

Executive Summary
Charitable Giving to Education, Health and Arts:
An Analysis of Data Collected in the
Center on Philanthropy Panel Study, 2003

A report prepared for

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Introduction

Charitable Giving to Education, Health and Arts: An Analysis of Data Collected in the Center on Philanthropy Panel Study, 2003 provided additional analysis of data collected in the 2003 Center on Philanthropy Panel Study (COPPS) about household giving during 2002. The research was conducted by the Campbell & Company research fellow at the Center on Philanthropy at Indiana University, underwritten by Campbell & Company.

The study gathered statistical data about how many households in the United States provide philanthropic funding and at what levels, by type of organization. It also examined the effects of variables on giving, beyond wealth and income, to three subsectors—arts, education and health—and found important differences in personal and household characteristics of donors to these subsectors. The resulting data provides a picture of the factors that lead a household to give to particular causes and at particular levels, from which the study analysis draws to suggest some preliminary implications for fundraising strategy. Because the study focused primarily on factors other than wealth and income, the implications for fundraising may be most relevant to annual fund and membership campaigns.

The statistical analysis of the study is outlined below and the implications are summarized in the following sections of this document.

Overview of COPPS Data

About 67 percent of households donate to charity, at an amount of \$25 or more. Donor households contributed, on average, \$1,872 each in 2002. Among all households:

- 11 percent contribute only to religion.
- 34 percent contribute to religion and to secular causes.
- 21 percent contribute only to secular causes.
- 33 percent do not make charitable gifts of \$25 or more in a year.

Giving by Type of Organization

Donors to secular causes (including those who also gave to religion) contributed on average a total of \$859 to all secular causes, which included ten separate types of giving: education; health; children, families and basic needs; arts and culture; combined fundraising campaigns; environment or animals; international peace or aid; community or neighborhood; and other. The figure on page 3 shows the percentage of households contributing to each type of charity and the average gift by donors to that type of organization.

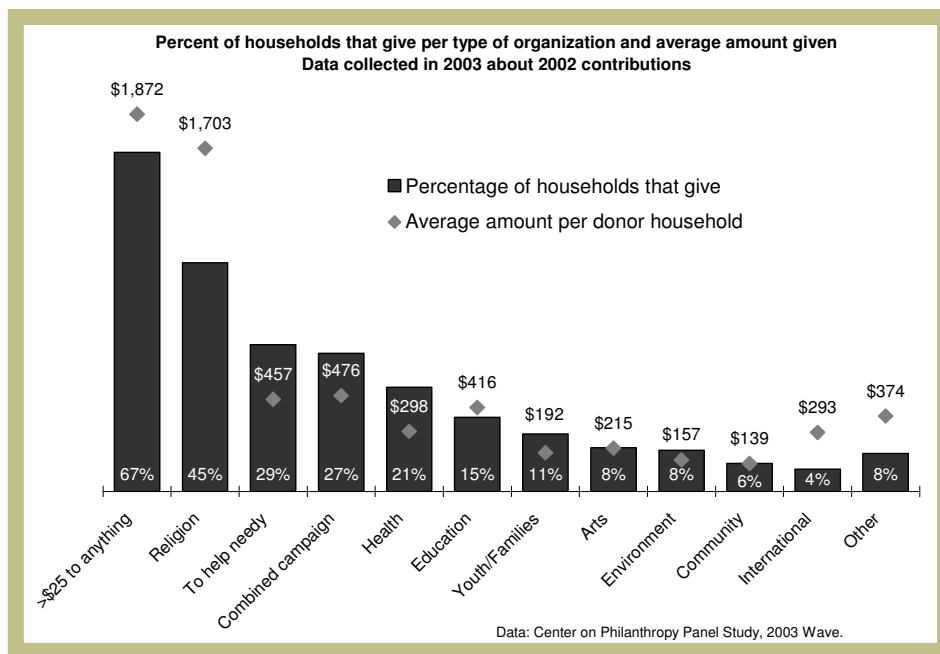


Figure 1
Percent of households that give, per type of organization and average amount given.

