25.954	8	0.00
Model 3	71.581	14	0.00	0.068	0.091	1334.198 <sup>a</sup>	34.026	8	0.00
Model 4	57.785	9	0.00	0.054	0.073	1364.342 <sup>a</sup>	40.115	8	0.00
Model 5	82.509	14	0.00	0.077	0.103	1339.618 <sup>a</sup>	36.653	8	0.00

### ***Giving to Religious Schools***

For giving to religious schools, the classification table in Table 5.27 indicated that all models produced c prop values more than 50% which means that every model was proven to be able to explain the giving more than 50% of accuracy.

**Table 5.27: Classification Table of Giving to Religious Schools**

Without Independent Variables		Model 1		Model 2		Model 3		Model 4		Model 5	
Correct Percentage	C	%	C	%	C	%	C	%	C	%	C
%	Prop		Prop		Prop		Prop		Prop		Prop
68.5	56.8	68.	56.7	69.	57.3	67.	56.4	67.	56	70.	58.3
		3		1		9		3		4	

\*50% cut off value

The result of logistic regression in Table 5.28 shows that in Model 1, three variables were found to be significant to predict giving toward religious schools which were at 99% significance level, attitude at 95% significance level and Perceived Behavioural Control at 90% significance level. This indicates that trust is the strongest predictor and that it increases the likelihood of giving by 40% presented by the log odds value of 0.33 and odds ratio of 1.40. The second strongest predictor which is the attitude, produced a negative significant influence which implied that lack of attitude reduced the giving by 78% based on the log odds value of - 0.25 and odds ratio of 1.78 which describes that the act of giving towards religious schools is very much dependent on how donors perceive the giving. If the donors have a positive perception towards giving to religious schools then the result will be positive and on the contrary if the perception is negative, the result will also be negative as explained

in the theory of Planned Behaviour<sup>829</sup>. While for PBC, a positive influence was detected showing that it increased the giving by 22%.

**Table 5.28: Result of Logistic Regression Analysis for Giving to Religious Schools**

Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig
<b>Constant</b>	-3.71	0.02	0.00	-3.99	0.02	0.00	-3.29	0.04	0.00	-4.10	0.02	0.00	-4.52	0.01	0.00
<b>ATT</b>	-0.25	0.78	<b>0.05</b>	-0.27	0.77	<b>0.04</b>	-0.31	0.74	<b>0.02</b>	-0.33	0.72	<b>0.01</b>	-0.22	0.80	<b>0.10</b>
<b>SN</b>	0.03	1.03	0.73	0.06	1.06	0.54	0.07	1.07	0.48	0.06	1.06	0.53	0.06	1.06	0.52
<b>PBC</b>	0.20	1.22	<b>0.08</b>	0.16	1.18	0.16	0.20	1.22	<b>0.08</b>	0.21	1.24	<b>0.07</b>	0.21	1.24	<b>0.07</b>
<b>ALT</b>	0.12	1.13	0.35	0.12	1.13	0.37	0.19	1.21	0.17	0.15	1.16	0.26	0.08	1.09	0.55
<b>FW1</b>	0.04	1.04	0.75	0.08	1.08	0.52	-0.04	0.96	0.75	-0.02	0.99	0.90	0.04	1.04	0.76
<b>FW2</b>	-0.08	0.92	0.44	-0.06	0.95	0.60	-0.11	0.89	0.29	-0.11	0.90	0.29	-0.05	0.95	0.62
<b>REL</b>	0.14	1.15	0.25	0.08	1.08	0.53	0.14	1.15	0.28	0.19	1.21	0.14	0.12	1.13	0.34
<b>TRU</b>	0.33	1.40	<b>0.00</b>	0.34	1.40	<b>0.00</b>	0.37	1.45	<b>0.00</b>	0.36	1.43	<b>0.00</b>	0.32	1.38	<b>0.01</b>
<b>Gender</b>				0.01	1.01	0.93									
<b>Age</b>				0.27	1.31	<b>0.07</b>									
<b>Marital</b>				0.45	1.58	<b>0.01</b>									
<b>Children</b>							0.09	1.09	0.63						
<b>Education</b>							0.14	1.15	0.38						
<b>Employment</b>							-0.26	0.77	0.22						
<b>Income</b>							0.25	1.28	0.32						
<b>own home</b>							-0.30	0.74	<b>0.06</b>						
<b>H/hold Inc</b>							0.46	1.58	<b>0.09</b>						
<b>Tax</b>										0.97	2.63	<b>0.00</b>			
<b>Internet</b>													-0.14	0.87	0.38
<b>friends/ fam</b>													0.58	1.79	<b>0.00</b>
<b>door to door</b>													0.19	1.21	0.20
<b>mass media</b>													0.25	1.29	<b>0.09</b>
<b>appeal letter</b>													0.35	1.42	0.12
<b>charity box</b>													0.13	1.14	0.40

Note: \*Significant at p<0.10, \*\*Significant at p<0.05, \*\*\*Significant at p<0.01

The addition of demographic variables into Model 2 produced significant results of attitude at 95% significant level, trust and age at 90% significant level and marital status at 99% significance level. Similar to the result in Model 1, the attitude negatively predicted the giving by 77% while trust positively influenced the giving by 40%. It was also found that married people gave more by 58% detected by the log odds value of 0.45 and odds ratio of

<sup>829</sup> Icek Ajzen, "The Theory of Planned Behavior."

1.58 compared to single persons as also suggested by Tine Hjernø Lesner & Ole Dahl Rasmussen<sup>830</sup> that married people gave more to charity. The explanation could be that most married people are financially stable as they share two sources of income in the family as suggested by Paul G. Schervish John J.Havens, Mary A. O’Herlihy that married households in the case of U.S were found to possess 40% more of wealth than single households that funded 76.2% of charitable giving.<sup>831</sup> The giving was also increased by age by 58% meaning that older people were more generous than younger people which was in line with the findings in many studies such as in McClelland & Brooks<sup>832</sup>, Alpizar<sup>833</sup>, Apinunmahakul & Devlin<sup>834</sup>, Bekkers<sup>835</sup> and others.

The result of analysis in Model 3 to measure the predictability of socioeconomic variables inferred that all significant variables in Model 1 were also found significant in this model such as the attitude, PBC and trust. It was found that socioeconomic variables of home ownership negatively predicted the giving by 74% with the log odds value of -0.30 and odds ratio of 0.74. indicating that home equity did not increase the giving and that people who lived in rental houses gave more. This contradicted to the previous findings by Carroll, McCarthy & Newman<sup>836</sup> who highlighted the role of home equity in giving. The household income positively predicted the giving by 58% at 90% significance level which was consistent with the significance of marital status showing that a combined income between the spouses increased the ability to give.

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<sup>830</sup> Tine Hjernø Lesner and Ole Dahl Rasmussen, “The Identifiable Victim Effect in Charitable Giving: Evidence from a Natural Field Experiment,”

<sup>831</sup> John J.Havens, Mary A. O’Herlihy, “Charitable Giving: How Much, by Whom, to What, and How?”

<sup>832</sup> Robert McClelland and Arthur C Brooks, “What Is the Real Relationship between Income and Charitable Giving?,” *Public Finance Review* 32, no. 5 (2004): 483–497, doi:10.1177/1091142104266973.

<sup>833</sup> Alpizar, Francisco, Fredrik Carlsson, and Olof Johansson-Stenman. "Anonymity, reciprocity, and conformity: Evidence from voluntary contributions to a national park in Costa Rica." *Journal of Public Economics* 92.5 (2008): 1047-1060.

<sup>834</sup> Apinunmahakul, Amornrat, and Rose Anne Devlin. "Charitable giving and charitable gambling: an empirical investigation." *National Tax Journal* (2004): 67-88.

<sup>835</sup> Bekkers, René. "Trust, accreditation, and philanthropy in the Netherlands." *Nonprofit and Voluntary Sector Quarterly* 32.4 (2003): 596-615.

<sup>836</sup> Carroll, McCarthy, and Newman, “An Econometric Analysis of Charitable Donations in the Republic of Ireland.”

Besides that, the effect of tax was captured in Model 4 where a very strong influence was detected for tax that it doubled the increase in giving by 163% as indicated by the log odds value of 0.97 and odds ratio of 2.63.. Similar significant result as in Model 1 was also obtained for attitude, PBC and trust. Finally, the effect of information sources was analyzed in Model 5 and it was found that friends/family was the strongest predictor with 79% of influence on giving which was significant at 99%. This result could be due to the importance of trust in the model which can be expected from closer group of people such as friends and family. Another significant predictor was the mass media which was significant at 90% by 29% of influence on giving.

