

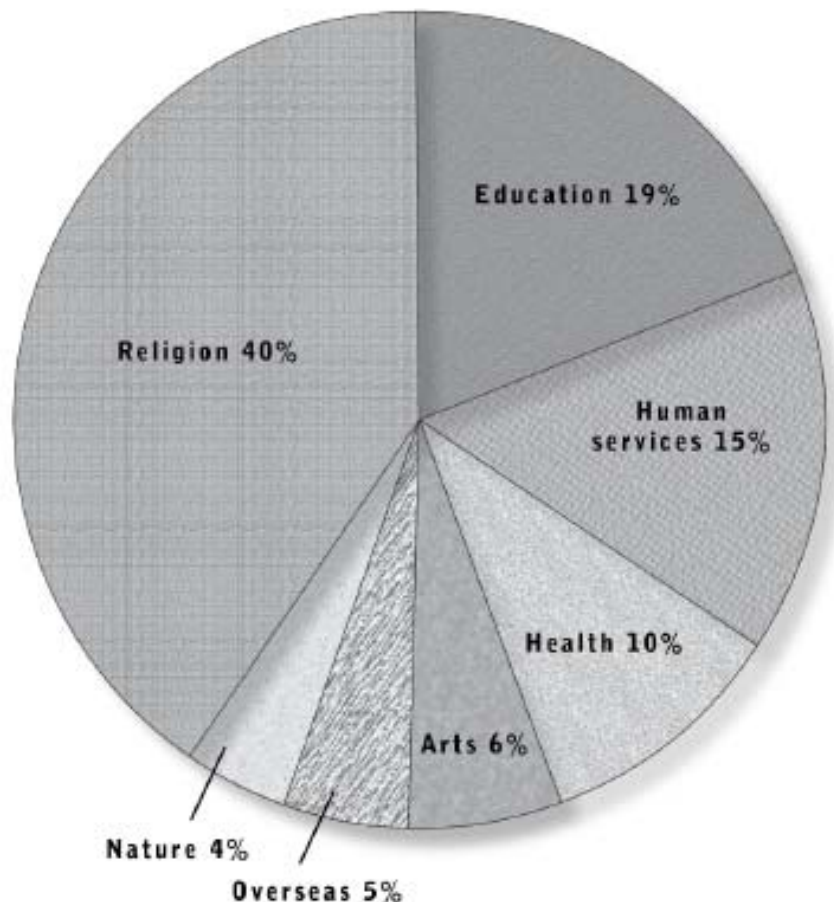
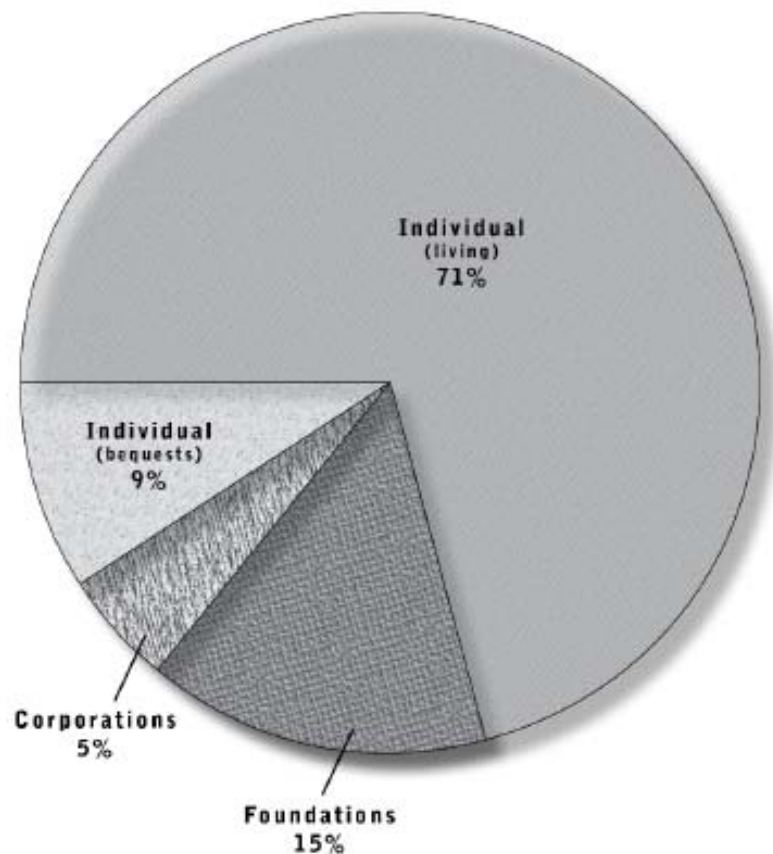
Sources of US Charitable Giving

