

ASU Lodestar Center for Philanthropy & Nonprofit Innovation

arizona giving & volunteering

generosity and involvement in challenging times

2010



ASU Lodestar Center for Philanthropy & Nonprofit Innovation

arizona giving & volunteering generosity and involvement in challenging times 2010

This report was authored by Dr. Mark A. Hager and reviewed by Dr. Robert Ashcraft, Stephanie La Loggia, Amy O'Hara and Jill Watts. It was organized and written under the auspices of the ASU Lodestar Center for Philanthropy & Nonprofit Innovation, with layout and design support from the ASU College of Public Programs (Felipe Ruiz). Thank you to the ASU Morrison Institute for its willingness to let us direct this wave of the Arizona Indicators Panel Study.

Copyright © 2010 Arizona Board of Regents for and on behalf of the ASU Lodestar Center for Philanthropy and Nonprofit Innovation, College of Public Programs, Arizona State University. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the express written permission of the ASU Lodestar Center, except for brief quotations in critical reviews. The authors may be reached at ASU Lodestar Center, 411 N. Central Ave., Suite 500, Phoenix, AZ 85004-0691.

about this study

- This research brief reports on Arizonans' individual, private financial contributions to and volunteer work in charitable organizations. It does not include giving by private foundations, companies or governments to such organizations.
- Survey respondents were told that they would be talking about donations of money and time to charitable organizations. People give money to their friends and family, but that dimension is not captured here. People donate their time and talents to a variety of local efforts, but study respondents were asked to speak only about their 'formal' volunteering through official charitable organizations.
- What are charitable organizations? They include nonprofit organizations (both religious and secular) that help those in need or that serve and support the public interest. They range in size from national organizations like the United Way and the American Red Cross down to local community organizations. They serve a variety of purposes such as religious activity, helping people in need, health care and medical research, education, arts, environment, and international aid.
- In the ASU Lodestar Center's 2010 Scope of the Sector report, we note that Arizona is home to 15,000 nonprofit organizations recognized by the Internal Revenue Service as public charities. This includes nearly 3,000 churches (and other houses of worship, such as temples and mosques) that are the primary recipients of individual contributions. While the majority of volunteer time goes to local organizations, approximately a quarter of individual contributions goes to national and international causes.

charitable contributions

- We told our survey respondents that charitable contributions are donations to charitable organizations for which they receive no direct benefit. We further clarified that they include any money, assets or property given directly to the organization, through payroll deduction, or collected by other means on behalf of a charity.
- We mean for our definition of charitable contributions provided to respondents to align with the federal definition for a contribution that is eligible for deduction from income taxes. To this end, we stressed that charitable contributions do not include fees that people pay for services, such as tickets to special events or services from a nonprofit health provider. We also stressed that political contributions are not counted.
- We contacted people in the summer of 2009, and we asked them to reflect only on the 2008 calendar year. We even encouraged people to consult their 2008 income tax filings, so that their answers would correspond with (and their memory be refreshed by) their records of charitable giving.
- We asked survey respondents to represent their entire household on the charitable giving questions. So, we report the giving results as household contributions, not a given individual's contribution.

who gives? Table 1

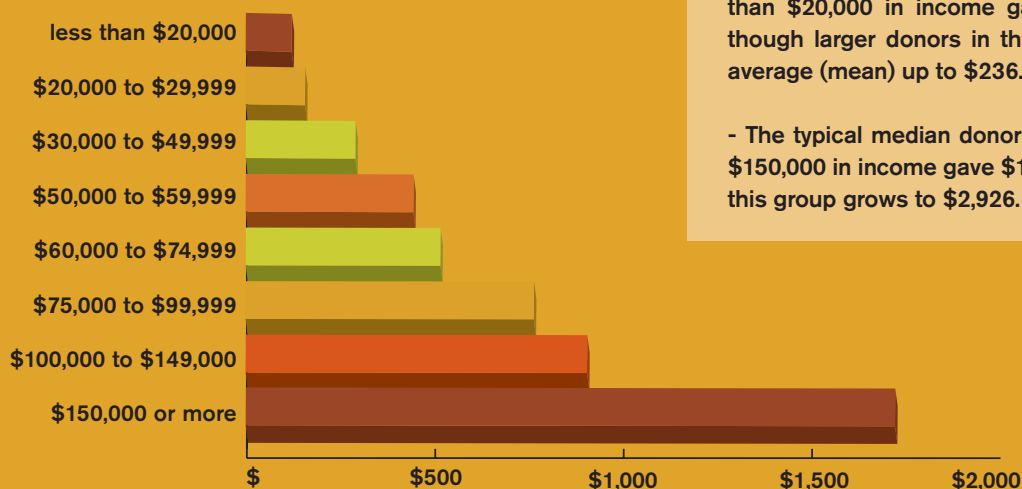
	Total (including nondonor households)	Donor Households
Percentage of households that gave to a charitable organization in 2008	77.3%	--
Average annual household contribution	\$1,242	\$1,609
Average percentage of 2008 household income contributed to nonprofits	2.2%	2.8%