***Hypothesis Testing on Giving to Religious Schools***

Next, hypothesis testing was conducted and the result is presented in the following table:

**Table 5.29: Result of Hypothesis Testing for Giving to Religious Schools**

	<b>Hypotheses</b>		<b>Result</b>
<b>Model 1</b>	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	** accepted
	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	* accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	*** accepted
<b>Model 2</b>	H <sub>1</sub>	There is a significant relationship between age and charitable giving behaviour	*** accepted
	H <sub>3</sub>	There is a significant relationship between marital status and charitable giving behaviour	* accepted
	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	** accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	*** accepted
<b>Model 3</b>	H <sub>4</sub>	There is a significant relationship between income/ household income and charitable giving behaviour	* accepted
	H <sub>6</sub>	There is a significant relationship between home ownership and charitable giving behaviour	* accepted
	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	** accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	***accepted
<b>Model 4</b>	H <sub>9</sub>	There is a significant relationship between tax, and charitable giving behaviour	***accepted
	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	***accepted
	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	* accepted

**Table 5.29: Continued**

	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	*** accepted
<b>Model 5</b>	H <sub>11</sub>	There is a significant relationship between attitude and charitable giving behaviour	*** accepted
	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	* accepted
	H <sub>25</sub>	There is a significant relationship between trust and charitable giving behaviour	*** accepted
	H <sub>10</sub>	There is a significant relationship between medium of information and charitable giving behaviour.	***accepted

For demographic variables, hypotheses H<sub>1</sub> for age and H<sub>3</sub> for marital status were accepted signaling for significant influence of these two variables on giving to religious schools. For socio demographic variables, H<sub>4</sub> for household income and H<sub>6</sub> for home ownership were accepted indicating significant relationships of these variables with giving. Home ownership however, portrayed as a negative predictor implying that those who possess own home did not necessarily give more to charity homes.

Across the five models, a few consistent significant variables were detected which resulted in the acceptance of H<sub>11</sub> for attitude and H<sub>25</sub> for trust that became the strongest predictor of giving to charity homes. Negative relationship was obtained for attitude which means the decrease in giving behaviour was predicated by the unfavourable attitude toward it. Other significant predictor was the perceived behavioural control (PBC) inferring that H<sub>13</sub> was accepted as it had shown a consistent significant value across all models except in Model 2. The acceptance of attitude and PBC proved to the predictability of TPB components of giving behaviour. Hypothesis for the effect of tax (H<sub>9</sub>) was also accepted as it doubled the effect of giving and for medium of information it was found that friends/family and mass media were significant in predicting the giving behaviour. Thus, H<sub>10</sub> was accepted.

Then, Omnibus test was conducted to test the fit of the model and the result in Table 5.30 demonstrated that all models were significant indicating the fit of the model. The Hosmer & Lemeshow test indicated a good fit for Model 1, 2 and 5.



**Table 5.30: Model Measurement for Giving to Religious Schools**

	Omnibus		sig	Cox & Snell		-2 Log likelihood	Hosmer & Lemeshow		
	Chi Square	df		R <sup>2</sup>	R <sup>2</sup>		Chi-Square	df	Sig
<b>Model 1</b>	37.602	8	.000	0.036	0.05	1251.301a	15.088	8	0.057
<b>Model 2</b>	53.904	11	.000	0.051	0.071	1234.999a	14.755	8	0.064
<b>Model 3</b>	52.896	14	.000	0.05	0.071	1219.155a	47.414	8	.000
<b>Model 4</b>	12.971	9	.000	0.079	0.111	1203.596a	28.997	8	.000
<b>Model 5</b>	67.7	14	.000	0.063	0.089	1221.204a	3.562	8	.894

***Giving to Beggars/Poor***

Another category of giving is giving to beggars/poor. According to Table 5.31, the c prop values of all models were seem to be lower than the correct percentage values. However, they were all exceeded 50% indicating that all models were able to explain more than 50% of actual correct percentage of giving behaviour to beggars/poor.

**Table 5.31: Classification Table for Giving to Beggars/Poor**

Without Independent Variables	Model 1		Model 2		Model 3		Model 4		Model 5	
Correct Percentage %	c prop	%	c prop	%	c prop	%	c prop	%	c prop	%
55.4	50.6	59.2	51.7	62.2	53	62.4	53.1	61.1	52.5	62.3

\*50% cut off value

Then, the result of logistic regression analysis was discussed in Table 5.32 to uncover the predictability of variables in the models. In Model 1, two variables were found to be significant in influencing the giving toward beggars/poor namely the perceived behavioural control (PBC) and altruism at 99% significance level. Negative influence was detected for PBC implying that lack of PBC will likely to reduce the giving by 68% which was quite a large number detected by the log odds value of -0.39 and odds ratio of 0.68.. As beggars/poor people usually are not attached to any legal institutions and they move on their own, giving to this group of people requires some degree of self efficacy as there are a lot of issues raised

in this type of giving. Another strong and significant predictor was altruism which was found to increase giving by 81% reflected by the log odds value of 0.60 and odds ratio of 1.81. The significant influence of altruism as a predictor is very consistent to the nature of beggars/poor who commonly appear to look like people who are in dire need of help. Thus, people with altruism trait will spontaneously attempt to help the needy as ruled out by Bar-Tal <sup>837</sup> that altruistic act is usually performed voluntarily, benefiting others, intentionally, giving the benefit as the goal and without expecting external returns.

As for Model 2, PBC and altruism were also found to be significant and the only demographic variable found to be influential was age which increased the giving by 65% indicating that older people gave more to beggars. The explanation to this might be older people were more altruistic and prone to help people in need. Similarly, in Model 3, PBC and altruism were found to be influential predictors with socio demographic variables of employment and home ownership were found to be significant at 99%. A negative influence was recorded for employment in which people with unsecured job gave 33% more than people with secured job by the log odds value of -1.10 and odds ratio of 0.33 and home ownership was found to be positively significant inferring that people who owned home gave more to beggars/poor by 54% with the log odds value of 0.43 and odds ratio of 1.54.

**Table 5.32: Result of Logistic Regression Analysis for Giving to Beggars/Poor**

Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig
<b>Constant</b>	-0.21	0.81	0.74	-0.14	0.87	0.84	0.03	1.03	0.96	-0.29	0.75	0.65	-0.67	0.51	0.34
<b>ATT</b>	0.02	1.02	0.85	0.04	1.04	0.74	-0.03	0.97	0.81	0.00	1.00	0.98	0.01	1.01	0.93
<b>SN</b>	0.01	1.01	0.93	0.02	1.02	0.79	0.03	1.03	0.78	0.02	1.02	0.83	-0.03	0.97	0.75
<b>PBC</b>	-0.39	0.68	<b>0.00</b>	-0.41	0.67	<b>0.00</b>	-0.40	0.67	<b>0.00</b>	-0.39	0.68	<b>0.00</b>	-0.33	0.72	<b>0.00</b>
<b>ALT</b>	0.60	1.81	<b>0.00</b>	0.62	1.85	<b>0.00</b>	0.71	2.03	<b>0.00</b>	0.62	1.85	<b>0.00</b>	0.63	1.87	<b>0.00</b>
<b>FWI</b>	0.09	1.09	0.43	0.12	1.13	0.28	0.11	1.12	0.35	0.06	1.06	0.60	0.06	1.06	0.62

**Table 5.32: Continued**

<sup>837</sup> Bar-Tal, D. , Sharabany, R & Raviv, A., “ Cognitive Basis for the Development of Altruistic Behavior”, in Bergh and Engsel, *Cooperation and Helping Behaviour: Theories and Research*.