It's easy, amid press stories about the projects of large foundations or corporations, to forget that the vast bulk of American philanthropy is carried out by individuals. Between individual donations and bequests in wills, personal gifts come to over four times as much, every year, as what behemoths like the Gates, Ford, Walton, etc. foundations plus corporations give away.

Donations Going to Various Groups

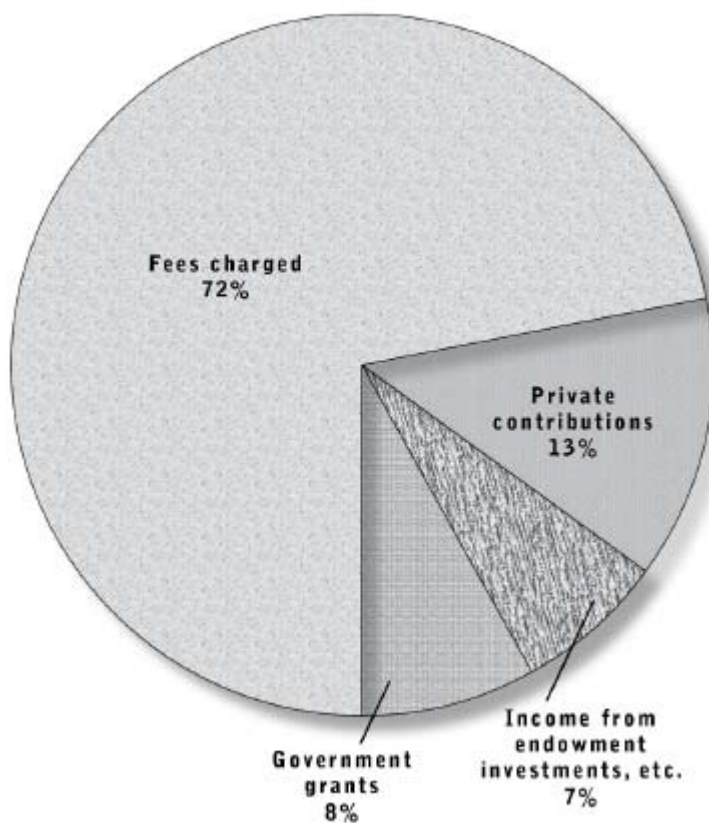
Religious causes are, and always have been, Americans' favorite charitable targets. Of course, "Religion" is a very broad category. Some of those funds are used to support houses of worship and clergy, to maintain the faith, and to proselytize future generations. Much religious charity, however, ultimately goes into sub-causes like relief for the poor, medical care, education, or aid sent to low-income countries or victims of disaster.

Keep in mind too that religious charities tend to have less access to supplemental funds than other nonprofits. Hospitals and colleges charge users fees to supplement their donated income; other nonprofits sell goods; many museums charge admission; some charities receive government grants. Churches and religious charities, however, operate mostly on their donated funds depicted in this graph.



Sources of Revenue

The underappreciated fact illustrated starkly here is that many charities sell things—from used clothes to admission tickets to college educations—and rely heavily on those market revenues to keep their doors open. You can see that government grants are not a large portion of the income of U.S. public charities as a whole—annual donations plus income from invested gifts are twice as big. Of course there are also substantial government fees paid to charities as reimbursements through programs like Medicare and Medicaid. Within the “Fees charged” slice of this pie, a little more than two thirds of the money collected was private, but close to a third came from some level of government that was paying for a charitable service rendered.

