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DETERMINANTS OF CHARITABLE GIVING: A REGIONAL AND DIVISIONAL
ANALYSIS

by
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A THESIS

Submitted to the graduate faculty of The University of Alabama at Birmingham,
in partial fulfillment of the requirements for the degree of
Masters of Public Administration

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2009

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Abstract

This paper analyzes charitable giving trends on a regional and divisional level using a weighted sample of almost 15,000 501(c)(3) organizations operating within the United States. The analysis identifies the type of charitable organization, based on the major NTEE Classification as determined by the Internal Revenue Service, which is currently receiving the greatest level of direct support from the community. The findings of this research can be applied by nonprofit organizations to better plan their fundraising efforts and create an understanding of the giving trends of the community they serve. While an understanding of the giving trends of an agency's donors is always a valuable resource for a nonprofit organization, this information is especially important during times of economic downturn.

Dedication

For as long as I can remember, my mother has insisted that I could do anything I wanted to do if I tried my hardest. Her unwavering support and belief in me helped me decide to go back to school for my Masters degree and excel. Daily phone calls to check on the progress of my thesis helped me stay on track and finish my research. For her constant support, I dedicate this research to my greatest supporter and champion, my mother.

From the moment I met my husband, he has never had any doubt in my abilities, even when I did. His total support of my decision to quit my job and go back to school full-time was just the beginning. Whenever I needed encouragement, a laugh, or a fresh Diet Coke he was there, as he always has been. For always believing in me and supporting my dreams, I dedicated this research to the love of my life, my husband Wes.

Acknowledgements

There are so many people who made this research possible. I owe more than I can say to my Thesis Chair, Donna Handley, PhD., who always had words of encouragement for me when the doubt started creeping in. I cannot count the number of times she told me that this was a big project but if anyone could do it, it was me. Drs. Haque and Howell-Moroney were there for me, to answer questions and offer constant support and guidance both as thesis committee members and professors. Finally, Dr. James Slack, thank you for always challenging me in your classes. I can honestly say that I learned a great deal from the experience.

Equally important to this process are my wonderful friends in the MPA program, Channing Ford, Jason Turner, Melanie Helser, Wesley Taylor and so many others. I would not have made it through the program without each of you. When classes got tough we helped each other study, blow off some steam, or commiserated over our shared agony. I expected to leave this program with valuable knowledge and a degree; I didn't expect to make such wonderful friends along the way. Thank you for being there for me, I hope I was there for each of you when you needed me as well.

To my fellow Nonprofit Management classmates: I cannot thank each of you enough for making our classes enjoyable and for raising the bar for each of us. If each of you hadn't been so dedicated to producing high quality work, I may have settled for less than my best. We have all learned so much about each other and I look forward to seeing each of you outside of the classroom for many years to come.

Finally, thank you to my fellow Graduate Assistants, Meghan Ann Hauswirth and Susan McCarroll. You both made it easier to get through a long, often dull day. I always knew that I would have fun at work when the two of you were there with me. Enjoy your own thesis writing experience. I will be thinking of you both.

There are so many others that should be named but there simply is not enough room. Know that each of you have meant the world to me and I will always remember your kind words of encouragement and support.

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INTRODUCTION

The lifeblood of non-profit organizations is charitable donations made by corporations, philanthropic agencies, and individuals that help supplement any Federal funding they may receive. “Charitable giving in the United States reached a record high of \$295.02 billion, and most subsectors saw increases in contributions, according to *Giving USA 2007*” (http://www.afpnet.org/ka/ka-3.cfm?folder_id=2345&content_item_id=24114). Due to the limited resources available to non-profit agencies, it is imperative that these organizations capitalize on their resources in a manner that will yield the maximum potential donations without redirecting resources from the community they serve. By getting the most out of their fundraising prospects, a greater portion of the non-profit agency’s available resources can be dedicated to the stated purpose of the organization. An increased efficiency in fundraising is imperative for a non-profit agency, and understanding the best target audience is vital to increased efficiency.

Non-profit organizations are aware of the importance of quality fundraising efforts. By having a better understanding of the environment in which they operate, a non-profit can better predict the outcome of their fundraising efforts. Given the importance of properly targeting fundraising efforts, the central question of this research is as follows:

Research Question: *Are there regional differences in charitable donation patterns?*

Research Hypothesis: *The decision to support a given type of nonprofit organization is affected by the region and division of the country in which a donor lives.*

LITERATURE REVIEW

By understanding the factors that affect charitable donations, non-profit organizations will be better able to determine where to seek charitable donations. Furthermore, it may be possible for non-profits to determine the best possible area for a new location during times of expansion or relocation. Additionally, newly formed or currently forming non-profits will be able to determine which region may provide the greatest amount of financial support in the form of charitable donations. Knowing the geographical location that offers the greatest potential for charitable donations will allow a non-profit to grow and have an increased impact on the community which they serve.

The existing research available on the topic of charitable donations indicates that there are a number of factors that influences giving to a non-profit organization. These factors include race, religion, and an overall impression of the organization asking for support. By developing an understanding of these factors, it is possible to determine regionally which areas are most likely to support a non-profit.

Charitable Giving Determinants

“Over the past 100 years several approaches have emerged from the economic, clinical psychology, social psychology, anthropology and sociological perspectives attempting to address” the issue of how and why people donate (Sargeant, West, & Ford, 2004). Some variables that affect giving have been identified as age, gender, social class,

social norms, and religiosity (Sargeant, West, & Ford, 2005). Furthermore, they found that there are “intrinsic determinants” for charitable giving. These factors include empathy, sympathy, emotions of fear, guilt and pity, and a desire to restore faith in social justice. Sargeant et al, 2004 & 2005 have developed a method for measuring the key determinants which resulted in charitable donations within their studies. These determinants are perceptions of benefits provided, demonstrable benefits, familial utility, perception of the charity, effectiveness, efficiency, perception of the fundraising organization, performance, and service quality. The findings of these studies indicate that public support for non-profits is not the same as support for a for-profit organization. While trust in the management of the company is of great importance in the for-profit sector, donations to non-profit organizations are based more on the perceived benefits to the community the non-profit provides than on trust.

Religiosity and Charitable Donations

As Sargeant et al, 2004 & 2005 discovered, religiosity plays a role in the likelihood that an individual will volunteer and support charitable endeavors. While those individuals who attend church frequently and on a regular basis have been shown to be more involved in volunteerism and non-profit support, individuals who live in an area with a higher level of avid churchgoers are also more likely to support charitable causes in their area regardless of their religiosity (Ruiter & De Graaf, 2006). While this trend does not prove true for all fifty-three of the countries featured in this study, this trend holds true for the United States and other countries with more extensive welfare states. The impact of religiosity on charitable support can be explained by the importance that all religions place on an individual’s responsibility to the poor (Regnerus & Sikkink, 1998). For the purpose of this study the poor

are identified as short-term and long-term poor, government assisted and independent, working and non-working, and individuals with families and without. Regnerus & Sikkink's findings support the findings of Ruiter & De Graaf in terms of the importance of religiosity with respect to charitable involvement. This study found that the study participants who identified themselves as nonreligious give less money to organizations which help the poor than do active churchgoers. Furthermore, the study identified the likelihood that other groups would support charities and non-profit organizations dedicated to assisting the poor:

Here it has been noted that gender (women) and higher religiosity bear a significant positive effect on compassion toward the poor and less privileged. High social status has been found to predict less favorability toward the poor. The effect of education on favorability appears to vary. Blacks are quite a bit more likely to support increased assistance to the poor than whites, all other things being held constant, as are Democrats when compared with Republicans (Regnerus & Sikkink, 1998).

While these studies on the impact of religiosity on charitable support focus on assisting the poor, both studies provide important determinants of charitable giving that can be used for all non-profit organizations.

Charitable Donations and Gender

A dramatic increase in charitable giving is expected in the twenty-first century as a result of many factors: the social policies implemented by Presidents Reagan and Bush, the net worth amassed during the 1980s among the upper level income holders in the United States, and the number of older Americans who are expected to bequest close to \$10 trillion (Marx, 2000). Another factor that will drive up the total support enjoyed by non-profit organizations is the support of women who are now in control of the majority of wealth in the United States. According to Marx (2000), this shift in financial control will lead to greater support for non-profit organizations that are dedicated to women's issues. Marx

further states that there is a potential for a new women's movement, concerned with the issues facing women, that can ultimately help further the causes of the "currently beleaguered human services field" (Marx, 2000). The results of Marx's analysis indicated that people who support human services non-profits are more likely to be white females with an above average income who volunteer with human services organizations. Understanding the findings of this study is crucial to the on-going success of human service organizations as these organizations generally have a smaller budget for fundraising.

Current research suggests that there are "significant gender differences in the attitudes and beliefs about caring and self-sacrifice, altruism, empathy, social reasoning, role-related norms and motives, and care and well-being of others" (Mesch, Rooney, Steinberg, & Denton, 2006). While there are notable differences in charitable participation along gender lines, the monies donated by each gender tend to be equal in most cases. The notable exception is in the bequests left by men and women. While more women made bequests to charitable organizations, men tend to leave more money in the form of a bequest. This finding supports the idea that men support charitable organizations as a means of maintaining their social standing whereas women make donations that will best affect change (Mesch et al, 2006). The research further indicates that married couples give as frequently as single women. This trend in civic engagement is believed to be the result of socialization of men by their wives with regards to charitable giving. While the conducted study was specific to the state of Indiana, the results could be applicable to the entire country.

Charitable Donations and Race

Another emerging force that is beginning to drive charitable contributions in this country is the young African American population as a direct result of the increased level of education within this community (Jackson, 2001). Just as Marx found that women are more likely to donate their money and time to organizations that further the causes that they believe are important to their gender, Jackson has found that the African American youths are more interested in donating to organizations that benefit their community. Jackson found that one of the driving forces in supporting a non-profit organization is similar, but not identical, to the determinants discussed by Sargeant et al. Jackson states that the determinants that are important in African American giving are religiosity, communities of participation, framework of consciousness, direct requests, discretionary resources, model's and experiences from one's youth, urgency and effectiveness, and rewards - intrinsic and extrinsic (Jackson, 2001). While this study is racially specific, the findings are similar to the findings of the gender study as well as the studies concerned with overall charitable support.

By studying the giving patterns of Caucasians versus African Americans and Latinos, Mesch et al found that a larger number of Caucasians donate funds to a wide range of charitable organizations, while the greatest number of individuals who volunteer with charitable organizations are African American women.

Charitable Donations and Household Income, and Donor Age

Among the various determinants of charitable giving, the key factor in determining the likelihood that an individual will donate to a charitable organization appears to be annual household earning (Gittell & Tebaldi, 2006). Gittell and Tebaldi found that additional

predictors of charitable giving are stock market returns, financial security, and higher education levels. Furthermore, age has an impact on the giving potential for an individual.

The Center on Philanthropy at Indiana University found

People with a charity named in their will tended to be between 40 and 50 years of age, indicating that fundraisers should focus on younger individuals for charitable bequests. Individuals between 40 and 60, the Boomer generation, are a significant proportion of the population. This group was also found to be a significant share of those who have already named a charity in their will and also those who are willing to *consider* making a bequest (50% and 50% respectively) (2007).

The research conducted at Indiana University examined the relationship between “socio-economic status, giving during life, charitable bequest intent, and motivations for charitable giving”. Based on these study results, three archetypes were identified that indicate the factors that motivate potential donors. The first archetype identified is the “community core”, individuals between the age of 40 and 60 with an annual household income of \$50,000 - \$75,000. This group identified a desire to do what is expected, to do good works and is most likely to name a charity in their will. The second archetype is the “climber”, young individuals between the ages of 35 – 40, most likely married, with an annual household income of \$75,000 - \$100,000. The motivators for the “climbers” were identified as helping others and giving back to their communities; however, they are the least likely to name a charity in their will. The final archetype identified in this study is the “retiree”, individuals over the age of 65 with an annual income of \$25,000 - \$50,000. Only 4% of retirees have named a charity in their wills. By cultivating an understanding of these archetypes, fundraisers can better target the groups most likely to make donations during their lifetime as well as bequest funds to their organizations at their time of death.

Why People Do Not Make Charitable Contributions

Understanding who is most likely to donate to a non-profit organization, as well as the motivations behind the decision to donate is important; however, it is equally important to understand why people do not donate their time or money. There are two primary schools of thought regarding why people make charitable donations: social exchange theory and the empathy-altruism hypothesis. Social exchange theory states that people give as a result of their desire to maximize their benefits and minimize their costs while the empathy-altruism hypothesis states that people are not always self-seeking and will help out those in need because of empathetic feelings towards the cause (Eveland & Crutchfield, 2007). While providing insight into why a person decides to give, these theories also provide insight into why individuals refuse to give. Organizations that do not speak to a person's direct needs and will not result in a benefit to the contributor will have less community support than an organization that is able to provide these benefits. Furthermore, organizations that support causes that do not elicit empathy from the donors are likely to experience donation shortfalls. This does not mean that it is impossible for non-profits in this situation to successfully cultivate donors; however, it does make the job significantly more difficult. The increased difficulty in securing contributions further illustrates the importance of knowing who an organization should target for support.

By developing a model that best targets the donors who are most likely to support a given cause within a specific geographical region, non-profits can better predict the success of their organization. The referenced literature addresses the need to understand the key determinants that lead to charitable donations; however, it fails to apply this information in a regional manner. All of the research currently available provides a snapshot view of the factors involved in understanding charitable giving motivations. The information fails to

provide a comprehensive view of charitable giving and predictors of support for the entire country. By applying this information to the four regions of the United States: the South, Northeast, Midwest, and West, and the nine divisions: New England, Middle Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain and Pacific, a charitable organization can best determine where they will receive the most support through financial donations.

METHODOLOGY

The purpose of this research is to determine the factors that have a significant relationship to an individual's decision to support a nonprofit organization. Furthermore, this research aims to identify the type of nonprofit organization, based on National Taxonomy of Exempt Entities (NTEE) classification system, which is likely to receive the greatest level of direct support from the community.

Data Description

The primary data used to conduct the analysis was obtained through The Urban Institute's NCCS Data Web system (<http://nccs.urban.org/>). According to the Urban Institute, "The Statistics of Income Division (SOI) of the U.S. Internal Revenue Service prepares research files annually for 501(c)(3) public charities and private foundations, and for other exempt organizations" (<http://nccsdataweb.urban.org/NCCS/Private/index.php?page=CHome>). This data set consists of a sample of all 501(c)(3) organizations that filed a *Form 990 Return of Organization Exempt from Income Tax* for the tax year 2005. The sample is stratified and weighted by asset level (<http://nccsdataweb.urban.org/kbfiles/742/NCCS-data-guide-2006c.pdf>). This sample includes organizations from all fifty states with data on 414 variables and 14,968 cases. Of these 14,968 organizations, 135 have been excluded from the analysis because the agencies are US nonprofit agencies operating internationally.

The secondary data used in this analysis is from the United States Census Bureau compiled from the 2000 census. This data set introduces the pertinent regional variables necessary to answer the research question. The primary and secondary data sets were

combined using the merge function in SPSS and new variables for region, division, percentage of direct support, age, and educational attainment were created.

$$\begin{aligned} \%ofdirectsupport = & \beta_k \text{Regions} + \beta_k \text{NTEECODE} + \beta_k \text{MHHI} + \beta_k \% \text{EducationalAttainment} \\ & + \beta_k \% \text{Married} + \beta_k \% \text{White} + \beta_k \text{StatePopulation2000} + \beta_k \text{MedianStateAge} \end{aligned}$$

Key Variables

Dependent Variable

The dependent variable for this analysis is direct public support. While all financial contributions received by nonprofit organizations are valuable to the agency, this analysis is concerned exclusively with the amount of support received directly from the community. Therefore, the only financial data being considered is the information provided on line 1a of the 501(c)3 organization's Form 990. Furthermore, this value has been represented as a percentage of total contributions received by the organizations during 2005.

Independent Variables

There are numerous independent variables being examined in this analysis. In order to gain a true understanding of the regional and personal determinants that affects an individual's propensity to support a nonprofit organization, it is crucial that each of these variables be included in the analysis. Previously conducted scholarly research indicates that each of these factors, excluding region, division and NTEE classifications, are relevant to an individual's decision to support an organization; however, the impact of all of these variables combined is the focus of this research.

