

Determinants of Charitable Giving to Unexpected Natural Disasters: Evidence from Two Major Earthquakes in Japan

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Abstract

A great amount of donations were collected after the 2011 Tohoku Earthquake and the 1995 Hanshin Earthquake, both of which occurred in Japan. Such private donations ought to be enhanced in Japan, since the Japanese government already incurs enormous amount of debt, but little is known about what kind of people made such private donations. Using household-level monthly panel data, we explored what factors are associated with donors making donations for the victims of such earthquakes. Comparing the data just before and after these earthquakes, one can observe a positive association between donations made before the earthquake and donations for the earthquake victims, which correlates with previous studies. Additionally, empirical evidence showed that donations for the earthquake victims are likely to be the function of geographical distance from the disaster epicenter with a negative coefficient, which may indicate that sympathy for the earthquake victims is negatively associated with distance. In addition, income, savings, and age were observed to have a positive association with donations for the earthquake victims and donations for other purposes. These factors were identified to be significant factors both for the Tohoku Earthquake and for the Hanshin Earthquake. The positive association between age and donations for the earthquake victims was, however, not observed for households that donated before the earthquake.

Keywords: Tohoku Earthquake, Hanshin Earthquake, donation, Tobit, Family Income and Expenditure Survey

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