<b>FW2</b>	-0.12	0.89	0.21	-0.15	0.86	0.12	-0.08	0.93	0.44	-0.13	0.88	0.17	-0.12	0.89	0.24
<b>REL</b>	-0.01	0.99	0.90	-0.05	0.95	0.66	-0.06	0.94	0.58	0.00	1.00	0.98	0.01	1.01	0.91
<b>TRU</b>	-0.14	0.87	0.20	-0.16	0.85	0.13	-0.14	0.87	0.21	-0.14	0.87	0.19	-0.10	0.90	0.35
<b>Gender</b>				-0.21	0.81	0.12									
<b>Age</b>				0.50	1.65	<b>0.00</b>									
<b>Marital</b>				-0.07	0.94	0.66									
<b>Children</b>							-0.07	0.93	0.69						
<b>Education</b>							0.07	1.07	0.65						
<b>Employment</b>							-1.10	0.33	<b>0.00</b>						
<b>Income</b>							-0.07	0.94	0.79						
<b>own home</b>							0.43	1.54	<b>0.00</b>						
<b>H/hold Inc Tax</b>							0.19	1.21	0.48	0.47	1.60	<b>0.00</b>			
<b>Internet</b>													-0.26	0.77	<b>0.09</b>
<b>friends/fam</b>													-0.40	0.67	<b>0.01</b>
<b>door to door</b>													0.73	2.08	<b>0.00</b>
<b>mass media</b>													-0.20	0.82	0.16
<b>appeal letter</b>													-0.35	0.70	0.11
<b>charity box</b>													0.37	1.45	<b>0.01</b>

Note: \*Significant at  $p < 0.10$ , \*\*Significant at  $p < 0.05$ , \*\*\*Significant at  $p < 0.01$

In Model 4 the effect of tax was measured and significant effect was found for this variable indicating 60% influence of tax on giving to beggars based on the log odds value of 0.47 and odds ratio of 1.60. This implies that there are groups of beggars who claim to be legal recipients of donation and the donation given to them is also entitled for tax deduction. For effect of information medium, there were four types of information sources that were found significant in predicting the giving such as internet, friends/family, door to door solicitation and charity boxes. Of this four types, internet and family/friend found to negatively significant indicating that these two were the least effective medium for giving to beggars while door to door solicitation and charity boxes were found to be positively significant to increase the giving by 108% and 45% respectively. This result fits the nature of giving to beggars as the beggars usually operate by approaching individuals directly.

### *Hypothesis testing on Giving to Beggars/Poor*

The result of hypothesis testing on giving to beggars/poor is explained in Table 5.33 where only one demographic variable was found to be significant which was the age resulting in the acceptance of H<sub>2</sub>. For socio demographic variables, hypotheses H<sub>6</sub> for home ownership and H<sub>8</sub> for employment were accepted. Consistent significant variables were detected for all models which were the PBC and altruism leading to the acceptance of H<sub>13</sub> and H<sub>17</sub>. Tax influence was proven hence the hypothesis of H<sub>9</sub> was accepted. The hypothesis of Medium of information (H<sub>10</sub>) was also accepted by specifying negative influence of internet and friend/family and positive influence of door to door solicitation and charity boxes. The explanation to this giving could be that the trait for people who tend to give to beggars and have more sense of affinity with needy people and able to feel their hardship were older people without secured job but possessed own home which was why the medium of door to door solicitation and charity boxes were preferred.

**Table 5.33: The Result of Hypothesis Testing for Giving to Beggars/Poor**

		<b>Hypotheses</b>	<b>Result</b>
<b>Model 1</b>	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	*** accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	*** accepted
<b>Model 2</b>	H <sub>3</sub>	There is a significant relationship between marital status and charitable giving behaviour	*** accepted
	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	*** accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	*** accepted
<b>Model 3</b>	H <sub>6</sub>	There is a significant relationship between home ownership and charitable giving behaviour	*** accepted
	H <sub>8</sub>	There is a significant relationship between employment and charitable giving behaviour	*** accepted
	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	*** accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	*** accepted
<b>Model 4</b>	H <sub>9</sub>	There is a significant relationship between tax, and charitable giving behaviour	***accepted
	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	*** accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	*** accepted

<b>Table 5.33: Continued</b>			
<b>Model 5</b>	H <sub>13</sub>	There is a significant relationship between perceived behavioural control and charitable giving behaviour.	*** accepted
	H <sub>17</sub>	There is a significant relationship altruism and charitable giving behaviour	*** accepted
	H <sub>10</sub>	There is a significant relationship between medium of information and charitable giving behaviour.	***accepted

To measure the fit of the model, result of Omnibus test was analysed as presented in Table 5.34 and it was found that all models were significantly fit but no indication of good fit across all models by basing on the test of Hosmer & Lemeshow.

**Table 5.34: Model measurement for Giving to Beggars/Poor**

	Omnibus			Cox & Snell		Nagelkerke		Hosmer & Lemeshow		
	Chi Square	Df	sig	R <sup>2</sup>	R <sup>2</sup>	-2 Log likelihood	Chi-Square	df	Sig	
<b>Model 1</b>	39.94	8	0.00	0.038	0.051	1381.333 <sup>a</sup>	31.384	8	0.00	
<b>Model 2</b>	54.914	11	0.00	0.052	0.069	1366.359 <sup>a</sup>	31.384	8	0.00	
<b>Model 3</b>	77.848	14	0.00	0.073	0.098	1327.510 <sup>a</sup>	45.449	8	0.00	
<b>Model 4</b>	53.177	9	0.00	0.05	0.067	1368.096 <sup>a</sup>	21.881	8	0.005	
<b>Model 5</b>	101.46	14	0.00	0.093	0.125	1319.813 <sup>a</sup>	29.882	8	0.00	

### ***Giving to NonProfit Organisations***

This giving refers to the giving to any associations or clubs or organizations operating on nonprofit basis in handling issues pertaining to health, human rights, social, culture and others. The result in Table 5.35 summarizes that c prop values of all models are between 66.6% to 67.3% which more than the cut off value of 50%. This indicates that all models are able to explain the variance more than 60% of the actual behaviour.

**Table 5.35: Classification Table for Giving to Nonprofit Organisations**

Without Independent Variables	Model 1		Model 2		Model 3		Model 4		Model 5	
Correct Percentage %	C Prop	%	C Prop	%	C Prop	%	C Prop	%	C Prop	%
<b>79.4</b>	67.3	79.4	67.3	79.4	67.3	79.4	67.3	79.4	67.3	78.8
		4		4		4		4		8

\*50% cut off value

The result of logistic regression analysis for giving to nonprofit organizations is presented in Table 5.36. Model 1 shows that there were two significant variables which were altruism at 99% significance level and religiosity at 95%. Altruism indicated a strong positive influence with 1 unit increase in altruism increases the giving by 99% as detected by the log odds value of 0.69 and odds ratio of 1.99. While religiosity negatively influenced the giving indicating that lack of religiosity reduced the giving by 74% based on the log odds value of -0.30 and odds ratio of 0.74. This implies that altruism and religiosity strongly predicated this giving as also found in research in Saudi Arabia positing both as the most important predictors.<sup>838</sup>The insertion of demographic variables in Model 2 resulted that both predictors in Model 1 were also found significant and only one demographic variable was found significant at 95% significance level which was marital status inferring that married people gave more to nonprofit institutions by 54% as indicated by the log odds value of 0.43 and odds ratio of 1.54.

**Table 5.36: Result of Logistic Regression Analysis for Giving to Nonprofit Organisations**

Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	B	Exp (B)	Sig	B	Exp (B)	Sig	B	Exp (B)	sig	B	Exp (B)	sig	B	Exp (B)	sig
<b>Constant</b>	-2.23	0.11	0.01	-2.50	0.08	0.00	-2.54	0.08	0.00	-2.32	0.10	0.00	-2.16	0.12	0.01
<b>ATT</b>	0.08	1.08	0.59	0.08	1.08	0.62	0.08	1.08	0.60	0.06	1.07	0.67	0.00	1.00	0.99
<b>SN</b>	-0.12	0.89	0.25	-0.12	0.89	0.26	-0.08	0.93	0.47	-0.11	0.90	0.30	-0.12	0.89	0.27
<b>PBC</b>	0.07	1.07	0.61	0.04	1.04	0.79	0.09	1.10	0.49	0.06	1.07	0.62	0.10	1.11	0.44
<b>ALT</b>	0.69	1.99	<b>0.00</b>	0.69	2.00	<b>0</b>	0.71	2.03	<b>0.00</b>	0.68	1.98	<b>0.00</b>	0.68	1.98	<b>0.00</b>
<b>FW1</b>	-0.04	0.96	0.75	-0.04	0.97	0.80	-0.15	0.86	0.29	-0.06	0.95	0.69	-0.01	0.99	0.94
<b>FW2</b>	-0.16	0.85	0.16	-0.13	0.88	0.29	-0.13	0.87	0.25	-0.17	0.84	0.14	-0.18	0.83	0.13
<b>REL</b>	-0.30	0.74	<b>0.04</b>	-0.33	0.72	<b>0.02</b>	-0.33	0.72	<b>0.03</b>	-0.28	0.76	<b>0.06</b>	-0.26	0.77	<b>0.08</b>
<b>TRU</b>	-0.05	0.95	0.68	-0.05	0.96	0.73	-0.07	0.94	0.62	-0.05	0.95	0.68	-0.03	0.97	0.82
<b>Gender</b>				0.17	1.19	0.29									
<b>Age</b>				0.00	1.00	1.00									
<b>Marital</b>				0.43	1.54	<b>0.03</b>									
<b>Children</b>							0.17	1.18	0.42						
<b>Education</b>							0.48	1.62	<b>0.01</b>						

<sup>838</sup> Opoku, "Examining the Motivational Factors behind Charitable Giving among Young People in a Prominent Islamic Country."

