

Directed Generosity in Social and Economic Networks

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Abstract

We explore, first, if network structure and network embeddedness can account for the variation observed in individual generosity, and what characteristics of the network are important (if any). Second, we study, if the influence of network structure and position is invariant across networks of different social and economic contents, and what different network characteristics are important for networks of different contents. Third, we investigate, if there is explanatory room left for observable individual characteristics. We also explore if individual background characteristics influence network formation itself, because this indicates an indirect effect of these characteristics on generosity.

Our results show that networks matter for giving behavior and that network effects clearly depend on the content of networks. Hence, it matters which networks one is looking at when relating behavior to network structures and an individual's position in a network. Regarding observable individual characteristics we find that after controlling for network effects only gender has explanatory power. Interestingly, and in contrast to many other studies, women are less generous than men, especially when the recipient is male. A final finding is that certain individual characteristics are important determinants of link formation in all elicited networks. This suggests that the influence of observable characteristics on generosity runs indirectly through the network effects.