Regions and Divisions of the United States

The first independent variable used in this analysis is region. Region is based on the US Census Bureau's regional designation and is represented in four categories: Northeast, Midwest, South, and West (Figure 1). Dummy variables were then created to allow for analysis of each region. The primary focus of the research will focus on the four regions

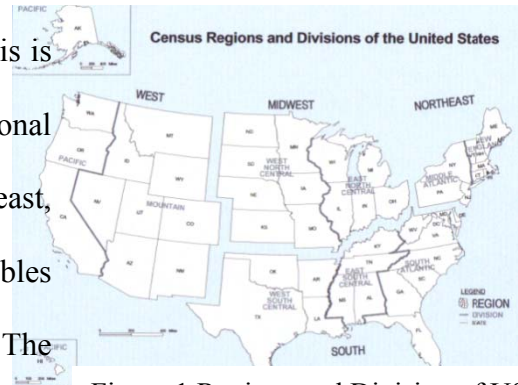


Figure 1 Regions and Division of US

of the United States; however, secondary research will focus on the nine divisions of the United States as defined by the US Census Bureau: New England, Middle Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain, and Pacific. As with the regions, dummy variables have been created to conduct the analysis. Results for a given region may not be reflective of the results for the divisions comprising the region. Divisional results will be analyzed as well to create a more accurate indication of giving in an area.

National Taxonomy of Exempt Entities (NTEE) Classification System

The Internal Revenue Service (IRS) recognizes over 600 NTEE classifications for 501(c)(3) organizations which fall into nine major categories. This analysis will be conducted using the nine major NTEE codes designated by the IRS: Arts, Culture, and Humanity; Education; Environment; Health; Human Services; International; Mutual Benefit; Public and Social Benefit; and Religion. Dummy variables have been created for each of the nine NTEE classifications. It is anticipated that inclusion of the NTEE classification system as a variable in this analysis will provide an indication of the type of organization receiving the greatest level of direct monetary support for each region and division.

Other Variables of Interest

Median Household Income

Research has been conducted on the relationship between household income and charitable giving. A higher level of income is expected to lead to greater charitable giving. By including the median household income for each state, it will be possible to explore the relevance, if any, that household income plays in the decision to support nonprofit organizations financially.

Educational Attainment

Charitable giving has been linked to educational attainment and research indicates that a higher level of education equates to increases in charitable giving. The US Census Bureau reports data on educational attainment at various levels. In this analysis, educational attainment is represented by the percentage of the population within a state with a Bachelors Degree or higher. These values were combined to measure the affect of higher education on giving without focusing on the degree specifics.

Marital Status

Research indicates that marital status has a positive impact on the probability that an individual will donate to a nonprofit organization. The US Census Bureau reports data on marital status in each of the fifty states. These variables are presented in five categories: Single, Never Married; Married, Not Separated; Separated; Divorced; and Widowed. This analysis will focus on the percentage of individuals in each state who are currently married to determine if marital status has an impact on charitable giving.

Median State Age

The US Census Bureau provides data on the age of the individuals living within a state in variety of ways. These categories are ages 18 to 24, 25 to 44, 45 to 64, and 65 and over and for each of the fifty states. For the purpose of this analysis, the median state age is being analyzed to determine if age impacts charitable donations within the regions and divisions.

Percentage of Non-Hispanic White Individuals by State Population

The impact of race on an individual's decision to support a nonprofit organization will be analyzed using three variables relative to the donor's race. The focus of this analysis is the "Non-Hispanic White" population in each state, represented as a percentage of total state population.

EXPECTATIONS

Previous research indicates that each of the variables being analyzed is a significant determinant of an individual's likelihood to make a charitable contribution. However, when the determinants are combined, it is my expectation that all factors will not remain statistically significant. I expect the results will indicate that the region or division in which an individual resides will be statistically significant, as will the type of organization, as designated by the NTEE Classification System. Furthermore, it is expected that the other variables being analyzed in this research will also prove to be significant, even if they are not significant at the same levels as the other variables discussed.

Additionally, it is anticipated that distinct giving patterns, which are exclusive to each region and division, will emerge. For instance, California enforces the most severe emissions laws and standards of any state in the country. This heightened importance on the environment in this state and others within the West region leads the research to anticipate a higher level of direct support for 501(c)(3) organizations primarily concerned with preserving the environment. In contrast, it is anticipated that the South Region will result in a higher level of giving to nonprofit organizations primarily concerned with religion. This expectation stems from the fact that the states that comprise the South Region are also part of the "bible belt" region of the country.

RESULTS

The results of this analysis are presented in five sections. These results are first presented in a national overview format. The remaining four sections focus on the specific region of the country with additional information for each division located within the featured region. Within each of these sections, a table has been included that provides a snapshot of the data pertinent to charitable giving within the designated area. However, data on the median household income for each area is unavailable as the census bureau doesn't calculate it on a regional or divisional basis. Additionally, a graph displays the total giving for organizations in each of the nine NTEE classifications in 2005 dollars.

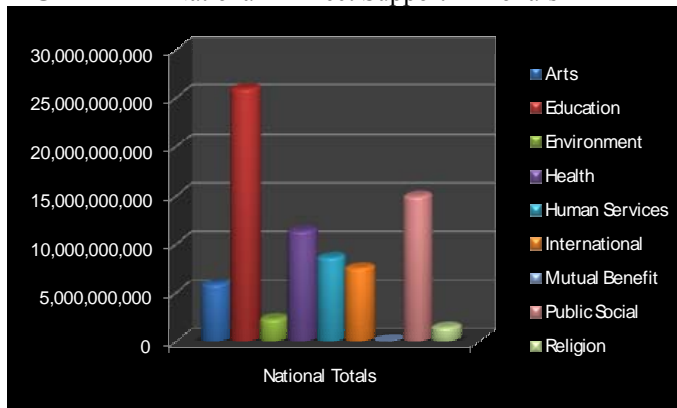
This analysis indicates that most of the determinants of charitable giving explored in previous research are significant; however, the level of significance varies greatly for each variable. This variation on the level of significance for each determinant of charitable giving can be explained by the combination of these variables which is exclusive to this research. The significance of some variables fluctuates within the broad category, such as age and gender and marital status, while other variables remain consistently statistically significant such as NTEE Classification.

National Overview of Charitable Giving

National Results Overview

By analyzing the data relative to direct support received by a sample of 501(c)(3) organizations, this study has identified the type of nonprofit organization receiving the most financial support. On a national level, nonprofit organizations primarily concerned with education receive the greatest level of public support at almost double the amount of support received by the next closest organizational type (GRAPHS 1&2, TABLE 1). When these figures are analyzed at regional and divisional levels, trends emerge that are similar to the national findings; however, the results do not mirror the national results. While some nonprofit organizations operate at a national level, most organizations focus their fundraising efforts locally. Therefore, it is necessary to break down the data to levels that are more useful to nonprofit organizations seeking contributions from the public.

GRAPH 1 – National – Direct Support in Dollars



GRAPH 2 – National - Percentage of Direct Support

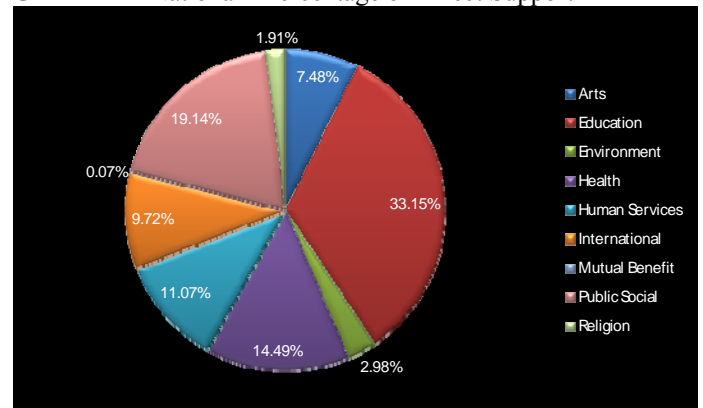


TABLE 1 – NATIONAL VIEW OF VARIABLES

National View of Variables (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	24.4%
Arts	5,838,042,279	7.48%		
Education	25,886,149,360	33.15%	Marital Status	
Environment	1,326,667,787	2.98%	Percent Married	56.7%
Health	11,310,855,344	14.49%		
Human Services	8,644,485,162	11.07%	Age	
International	7,589,010,097	9.72%	Median Age	35.3
Mutual Benefit	52,143,659	0.07%		
Public Social Benefit	14,942,010,135	19.14%	Race	
Religion	1,488,441,565	1.91%	Percent Non-Hispanic White	75.1%
Total	78,077,805,388	100.00%		
Income			Population	
			Total Population	281,421,906
Median Household Income		41,994		

Regional and Divisional Results for Charitable Giving

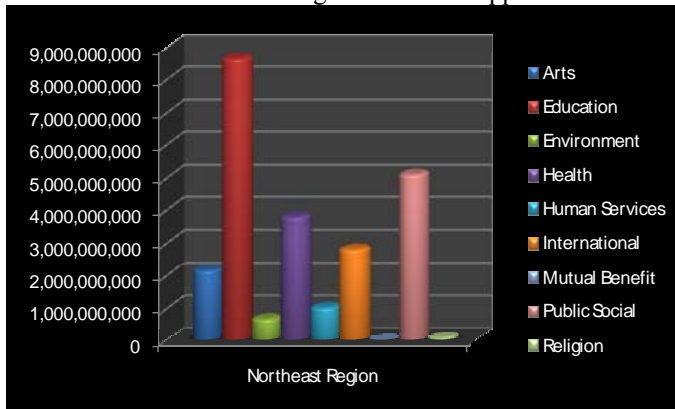
Organizations primarily concerned with education showed the highest level of direct support in this study across all regions. This emphasis on charitable giving with regards to educational organizations appears to be influenced by the large number of universities and colleges included in the sample. While this is, by definition, charitable giving, it is not the type of giving with which this analysis is concerned. The regional and divisional differences begin to emerge when the types of organizations receiving support behind education are analyzed. Therefore, the following sections will focus more closely on the other types of organizations receiving support within the regions and divisions of the United States.

Northeast Region

(Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont)

Public Social Benefit organizations receive the highest level of support behind education in this region totaling donations of \$5,108,377,322 in 2005 (GRAPHS 3 & 4 and TABLE 2). Organizations concerned with providing assistance to Health organizations ranked third within the Northeast with contributions totaling \$3,791,550,295 and International organizations are a close fourth with \$2,809,893,443 for 2005. As previously stated, educational organizations receive the greatest level of support throughout each of the regions and divisions; however, it is worth noting that the educational support provided by the Northeast region accounts for 33% of the National total.

GRAPH 3 – Northeast Region – Direct Support in Dollars



GRAPH 4 – Northeast Region - Percentage of Direct Support

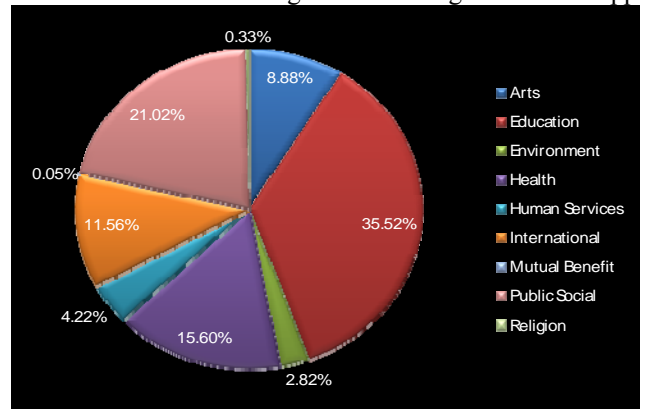


TABLE 2 – REGIONAL VIEW OF VARIABLES – Northeast Region

Determinants of Charitable Giving – Northeast Region (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	16.33%
Arts	2,158,898,426	8.88%		
Education	8,633,373,295	35.52%	Marital Status	
Environment	685,606,564	2.82%	Percent Married	41.95%
Health	3,791,550,295	15.60%	Age	
Human Services	1,025,827,704	4.22%	Median Age	36.8
International	2,809,893,443	11.56%	Race	
Mutual Benefit	13,368,194	0.05%	Percent Non-Hispanic White	77.50%
Public Social Benefit	5,108,377,322	21.02%	Population	
Religion	80,497,954	0.33%	Total Population	53,594,378
Total	24,307,393,197	100.00%	Income	
			Median Household Income	45,480

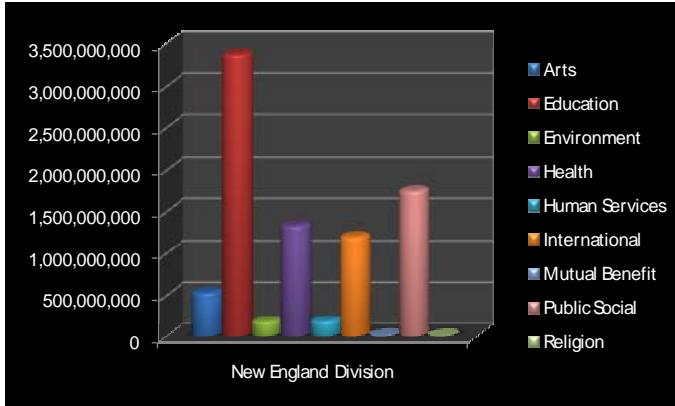
New England Division

(Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont)

It is important to realize that the trends displayed by the overarching region are not necessarily the same as the trends displayed by the divisions that make up the region; however, the New England Division’s giving for 2005 nearly mirrors that of the Northeast Region. According to the sample data used in this analysis, residents of The New England Division made direct support contributions of \$8,577,179,983 to local 501 (c)(3) nonprofit organizations. The New England Division provides the greatest level of direct support to Public Social Benefit organizations, with contributions for 2005 totaling \$1,742,928,650, following Education (GRAPHS 5 & 6, TABLE 3). This division provided contributions of \$1,333,076,147 in 2005 to Health organizations, followed by International organizations, which received contributions of \$1,201,961,493 in 2005. The only variation in giving patterns between the Northeast Region and the New England Division appears in the giving for Religion and Mutual Benefit organizations. The New England Division provides a

greater level of support for Mutual Benefit organizations than to Religious organizations while the opposite is true for the Northeast Region.

GRAPH 5 – New England Division – Direct Support in Dollars



GRAPH 6 – New England Division –Percentage of Direct Support

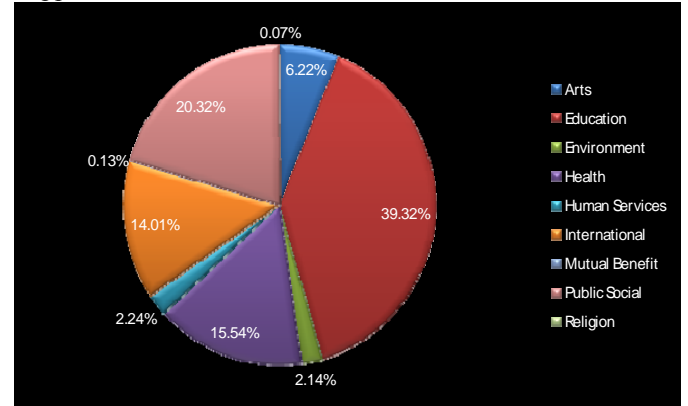


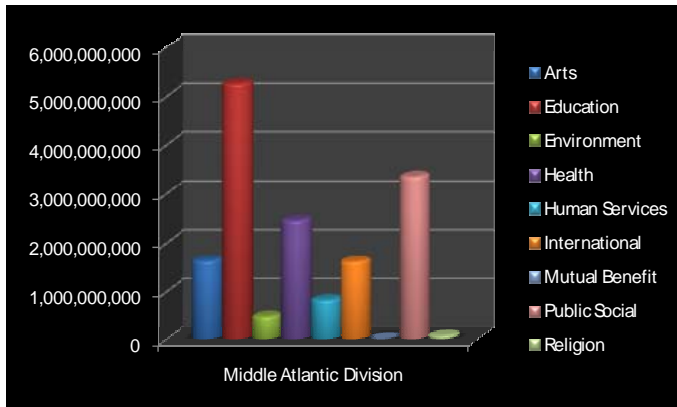
TABLE 3 –DIVISIONAL VIEW OF VARIABLES – New England Division

Determinants of Charitable Giving – New England Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	20.21%
Arts	533,273,914	6.22%	Marital Status	
Education	3,372,936,220	39.32%	Percent Married	42.80%
Environment	183,707,281	2.14%	Age	
Health	1,333,076,147	15.54%	Median Age	37.1
Human Services	191,980,034	2.24%	Race	
International	1,201,961,493	14.01%	Percent Non-Hispanic White	86.56%
Mutual Benefit	11,473,153	0.13%	Population	
Public Social Benefit	1,742,928,650	20.32%	Total Population	13,922,517
Religion	5,843,091	0.07%	Income	
Total	8,577,179,983	100.00%	Median Household Income	48,382

Middle Atlantic Division
(New Jersey, New York, and Pennsylvania)

The Middle Atlantic Division contributed \$15,730,213,214 (TABLE 4) to nonprofit organizations, according to the sample data during 2005, an amount almost double that of the contributions from The New England Division. Duplicating the giving trends of The New England Division and the Region, Education, Public Social Benefit and Health organizations received the highest level of support respectively (GRAPHS 7 & 8). However, Arts organizations received the fourth highest level of support during 2005 with contributions of \$1,625,624,512 while International organizations ranked fifth, receiving contributions of \$1,607,931,950 during 2005.