Donors to Arts, Education or Health

Arts donors comprise 14 percent of the donors to secular causes (and 8 percent of all households). Arts donors are more likely to support a number of secular causes, averaging 3.75 (of the possible 9 total). Overall, arts donors give to secular causes that average 2.1 percent of their income, one of the highest shares of income found for secular giving. The average amount contributed to the arts by these donors is \$215.

Education donors make up about 26 percent of all households that give to secular causes. These donors support, on average, 2.7 other secular causes. Education donors give amounts to secular causes that average 1.5 percent of their income. The average amount contributed to education by these donors is \$416.

Health donors make up about 37 percent of all households that give to secular causes. These donors support, on average, 2.4 other secular causes. Health donors give amounts to secular causes that average 1.2 percent of their income. The average amount that they contribute to health organizations is \$298.

Combined Giving

In the subset of households who contributed to arts, health or education, arts donors were those who would most often donate to at least one other of the subsectors studied. Figure 3 on page 4 illustrates the percentage of households that give to each subsector, both alone and combined.

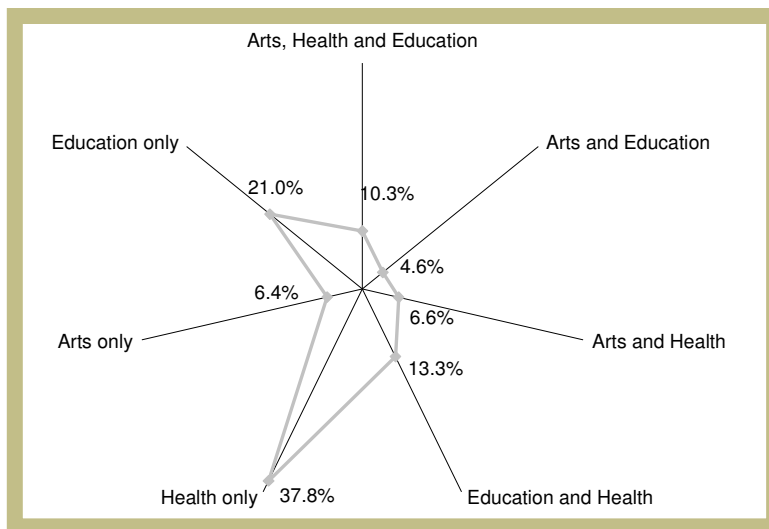


Figure 3
Among households giving to arts, education, or health or any combination Percentage that give to each alone and to combinations

Only 6.4 percent of the donors giving to at least one subsector only gave to arts. Arts giving was most often combined with giving to at least one other subsector (10.3 percent of the subset gave to all three subsectors; 4.6 percent gave to arts and education; and 6.6 percent gave to arts and health, for a total of 21.5 percent giving to arts and some other cause).

Education donors were more likely to be donors to one of the other subsectors (28.2 percent is the sum of arts, education and health donors at 10.3 percent; arts and education donors at 4.6 percent, and education and health donors at 13.3 percent) than donors only to education (21.0 percent).

Health donors, by contrast, were most likely to support only health-related organizations (37.8 percent), rather than health plus at least one of the other subsectors (30.2 percent is the sum of arts, health and education donors at 7.9 percent, arts and health donors at 6.6 percent and education and health donors at 13.3 percent).

Variable Effects and Applications to Fundraising Practice

It is already well known that income and wealth are the most significant factors in a household's decision to make a gift, and how much to give, to a cause. This study, however, examined other variables affecting these decisions. The study found that after wealth and income, the variable that mattered most in the three subsectors (arts, education and health) was that donors to a specific subsector were likely to be volunteers or donors to any other charity.

The variable effects are summarized in Table 1 on the following page.