▪ More than three out of four Arizona households made a contribution to a charitable organization in 2008. This is substantially higher than the 2006 figure stated in the previous Arizona Giving and Volunteering report, in which only 58.2 percent of Arizona households made a charitable contribution. A shift in data collection method likely influenced the results, to an unknown degree. Another difference is an increase in the number of households that moved from no contribution to a small contribution to a charitable cause.

▪ That increase in small donors drives down the average annual household contribution, as well as the percentage of income given, among donor households. The previous report shows that donors contributed an average of just over \$2,000 in 2006. The increase in small donors brings the average household contribution among donor households down to \$1,609. In 2006, donors contributed an even 3 percent of household income to charitable organizations. The increase in the number of small donor households brings the 2008 average down to 2.8 percent of household income among donor households. ***The declines in average do not represent a decline in giving, but an increase in the number of households making a small contribution.***

▪ On a national level, Indiana University's Center on Philanthropy Panel Study reports that 70.2 percent of U.S. households gave to charitable organizations in 2005. By that standard, Arizona is above average. However, the rest of the nation may also be seeing the similar 2008 uptick in households that made small contributions rather than no contribution at all.

Median giving by household income Table 2



- In general, higher charitable contributions come from households with higher incomes.

- The typical median donor household with less than \$20,000 in income gave \$50 in 2008, although larger donors in this category bring the average (mean) up to \$236.

- The typical median donor household with over \$150,000 in income gave \$1,767. The average for this group grows to \$2,926.

where did they give? Table 3

	percent of households giving	median 2008 contributions	average 2008 contribution
Religious Purposes or Spiritual Development	42.1	\$500	\$1,772
Basic Necessities	35.4	\$100	\$230
Youth or Family	27.9	\$100	\$244
Combination of Purposes	27.4	\$200	\$359
Education	25.9	\$100	\$263
Health	21.4	\$70	\$160
Environment	15.7	\$50	\$82
Neighborhood	12.7	\$50	\$155
Arts, Culture, and Ethnic Awareness	8.5	\$100	\$408
International	8.0	\$120	\$403
Other Purposes	15.2	\$124	\$236

Religious Purposes or Spiritual Development: Churches, temples, and mosques, for purpose of faith experience.

Basic Necessities: People in need of food, shelter, and other survival basics.

Youth or Family: Support of youth clubs, counseling services, shelters, and other similar services.

Combination of Purposes: Organizations like the United Way, Catholic Charities, or the Arizona Community Foundation.

Education: Donations to colleges, PTAs, libraries, or scholarship funds.

Health: Includes hospitals, cure associations, and medical research.

Environment: Preservation, animals, recycling, water, air, and solar.

Neighborhood: Community improvement, including community centers and associations.

Arts, Culture, and Ethnic Awareness: Donations to museums, theatre, or cultural heritage organizations.

International: International aid, human rights, and peace.

Other: Charitable or public purposes not covered above.

- In line with the conventional wisdom, giving to religious purposes (mostly weekly contributions to churches) tops the list. More Arizona households give to religious purpose organizations than any other charitable cause, and both the median and average contributions to churches is substantially higher than any other category.

religious vs secular giving

- One in three Arizona households gave to both religious nonprofits (such as their church) and to secular causes.
- One in three Arizona households gave only to a secular nonprofit.
- One in eleven Arizona households gave only to a religious nonprofit (such as a church).

Percentage of households giving:

33.2% Both religious and secular

35.3% Secular purposes only

8.8% Religious purposes only

why did they give? Table 4

Motivations for Giving	major motivation (%)
Belief that giving can help achieve change or bring about a desired impact	54.0
Identification with a certain cause	51.2
Feeling that those who have more should help those with less	49.3
Helping individuals meet their material needs	44.2
Religious beliefs	43.5
Belief that charities can provide public services better than government or private businesses can	33.2
Tax benefits	18.4
Being asked by a friend or associate	14.6
Being asked by your employer	2.9

We know from other research what the main reasons are for making a charitable contribution. We put a list of those reasons before our survey respondents and asked whether each motive was a major, minor, or no motivation at all for giving.