GRAPH 7 – Middle Atlantic Division – Direct Support in Dollars



GRAPH 8 – Middle Atlantic Division – Percentage of Direct Support

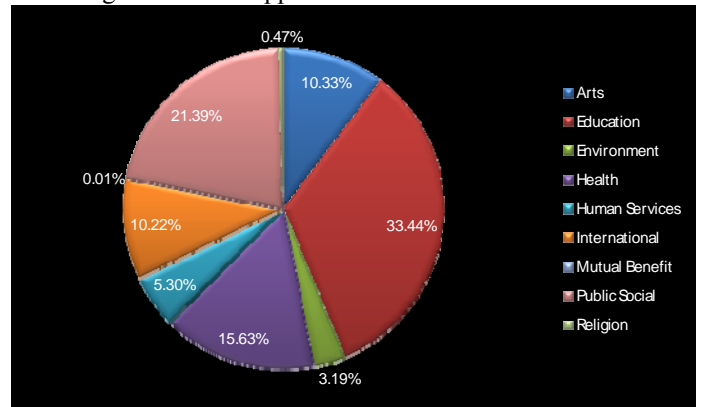


TABLE 4 – REGIONAL VIEW OF VARIABLES – Middle Atlantic Division

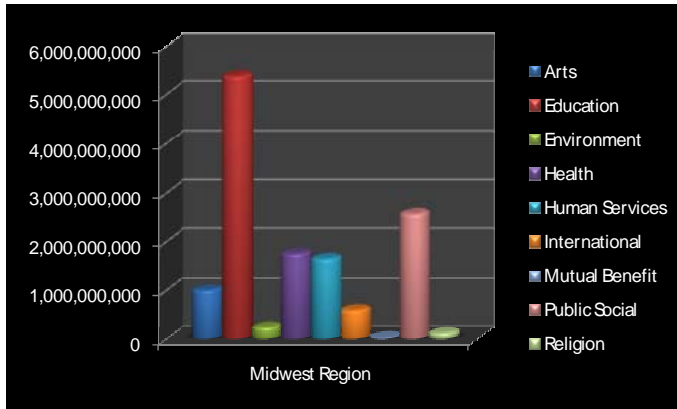
Determinants of Charitable Giving – Middle Atlantic Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	14.97%
Arts	1,625,624,512	10.33%	Marital Status	
Education	5,260,437,075	33.44%	Percent Married	41.65%
Environment	501,899,283	3.19%	Age	
Health	2,458,474,148	15.63%	Median Age	36.7
Human Services	833,847,670	5.30%	Race	
International	1,607,931,950	10.22%	Percent Non-Hispanic White	74.32%
Mutual Benefit	1,895,041	0.01%	Population	
Public Social Benefit	3,365,448,672	21.39%	Total Population	39,671,861
Religion	74,654,863	0.47%	Income	
Total	15,730,213,214	100.00%	Median Household Income	44,370

Midwest Region

(Indiana, Illinois, Iowa, Kansas, Michigan, Ohio, Wisconsin, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota)

The Midwest Region gave \$ 13,318,347,853 to 501(c)(3) nonprofit organizations during the 2005 tax year (TABLE 5). Some similarities were noted between the giving patterns of the Midwest and the Northeast. In both regions, giving to Education, Public Social Benefit, and Health organizations led total direct contributions respectively (GRAPHS 9 & 10). However, the Midwest provided more direct support to Human Services organizations, with contributions of \$1,650,553,021 with giving falling to number six on the list with total contributions of \$1,025,827,704 for 2005. Arts organizations remained fifth on the list; however, the Midwest Region contributed almost half that of the contributions of the Northeast Region. The remaining organization types ranked the same between the two regions, showing the only difference in the amount of money given to each type of organization.

GRAPH 9 – Midwest Region – Direct Support in Dollars



GRAPH 10 – Midwest Region - Percentage of Direct Support

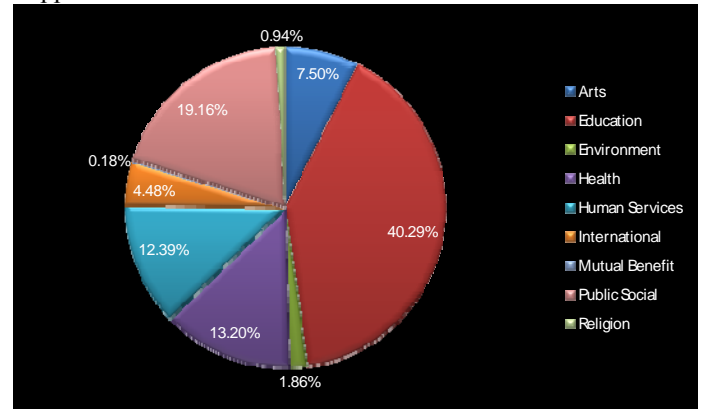


TABLE 5 – REGIONAL VIEW OF VARIABLES – Midwest Region

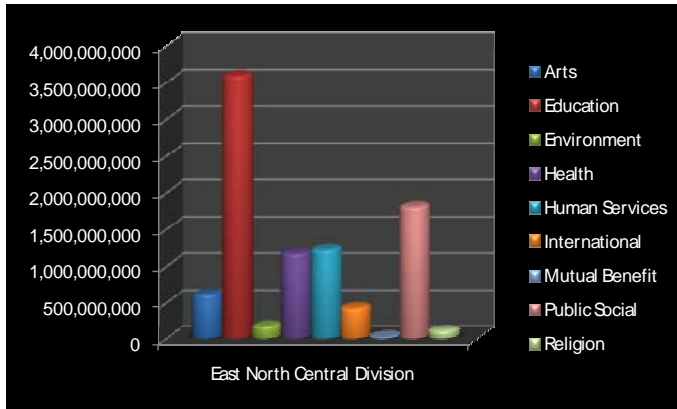
Determinants of Charitable Giving – Midwest Region (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	14.68%
Arts	998,280,421	7.50%	Marital Status	
Education	5,366,279,023	40.29%	Percent Married	43.36%
Environment	247,394,514	1.86%	Age	
Health	1,757,611,422	13.20%	Median Age	35.6
Human Services	1,650,553,021	12.39%	Race	
International	597,113,705	4.48%	Non-Hispanic White	83.60%
Mutual Benefit	24,553,714	0.18%	Population	
Public Social Benefit	2,551,928,029	19.16%	Total Population	64,392,776
Religion	124,634,004	0.94%	Income	
Total	13,318,347,853	100.00%	Median Household Income	42,414

East North Central Division
(Indiana, Illinois, Michigan, Ohio, and Wisconsin)

The East North Central Division shares some giving trends with the Midwest Region; however, there is one difference in giving at the divisional level that is worth noting (GRAPHS 11 & 12). At the regional level, Human Services organizations receive more

direct support in the amount of \$1,223,233,169, replacing Health organizations as the third spot on the list (TABLE 6). Health organizations are ranked fourth in giving for the East North Central Division with contributions in the amount of \$1,176,816,905. Giving for the East North Central Division is disproportionate across the NTEE classifications with nearly 40% of the total direct support being spent on education. Public Social Benefit organizations receive almost 20% of the total support and Human Services organizations receiving almost 13%. The remaining 27% is dispersed over the remaining six NTEE classifications.

GRAPH 11 – East North Central Division – Direct Support in Dollars



GRAPH 12 – East North Central Division – Percentage of Direct Support

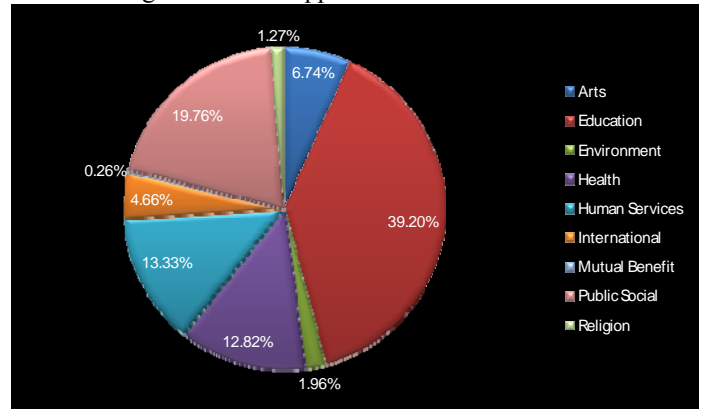


TABLE 6 –DIVISIONAL VIEW OF VARIABLES – East North Central Division

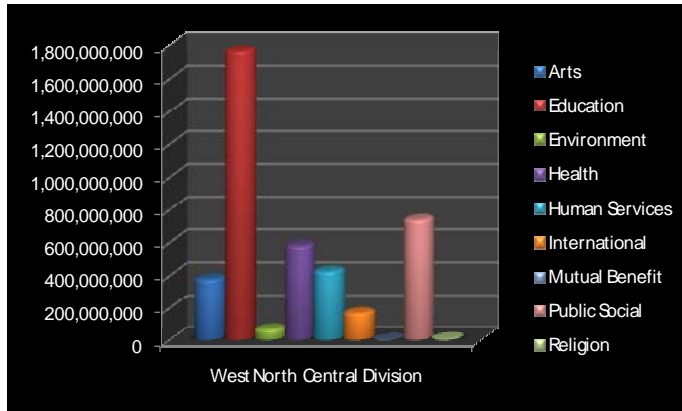
Determinants of Charitable Giving – East North Central Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	33.83%
Arts	618,930,654	6.74%	Marital Status	
Education	3,598,142,324	39.20%		
Environment	179,609,826	1.96%	Percent Married	54.9%
Health	1,176,816,905	12.82%	Age	
Human Services	1,223,233,169	13.33%		
International	427,578,439	4.66%	Median Age	35.5
Mutual Benefit	24,111,455	0.26%	Race	
Public Social Benefit	1,813,111,334	19.76%		
Religion	116,229,937	1.27%	Non-Hispanic White	81.56%
Total	9,177,764,043	100.00%	Population	
Income				
Median Household Income		43,497		

West North Central Division

(Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota)

The total charitable giving, for the sample data, for the West North Central Division in 2005 totaled \$4,140,583,810, less than half of the charitable giving for the East North Central Division (TABLE 7). Furthermore, the giving for NTEE classifications mirrored the giving at the divisional level. This giving differs from that of the East North Central Division by giving a greater amount to organizations primarily focused on Health, with contributions in the amount of \$580,794,517, than on Human Services organization, which received contributions in the amount of \$427,319,852 (GRAPHS 13 & 14). With the exception of the noted discrepancies, the giving trends for the West North Central Division are the same as the trends shown in the analysis of the East North Central Division.

GRAPH 13 – West North Central Division – Direct Support in Dollars



GRAPH 14 – West North Central Division – Percentage of Direct Support

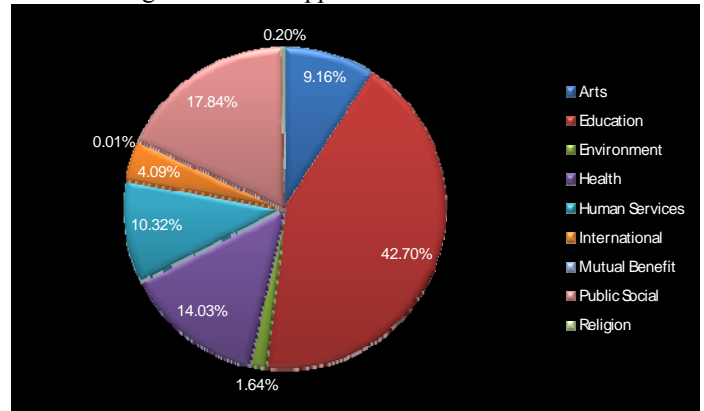


TABLE 7 – REGIONAL VIEW OF VARIABLES – West North Central Division

Determinants of Charitable Giving – West North Central Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	15.30%
Arts	379,349,767	9.16%	Marital Status	
Education	1,768,136,699	42.70%	Percent Married	44.61%
Environment	67,784,688	1.64%	Age	
Health	580,794,517	14.03%	Median Age	35.8
Human Services	427,319,852	10.32%	Race	
International	169,535,266	4.09%	Non-Hispanic White	88.40%
Mutual Benefit	442,259	0.01%	Population	
Public Social Benefit	738,816,695	17.84%	Total Population	19,237,739
Religion	8,404,067	0.20%	Income	
Total	4,140,583,810	100.00%	Median Household Income	40,600

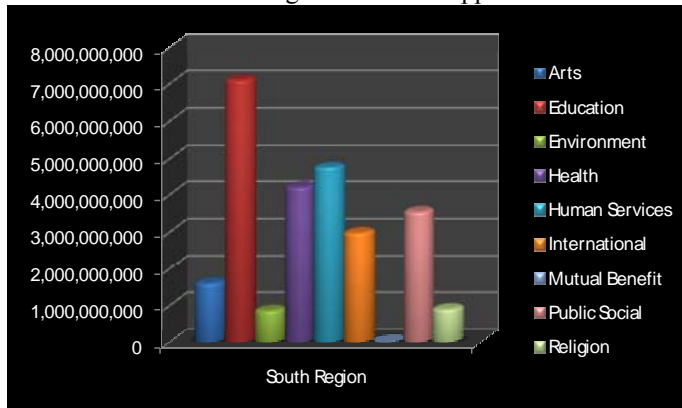
South Region

(Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia)

The South Region, which provided \$25,942,415,583 in direct support during 2005, boasts the greatest amount of direct support for 501(c)(3) organizations for the organizations

represented in the sample data (TABLE 8). As with the other regions of the country, the South provided the greatest level of support to educational organizations and the least support to Mutual Benefit organizations; however, the support given to other types of organizations varied the greatest from other regions (GRAPHS 15 & 16). Human Services organizations ranked second in the South Region, with contributions in the amount of \$4,750,709,531 followed by Health organizations, which received \$4,200,522,186 in 2005. Prior to conducting the research, it was anticipated that Religion based organizations would lead the contributions within this region; however, that assumption was proven inaccurate during the analysis. Religious organizations ranked seventh in total giving, based on the survey data for the South Region, one rank higher than any other region in the country.

GRAPH 15 – South Region – Direct Support in Dollars



GRAPH 16 – South Region – Percentage of Direct Support

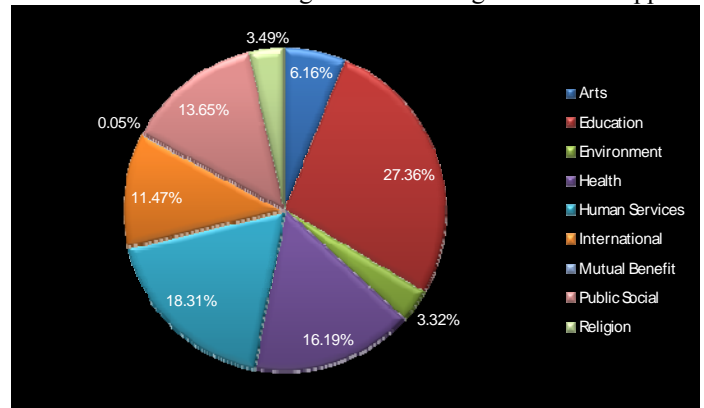


TABLE 8 – REGIONAL VIEW OF VARIABLES – South Region

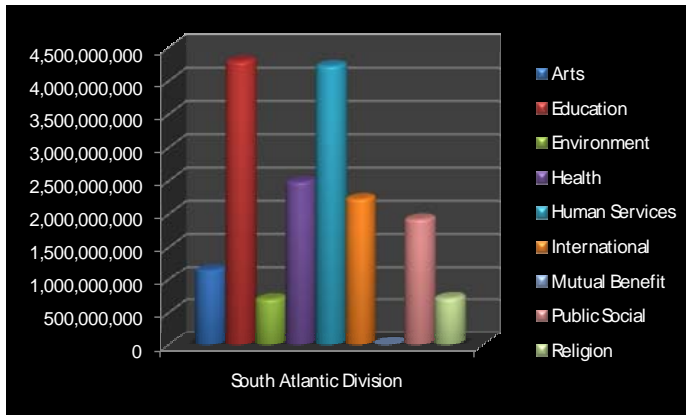
Determinants of Charitable Giving – South Region (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	14.60%
Arts	1,597,504,581	6.16%	Marital Status	
Education	7,097,656,540	27.36%	Percent Married	43.45%
Environment	861,648,792	3.32%	Age	
Health	4,200,522,186	16.19%	Median Age	35.3
Human Services	4,750,709,531	18.31%	Race	
International	2,975,059,269	11.47%	Non-Hispanic White	72.65%
Mutual Benefit	13,734,629	0.05%	Population	
Public Social Benefit	3,540,720,778	13.65%	Total Population	100,236,820
Religion	904,859,277	3.49%	Income	
Total	25,942,415,583	100.00%	Median Household Income	38,790

South Atlantic Division

(Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia)

Based on the sample data used in this analysis, the South Atlantic Division is the most generous division of the country with total charitable support totaling \$17,762,168,311 (TABLE 9). Of the three divisions located within the South Region, the South Atlantic Division resulted in charitable giving patterns most similar to those seen in the region. While education still outpaces the other NTEE classifications within the division, the South Atlantic is the only division that shows another organization type narrowing the significant gap in giving (GRAPHS 17 & 18). Human Services organizations ranks second in this division with giving in the amount of \$4,227,828,493 for 2005, a difference of only \$62,209,138 from the donations made to Education organizations. Health, International, and Public Social Benefit organizations, respectively, round out the top five in organization types receiving direct support in this division.