**Table 5.36: Continued**

Employment	0.27	1.31	0.31			
Income	-0.10	0.90	0.72			
own home	0.12	1.13	0.52			
H/hold Inc Tax	-0.01	0.99	0.98	0.37	1.45	<b>0.02</b>
Internet						0.28 1.32 0.12
friends/fam						-0.28 0.76 <b>0.10</b>
door to door						-0.32 0.73 <b>0.07</b>
mass media						-0.52 0.59 <b>0.00</b>
appeal letter						-0.65 0.52 <b>0.04</b>
charity box						0.57 1.77 <b>0.00</b>

Note: \*Significant at  $p < 0.10$ , \*\*Significant at  $p < 0.05$ , \*\*\*Significant at  $p < 0.01$

With addition of socio demographic variables in Model 3 showed that altruism and religiosity were also significant. The only significant socio demographic variable was education signifying that higher educated people gave more by 62% compared to lower educated people as shown by the log odds value of 0.48 and odds ratio of 1.62. This is consistent with findings found in studies that a person with higher degree of education tends to donate more to the charity as seen in studies by Apinunmahakul & Devlin<sup>839</sup>, Bekkers & Wiepking<sup>840</sup>, Gittel & Tebaldi<sup>841</sup>, Glaeser et al<sup>842</sup>, James Russel III<sup>843</sup>, Schlegelmilch, Kou et al<sup>844</sup>, Diamantopoulos & Love<sup>845</sup>, Wiepking & Maas<sup>846</sup> and many more. The effect of tax was assessed in Model 4 and it was found to be a significant predictor for giving at 95% significance level. A unit increase in tax predicted the increase in giving by 45%. While for

<sup>839</sup> Apinunmahakul, Amornrat, and Rose Anne Devlin. "Social networks and private philanthropy." *Journal of Public Economics* 92.1 (2008): 309-328.

<sup>840</sup> Bekkers, René, and Pamala Wiepking. "Who gives? A literature review of predictors of charitable giving part one: religion, education, age and socialisation." *Voluntary Sector Review* 2.3 (2011): 337-365.

<sup>841</sup> Gittel and Tebaldi, "Charitable Giving: Factors Influencing Giving in U.S. States."

<sup>842</sup> Glaeser, Edward L., David Laibson, and Bruce Sacerdote. "An economic approach to social capital\*." *The Economic Journal* 112.483 (2002): F437-F458.

<sup>843</sup> Russel, "Health, Wealth, and Charitable Estate Planning A Longitudinal Examination of Testamentary Charitable Giving Plans."

<sup>844</sup> Kou et al., "The Global Dynamics of Gender and Philanthropy in Membership Associations: A Study of Charitable Giving by Lions Clubs International Members."

<sup>845</sup> Bodo B. Schlegelmilch, Adamantios Diamantopoulos and Alix Love "Characteristics Affecting Charitable Donations : Empirical Evidence from," *Journal of Marketing Practice: Applied Marketing Science* 3, no. 1 (1997): 14-28.

<sup>846</sup> Wiepking, Pamala, and Ineke Maas. "Resources that make you generous: Effects of social and human resources on charitable giving." *Social Forces* 87.4 (2009): 1973-1995.

medium of information it was found that only charity boxes placed at public places were found effective in disseminating the information about nonprofit institutions whereas friends/family, door to door solicitation, mass media and appeal letter were deemed significantly ineffective.

### ***Hypothesis Testing on Giving to Nonprofit Organisations***

The result of hypothesis testing is presented in Table 5.37. For giving to nonprofit institutions, hypothesis H<sub>3</sub> was accepted proving the significant relationship between marital status and giving. For socio demographic variables, hypothesis H<sub>5</sub> was accepted showing a significant role of education in predicating the giving. Across all models, it was found that altruism and religiosity were the strongest predictor of giving leading to the acceptance of H<sub>17</sub> and H<sub>33</sub>. Hypothesis H<sub>9</sub> on the predictive role of tax was accepted as well as H<sub>10</sub> for medium of information with the most effective medium was charity boxes.

**Table 5.37: Result of Hypothesis Testing for Giving to Nonprofit Institutions**

	<b>Hypotheses</b>	<b>Result</b>
<b>Model 1</b>	H <sub>17</sub> There is a significant relationship altruism and charitable giving behaviour	*** accepted
	H <sub>33</sub> There is a significant relationship between religiosity and charitable giving behaviour	** accepted
<b>Model 2</b>	H <sub>3</sub> There is a significant relationship between marital status and charitable giving behaviour	*** accepted
	H <sub>17</sub> There is a significant relationship altruism and charitable giving behaviour	*** accepted
	H <sub>33</sub> There is a significant relationship between religiosity and charitable giving behaviour	** accepted
<b>Model 3</b>	H <sub>5</sub> There is a significant relationship between education and charitable giving behaviour.	*** accepted
	H <sub>8</sub> There is a significant relationship between employment and charitable giving behaviour	*** accepted
	H <sub>17</sub> There is a significant relationship altruism and charitable giving behaviour	*** accepted
	H <sub>33</sub> There is a significant relationship between religiosity and charitable giving behaviour	** accepted
<b>Model 4</b>	H <sub>9</sub> There is a significant relationship between tax, and charitable giving behaviour	***accepted
	H <sub>17</sub> There is a significant relationship altruism and charitable giving behaviour	*** accepted
	H <sub>33</sub> There is a significant relationship between religiosity and charitable giving behaviour	** accepted
<b>Model 5</b>	H <sub>17</sub> There is a significant relationship altruism and charitable giving behaviour	*** accepted



**Table 5.37 : Continued**

H <sub>33</sub>	There is a significant relationship between religiosity and charitable giving behaviour	** accepted
H <sub>10</sub>	There is a significant relationship between medium of information and charitable giving behaviour.	***accepted

The fit of the model was measured through the Omnibus and Hosmer & Lemeshow tests. The result in Table 5.38 shows that all models were found significantly fit according to the Omnibus test. The Hosmer & Lemeshow test indicated that two models posited a good fit which was Model 1 and Model 4.

**Table 5.38: Model Measurement for Giving to Nonprofit Organisations**

	Omnibus		Cox & Snell		Nagelkerke			Hosmer & Lemeshow		
	Chi Square	df	sig	R <sup>2</sup>	R <sup>2</sup>	-2 Log likelihood	Chi-Square	df	sig	
<b>Model 1</b>	30.316	8	0.00	0.029	0.045	1021.475 <sup>a</sup>	10.255	8	0.248	
<b>Model 2</b>	36.946	11	0.00	0.035	0.055	1014.846 <sup>a</sup>	24.234	8	0.002	
<b>Model 3</b>	40.523	14	0.00	0.039	0.061	1000.334 <sup>a</sup>	34.369	8	0.00	
<b>Model 4</b>	35.904	9	0.00	0.034	0.053	1015.888 <sup>a</sup>	5.1	8	0.747	
<b>Model 5</b>	62.77	14	0.00	0.059	0.092	989.022 <sup>a</sup>	40.577	8	0.00	

### *Giving to Higher Education Institutions*

In developed countries, higher education institutions are among the institutions that receive contributions from the public especially from the alumni as they operate on nonprofit basis<sup>847</sup>. According to Okunade & Berl<sup>848</sup>, monetary donation from the alumni is critical to support the activities of higher education institutions in giving financial aids to students in the form of grants or scholarships, subsidizing allocations for faculty developments, complementing the budgets, supporting the need of university which in turn benefits the

<sup>847</sup> C.R. Belfield and a.P. Beney, "What Determines Alumni Generosity? Evidence for the UK," *Education Economics* 8, no. 1 (April 2000): 65–80, doi:10.1080/096452900110300.

<sup>848</sup> Okunade and Berl, "Determinants of Charitable Giving of Business School Alumni."

society. As Malaysia is moving toward a developed country, this type of giving should be given emphasis. Similar to other categories of giving, this category also contains five models which from Table 5.39 below demonstrated a high c prop values for all models between 70.7% to 70.9% which were higher than the cut off value of 50%. This means all models in this category were able to explain the actual behaviour by 70%.

**Table 5.39: Classification Table for Giving to Higher Education Institutions**

Without Independent Variables		Model 1		Model 2		Model 3		Model 4		Model 5	
Correct Percentage %	c	%	c	%	c	%	c	%	c	%	c
82.3	prop 70.9	82.	prop 70.9	82.	prop 70.9	82.	prop 70.7	82.	prop 70.9	82.	prop 70.9
		3		3		2		3		3	

\*50% cut off value

To analyze the predictors in the models of this category, the result of logistic regression is discussed as in Table 5.40. It was found that in Model 1, no significant variables were detected indicating that all variables in this Model 1 were not able to predict giving behaviour toward higher education institutions. In Model 2, to assess the influence of demographic variables, it was found that one variable was significant at 95% significance level which was the age. The result showed that older people contributed more to higher education institutions by 48% detected by the log odds value of 0.39 and odds ratio of 1.48 which also implied that by basing on the age factor, donors were perceived to be financially stable.