When we asked this question in 2007, “religious beliefs” was the most popular “major motivator.” In this study, “religious belief” falls to fifth place and is replaced at the top by a new item not included in the previous study: the belief that giving can make a difference.

why did they stop giving? Table 5

Reasons why people stopped giving	percentage who agree
I didn't feel connected to the organization any more	64.4
I stopped involvement with the organization	58.2
My personal finances did not permit it	52.8
Organization misled the public about its operations	46.7
Organization did not keep accurate records about me or my donation	21.8
I moved out of the area	15.7
Organization did not recognize or acknowledge my contribution	14.6
Other reasons	44.9

Three in ten of the people we surveyed recalled a decision to stop giving money to a nonprofit organization that they supported in the past. Consistent with our last study, the loss of connection to a particular cause or organization was the main reason people stopped giving.

“Other reasons” was popular too, suggesting that our list is incomplete. Popular write-ins included reasons such as, “administrative costs were too high,” “too political,” “organization has lots of cash,” “misspelled my name,” “gave our name to other organizations” and “no appeal from the organization.”

scope of giving

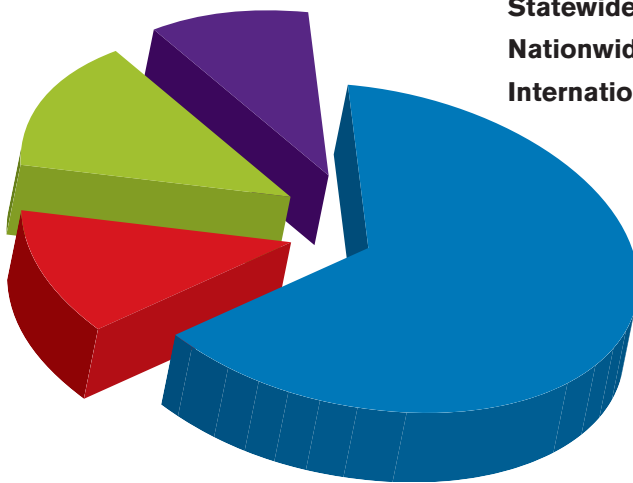
We asked respondents to split their overall giving into four categories:

Local: Local organizations serving mostly local interests.

Statewide: Arizona organizations focused on Arizona interests.

Nationwide: Organizations serving all of the United States.

International: Organizations focused on people or issues abroad.



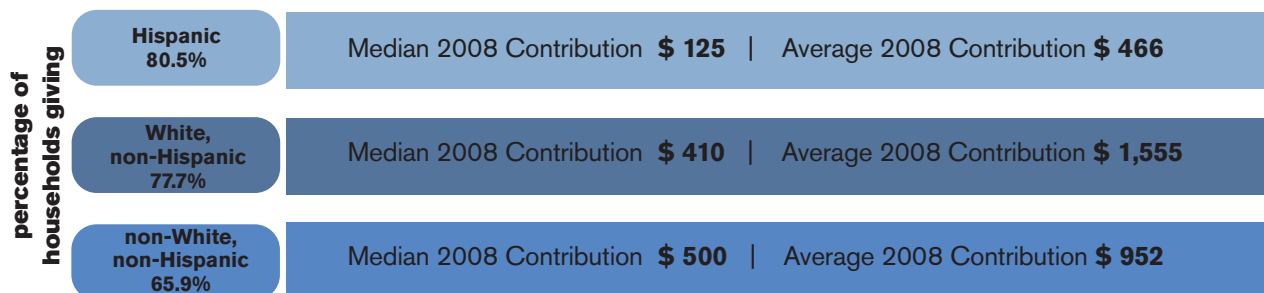
Giving by scope of services Figure 1

At 64 percent, a large majority of giving goes to local organizations. This squares with the fact that most individual charitable giving goes to churches and other faith organizations, most of which are local. Surprisingly, giving to national and international causes is as popular as giving to causes with a statewide focus. Study respondents estimate that nearly a quarter of their giving goes to causes outside of Arizona.

Giving Differences by Race and Ethnicity

Our study includes 70 people who identified as Hispanic, and 69 people who identified as non-white and non-Hispanic. This is too few for a detailed analysis of Hispanic giving, but sufficient for the high-level findings in Table 6.

Giving by racial category Table 6



Hispanic families are most likely to make a charitable contribution, although the size of contributions is lower than non-Hispanic households. The low median, and average, for Hispanic families reflect the larger number of small contributions: They are more likely to make a small donation rather than not give at all.

who volunteers?