GRAPH 17 – South Atlantic Division – Direct Support in Dollars



GRAPH 18 – South Atlantic Division – Percentage of Direct Support

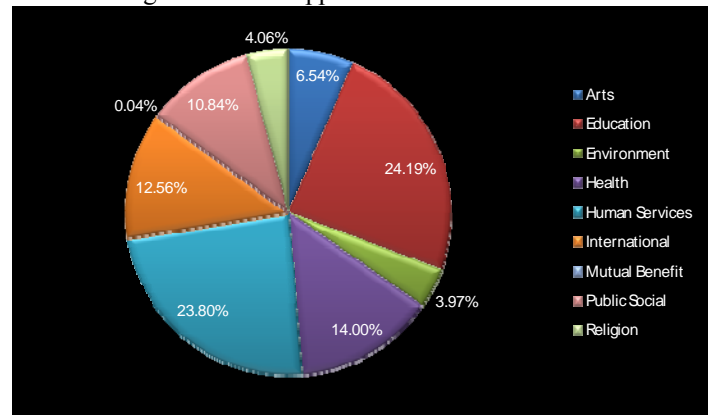


TABLE 9 – DIVISIONAL VIEW OF VARIABLES – South Atlantic Division

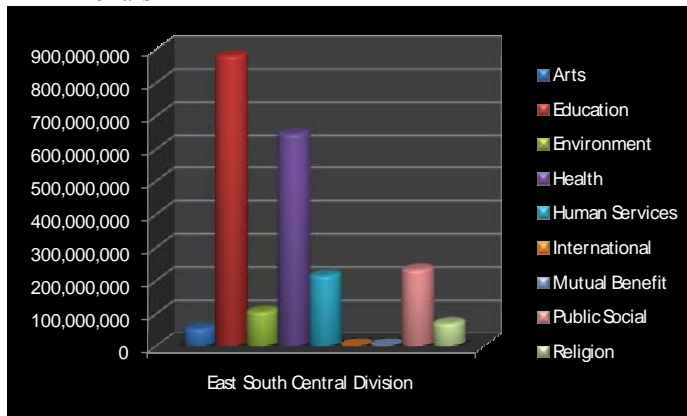
Determinants of Charitable Giving – South Atlantic Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	16.18%
Arts	1,161,460,356	6.54%	Marital Status	
Education	4,297,037,631	24.19%		
Environment	704,373,161	3.97%	Age	
Health	2,487,175,477	14.00%		
Human Services	4,227,828,493	23.80%	Race	
International	2,231,806,966	12.56%		
Mutual Benefit	7,027,006	0.04%	Population	
Public Social Benefit	1,924,676,081	10.84%		
Religion	720,783,140	4.06%	Income	
Total	17,762,168,311	100.00%		

East South Central Division
(Alabama, Kentucky, Mississippi, and Tennessee)

Total giving for the East South Central Division is the lowest of all the divisions being analyzed for 2005, equaling \$2,216,255,232 and is the division that varies the greatest from the South Region in donation trends (TABLE 10). The second highest direct support in this division is enjoyed by Health organizations followed by Public Social Benefit, Human

Services, and Environmental organizations (GRAPHS 19 & 20). Arts organizations ranked seventh in this division, one of the lowest rankings for Arts organizations in this analysis. The differences in the apparent priorities for individual divisions within a region are most visible in the East South Central Division, indicating that understanding giving trends on a national or regional level may not be an accurate representation of the priorities for the divisions or the states within those divisions.

GRAPH 19 – East South Central Division – Direct Support in Dollars



GRAPH 20 – East South Central Division – Percentage of Direct Support

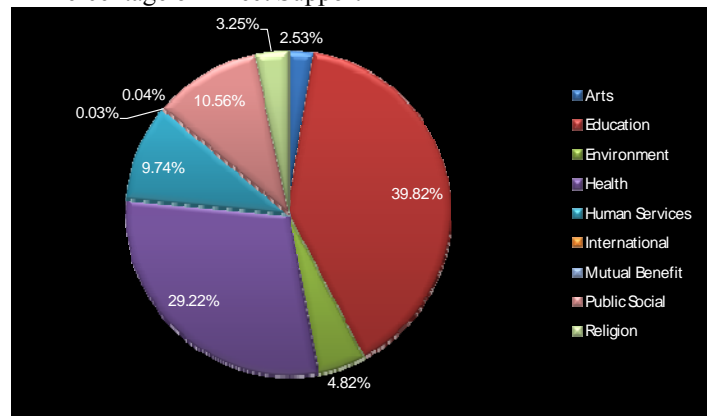


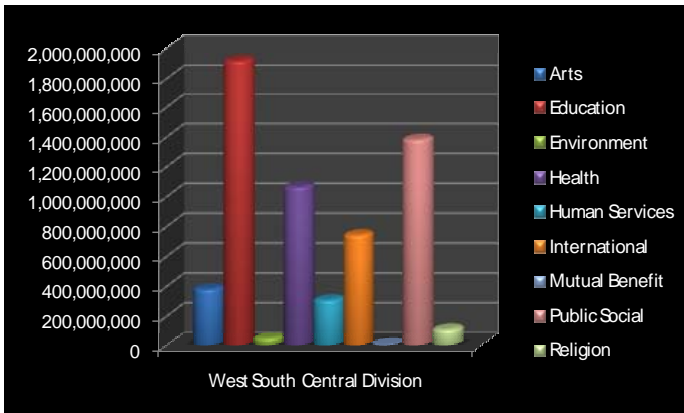
TABLE 10 – DIVISIONAL VIEW OF VARIABLES – East South Central Division

Determinants of Charitable Giving – East South Central Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	11.94%
Arts	56,088,043	2.53 %	Marital Status	
Education	882,598,547	39.82%	Percent Married	43.90%
Environment	106,895,713	4.82%	Age	
Health	647,567,707	29.22%	Median Age	35.6
Human Services	215,827,925	9.74%	Race	
International	585,882	0.03%	Non-Hispanic White	77.03%
Mutual Benefit	823,025	0.04%	Population	
Public Social Benefit	233,940,106	10.56%	Total Population	17,022,810
Religion	71,928,284	3.25%	Income	
Total	2,216,255,232	100.00%	Median Household Income	34,355

West South Central Division
(Arkansas, Louisiana, Oklahoma, and Texas)

The West South Central Division is the only division in the South Region that closely resembles the giving trends seen at the national level. Educational and Public Social Benefit organizations receive the highest level of support within the West South Central Division (GRAPHS 21 & 22). Health organizations received \$1,065,779,002 in 2005 ranking third in the division, with International organizations earning \$742,666,421 placing them fourth with Arts organizations rounding out the top five receiving \$379,956,182 in 2005 (TABLE 11). Human Services organizations, ranked at sixth in this division, is the lowest this organization type placed in the analysis. Religion, receiving \$112,147,853 in 2005, ranked seventh in this division, which is equal to the national level but lower than the ranking of Religion based organizations in other South Region divisions.

GRAPH 21 – West South Central Division – Direct Support in Dollars



GRAPH 22 – West South Central Division – Percentage of Direct Support

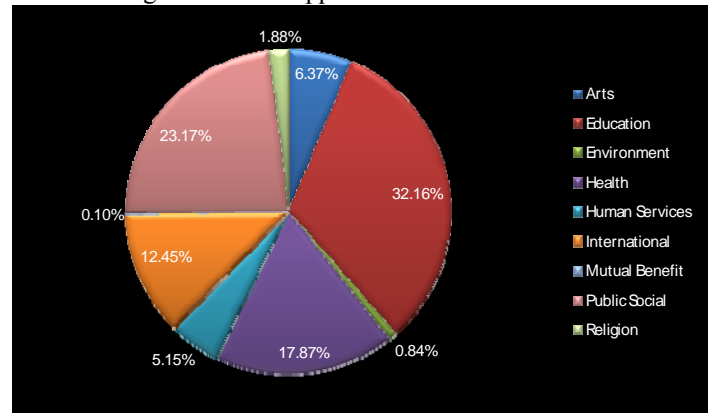


TABLE 11 – DIVISIONAL VIEW OF VARIABLES – West South Central Division
 Determinants of Charitable Giving – West South Central Division
 (Based on Data from the 2000 Census)

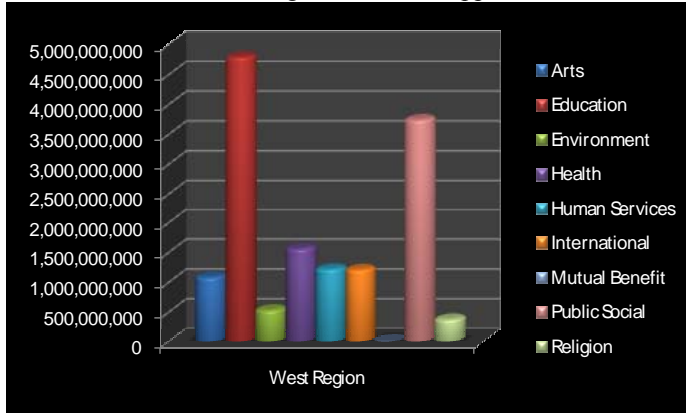
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	13.44%
Arts	379,956,182	6.37 %	Marital Status	
Education	1,918,020,362	32.16%	Percent Married	43.15%
Environment	50,379,918	0.84%	Age	
Health	1,065,779,002	17.87%	Median Age	33.2
Human Services	307,053,113	5.15%	Race	
International	742,666,421	12.45%	Non-Hispanic White	71.31%
Mutual Benefit	5,884,598	0.10%	Population	
Public Social Benefit	1,382,104,591	23.17%	Total Population	31,444,850
Religion	112,147,853	1.88%	Income	
Total	5,963,992,040	100.00%	Median Household Income	37,127

West Region

(Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington and Wyoming)

The West Region, which closely mimics the results of the national giving trends analysis, gave \$14,509,648,755 to 501(c)(3) nonprofit organizations in 2005 (TABLE 12). Education, Public Social Benefit, and Health organizations accounted for the top three organizational types receiving support in this region. The top five rankings were finished out with Human Services and International organizations (GRAPHS 23 & 24). Support for Public Social Benefit organizations by this region is the second highest level of support within the nation; however, Mutual Benefit organizations receive the least amount of direct support in this region than any other region in the country.

GRAPH 23 – West Region – Direct Support in Dollars



GRAPH 24 – West Region – Percentage of Direct Support

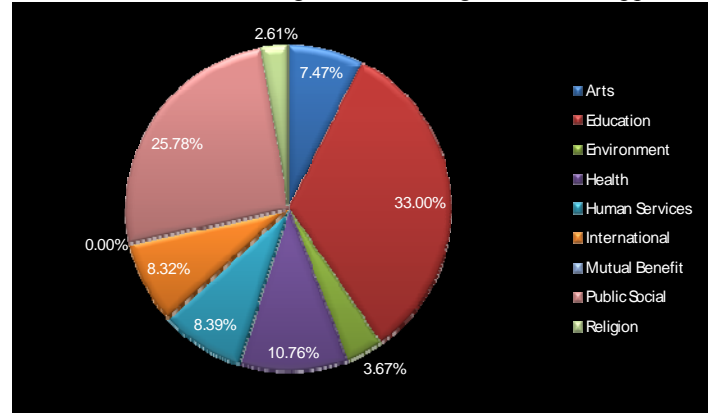


TABLE 12 – REGIONAL VIEW OF VARIABLES – West Region

Determinants of Charitable Giving – West Region (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	16.57%
Arts	1,083,358,851	7.47 %	Marital Status	
Education	4,788,840,502	33.00%	Percent Married	41.69%
Environment	532,017,917	3.67%	Age	
Health	1,561,171,441	10.76%	Median Age	33.8
Human Services	1,217,394,906	8.39%	Race	
International	1,206,943,680	8.32%	Non-Hispanic White	68.47%
Mutual Benefit	487,122	0.00%	Population	
Public Social Benefit	3,740,984,006	25.78%	Total Population	63,197,932
Religion	378,450,330	2.61%	Income	
Total	14,509,648,755	100.00%	Median Household Income	45,084

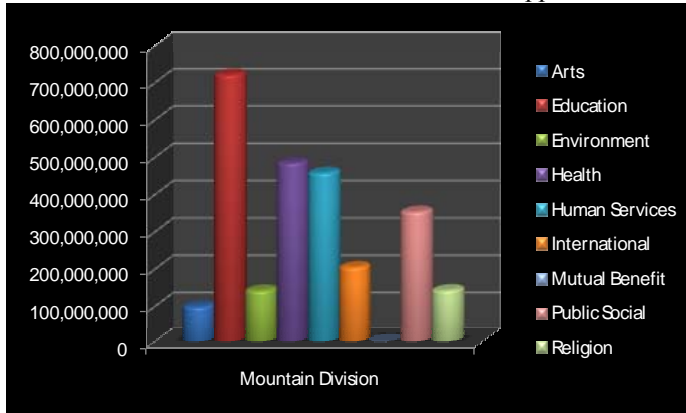
Mountain Division

(Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada and Wyoming)

The Mountain Division demonstrates few similarities in charitable giving trends when compared to the region to which it belongs. While Education organizations receive the greatest level of direct support from the community, Health organizations rank second with contributions totaling \$484,572,678 in 2005 (TABLE 13). Human Services organizations

rank third in this region with \$458,180,066, followed by Public Social Benefit and International organizations (GRAPHS 25 & 26). Finally, Arts organizations rank lower in this division than previously seen in this analysis.

GRAPH 25 – Mountain Division – Direct Support in Dollars



GRAPH 26 – Mountain Division – Percentage of Direct Support

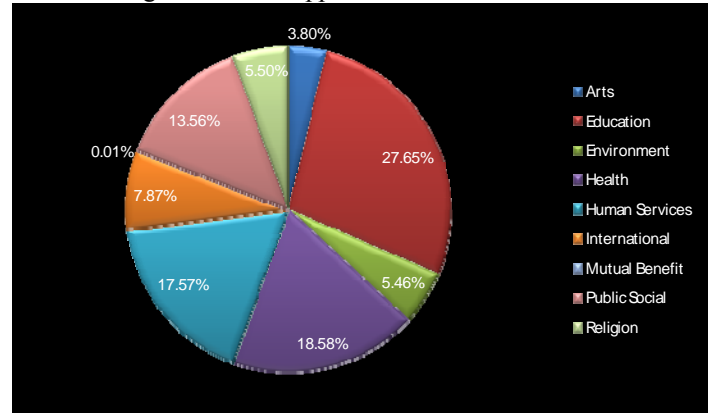


TABLE 13 – DIVISIONAL VIEW OF VARIABLES – Mountain Division

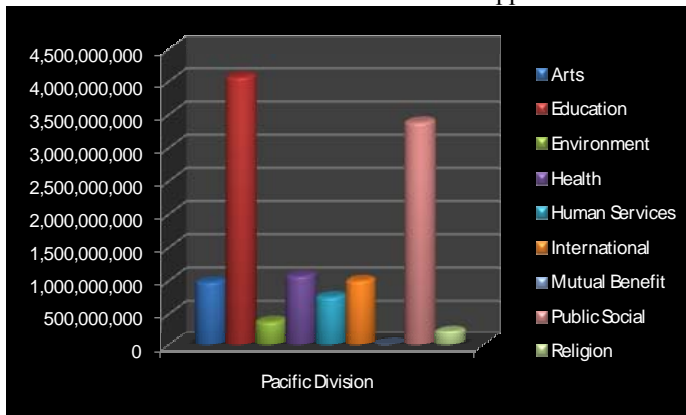
Determinants of Charitable Giving – Mountain Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	15.81%
Arts	99,236,069	3.80 %	Marital Status	
Education	721,171,786	27.65%		
Environment	142,364,937	5.46%	Age	
Health	484,572,678	18.58%		
Human Services	458,180,066	17.57%	Race	
International	205,261,143	7.87%		
Mutual Benefit	229,414	0.01%	Population	
Public Social Benefit	353,806,683	13.56%		
Religion	143,412,498	5.50%	Income	
Total	2,608,235,274	100.00%		

Pacific Division

(Alaska, California, Hawaii, Oregon, and Washington)

The Pacific Division, with contributions of \$11,901,413,481 for 2005, shows that the top three organizational types, Education, Public Social Benefit, and Health, receiving funding from this division mirrors the results of the West Region (GRAPHS 27 & 28). Differences in charitable giving trends begin to emerge at the fourth spot with International organizations, with \$1,001,682,537 in contributions during 2005, ranking fourth and Arts organizations ranking fifth, with \$984,122,782 in direct support (TABLE 14). As was seen in the Mountain Division, support for Environmental organizations ranked seventh in this division. Religion and Mutual Benefit organizations ranked eighth and ninth, respectively, in both divisions of the West Region.