**Table 5.40: Result of Logistic Regression Analysis for Giving to Higher Education Institutions**

Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	B	Exp (B)	Sig	B	Exp (B)	sig	B	Exp (B)	Sig	B	Exp (B)	sig	B	Exp (B)	sig
Constant	-3.72	0.02	0.00	-3.71	0.03	0.00	-3.55	0.03	0.00	-4.02	0.02	0.00	-4.32	0.01	0.00
ATT	0.15	1.16	0.33	0.17	1.18	0.29	0.15	1.16	0.36	0.10	1.11	0.52	0.15	1.16	0.34
SN	0.06	1.06	0.59	0.07	1.08	0.51	0.10	1.10	0.40	0.08	1.09	0.46	0.03	1.03	0.79
PBC	0.13	1.14	0.34	0.12	1.13	0.37	0.13	1.14	0.35	0.14	1.15	0.31	0.12	1.13	0.40
ALT	0.09	1.10	0.57	0.09	1.10	0.56	0.06	1.06	0.72	0.10	1.11	0.52	0.06	1.06	0.71
FW1	-0.02	0.99	0.92	0.01	1.01	0.95	-0.14	0.87	0.36	-0.06	0.95	0.70	-0.03	0.97	0.86
FW2	-0.14	0.87	0.26	-0.17	0.85	0.19	-0.19	0.83	0.12	-0.16	0.85	0.19	-0.03	0.97	0.83

**Table 5.40: Continued**

<b>REL</b>	0.04	1.04	0.80	0.02	1.02	0.92	0.07	1.07	0.64	0.08	1.08	0.61	0.10	1.10	0.53
<b>TRU</b>	0.07	1.07	0.60	0.05	1.06	0.69	0.12	1.12	0.40	0.07	1.07	0.64	0.08	1.08	0.57
<b>Gender</b>				-0.15	0.86	0.37									
<b>Age</b>				0.39	1.48	<b>0.03</b>									
<b>Marital</b>				-0.03	0.98	0.90									
<b>Children</b>							0.16	1.17	0.48						
<b>Education</b>							0.31	1.36	<b>0.10</b>						
<b>Employment</b>							0.60	1.82	<b>0.05</b>						
<b>Income</b>							0.32	1.37	0.28						
<b>own home</b>							-0.67	0.51	<b>0.00</b>						
<b>H/hold Inc Tax</b>							0.33	1.39	0.29	0.85	2.35	<b>0.00</b>			
<b>Internet</b>													0.69	1.99	<b>0.00</b>
<b>friends/fam door to door mass media appeal letter charity box</b>													0.00	1.00	0.99
													0.13	1.14	0.46
													-0.42	0.66	<b>0.02</b>
													-0.56	0.57	<b>0.08</b>
													-0.14	0.87	0.43

Note: \*Significant at  $p < 0.10$ , \*\*Significant at  $p < 0.05$ , \*\*\*Significant at  $p < 0.01$

To support the assumption, Model 3 found that education was significant at 90%, employment at 95% and home ownership at 99%. Employment and education were positive predictors for giving inferring that people with secured job and higher education donated more to higher education institutions. This result is consistent to the fact that usually those who contribute to higher education institutions are the alumni who at least graduated with diploma or bachelor degree which consequently result in having a secured job.

However, negative influence was detected for home ownership indicating that people who live on rental basis gave more to higher education institutions by 51% with the log odds value of -0.67 and odds ratio of 0.51. The explanation to this could be that these donors might not be financially burdened by the cost of house rental compared to paying for housing loans that it gave the ability to donate. The effect of tax was evaluated in Model 4 and it was found to be a significant predictor as it doubled the giving by 135% as reflected by the log odds value of 0.85 and odds ratio of 2.35. Lastly, in Model 5, the medium of information found

significant was the internet as it increased the giving by 99% detected by the log odds value of 0.69 and odds ratio of 1.99. Other significant medium were mass media, appeal letters and charity boxes but they posed negative influence meaning that these medium were deemed inefficient for giving information about donation to higher education institutions.

***Hypothesis Testing on Giving to Higher education Institutions***

Based on the result of hypothesis testing in Table 5.41, a demographic variable was found significant which was the age resulting to the acceptance of H<sub>1</sub>. A few socio demographic variables were found significant leading to the acceptance of H<sub>5</sub> for education, H<sub>6</sub> for home ownership and H<sub>8</sub> for employment. Hypothesis on the influence of tax and information medium were also accepted with indication that the internet was the only effective medium to deliver information about donation toward higher education institutions.

**Table 5.41: Result of Hypothesis Testing on Giving to Higher Education Institutions.**

		<b>Hypotheses</b>	<b>Result</b>
<b>Model 1</b>		No significant relationship	
<b>Model 2</b>	H <sub>1</sub>	There is a significant relationship between age and charitable giving behaviour	** accepted
<b>Model 3</b>	H <sub>5</sub>	There is a significant relationship between education and charitable giving behaviour.	*** accepted
	H <sub>6</sub>	There is a significant relationship between home ownership and charitable giving behaviour	*** accepted
	H <sub>8</sub>	There is a significant relationship between employment and charitable giving behaviour	** accepted
<b>Model 4</b>	H <sub>9</sub>	There is a significant relationship between tax, and charitable giving behaviour	***accepted
	H <sub>10</sub>	There is a significant relationship between medium of information and charitable giving behaviour.	***accepted

To further estimate the fit of the model, result of a few tests are illustrated in Table 5.42 showing that the Omnibus test produced fit for all models except the Model 1. While the Hosmer & Lemeshow test indicated a good fit only for Model 4.

**Table 5.42: Model Measurement for Giving to Higher Education Institutions**

	Omnibus			Cox & Snell	Nagelkerke	Hosmer & Lemeshow			
	Chi Square	df	sig	R <sup>2</sup>	R <sup>2</sup>	-2 Log likelihood	Chi-Square	df	sig
<b>Model 1</b>	12.971	8	0.113	0.012	0.021	952.344 <sup>a</sup>	27.649	8	0.001
<b>Model 2</b>	18.898	11	0.063	0.018	0.03	946.417 <sup>a</sup>	24.56	8	0.002
<b>Model 3</b>	40.399	14	0.00	0.039	0.064	917.160 <sup>a</sup>	33.688	8	0.00
<b>Model 4</b>	38.461	9	0.00	0.037	0.06	926.854 <sup>a</sup>	10.543	8	0.229
<b>Model 5</b>	32.483	14	0.003	0.031	0.051	932.832 <sup>a</sup>	13.674	8	0.091

#### 5.4 Summary

Undergoing a thorough analysis using descriptive analysis, factor analysis, logistic regression and PLS Structural Equation Modeling, the objectives of the study are met and a few conclusions are made. Firstly, the estimated annual amount of charitable giving given by Muslims in Malaysia is considered as low and the giving is mostly segmented to certain kinds of giving such as giving to worship house, giving to beggars/poor and giving to charity homes. While giving to institutions such as nonprofit institutions and higher education institutions are not a common practice among Muslims in Malaysia. In general, the preferred channels of giving are the conventional channels such as direct donation, charity boxes, salary deduction and door to door solicitation. Similar responses have been recorded for medium of information in which conventional methods are of the choice such as friends or family, charity boxes at public places and door to door solicitation.

Secondly, some latent variables are measured in this study and have been studied in various ways. It is found that the adoption of the theory of planned behaviour in the conceptual framework contributes to the possibility to explain the charitable giving behaviour and predict the charitable giving behaviour by involving various kinds of predictors. All variables such as attitude, perceived behavioural control, subjective norm,

altruism, financial wellness 1, financial wellness 2, religiosity and trust significantly influence certain kinds of giving. Further probe into the variables proves that attitude and perceived behavioural control are the most significant components of TPB to predict charitable giving intention with Altruism and Financial Wellness 2 directly predict the intention to give. All variables added to the TPB components are significantly related to attitude and perceived behavioural control with only a few related to subjective norm such as altruism, financial wellness 1 and financial wellness 2.