In the section on giving, we asked respondents about the entire household. For volunteering, we asked about the individual filling out the survey. So, the findings about volunteering are about people rather than households. One in three Arizonans (33.3 percent) volunteered in 2008. This number is slightly lower than the estimate in the last report of 38.6 percent. Changes in the study may affect the estimates, but a decline would be in line with national studies that have documented declines in volunteering in the wake of a recession.

Volunteering differences by educational attainment Table 7

	% who volunteer	average time per week*	median time per week*
Less than High School	11.5	1 hr 32 min	55 min
High School Graduate	19.1	4 hrs 19 min	2 hrs 4 min
Some College	37.4	3 hrs 8 min	1 hr 23 min
College Degree	51.7	4 hrs 58 min	1 hr 51 min

The likelihood of volunteering is tied to educational attainment: people with higher levels of education tend to be more likely to volunteer than people with less education. However, people whose highest level of educational attainment is high school typically spend more time volunteering.

Volunteering differences by race Table 8

	% who volunteer	average time per week*	median time per week*
White, non-Hispanic	36.3	4 hrs 29 min	2 hrs 5 min
Hispanic	28.9	2 hrs 33 min	1 hr 23 min
Non-White, non-Hispanic	Too few cases to calculate reliably		

Men: 34.1% volunteer

average time per week*
3 hrs 49 min

median time per week*
1 hr 23 min

Women: 32.6% volunteer

average time per week*
4 hrs 9 min

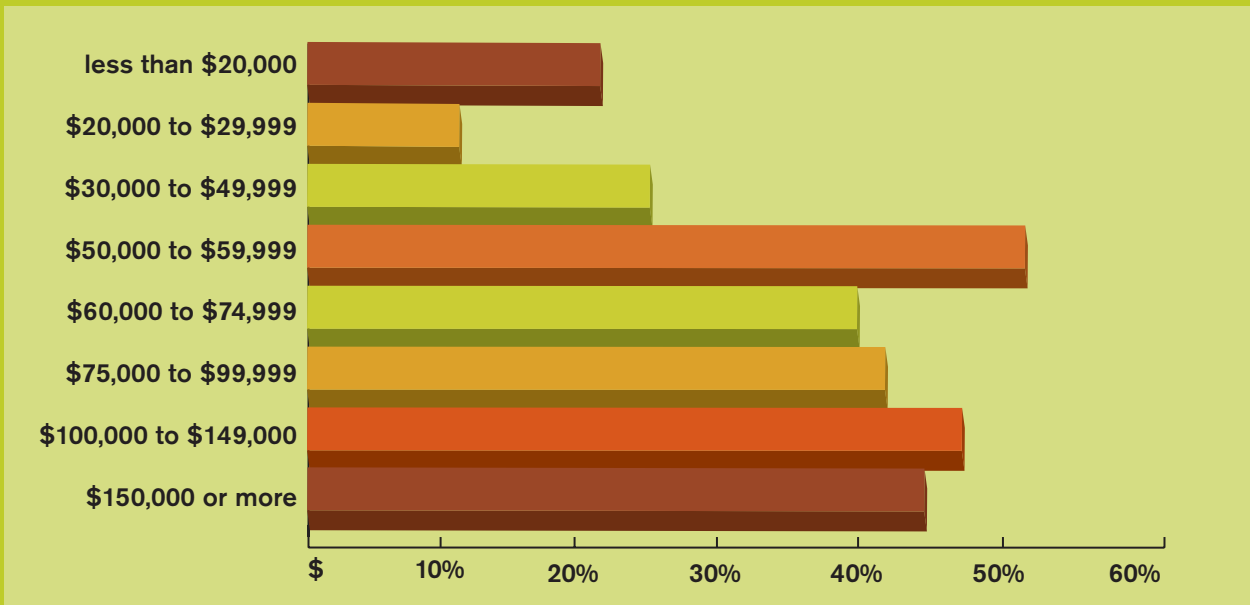
median time per week*
1 hr 59 min

33% Of Arizonans volunteered in 2008

4 hours Average time donated per week*

1 hr. 48min. Median time donated per week *

Percentage of Arizonans who volunteered in 2008 by household income Table 9



On page 2, we observed that households with higher incomes tended to give much more to charitable organizations than lower income families. However, while higher income families have a lot more money, they have the same number of hours in the day as low income families. As a result, the graph of volunteering by household income results in an unclear relationship. People from the lowest income families have a lower likelihood of volunteering, possibly because they are more likely to be recipients of services than volunteer providers.