GRAPH 27 – Pacific Division – Direct Support in Dollars



GRAPH 28 – Pacific Division – Percentage of Direct Support

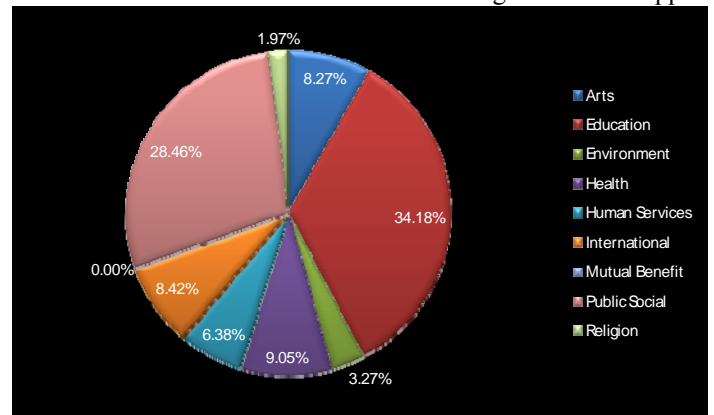


TABLE 14 – DIVISIONAL VIEW OF VARIABLES – Pacific Division

Determinants of Charitable Giving – Pacific Division (Based on Data from the 2000 Census)				
Contributions by NTEE Classification			Educational Attainment	
	Dollars	Percentage	Bachelors and Higher	16.88%
Arts	984,122,782	8.27 %	Marital Status	
Education	4,067,668,716	34.18%		
Environment	389,652,980	3.27%	Percent Married	41.09%
Health	1,076,598,763	9.05%	Age	
Human Services	759,214,840	6.38%		
International	1,001,682,537	8.42%	Median Age	33.8
Mutual Benefit	257,708	0.00%	Race	
Public Social Benefit	3,387,177,323	28.46%		
Religion	235,037,832	1.97%	Non-Hispanic White	63.70%
Total		100.00%	Population	
Income				
Median Household Income		46,708		

Linear Regression Analysis

This research hypothesizes a direct relationship between the dependent variable and the independent variables. In order to determine the relationship, linear regression analysis was used in this research to evaluate this relationship. The analysis was conducted using a one tailed significance test and p values less than or equal to 0.10 have been identified as statistically significant.

This research strives to determine the relationship between individual characteristics, such as age, race, and marital status, and direct financial support for a nonprofit organization. The two variables exclusive to this study, region and NTEE classification, both resulted in statistically significant findings, as anticipated, in all categories (TABLE 15). Additionally, each of the other variables used in this analysis resulted in statistically significant findings.

As previously stated, the most significant findings in this research is the statistically significance of the region and NTEE classifications. However, all variables proved to be

significant determinants of charitable giving. Following region and NTEE classifications, median state age, educational attainment and state population in 2000 were the most significant variables, all of which had a p score of 0.01 or less. The remaining variables, percentage of the population that is married, percentage of the state's population that is white, and median household income are also significant in this analysis and scored a p value of 0.05 or less but not more than 0.10. This analysis supports the findings of previous studies on the impact of personal determinants on an individual's decision to provide financial support to a 501(c)(3) nonprofit organization. An individual's decision to provide direct support to a nonprofit organization is positively impacted by the area in which they live, the type of organization seeking support and the donors marital status, race, educational attainment, and median household income.

TABLE 15 – SPSS Linear Regression Model

Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Northeast	48.282	14.701	.316	3.284	.001***
Midwest	50.026	14.198	.311	3.523	.000***
South	50.917	14.519	.352	3.507	.000***
West	47.475	14.486	.259	3.277	.001***
Arts	26.672	1.371	.094	19.456	.000***
Education	25.859	.973	.151	26.584	.000***
Environment	28.144	1.993	.063	14.120	.000***
Human Services	8.705	.916	.057	9.503	.000***
International	19.969	2.895	.030	6.898	.000***
Mutual Benefit	19.947	7.544	.011	2.644	.008***
Public Social Benefit	23.645	1.264	.092	18.700	.000***
Religion	40.561	2.268	.079	17.886	.000***
Percent of Population, Married	.352	.178	.240	1.979	.048**
Median State Age	-.993	.304	-.446	-3.272	.001***
Percent of Population with Bachelor's Degree or Higher	.933	.190	.301	4.921	.000***
Percent Pop NH White, 2000	.166	.058	.151	2.838	.005**
Median Household Income, 2000 (in 2003 dollars)	.000	.000	-.210	-2.885	.004**
Population, 2000 (Thousands)	.000	.000	.043	3.947	.000***

One tailed significance ***p<.01, **p<.05, *p<.10

Limitations

This analysis focuses solely on the contributions received by 501(c)(3) organizations and does not take into account in-kind and merchandise donations. However, many nonprofit agencies use donations of household merchandise and other items to generate revenue for the agency. Inclusion of this type of financial support could result in changes to the overall results for giving trends in the United States. Furthermore, the inclusion of foundations in the data set could impact the charitable donations in a given region, division or state. Understanding the impact of foundations on charitable giving is important, however, the inclusion of foundations with other nonprofit organizations may have led to inaccurate assumptions about the giving trends in a region or division.

CONCLUSION

Previous studies indicate that all of the determinants of charitable giving featured in this research are significant when identifying an individual to solicit for support of a nonprofit organization. This research supports the findings of other studies on the issue of personal determinants of charitable giving. This combining of variables is important as individuals are complex and multiple determinants apply to every person. By focusing on one determinant or characteristic of an individual, nonprofit organizations may be limiting their potential support.

Giving Trends

Giving Trends by Region

Each region and division of the United States showed the greatest level of support for educational nonprofit organizations. As has been previously discussed, it is the belief of the researcher that these values are reflective of the high number of colleges and universities included in this sample data. While colleges and universities are 501(c)(3) organizations, this is not the type of charitable support with which this study is concerned.

This study has shown that the Northeast, Midwest and West regions provide the greatest support for Public Social organizations, behind Education, while the South provides the greatest level of support to Human Services organizations (TABLE 16). Each of the four regions supports Health organizations third. Understanding the regional giving trends can help nonprofits identify areas where fundraising may reap the greatest reward. These trends can also be seen in the following maps (Figures 2 – 10).

TABLE 16 - Giving by Region in Order of Support by NTEE Classification

Giving by Region in Order of Support by NTEE Classification			
Northeast Region		Midwest Region	
Education	8,633,373,295	Education	5,366,279,023
Public Social	5,108,377,322	Public Social	2,551,928,029
Health	3,791,550,295	Health	1,804,027,686
International	2,827,586,005	Human Services	1,604,136,757
Arts	2,141,205,864	Arts	998,280,421
Human Services	1,025,827,704	International	597,113,705
Environment	685,606,564	Environment	247,394,514
Religion	86,128,016	Religion	124,634,004
Mutual Benefit	7,738,132	Mutual Benefit	24,553,714
South Region		West Region	
Education	7,097,656,540	Education	4,788,840,502
Human Services	6,257,500,791	Public Social	3,871,750,001
Health	3,786,894,585	Health	1,534,778,829
Public Social	3,190,301,312	Human Services	1,355,489,220
International	2,411,527,976	International	1,189,383,925
Arts	1,540,441,753	Arts	902,627,338
Religion	889,019,036	Environment	532,017,917
Environment	755,576,104	Religion	334,273,901
Mutual Benefit	13,497,486	Mutual Benefit	487,122