Thirdly, to assess the relationship between the patterns of giving and the variables found and proven to be the predictors of giving behaviour from the categories of demographic variables, socio demographic variables, tax, media and latent variables, a logistic regression analysis has been conducted. From the discussion, it is concluded that demographic variables such as age, gender and marital status are found to be significant predictors for certain kinds of giving. For socio demographic variables, education, employment, home ownership and household income give significant influence to specific kinds of giving. Some latent variables are found to be significant with some categories of giving namely the attitude, subjective norm, perceived behavioural control, altruism, financial wellness 1, financial wellness 2, trust and religiosity. The significant influence of tax is also proven for all kinds of giving. As for medium of information, interesting significant findings are gathered where some of the mediums are found to be effective to some kinds of giving and the other mediums are found to be ineffective for the other kinds of giving. . Based on the findings in the analysis, a few recommendations, implications and suggestions will be elaborated in the next chapter of discussion which is hoped to shed brighter views for the voluntary sector in pursuit of better empowerment especially to give strategic insights for charity marketers to improve their fundraising activities.

## **CHAPTER 6: THE SUGGESTIONS AND IMPLICATIONS**

### **6.1 Introduction**

Undergoing a thorough process of research, this study proves to contribute significantly especially in the field pertaining to welfare economy, Islamic economy and charitable giving. This chapter will discuss the significant findings from this study holistically by highlighting the contribution from the aspect of theory, methodology and practicality by basing on the research objectives formulated earlier at the initial stage of this study. As important conclusions are made, discussion on the suggestions and implications are then proceeded to make full use of the findings obtained from the study.

### **6.2 Discussion on Important Findings**

At the departure of this study, four research objectives have been listed to be accomplished. To achieve these four objectives, this study is designed in such a way so that all the objectives can be achieved. The result shows that all four objectives have been achieved and contribute significantly from the aspect of theory, methodology and practicality. From the theoretical aspect, this study contributes in explaining the concept of charity in Islam as the first objective of this study is to explore the concept of charity in Islam. From the document analysis made on the verses of the Quran and Hadith, the concept of charity in Islam is further unveiled and explored. As a result, the difference between the common concept of charity and the concept of charity in Islam is drawn where the emphasis of the purpose of giving in Islam is not only for the sake of mankind as evident in the common charity, but it goes further as a proof for the love of Allah.

The classification of charity in Islam is also found to be vary and wide in nature. Under the two major categories namely the voluntary charitable giving and the mandatory charitable giving, the category of charity is further classified into specific categories. Interestingly, not only the voluntary charitable giving shows variation of mechanism to conduct charity such as through *hibah*, *hadiah*, *waqaf* and *wasiah* but also it reveals that there is a non material way of doing charity which is doing good deed towards ownself, others and other ceatures. This discovery is very significant as it acknowledges the importance of volunteering as one of the means to do charity.

Furthermore, four important components of charitable giving which are the donor, the recipients, the gift and the intention are discussed. The importance and feature of each component is specified and it is discovered that the donor only requires minimum qualification of legal capacity under the receptive legal capacity (*ahliyyatul wujub*) and active legal capacity (*ahliyyatul ada'*). The category of recipients is also found to be open, not restricted to religion, age and even status. Although the priority of giving is specified for the needy, there is also an exception to give to the rich under a few conditions. While the specifications of the gift show that the gift must come from a pure source, beneficial and favourable. It is also realized that the intention plays a crucial role in charitable giving which lead to the selection of the Theory of Planned Behaviour to be employed to determine the factors of charitable giving as this theory uses intention as the proxy in determining the actual behaviour.

In addition, the importance of charitable giving is also discussed based on the Quranic verses and it is found that this charitable deed is highly encouraged. Allah promises great rewards for those who practice charitable giving in the form of happiness and success in life in the world and the hereafter with the greatest gift of all, the grant of Jannah or paradise. Allah SWT also promises repayment in multiples in the world and the hereafter for those



who practice charity which describes its economic role that ever growing, expanding and never experience loss.

Realizing the potential and significant nature of charitable giving, the probe into the charitable giving pattern and behaviour is deemed necessary especially to further encourage this deed among the society. From the aspect of methodology, this study produces a reliable and valid instrument to obtain information pertaining to patterns and antecedents of charitable giving behaviour using the extended theory of planned behaviour. It also provides an example of a survey design using the cluster sampling to counter the limitation of not having a proper sampling frame. Cluster sampling is used to address the problems of lack of good sampling frame for a population that is dispersed and high cost to reach the samples by using multiple stages of clustering the samples.<sup>849</sup> The number of samples is determined using the G\*Power 3.1 software with 8.0 power and medium effect size and the efficient number of sample is estimated to be 1000-1200.

From the aspect of practicality, this study provides some insights on how to conduct the cluster sampling which is done by choosing the areas mostly populated by Muslim workers as the population of this study has two main criteria which are Muslim and currently working because in order to give, a person needs to have the source of income. Thus, four states in Malaysia which are Pahang, Selangor, Perak and Johor have been chosen. As many as 1200 questionnaires are distributed and only 1034 respondents have responded to the survey. The data obtained from the survey is then analysed using descriptive analysis, factor analysis, logistic regression and PLS Structural Equation Modelling to attain the specified objectives.

As this study outlines the aim to identify the patterns of voluntary charitable giving among Muslims in Malaysia as the second objective, the result from the descriptive analysis

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<sup>849</sup> Neuman, W.L, "Social Research Methods; Qualitative and Quantitative Approaches." P. 257

is examined to fulfil the objective. As a result, the estimated annual amount of charitable giving given by Muslims in Malaysia is found to be quite minimal ranging from RM1 to 100 per year. Although this amount is considered as low, it somehow shows that Malaysians are willing to contribute to charity in the amount that they find affordable considering that most of the respondents earn the income from RM1000-RM2000 per month.

At the early stage of this study, only a handful of research has been done to examine the pattern of giving among Malaysians and the recent highlights in the mainstream media shows the tendency of giving to beggars. However, this study finds that the pattern of giving of Malaysians especially the Muslims is mostly segmented to certain kinds of giving such as giving to worship house, giving to beggars/poor and giving to charity homes with giving to beggars falls in the second place after worship house. This somehow confirms the inclination of giving to beggars and shows that worship house is the trusted and preferred body for the public to donate. Giving to institutions such as nonprofit institutions and higher education institutions however, are not a common practice among Muslims in Malaysia.

In general, it is concluded that most of donors in Malaysia still prefer the conventional ways of giving to technological mediums such as direct donation, charity boxes, salary deduction and door to door solicitation. Similarly, for medium of information, the conventional methods too are chosen such as friends or family, charity boxes at public places and door to door solicitation. This preference is found for general giving but further investigation on different categories of giving yields different and more specific result as discussed in later section.

To achieve the third objective which is to investigate the influencing factors that predicts the act of voluntary charitable giving among Muslims in Malaysia the Theory of Planned Behaviour (TPB) is employed to assess the giving behaviour of Muslims in Malaysia. TPB is the revised version the TRA (Theory of Reasoned Action) that shares the notion that a

particular behaviour is related with the person level of intention to predict the chances of performing the behaviour. The revision of the TRA is not only aimed to counter its limitations but also to increase the predictability of the theory especially in explaining volitional actions. Hence the insertion of perceived behavioural control (PBC) construct is deemed important which leads to the formulation of the Theory of Planned Behaviour (TPB)<sup>850</sup>. The perceived behavioral control (PBC) is assessed by asking people how much control they have over performing a particular behavior. It is very much similar to the definition of self efficacy by Bandura<sup>851</sup> that defines it to the self judgement one has over his or her ability to conduct the behaviour.

Besides that, the selection of this theory for this study is due to its flexibility and openness in allowing any additional determinants in the framework as long as it is proven to contribute to the variance in intention and behaviour as suggested by Ajzen<sup>852</sup>. Using the extended Theory of Planned Behaviour, five variables are added in the conceptual framework such as altruism, financial wellness 1 and 2, trust and religiosity the three original besides the three existing components such as attitude, Perceived Behavioural Control. The result of PLS SEM shows the robustness of this extended theory of TPB where all variables are found to have a high internal consistency by basing on the values of composite reliability more than 0.9 except for Perceived Behavioural control which scored 0.858 indicating satisfactory internal consistency.

From the aspect of indicator reliability that reflects the extent of an item variation explained by the construct, it is shown that all indicators produced high values of outer loadings of more than the cut off value 0.708 signifying that all indicators were able to explain the variance in the construct in more than 50%. A high convergent validity of 0.64

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<sup>850</sup> Icek Ajzen, "The Theory of Planned Behavior."

<sup>851</sup> Bandura, A. Self-efficacy: Toward a unifying theory of behavioral change. *Psycho- logical Review*, 84,(1977) Pg 191-215

<sup>852</sup> Ibid.

to 0.78. is also proven for this framework as all variables indicate the AVE values more than the acceptable value of 0.5. The discriminant validity is also determined from two tests of Fornell-Larcker Criterion and cross loading proving that each variable has one single construct. Moreover, no collinearity issues are found for the core components of TPB which are the intention, attitude, subjective norm and perceived behavioural control by the indication of tolerance levels  $< 0.20$  and  $VIF > 5.00$ .