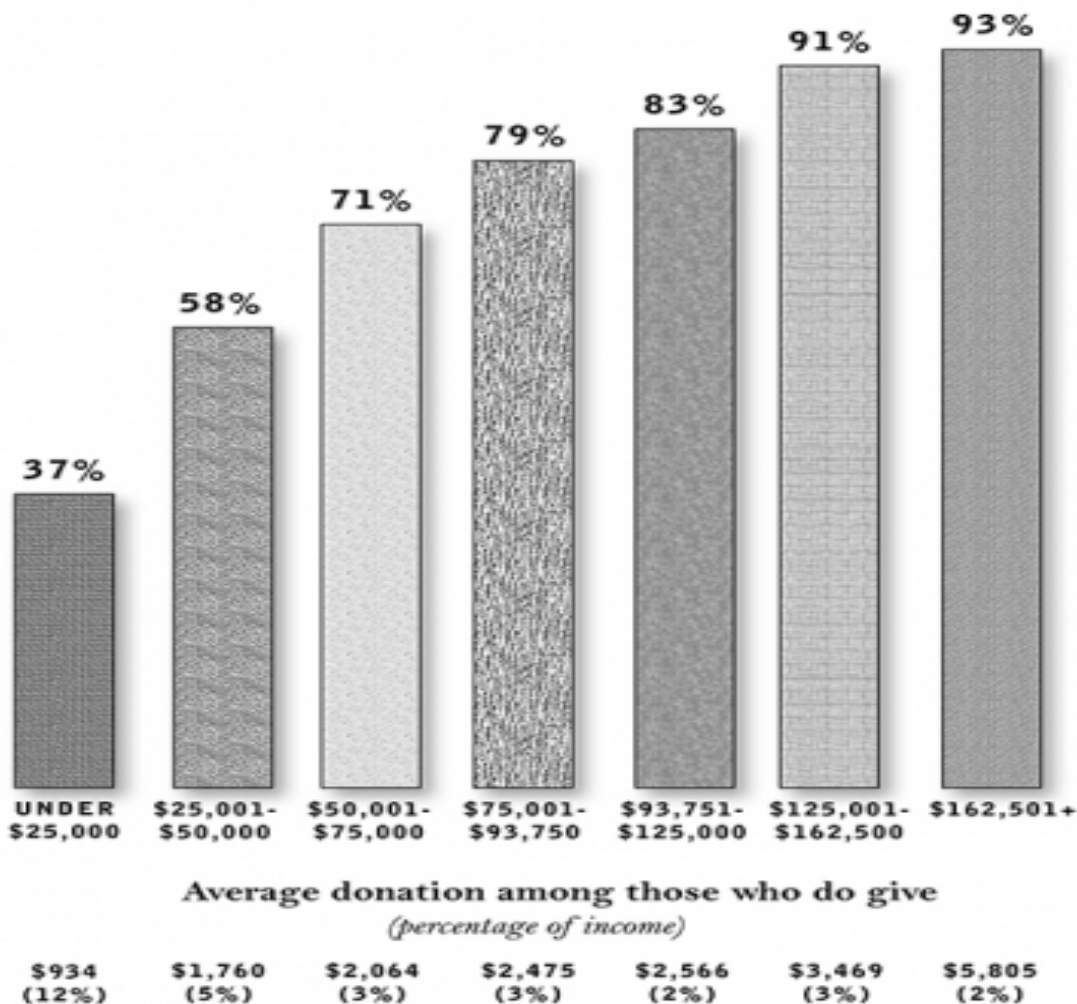


Portions of Households Giving

Charitability is not evenly distributed. The two thirds of households who give money actually average a hefty 4 percent of their income in gift-making. It is the other third of the population giving nothing who pull down the national average.