Figure 2 Giving to Arts Organizations by Region

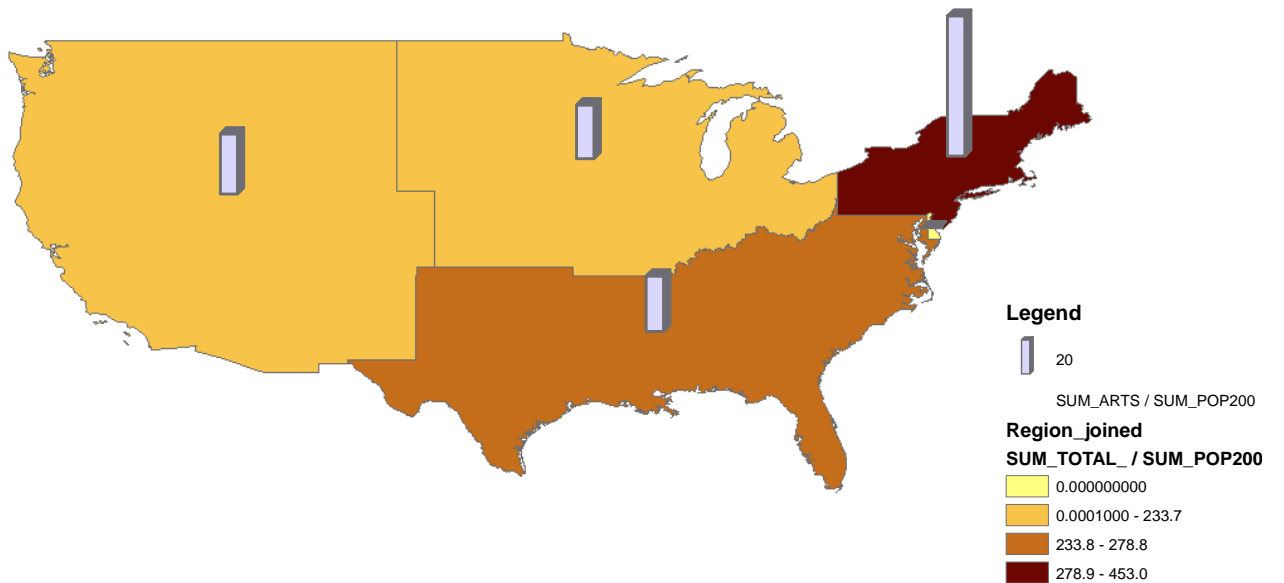


Figure 3 Giving to Educational Organizations by Region

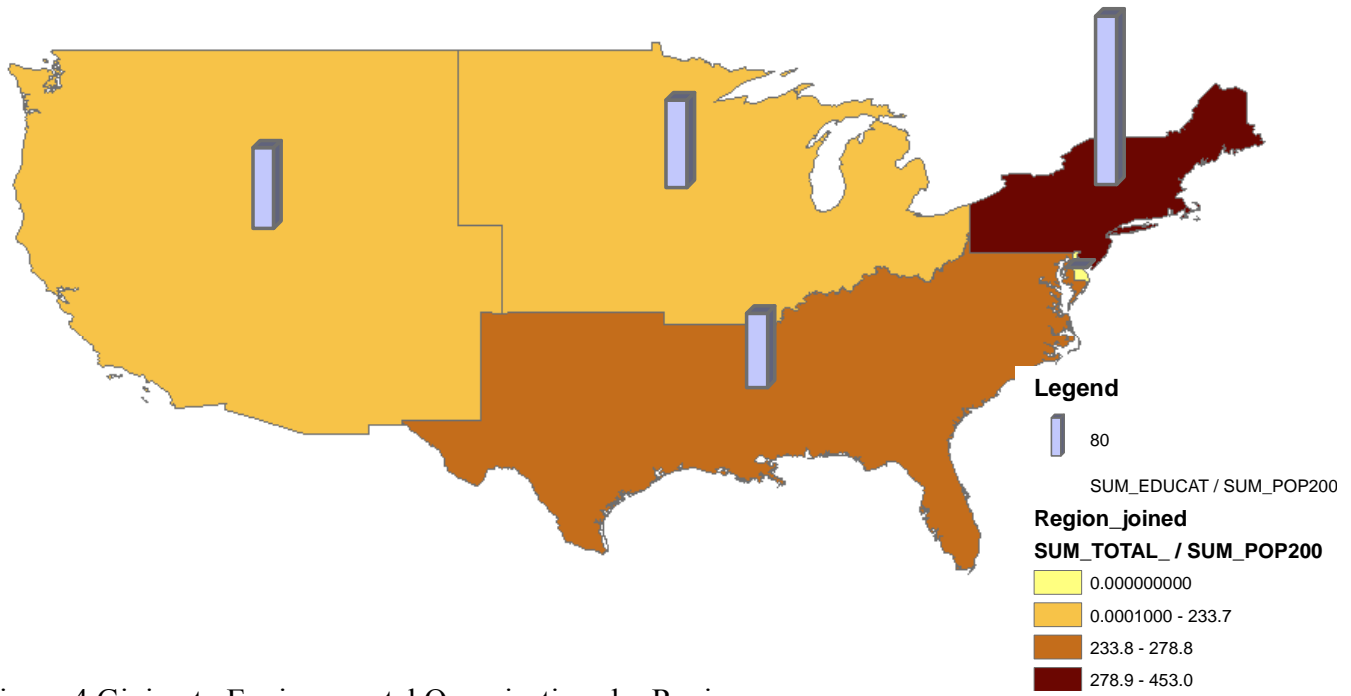


Figure 4 Giving to Environmental Organizations by Region

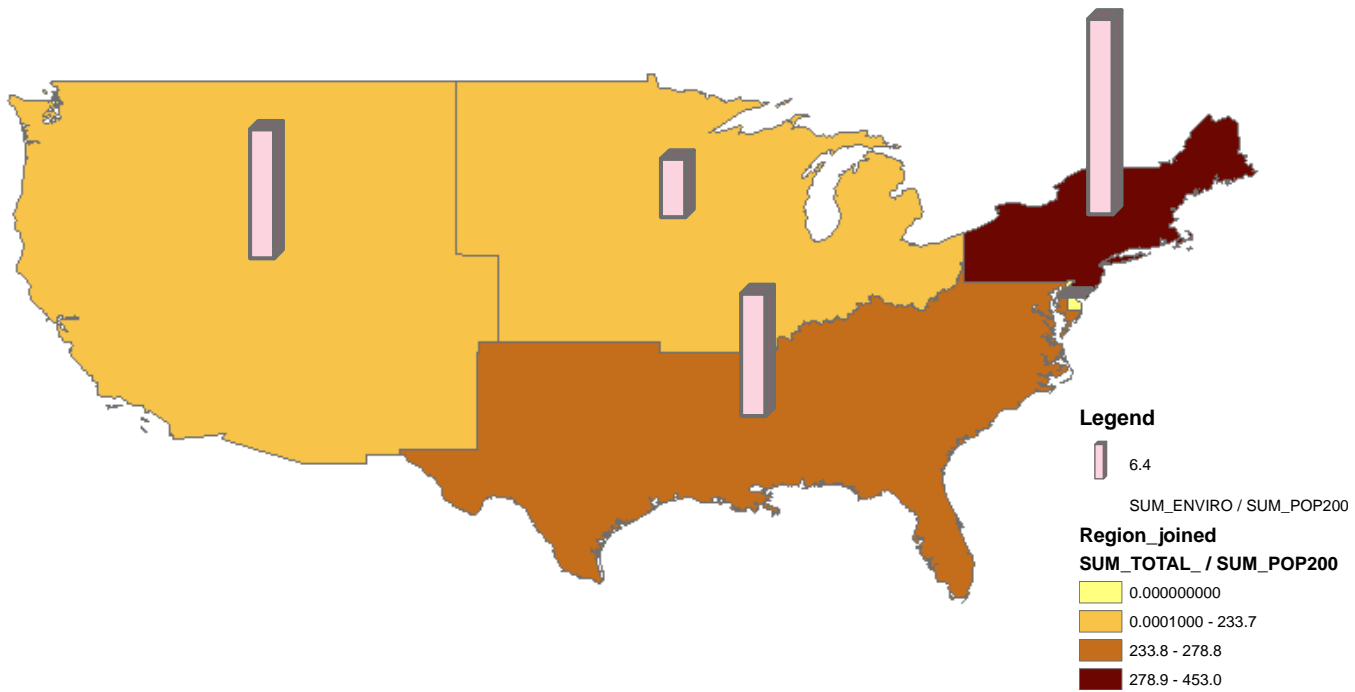


Figure 5 Giving to Health Organizations by Region

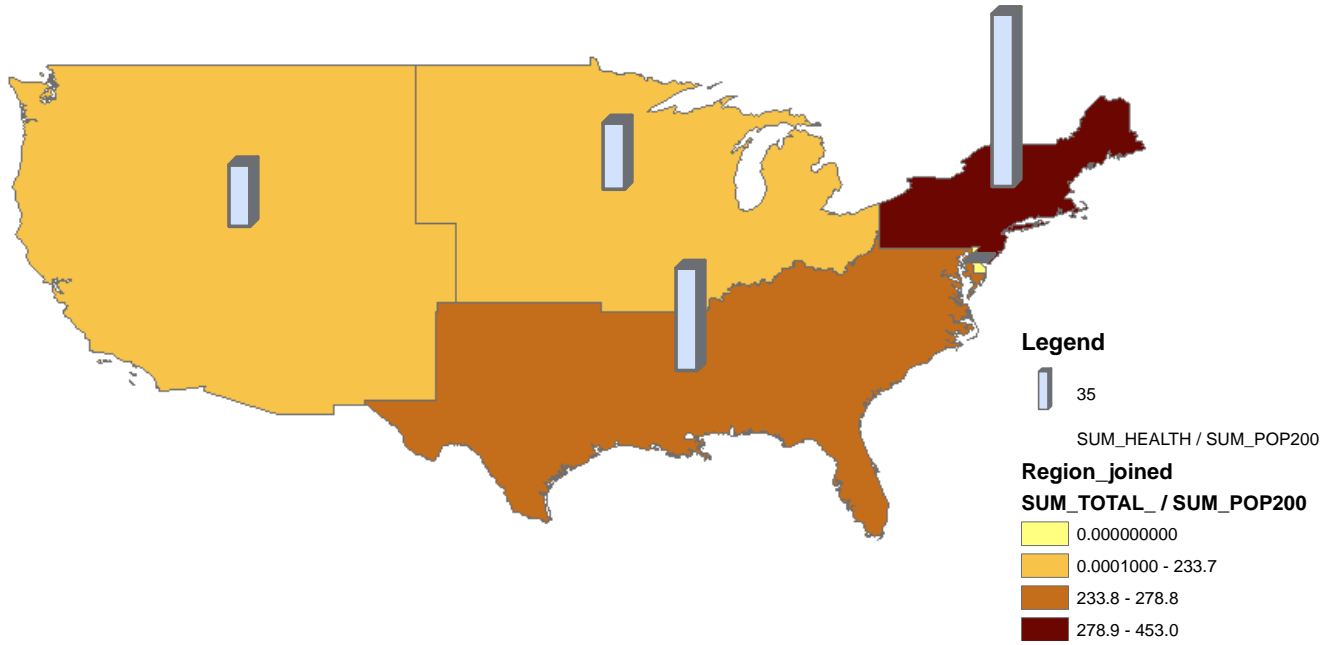


Figure 6 Giving to Human Services Organizations by Region

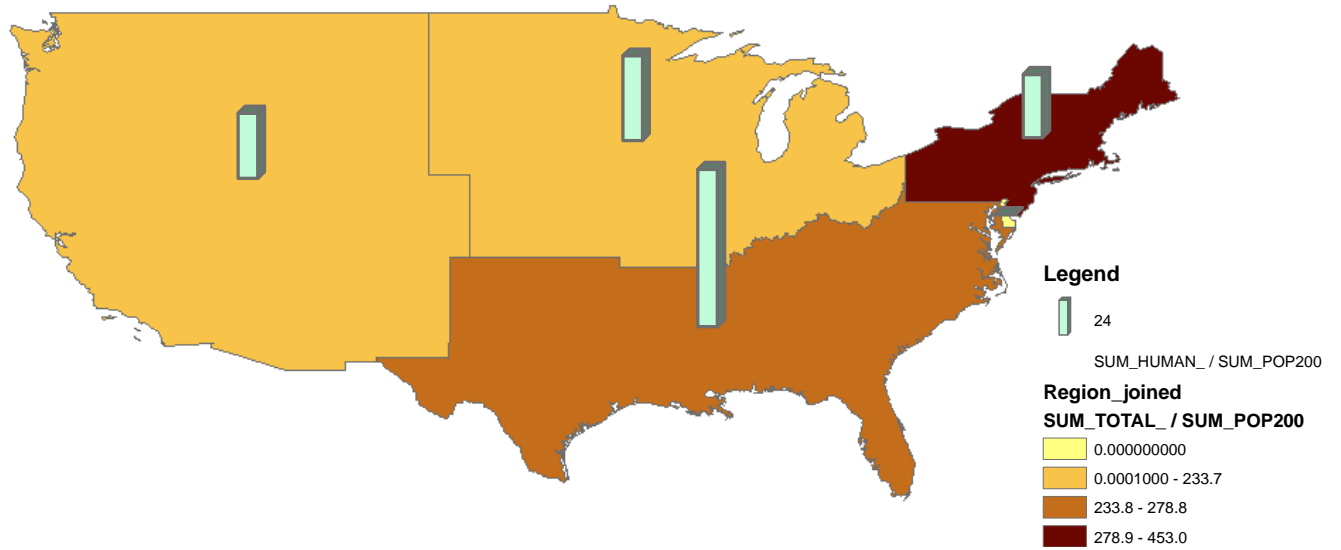


Figure 7 Giving to International Organizations by Region

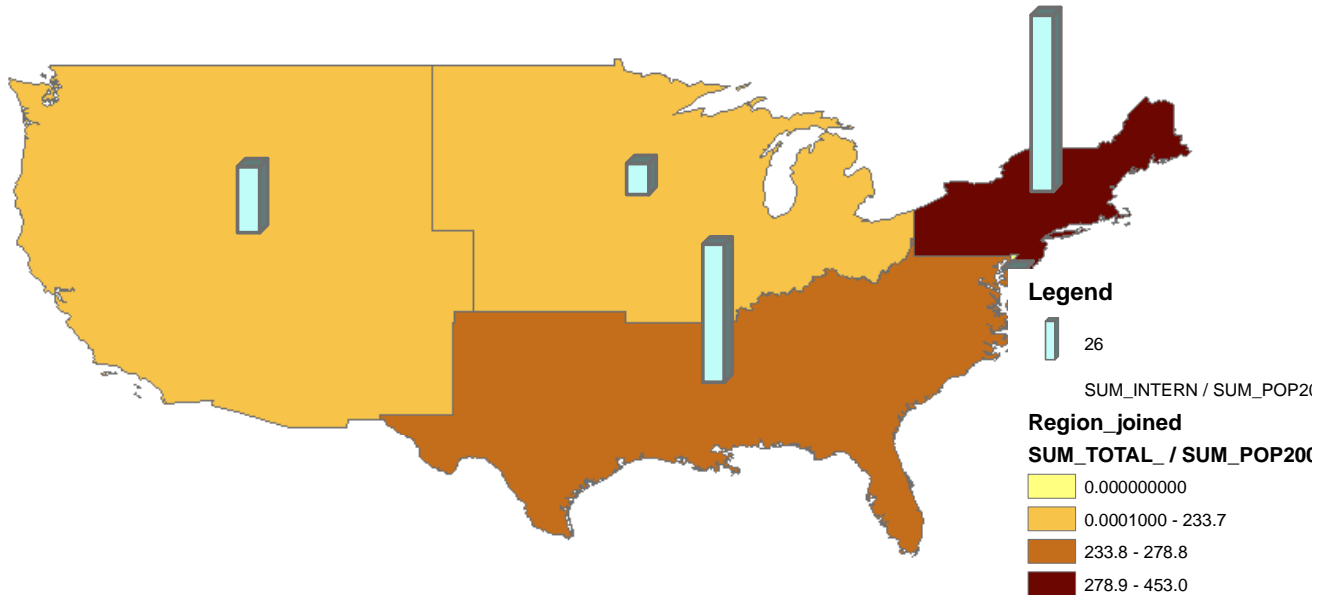


Figure 8 Giving to Mutual Benefit Organizations by Region

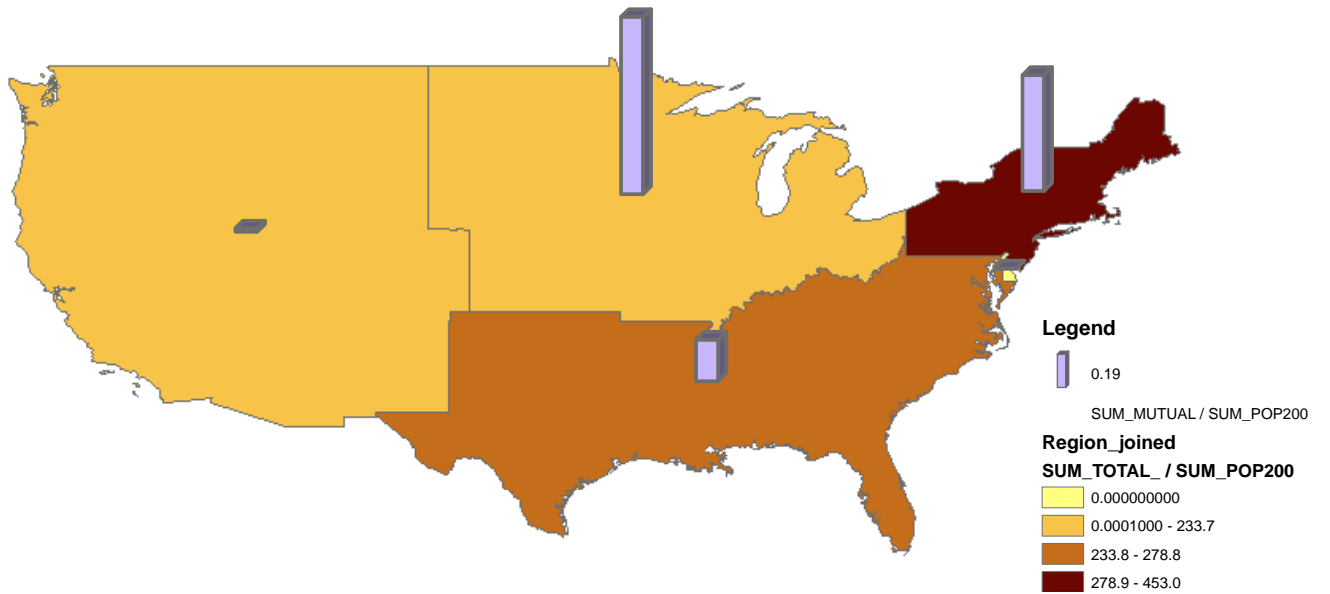


Figure 9 Giving to Public Social Benefit Organizations by Region

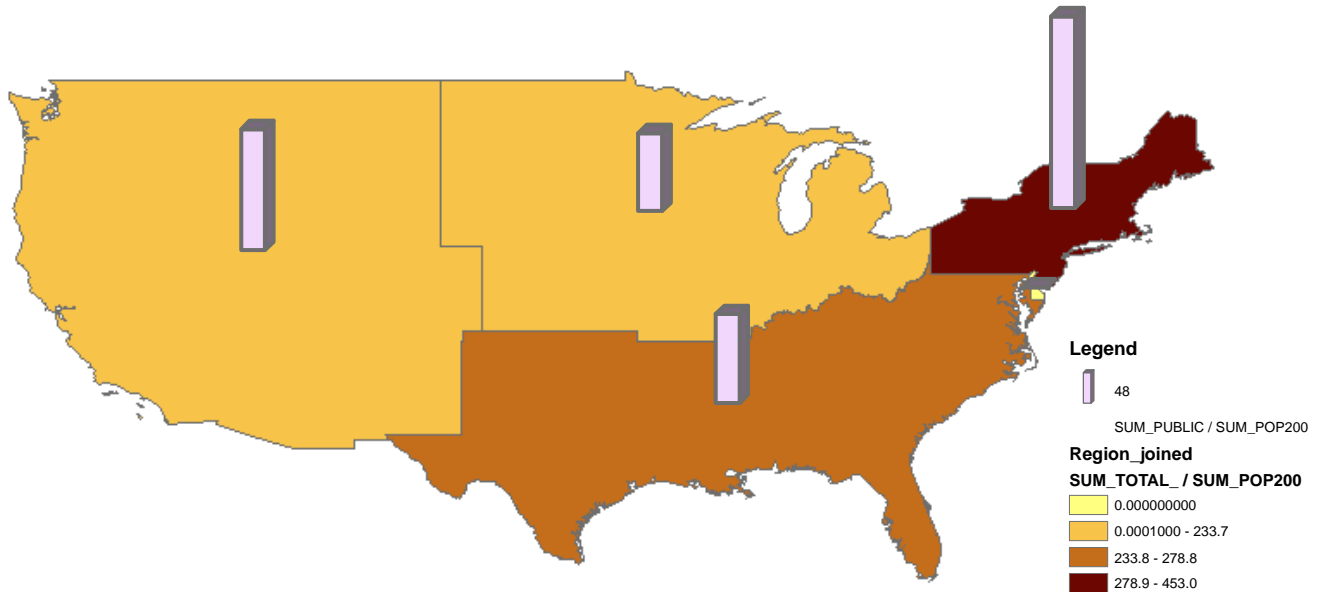
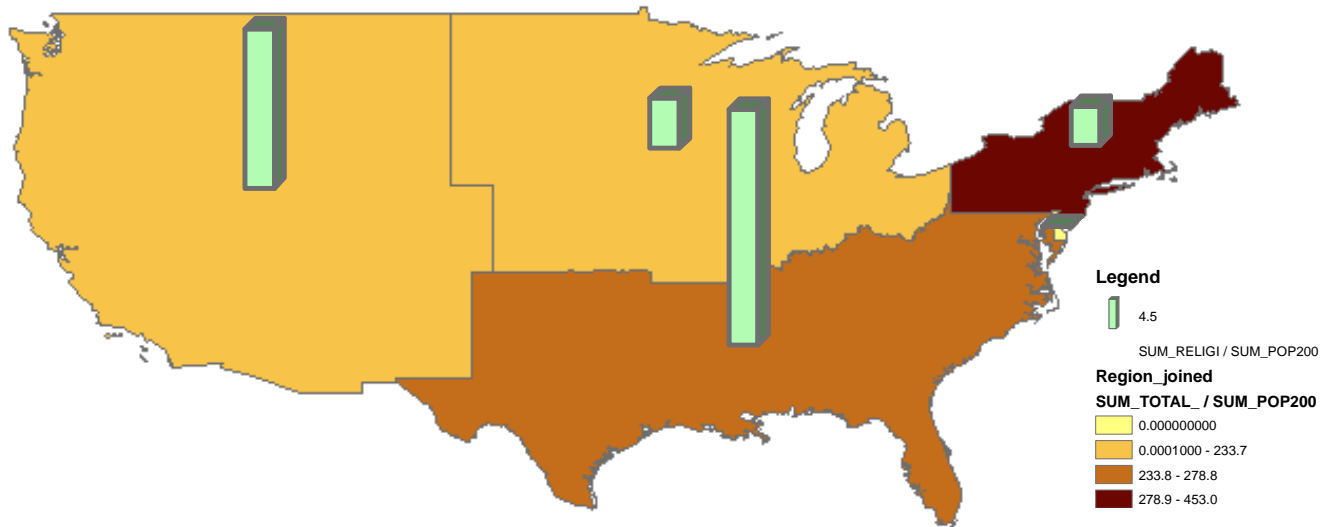


Figure 10 Giving to Religious Organizations by Region



Giving Trends by Division

The giving trends of the regions are not always mirrored by the trends in the divisions. Further understanding of the giving trends in this country can be obtained by analyzing the division specific data. The New England, Middle Atlantic, West North Central, West South Central, and Pacific Divisions each provide the greatest direct support to Education, Public Social and Health organizations respectively (TABLE 17). In contrast, the South Atlantic Division supports Human Services organizations at the greatest level, ranking second in this analysis while the East South Central Division supports Health organizations second. These divisions represent the greatest differences in giving trends across all divisions and best represents the differences in values relative to nonprofit organizations. These trends can be seen in the following maps (Figures 11 – 19).