The significance test of TPB components in the model finds that there is a significant relationship between attitude (ATT) and perceived behavioural control (PBC) with the intention (INT) of giving at 99% confidence level but not for subjective norm (SN). Altruism (ALT) is found to have a significant relationship with intention, attitude, Subjective Norm (SN) and perceived behavioural control at 99% significance level. Of four relationships, altruism is seen to have the highest impact on PBC with 0.44, followed by attitude, subjective norm and intention signaling the importance of altruism in predicting the giving proving that the higher the altruism, the higher the intention to give. Attitude and perceived behavioural control are found to have a significant relationship with trust at 99% significance. Of the two variables, trust is seen to be more impactful on PBC by 0.29 compared to attitude by 0.21. However, there is no significant relationship between trust and intention indicating that it does not influence the intention of giving but significantly related to components for intention of giving by contributing to the increase of attitude and self efficacy which contradicts to previous findings found in the literature.

Similarly, the two mentioned variables are also found significantly related to religiosity at 99% confidence level with the impact of religiosity is seen to be strongly and positively influential on attitude by 0.31 but a small negative effect is found on PBC with 0.13. The explanation to this could be that religious people are more careful and selective in giving donation to ensure their donation to be religiously accountable due the issues of fraudulence

existed among charity raisers in Malaysia and which are also proven to be increasing in many countries such as the USA and UK. Moreover, religiosity has no significant relationship with intention to give and subjective norm meaning that it does not directly influence the intention to give and has no relationship with subjective norm but contribute to the components related to intention to give.

Interestingly, the financial wellness 1 which is the personal financial satisfaction is found to have significant relationship with all components in the TPB except for intention to give. Attitude and subjective norm are significantly related to FW1 at 95% and with perceived behavioural control at 99%. However, the strength of relationships are small with the largest is scored by PBC by 0.15, followed by Subjective Norm by 0.11 and attitude by 0.07. This finding proves that people with high financial satisfaction have higher self efficacy to conduct giving, are influenced by significant others to contribute and have a favourable attitude toward giving, Another component of financial wellness, the FW2 which is the personal financial behaviour is found significantly related to intention and subjective norm at 99% confidence level and with attitude at 95%.

The positive relationship of FW2 is stronger on subjective norm by 0.211 compared to the impact on intention by 0.164. This shows that people who have their financial planned reacted to the perception of the norm. A weak relationship between FW2 and attitude is found negatively significant by 0.05 indicating that people who plan their financial have unfavourable attitude toward spending to charity. This might be due to the fact that people who plan financially are prudent and only spend based on what is planned in the budget. Thus, unexpected expenses such as giving to charity might reduce the utility of planning financially. However, as mentioned earlier, FW2 construct is an important predictor for intention of giving so the inclusion of charitable giving in the financial planning is crucial.

Furthermore, to assess the magnitude of model predictability and predictive relevance, the result of  $R^2$  and  $Q^2$  are discussed. Based on  $R^2$  values, three variables are found to have strong model predictability namely the intention by 53%, attitude by 50% and PBC by 41% while Subjective Norm signals a moderate predictability by 19%. For predictive relevance all values exceed zero indicating that the constructs in the model have predictive relevance and as outlined by Hair<sup>853</sup>, the value of 0.02 indicates that the exogenous construct has small predictive relevance, 0.15 signifies medium predictive relevance and 0.35 represents large predictive relevance. A large predictive relevance is found for intention, medium predictive relevance for attitude and perceived behavioural control and small predictive relevance for subjective norm. Conclusively, intention is found to be the strongest predictor of giving while attitude and perceived behavioural control moderately predict the giving and the subjective norm is the weakest predictor.

Then, to measure the impact of a predictor on the model, the effect size of  $f^2$  and  $q^2$  are calculated. The  $f^2$  effect size calculates the change in  $R^2$  when a specific exogenous construct is removed or omitted from the model. Similarly, the  $q^2$  effect size measures the change in  $Q^2$  when certain exogenous construct is omitted. The intention construct produces large effect size of  $f^2$  and  $q^2$ . For attitude construct, large  $f^2$  effect size is obtained with medium effect size for  $q^2$ . For subjective norm, medium effect size of  $f^2$  is detected while close to medium effect size for  $q^2$ . A large  $f^2$  effect size is also detected for Perceived Behavioural Control and medium effect size for  $q^2$ . Thus, it is concluded that all four components of TPB are the strong predictors to the behaviour of giving.

The final stage of analysis is to observe the moderating effects of these latent variables on the endogenous constructs in the model. Significant effect of moderation of several latent

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<sup>853</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*.

variables is captured for perceived behavioural control and intention of giving. Financial Wellness 1 is found to positively moderate PBC to intention with small effect of 0.073 at 99% significance level. Another moderator found significant to PBC and intention is religiosity at 95% significance level. This finding supports the moderating role of religiosity toward the PBC which eventually increases the intention to give. The last variable that proves to moderate the relationship between PBC and intention is financial wellness 2 at 95% significance level. Therefore it is concluded that religiosity and financial wellness are two important moderators that strengthen the relationship between PBC and intention to give. In short, the result of PLS SEM proves the relevance of the Theory of Planned Behaviour in predicting the giving behaviour and the insertion of other variables such as religiosity, trust, financial wellness and altruism improve the predictability of this framework.

Lastly, to determine the relationship between the patterns and the factors behind the act of voluntary charitable giving among Muslims in Malaysia from the categories of demographic variables, socio demographic variables, tax, media and latent variables, a logistic regression analysis has been conducted on six specific categories such as giving to worship house, charity homes, religious schools, beggars, non profit organizations and higher education institutions. Each category contains five models namely Model 1 for latent variables such as attitude, perceived behaviour control, subjective norm, financial wellness 1 &2, altruism, religiosity and trust without any other additional variables. Model 2 assesses all the latent variables with addition of demographic variables such as age, marital status and gender. For Model 3 the latent variables are examined with sociodemographic variables of number of children, types of employment, level of education, level of income and home ownership. The fourth model estimates the relationship between the latent variables with tax and finally the fifth model contains the latent variables and the medium of information of internet, friends/family, charity boxes, appeal letters, mass media and door to door solicitation.

By basing on the result of giving pattern among Muslims in Malaysia in this study, giving to worship house or the mosque in Muslim context is the most preferred and significant. Based on the analysis of the logistic regression result, the model used to determine the factors of giving to worship house is proven to be fit that it represents the actual giving behaviour by 75.1% to 76.9% representing high value of prediction. To further estimate the model fit, Omnibus test is conducted to test the model coefficients and it is found that all five models are significant at 99% indicating the fit of the model with  $R^2$  of Cox & Snell and Nagelkerke. Another test of Hosmer & Lemeshow test, indicates a good fit for Model 1 and Model 4.

For this category of giving, demographic variable of gender and marital status are found to be the influential predictor. For socio demographic variables, only education variable is significantly related showing that people with lower education tend to give more. Across five models, four variables generate consistent significant results namely attitude, subjective norm, altruism and financial wellness 2. The findings on two variables, the attitude and subjective norm support the importance of TPB component in predicting giving behaviour and challenge the notion that anonymity is more influential than norm in charitable giving among Muslims.

Altruism is found to be among the strongest predictors of giving as well as Financial Wellness 2 which deals with the personal financial planning. This result indicates that lack of financial planning reduces the act of giving and as income does not influence this giving, it implies that the size of financial source such as income does not matter in giving as financial planning does. Another important variable is trust which is found negatively significant in all models except in Model 2. This indicates its negative influence on giving which means lack of trust reduces the possibility of giving. Apart from that, a significant value is also detected for religiosity in Model 2 proving the influence of religiosity in the act of giving.



In addition, it is found that tax is significantly influential in this giving. For medium of information, six categories are analyzed such as internet, friends/family, door to door solicitation, mass media, appeal letters and charity boxes at public places. It is found that internet, door to door solicitation, mass media and appeal letters are the significant mediums. Of the four types of information source, mass media is found to be the strongest predictor of giving which is not only influential to reach help in time of disaster as discussed in many studies but it is also effective to spread information about charity. Appeal letters however appears to be the least preferred method in which it reduces the act of giving.

Giving to charity homes in this study is basically referred to giving donation to orphanage, shelter homes and other charitable institutions that provide home for the needy. All models produced c prop values more than 50% indicating the fit of the model to explain the giving for charity homes. Omnibus test also reveals that all models are fit but using the Hosmer & Lemeshow test however, no models are indicated as a good fit. For demographic variables, age and gender are found to be significant indicating that older people and men are more generous toward charity homes. For socioeconomic variables, only employment shows a significant negative influence on giving whereby people with unsecured jobs donate more to charity homes.