Percentage of Households Giving to Charity by Annual Income



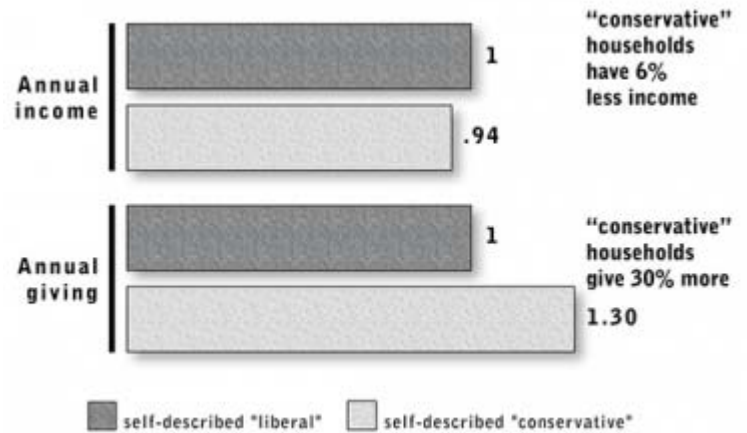
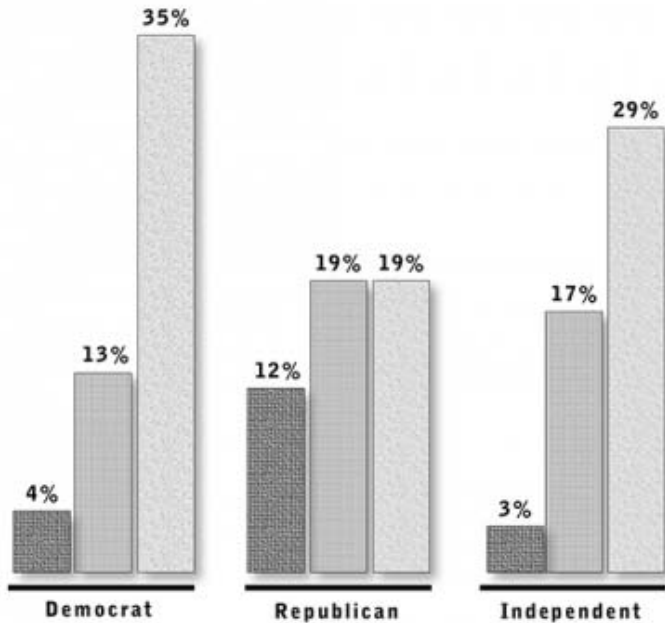
A interesting pattern emerges if one studies giving by income level. As incomes rise, more and more of the people in that bracket make gifts to charity. The sizes of their gifts tend to rise as well. However: if you look at average donations as a fraction of funds available, they tend to level off at around 2-3 percent of income.

The exception to this pattern comes at the bottom of the income spectrum. Low-income households are the only ones in America where a majority do not give money to charity. Among the minority of poor who do give, however, a significant number are sacrificial donors—sharing double-digit portions of their incomes.

These sacrificial givers generally fall into two categories. Lots are religious, who tithe or otherwise give generously even when they have modest means. Others are elderly persons who have modest annual earnings yet are able to give because they have savings or paid-for homes and other assets that incline them to generosity.

Among Democrats, Independents, and Republicans alike, almost exactly half of the group averaged \$100-\$999 in annual charitable donations at the time of this 2005 poll. There was virtually no difference among the parties in the size of that moderate-giving group, so those results were not included in the graph to the left.