TABLE 17 - Giving by Division in Order of Support by NTEE Classification

Giving by Division in Order of Support by NTEE Classification					
New England Division			Middle Atlantic Division		
Education	3,372,936,220		Education	5,260,437,075	
Public Social	1,742,928,650		Public Social	3,365,448,672	
Health	1,333,076,147		Health	2,458,474,148	
International	1,201,961,493		Arts	1,625,624,512	
Arts	533,273,914		International	1,607,931,950	
Human Services	191,980,034		Human Services	833,847,670	
Environment	183,707,281		Environment	501,899,283	
Mutual Benefit	11,473,153		Religion	74,654,863	
Religion	5,843,091		Mutual Benefit	1,895,041	
East North Central Division			West North Central		
Education	3,598,142,324		Education	1,768,136,699	
Public Social	1,813,111,334		Public Social	738,816,695	
Human Services	1,223,233,169		Health	580,794,517	
Health	1,176,816,905		Human Services	427,319,852	
Arts	618,930,654		Arts	379,349,767	
International	427,578,439		International	169,535,266	
Environment	179,609,826		Environment	67,784,688	
Religion	116,229,937		Religion	8,404,067	
Mutual Benefit	24,111,455		Mutual Benefit	442,259	
South Atlantic		East South Central		West South Central	
Education	4,297,037,631	Education	882,598,547	Education	1,918,020,362
Human Services	4,227,828,493	Health	647,567,707	Public Social	1,382,104,591
Health	2,487,175,477	Public Social	233,940,106	Health	1,065,779,002
International	2,231,806,966	Human Services	215,827,925	International	742,666,421
Public Social	1,924,676,081	Environment	106,895,713	Arts	379,956,182
Arts	1,161,460,356	Religion	71,928,284	Human Services	307,053,113
Religion	720,783,140	Arts	56,088,043	Religion	112,147,853
Environment	704,373,161	Mutual Benefit	823,025	Environment	50,379,918
Mutual Benefit	7,027,006	International	585,882	Mutual Benefit	5,884,598
Mountain Division			Pacific Division		
Education	721,171,786		Education	4,067,668,716	
Health	484,572,678		Public Social	3,387,177,323	
Human Services	458,180,066		Health	1,076,598,763	
Public Social	353,806,683		International	1,001,682,537	
International	205,261,143		Arts	984,122,782	
Religion	143,412,498		Human Services	759,214,840	
Environment	142,364,937		Environment	389,652,980	
Arts	99,236,069		Religion	235,037,832	
Mutual Benefit	229,414		Mutual Benefit	257,708	