Table 1

*Level of statistical significance for variables in the combined model
("give" or "not give" combined with determinants of amount of gift)*

Variable:	Segment:	Arts	Health	Education (>=B.A./B.S.)
Household economic status				
Income		+++	+++	+++
Wealth without home equity		+++	+++	+++
Itemizes deductions			+++	
Head of household				
Retired (vs. working)			++	
Age		++	++	
Gender (if male, then)			---	--
Marital status (compared with Single/Divorced/Separated)				
Married/widowed				++
Children in the home				
Number at home		---	---	++
Level of Education (compared with H.S. or less)				
Attended college		++		
B.A./B.S.		+++	++	
Post-graduate		+++		++
Religious affiliation (compared with no religion)				
Catholic		--		
Protestant		--		
Jewish			+++	
Region				
New England			+++	++
South				--
Community type				
Metropolitan (vs. rural)		+++		
Other signs of altruism/generosity				
Volunteering (yes)		+++	+++	+++
Giving to other subsectors		+++	+++	+++
Never significant				
Race/ethnicity				

Key:

+++	positive effect	$p \leq .01$	99% or better certain that results are due to differences in the characteristics studied and not to chance
++	positive effect	$p \leq .05$	95% certain results not due to chance
---	negative effect	$p \leq .01$	
--	negative effect	$p \leq .05$	

From the above data, some preliminary implications can be drawn about fundraising strategy for the three sectors studied.

Arts: The most important variables for arts giving include contributions to other causes, household wealth and the level of education of household members. These variables are followed by volunteering and age. From this data, implications for arts fundraising include:

- Because most arts donors also give to other causes, arts organizations may wish to consider partnerships with other organizations to attract participants, volunteers and ultimately donors.
- Level of education is the strongest predictor of arts participation and giving, suggesting that partnerships with institutions of higher education would be particularly beneficial.
- Because arts giving decreases with family size, organizations should identify ways of involving families with children.
- Giving to arts organizations also decreases among those who report active Catholic or Protestant affiliation, perhaps because active church members participate in the arts through services and concerts at church.

Education: After income and wealth, other philanthropic activity was the only factor with a strong positive correlation to giving to education. Philanthropic activity includes both giving and volunteering.

- With such a strong relationship between giving for other types of organizations and giving to education, educational institutions should develop their volunteer ranks to encourage future contributions.
- Institutions may want to find ways of identifying constituents who volunteer for other causes but may not yet be their donors.
- Because education giving rises with family size, the challenge may be to keep giving up once children are no longer in the household.
- Households that include a woman, whether as a single head of household or part of a married couple, give more for education. This suggests that women make many decisions about giving to education.
- Giving to education is not associated with religious affiliation.

Health: After household income, giving to other charities was the variable with the strongest effect on giving to health-related causes.

- A surprising finding was that those identifying themselves as Jewish (either in faith or culture) give more to health causes.
- Although health giving decreases as family size grows, the data suggests that engagement of households with children may yield marginal returns.
- Health giving is not associated with marriage, but health giving is lower in households headed by men. Unlike education, health giving is not affected by the presence of a woman in a male-headed household.

About the Center on Philanthropy Panel Study (COPPS)

The Center on Philanthropy Panel Study (COPPS) is part of the Panel Study of Income Dynamics (PSID), an extensive survey conducted every year or every other year since 1968 by the University of Michigan's Institute for Social Research. The PSID now tracks nearly 8,000 U.S. single and family households, surveying up to three generations in some families. Partially supported by the National Science Foundation, PSID is the only social science project on the agency's list of 50 NSF-funded projects that have transformed the way Americans live, think and work.

Campbell & Company sponsored additional analysis of data about giving in 2002 that was gathered during the 2003 COPPS. The 2006 Campbell & Company Research Fellow at the Center on Philanthropy, Takayuki Yoshioka, conducted the analysis.

About the Center on Philanthropy at Indiana University

Every culture depends on philanthropy and nonprofit organizations to provide essential elements of a civil society. Effective philanthropy and nonprofit management are instrumental in creating and maintaining public confidence in the philanthropic traditions--voluntary association, voluntary giving, and voluntary action. The Center on Philanthropy at Indiana University increases the understanding of philanthropy and improves its practice through programs in research, teaching, public service and public affairs.

The Center on Philanthropy at Indiana University is a part of the IU School of Liberal Arts at Indiana University-Purdue University Indianapolis. The Center has academic and research programs on the IUPUI and the IU-Bloomington campuses. To learn more, please write the Center on Philanthropy at Indiana University, 550 W. North St., Suite 301, Indianapolis, IN 46202-3272, telephone 317-274-4200, or visit the Center on the web at www.philanthropy.iupui.edu.

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