where do people volunteer? Table 10

Percentage of Arizonans who volunteer		average time per week*	median time per week*
19.1%	At or through a religious congregation	2hr 4m	52m
19.0%	To serve children or youth	1hr 37m	41m
12.5%	To serve other people in need	52m	14m
11.3%	To serve seniors	1hr 18m	28m
7.3%	To serve people in poor health	1hr 16m	35m
5.9%	To promote social change	1hr	10m
8.0%	For other purposes	2hr 47m	1hr 9m
33.3%	For any formal charitable organization	4hr	1hr 48m

Consistent with our previous study, volunteering through one’s religious congregation or volunteering for programs that serve children or youth far outpace other volunteer efforts. Out of the 4 hours that Arizona volunteers average per week, more than half are spent in support of their faith community.

* Calculations for averages and medians only account for those who volunteered and do not include individuals who reported no time spent volunteering.

adding it all up

\$3.05 billion

450 million hours

Total Arizona household giving, 2008: 77.3% of 2.45 million households at an average annual gift of \$1,609= \$3.05 billion.*

Total Arizona individual volunteering, 2008: 33.3% of 6.50 million people at an average of 208 hours per year = 450.25 million hours.*

the future of giving

We collected information for this report in the summer of 2009, at the height of economic recession and amid widespread concern about our own futures, as well as that of neighbors, the state, and the nation. The status of the economy has remained largely unchanged, and it appears that the trends identified in this report are continuing.

One piece of good news shared at the beginning of this report is that more Arizona households appear to be making contributions to charitable organizations. Even though these contributions are small, they represent a willingness of Arizonans to share in the responsibility of their community enterprises. Also, among households that did not make a gift in 2008, over half of those expressed that they would make a future gift or would consider it. The willingness for non-giving households to become donors, even at low levels, is significant. Perhaps the future may be brighter than we sometimes think.

Despite the economy and philanthropic trends, the nonprofit sector is resilient. Armed with critical missions and dedicated supporters, no other sector is better equipped to weather a storm, and nonprofit organizations will continue their ceaseless enterprise to support our communities.

arizona giving & volunteering generosity and involvement in challenging times 2010

* Population estimate from the U.S Census Bureau. Household estimate based on an average of 2.65 people per household reported for Arizona in the 2005 American Community Survey.

methodology

Data used to compile this report were collected in the summer of 2009 by the ASU Morrison Institute for Public Policy as part of its ongoing Arizona Indicators Panel Study. The questions are similar to the 2008 Giving and Volunteering Report (based on 2006 data), but the collection method differed in important ways, such as collecting data by web interface instead of telephone. Consequently, differences in results can be partially attributed to the change in approach.

The 2010 Giving and Volunteering report was organized by the ASU Lodestar Center for Philanthropy and Nonprofit Innovation. This collaboration leverages the working relationship between Morrison's Arizona Indicators Study and Knowledge Networks, a firm that specializes in web-based general population surveys.

Knowledge Networks cultivates a national sample of survey takers who sign on to its KnowledgePanel. Households commit to filling out web-based surveys on computers in their homes. Approximately 1,000 Arizonans sit on the KnowledgePanel, and are the subjects of the current study. Economically disadvantaged respondents may receive the benefit of computer hardware and internet access necessary for participation in the panel, which facilitates their involvement in the study. **Of the panelists invited to participate, 687 completed the survey.**

Arizona Panel Members are age 18 and above. Household respondents for this study ranged from 18 to 89 years of age. They come from all Arizona counties, ranging from 383 respondents in Maricopa County (55.7 percent) to one representative of Apache County. Respondents could choose a Spanish version of the survey, and 27 households did so.

As with all surveys of this type, the people who choose to respond are not precisely representative of the Arizona population. Consequently, Knowledge Networks creates a weight so that under-represented individuals count more and over-represented individuals count less. The weight takes into account respondent sex, age, race, and educational attainment, as well as whether the household is in a metropolitan area, whether it has internet access, and the degree to which Spanish is spoken in the home. We use the weights in the analysis presented in the report so that we can be more confident that the results represent the actions and feelings of the people of Arizona.

ASU **Lodestar Center**
for Philanthropy & Nonprofit Innovation

A R I Z O N A S T A T E U N I V E R S I T Y

The mission of ASU's Lodestar Center is to help build the capacity of the social sector by enhancing the effectiveness of those who lead, manage, and support nonprofit organizations.

ASU Lodestar Center for Philanthropy & Nonprofit Innovation

College of Public Programs

411 N. Central Ave., Suite 500

Phoenix, AZ 85004-0691

602.496.0500

<http://lodestar.asu.edu>