Furthermore, consistent significant variables are observed for perceived behavior control, trust and financial wellness 1 across five models signifying the importance of these variables in predicting the giving toward charity homes as well as tax and medium of information which are also strong predictors of giving and for medium of information, internet, friends/family and mass media predict the giving positively while charity boxes pose a negative influence on giving to charity homes reflecting the ineffectiveness of this method for giving to charity homes.

For giving to religious schools, every model has been proven to be able to explain the giving more than 50% of accuracy. The Omnibus test demonstrates that all models are significant indicating the fit of the model. The Hosmer & Lemeshow test indicates a good fit for Model 1, 2 and 5. For demographic variables, age and marital status are shown to be significant predictors while for socio demographic variables, household income and home ownership show significant relationships of these variables with giving. Home ownership however, exhibits a negative relationship implying that those who possess own home do not necessarily give more to charity homes.

Across the five models, a few consistent significant variables are detected as strong predictors such as attitude and trust that become the strongest predictor of giving to charity homes. Negative relationship is obtained for attitude which means the decrease in giving behaviour is predicated by the unfavourable attitude toward it. Other significant predictor is the perceived behavioural control (PBC) inferring that has shown a consistent significant value across all models except in Model 2. The significance result of attitude and PBC prove to the predictability of TPB components of giving behaviour. Tax is also accepted as a significant variable and it doubles the effect of giving and for medium of information it is found that friends/family and mass media are significant in predicting the giving behaviour.

Another category of giving is giving to beggars/poor. All models are able to explain more than 50% of actual correct percentage of giving behaviour to beggars/poor. To measure the fit of the model, result of Omnibus test is analyzed and it is found that all models are significantly fit but no indication of good fit across all models by basing on the test of Hosmer & Lemeshow. Only one demographic variable is found significant which is the age and for socio demographic variables, home ownership and employment are accepted as significant variables. Consistent significant variables of PBC and altruism are detected across all models. Tax influence is proven as well as for medium of information specifying negative influence

of internet and friend/family and positive influence of door to door solicitation and charity boxes. The explanation to this giving could be that the trait for people who tend to give to beggars and have more sense of affinity with needy people and able to feel their hardship are older people without secured job but possess own home which is why the medium of door to door solicitation and charity boxes are preferred.

Next, the models in giving to NonProfit Organisations that refers to the giving to any associations or clubs or organizations operating on nonprofit basis in handling issues pertaining to health, human rights, social, culture and others show that they are able to explain the variance more than 60% of the actual behaviour. The fit of the model is measured through the Omnibus and Hosmer & Lemeshow tests showing that all models are found significantly fit according to the Omnibus test and Model 1 and Model 4 indicate a good fit from the Hosmer & Lemeshow test. For demographic variable, significant relationship is detected for marital status and giving. For socio demographic variables, significant role of education in predicating the giving is established. Across all models, it is found that altruism and religiosity are the strongest predictor and predictive role of tax is also proven as well as for medium of information with the most effective medium is the charity boxes.

Lastly, Giving to Higher Education Institutions is also investigated in this study. In developed countries, higher education institutions are among the institutions that receive contributions from the public especially from the alumni as they operate on nonprofit basis<sup>854</sup>. According to Okunade & Berl<sup>855</sup>, monetary donation from the alumni is critical to support the activities of higher education institutions in giving financial aids to students in the form of grants or scholarships, subsidizing allocations for faculty developments, complementing the

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<sup>854</sup> Belfield and Beney, "What Determines Alumni Generosity? Evidence for the UK."

<sup>855</sup> Okunade and Berl, "Determinants of Charitable Giving of Business School Alumni."

budgets, supporting the need of university which in turn benefits the society. As Malaysia is moving toward a developed country, this type of giving should be given emphasis.

Similar to other categories of giving, this category also contains five models and the c prop values show that models are able to explain the actual behaviour by 70%. To further estimate the fit of the model, the Omnibus test produces fit for all models except the Model 1 and the Hosmer & Lemeshow test indicates a good fit only for Model 4. No variables in the model are proven to influence this giving except for age which is the only demographic variable found to be significant and a few socio demographic variables such as education, home ownership and employment. The influence of tax and information medium are also proven with indication that the internet is the only effective medium to deliver information about donation toward higher education institutions.

In brief, due the difference in nature of the giving categories, the result of logistic regression has yielded different significant variables proving that each category of giving is influenced uniquely by the latent variables. However, for demographic variables, a few variables such as age, marital status and gender are found to influence the giving. For sociodemographic variables, several variables are found to predicate the giving positively and negatively such as education, employment, household income and home ownership. The strongest predictor for all types of giving is tax which has shown positive significant result showing to the importance of tax exemption role for all kinds of giving. Similar to the result for latent variables, medium of information also produces different kinds of result suitable to the nature of the giving type.

### **6.3 Suggestions and Research Implications**

Based on the findings for each outlined research objectives, a few important suggestions and recommendations are made. As discussed earlier, the classification of charity in Islam is

found to be various and wide in nature. The variation of mechanism to conduct charity such as through *infaq*, *hibah*, *waqaf* and *wasiah* should be further explored and introduced to encourage giving. Not only the material way should be emphasized, the importance of the non material way of doing charity should also be highlighted by encouraging the culture of volunteering in the society. To achieve, it is suggested that the variations of voluntary giving mechanisms and the volunteering field to be further explored and investigated in future research.

Besides that, as explained in the previous discussion, the four conditions to conduct voluntary charitable giving are not restricted, open and flexible which should be highlighted especially by educators and charity marketers to the society so that this giving can be rapidly channeled to anybody or institutions in need. The importance of charitable giving has also been exhaustively discussed by basing on the verses of Quran that it is promised by the God of great rewards in the world and the hereafter in the form of happiness and success in life in the world and the hereafter with the greatest gift of all, the grant of Jannah or paradise. Allah SWT also promises repayment in multiples in the world and the hereafter for those who practice charity which describes its economic role that ever growing, expanding and never experience loss. This confirms the nature of charity that offers sustainability which should be practiced by all organizations and individuals in order to prosper. As a recommendation for future research, a study to prove the notion of wellness and sustainability for organizations and individuals exercising charitable policy is deemed worthwhile.

Furthermore, the findings on the patterns of charitable giving are seen to be beneficial for charity marketers. As majority of the respondents are willing to donate in the minimum range between RM1 to RM100, it is suggested that campaigns for donation should highlight minimum pay which is deemed affordable by the society. Also for general giving, conventional methods such as direct donation, salary deduction, charity boxes and door to

door solicitation are found to be relevant as well as for medium of information, the conventional methods too are chosen such as friends or family, charity boxes at public places and door to door solicitation. As the most preferred category of giving is the worship house giving, it is recommended organizations or individuals in need to collaborate with worship houses in raising fund. This can be realized through awareness of both sides; the society and the management of worship house in helping the needy.

Moreover, in relation to the findings in the PLS SEM analysis, the extended Theory of Planned Behaviour is found to be relevant and has strong predictability to giving behaviour. A few variables found to be significant predictors for giving intention such as attitude (ATT), perceived behavioural control (PBC), Altruism (ALT) and financial wellness 2 must be emphasized by charity marketers in stimulating these aspects in their effort of fundraising. Other variables although not directly influence the intention of giving they contribute to the variance of the core components of the TPB namely trust, religiosity, financial wellness 1 thus should also be paid attention for. The importance of religiosity and financial wellness 1 should also be focused as they are found to moderate the relationship between perceived behavioural control and intention.

Findings from the logistic regression analysis are also practical and beneficial for charity marketers as it provides information for specific category of giving which can be used to target the potential donors, stimulate specific factors and use the preferred medium of information. The outcome also contributes to the importance of tax in encouraging charitable giving act which should direct the attention of the government to improve the tax exemption policy in order to elevate the level of giving among the society. As to curb the issue of giving to beggars, authorities should double the effort to stop the begging as the donors are attracted to direct donation. Awareness campaigns should also be improved to educate the donors that giving to beggars is illegal according to the law and at the same time, provide the proper

channel for donors to donate directly to the trusted body that can help these people in need which in this context, the worship house. Thus a committee must be formed among the management of the worship house which specializes in managing the charity fund especially in collaborating with the organizations and individuals in need, organizing the fundraising and channeling the fund to the needy.

#### **6.4 Summary**

To conclude, this study has yielded beneficial findings in understanding the concept of charity in Islam, the patterns of giving among Muslims in Malaysia, the important determinants of giving behaviour and the influencing factors of the patterns of giving. These findings are also proven to contribute to the implications from the theoretical, methodological and practical aspects.

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