If, however, you zero in on giving that is heavier or lighter than the middle range (the bars pictured here), you find that the parties differ a lot. Democrats and Independents both had many zero-to-very-light givers (less than \$100 for the year), and modest numbers of heavier givers. Republicans, in comparison, had comparatively few skinflints, and numerous serious donors—31 percent sharing at least \$1,000 with charity, versus 17 percent among Democrats, and 20 percent among Independents

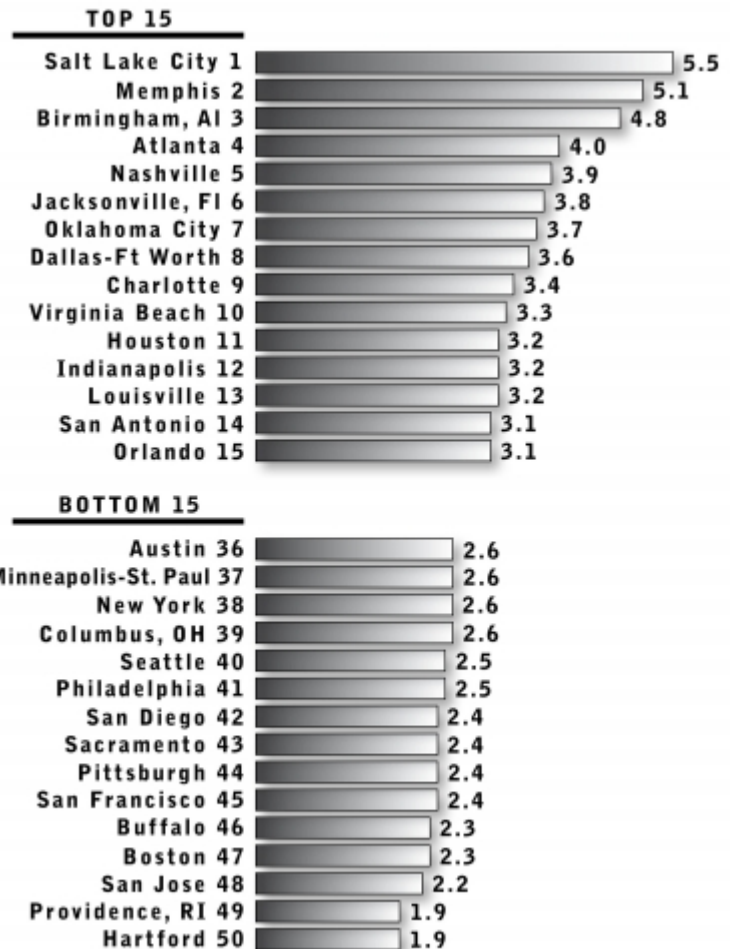


As individual donors, conservatives are heavy givers—as made clear in this graph, the one previous, and many other data sets.

When it comes to running foundations, though, liberals tend to control the reins. Matched analyses of the major American foundations reported in the book *The New Leviathan* found 82 foundations whose staff took a clear conservative orientation in their giving, and 122 foundations whose staff operated with a clear liberal orientation. The conservative-controlled foundations had assets of \$10 billion in 2010, from which they gave away \$832 million annually. That same year, the liberal-controlled foundations had assets of \$105 billion (more than ten times their conservative counterparts), and gave away \$8.8 billion annually (11 times as much as conservative counterparts).

Many foundations end up espousing the priorities and orientations of their staff rather than the principles of the donor behind the foundation. As this has become more widely understood, some new foundations have made efforts to protect “donor intent” and be sure that funds are expended on causes compatible with the founder’s views. There has also been a sharp jump of interest in “sunset” foundations—which spend all their money relatively close to the donor’s lifetime, rather than existing in perpetuity, where capture by staff becomes almost inevitable.

Generosity of Cities (giving as % of adjusted gross income)



A pattern similar to what the previous graph showed for states is also clearly visible in this data on giving levels in America’s 50 biggest cities. It is residents of our Mormon and southern Bible Belt metro areas who are our most generous citizens. Meanwhile, many of our very wealthiest urban areas—like San Francisco and Boston—rank low on generosity.

Note here the interesting divergence between Dallas and Austin. Those two cities, just 180 miles apart, share the same economic climate, exact same levels of state taxation, same basic cost of living. Where they differ rather sharply is in culture. The fact that Dallasites give almost 40 percent more to charity than Austinites underlines the powerful influence on charitable behavior exerted by factors like religious practice and political ideology.

Source:
The Almanac of American Philanthropy
Philanthropyroundtable.org