Figure 11 Giving to Arts Organizations by Division

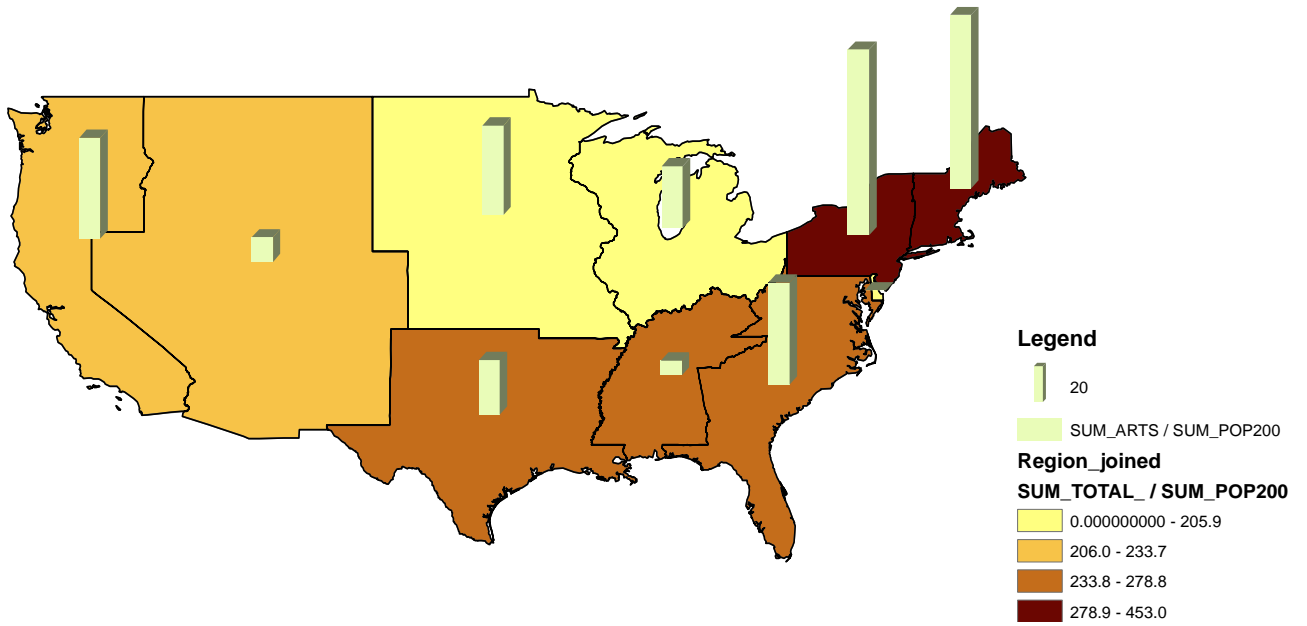


Figure 11 Giving to Education Organizations by Division

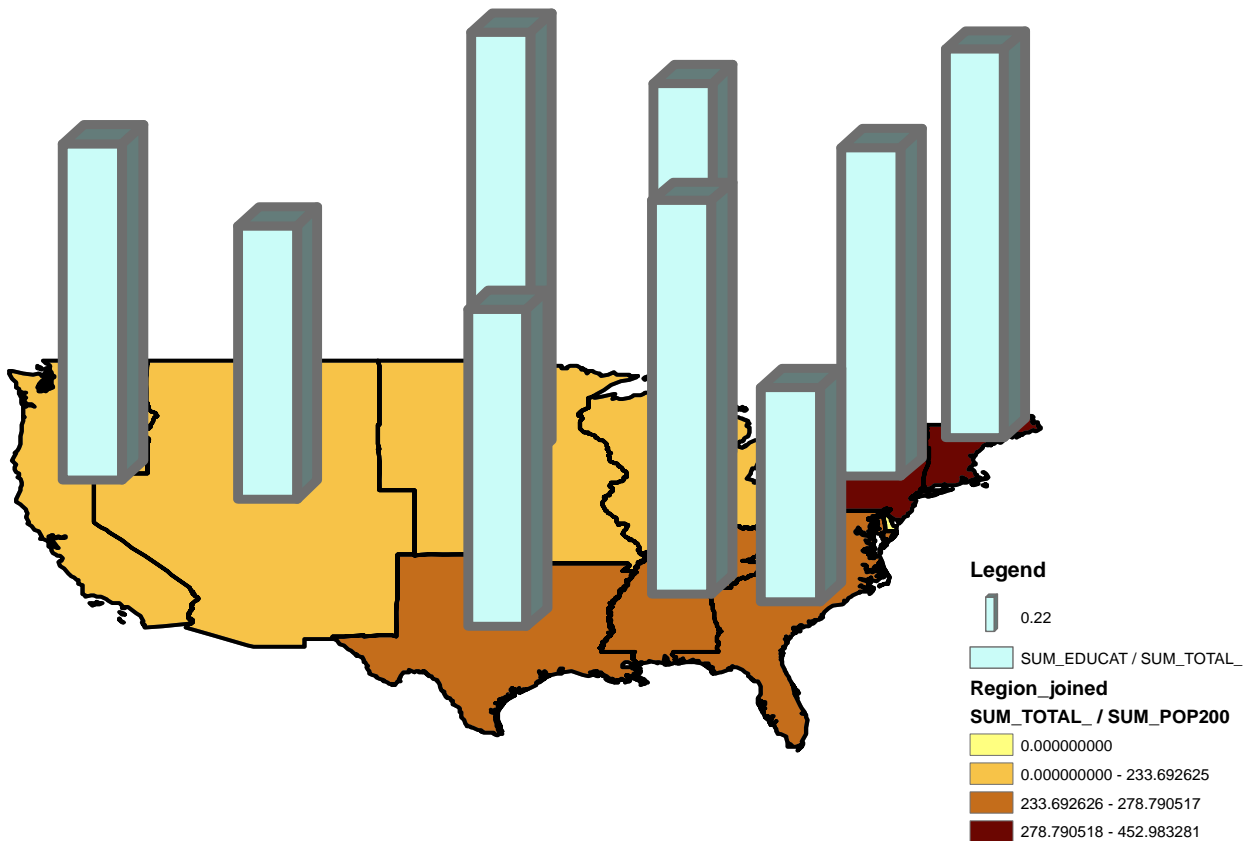


Figure 13 Giving to Environmental Organizations by Division

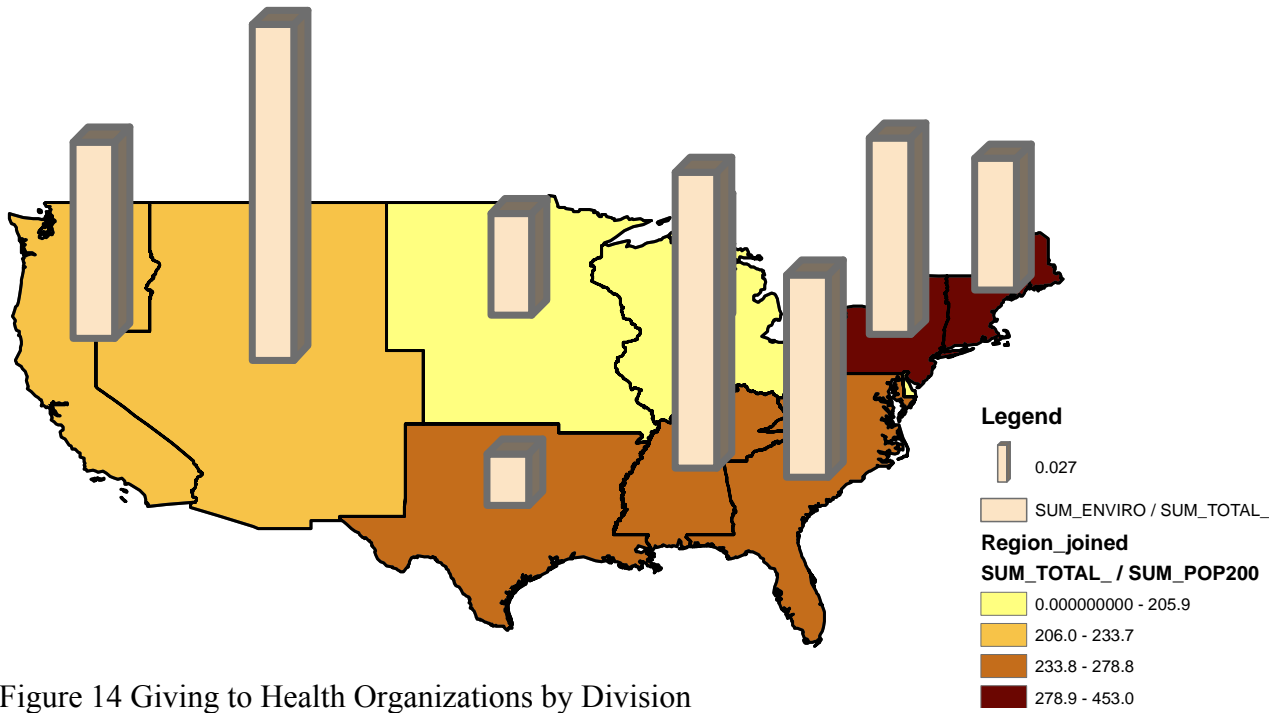


Figure 14 Giving to Health Organizations by Division

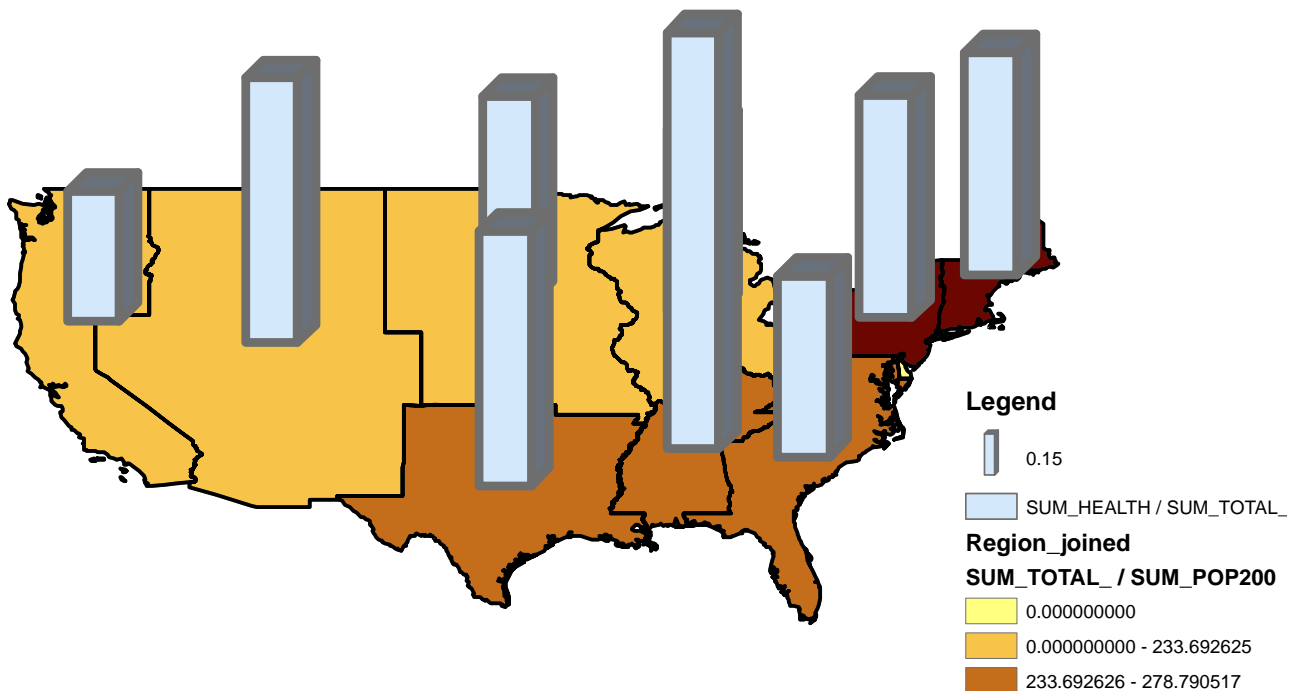


Figure 15 Giving to Human Services Organizations by Division

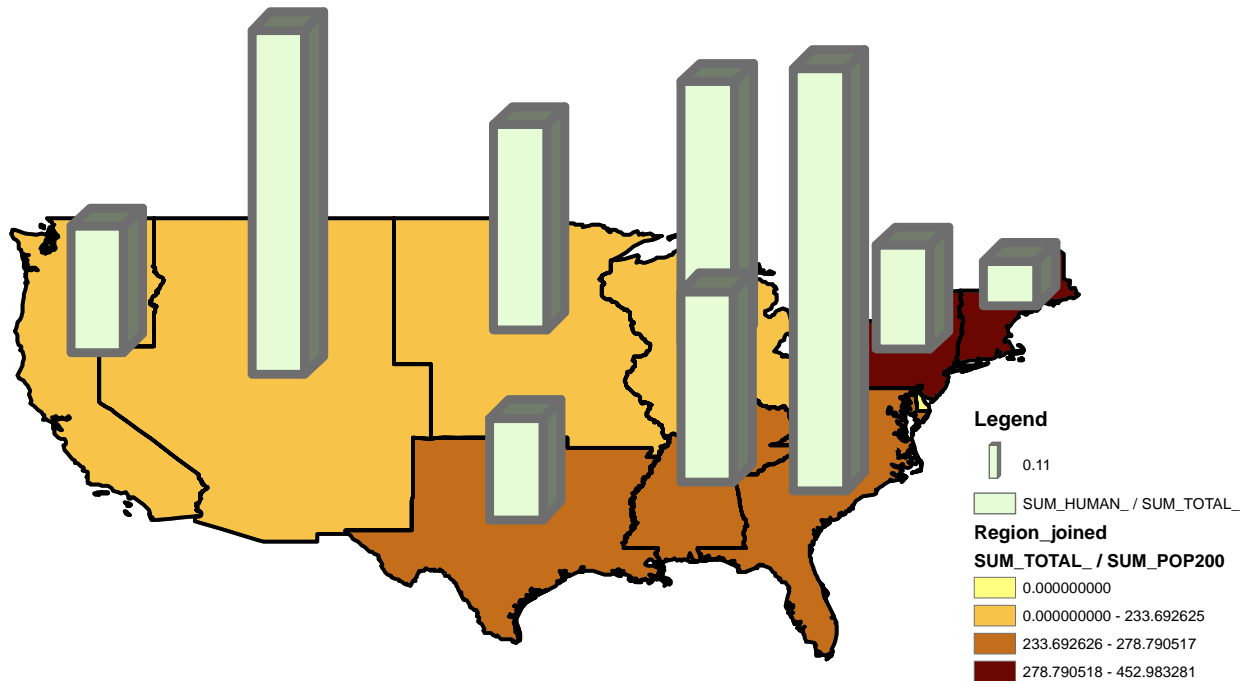


Figure 15 Giving to International Organizations by Division

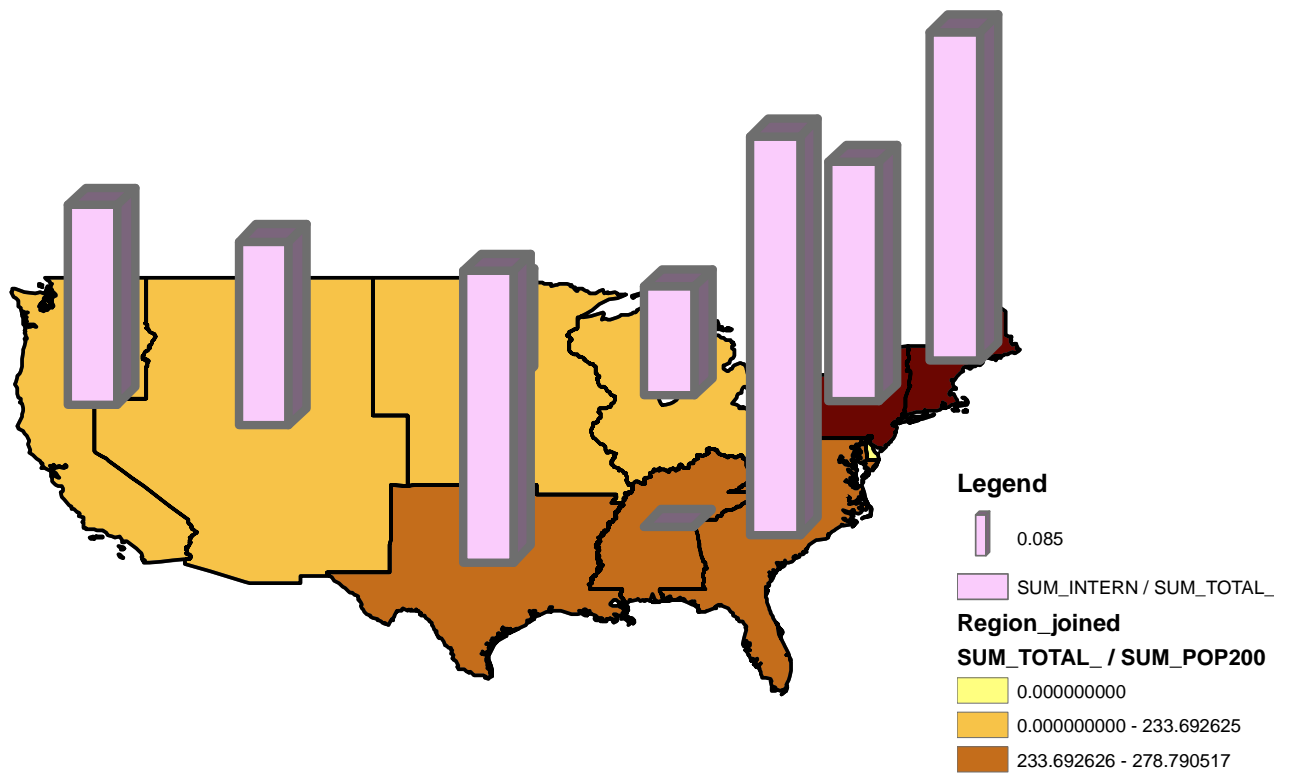


Figure 17 Giving to Mutual Benefit Organizations by Division

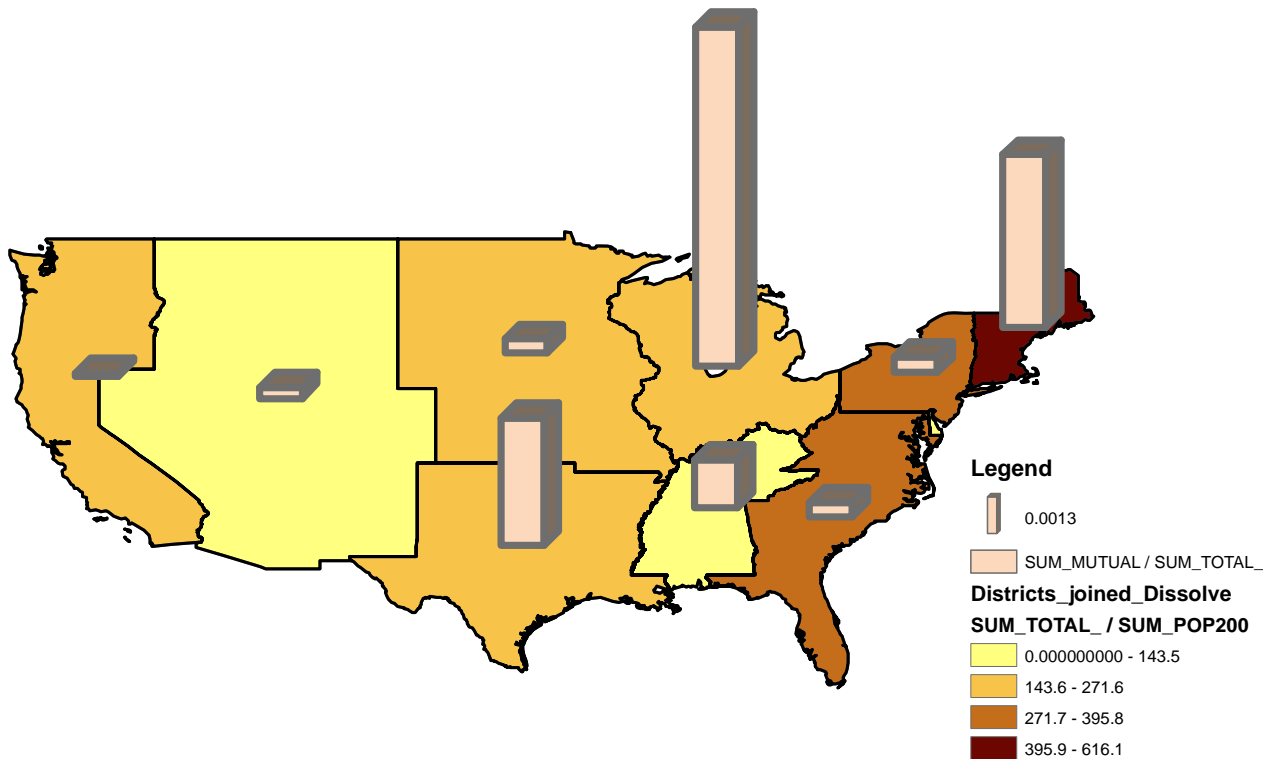


Figure 18 Giving to Public Social Benefit Organizations by Division

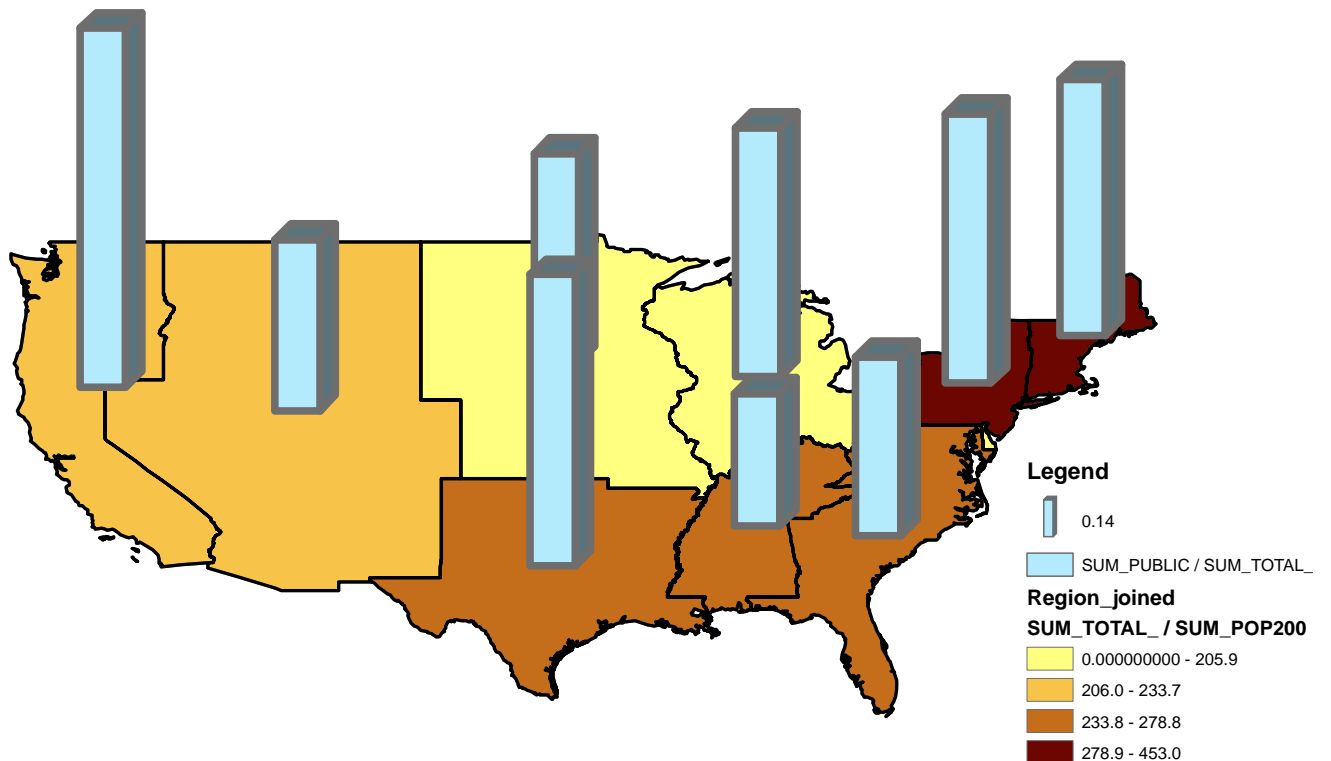
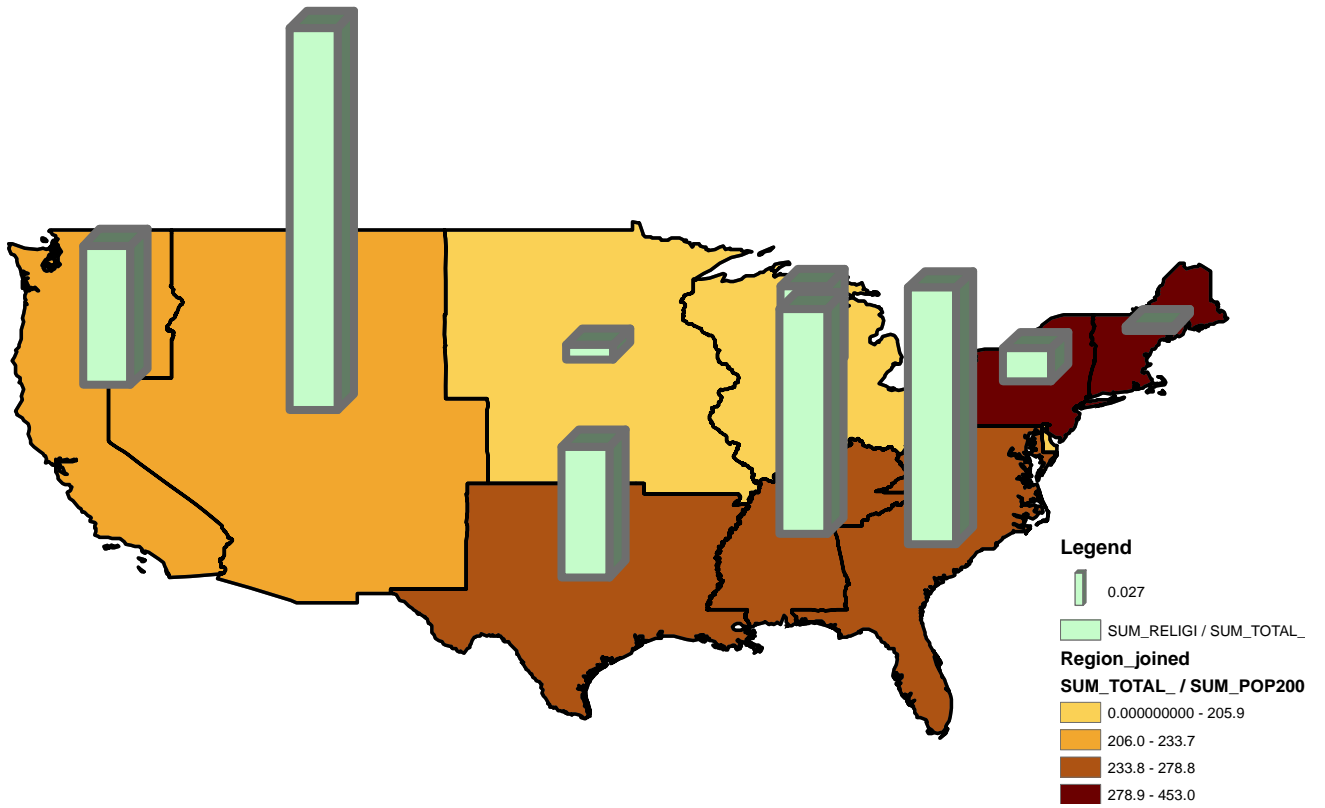


Figure 19 Giving to Religious Organizations by Division



Implications for Nonprofit Organizations

In order for nonprofit organizations to maximize their fundraising efforts, they must understand the area in which they operate. The primary factor that must be recognized in the fundraising effort is the demonstrated giving trends for an area. While this knowledge may not increase the total donations received, it allows fundraisers to have a greater understanding of the issues they may face. Second, by understanding the type of person most likely to support the organization, it is possible for fundraisers to create a more methodical approach to seeking charitable donations.

When soliciting donations from individuals who do not have an existing relationship with an organization, fundraisers can create a more effective list of potential donors based on the results of this analysis. This methodical approach can be achieved by focusing on potential donors who possess the characteristics identified as statistically significant in this research. This greater understanding of all of the factors that influence an individual's decision to support a nonprofit organization should result in greater efficiency in the work process. As is common with sales professionals working in the private sector, a fundraiser can create a hierarchical list of contacts based on marital status, age, income and other variables. By targeting the top tier group of individuals first, fundraisers can focus first on those individuals predicted to support a nonprofit organization.

During an economic downturn, when funding sources may be reduced or eliminated, nonprofit organizations must be able to equip themselves with the knowledge that will allow them to continue to raise funds effectively to support their mission.

The giving trends outlined in this analysis make it possible for fundraisers to identify the type of organization receiving the greatest level of support within their region, division,

and state. By understanding the level of support agencies within the same major NTEE classification receive in the area, a fundraiser can better plan their fundraising efforts. For example, if an organization that is primarily concerned with the environment and is operating within the West South Central Division, a fundraiser is better prepared for the objections to support they may encounter with potential support. While this analysis cannot provide insight on how to approach a potential donor for support, it can provide the fundraiser with a realistic expectation of the obstacles they may encounter. This understanding is crucial in formulating pragmatic fundraising goals and may provide the organization with an opportunity to plan community outreach and awareness events with other agencies concerned with similar issues.

Further Analysis

This study creates a foundation for understanding the trends and determinants that influence an individual's decision to support a nonprofit. However, further analysis should be conducted that analyze giving patterns at a county level, accounting for all 501(c)(3) organizations as opposed to a sample of organizations, to understand fully the true giving trends within each Region, Division, State, City, and County in the United States. Additionally, analysis that focuses on the donor, as opposed to the type of organization, would be beneficial to developing a greater understanding of what motivates an individual to support a nonprofit organization.

Understanding all of the factors that lead to an individual's decision to support a nonprofit is imperative to the organization's success. While it is important for nonprofits to effectively market their agency effectively to the community they serve, fundraisers must

also understand to whom they are marketing. Understanding the regional, divisional and state level giving trends demonstrated by donors and the key determinants of those donors should lead to greater efficiency in generating agency support and create further sustainability for these agencies in the present and into the future.

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