Individual Giving & Volunteering

in Korea during Global Financial Crisis

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Korea’s economic numbers take a turn for the worse by the huge impact of the global financial crisis in 2007 and 2008. The U.S sub-prime mortgage crisis and the following bankruptcy of the Lehman Brothers have turned Korea economy (heavily dependent system on export and import to U.S) into a panic. A great number of people have lost their jobs and retirees and small investors have lost their life savings due to plunging stock markets and the collapse of investment funds (Reuters, 09-02-24). In addition, financially strapped people committed suicide; as a result, Korea’s suicide rate doubled during this financial crisis period (The China Post, 08-10-23).

This situation poses a question on the possibility of change in people’s giving and volunteering behaviour; giving and volunteering behaviour can be significantly influenced by economic fluctuation. Thus, economic situation can be a determinant for giving and volunteering behaviour. Many studies report that people’s giving and volunteering is mainly related to economic variables, controlling for other variables. In addition to economic fluctuation, volunteering behaviour is reported as related with mental health variables such as depression level (Musik and Wilson, 2003; Field et al, 1998) and life satisfaction (Meier and Stutzer, 2008). Charitable giving is also related with mental health variables such as happiness level (Dunn, Akinin & Norton, 2008) and life satisfaction level (Schwartz, Sendor, 1999). Indeed, it can be argued that helping others can be influenced by situations such as economic trauma and related mental factors. However, there are only few empirical studies on whether giving and volunteering behaviour is a dependent factor or not by such possible independent factors.

In this situation, first, this study attempts to identify the current level (participation and amount or time) of individual giving and volunteering and willingness for initiating or continuing giving and volunteering in the next year by using the Seoul Social Welfare Penal Data that has been collected by the Seoul Social Welfare Foundation under the Seoul Metropolitan City. Second, this study attempts to examine the relationships between economic and mental factors and individual giving and volunteering empirically. Because the Seoul Social Welfare Penal Data was constructed from March to May in 2009 after the global financial crisis, it provides an excellent opportunity to analyze the lives and dynamic changes of Seoul citizens in terms of giving and volunteering. About 3000 randomly selected households and 8000 family members (citizens) were studied by individual interview method. The panel data measures family and individual economic situation, the perceived stress level, subjective happiness level, and participation and level (amount and time) in individual charitable giving and volunteering in 2008 when the crisis started to have high impact on people’s lives. This study has the following research questions; “What is the participation incidence and level (amount & time) of individual giving and volunteering of people in Korea during the crisis?” “What is the relationship between individual economic situation and individual giving and volunteering?” “What is the relationship between individual stress level and individual giving and volunteering?” “What is the relationship between individual happiness level and individual giving and volunteering?” With controlling for other extraneous variables, the research questions will be analyzed by multiple regression method to examine the relationships.

This research will broaden and deepen our understanding on people’s giving and volunteering behaviour under the financial difficulties. Thus, it will also make contributions to exploring significant buffering factors on changes in giving and volunteering. It will really be valuable for new knowledge building and new resource mobilization strategy to examine the impacts of economic difficulties on giving and volunteering with empirical data while
considering mental health variables such as life stress and happiness in this highly pressure-packed period.

**References**


The China Post. 2008. “Economy may push up Korea’s high rate.” 2008.10.23


