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RESEARCH NOTE

Embarking on a Republic of Benevolence? New Survey Findings on Charitable Giving

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In this article, the authors provide a tentative answer to a vexing statistical question about the level of charitable giving in the United States: Why does the Independent Sector's (IS) Survey of Giving and Volunteering consistently estimate personal contributions to nonprofit organizations to be 65% to 75% lower than corresponding estimates reported by the American Association of Fund-Raising Counsel (AAFRC). The authors' analysis of several additional surveys suggests that there is sufficient new evidence to conclude that average annual household giving is closer to an AAFRC-based estimate of $1,167 than to the IS's published estimate of $696. This would herald the good news that levels of charitable giving are indeed higher—at least 34% and perhaps up to 48% higher—than previously reported from survey data. These findings indicate that a substantial upward revision in the perceived amount of annual charitable giving is in order.

Our most recent research has provided a tentative answer to a vexing statistical question about the level of charitable giving in the United States: Why does the Independent Sector's (IS) Survey of Giving and Volunteering (SG&V) (1996) consistently estimate personal contributions to nonprofit organizations to be 65% to 75% lower than corresponding estimates reported by the American Association of Fund-Raising Counsel (AAFRC)—the other major source of statistics on charitable giving? This discrepancy has been a topic of discussion for several years, and it was repeatedly raised at the May 1992 symposium, which was sponsored by *Voluntas: International Journal of Voluntary and Non-Profit Organizations,* on the quality of data on philanthropy and the nonprofit sector ("Dimensions of the U.S. Non-Profit Sector," 1993).

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Our findings indicate that a substantial upward revision in the amount of annual charitable giving is in order. We now believe that there is sufficient new evidence to conclude that average annual household giving is closer to an AAFRC-based estimate of $1,167 than to the IS published estimate of $696. This would herald the good news that levels of charitable giving are indeed higher—at least 34% and perhaps up to 48% higher—than previously reported from survey data.

The most widely cited source of household statistics on charitable giving is IS's SG&V (1996), which the Gallup Organization has conducted biennially for IS since 1988. This survey obtains information from approximately 2,700 households and provides the basis for the widely used estimates of the percentage of households contributing to charity (68.5%), their average annual contribution ($696), and the percentage of income contributed (1.7%). The other major source of charitable statistics is the AAFRC's annual report titled *Giving USA* (Kaplan, 1997). This report publishes an estimate of total charitable giving by individuals that it calculates by a variety of methods from an array of sources. AAFRC estimates that in 1995, $116.23 billion were given by individuals (exclusive of bequests) to charity. Dividing that figure by the number of households (99.6 million) results in an estimated $1,167 per household contribution in 1995.

In recent years, IS has ceased multiplying its average household contribution to obtain a national estimate. Instead, IS now offers the AAFRC *Giving USA* national estimate of total individual giving, for example, in its 1996-1997 *Nonprofit Almanac* (Hodgkinson, Weitzman, Abrahams, Crutchfield, & Stevenson, 1996, pp. 56, 86). But when informing the nation about the average annual household gift, IS continues to cite its survey number of $696 (see Hodgkinson, Weitzman, Crutchfield, Heffron, & Kirsch, 1996, p. 2).

How we came to discover the good news of substantially higher charitable giving is kind of a minor detective story. Over the past several years, we have carried out an extensive evaluation of the design and implementation of the biennial SG&V at the request and encouragement of IS. A major part of our evaluation effort was a year-long diary study, which took place during calendar year 1995, with 44 Boston-area households (Havens & Schervish, 1997). These households did not represent the national population, but we were able to carefully document the total amount of charitable giving they contributed. We discovered that these households reported upwards of 30% more charitable giving than recorded for their demographic counterparts in previous SG&V surveys. Was our diary sample unrepresentatively generous? Did our weekly interviews induce them to give or to falsely report more contributions? Was there in fact a higher level of household giving?

In search of the answer, we looked into the findings from three national representative surveys not widely known as sources of information on charitable giving. The first is the 1995 Survey of Consumer Finances (SCF) conducted for the Federal Reserve by the National Opinion Research Corporation (NORC). This survey is especially designed to oversample households at the highest levels of income and wealth. The second is the 1996 General Social Survey (GSS), which is also conducted by NORC. A third survey, carried out with academic standards, is the Harvard Survey of Health and Life Quality (1995). Funded by the John D. and Catherine T. MacArthur Foundation, this survey provides findings for 1995 that are consistent with the SCF and GSS surveys.

Table 1, which presents data for all households in 1995 dollars, confirms our suspicion that the estimates of charitable giving in IS's widely cited SG&V are far too low. The first two columns present two estimates that were calculated and published by IS from the 1996 SG&V survey. The data in column 1 are those presented and commented on in IS press releases and most often carried in news stories. Column 2 is for heads of households only. The third column is our sympathetic recalculation of the IS numbers, imputing missing data and including only those respondents who were heads of households or decision makers about charitable giving. Of the three estimates based on the SG&V, our $771 figure is the closest to what we believe is actually occurring. Column 4 provides the 1995 SCF estimates. The SCF counts as contributors and obtains dollar amounts from those people who are giving $500 or more and thus does not count contributions of less than $500. But, even though it classifies only 29% of the population as givers, it still obtains an average contribution of $972, 40% higher than the official SG&V estimate and 26% higher than our SG&V estimate.

Column 5 presents the freshest estimate of charitable giving and is based on data from the highly respected NORC GSS, which, for the first time in 1996, inquired about charitable giving using exactly the same questions as the 1996 IS SG&V. The results, calculated in a manner similar to those in column 2, indicate participation rates that are 8% higher than IS's SG&V, percentage of income contributed that is 28% higher than IS's SG&V, and average household charitable giving that is 43% to 58% higher than IS's SG&V. The sixth column, calculated from the Harvard Survey of Health and Life Quality, is a preliminary figure, but it indicates household giving of $969 (2.2%) of income. The seventh column provides our own composite estimate, which uses the GSS to estimate gifts by households contributing less than $500 and the SCF to estimate giving by households contributing more than $500. This composite data set provides estimates of a 75% participation rate and an average household contribution of $1,031 (34% to 48%) higher than estimates based on the SG&V.

As researchers and citizens, we are pleased to discover that the results of recent surveys uniformly indicate that the level of household giving is so much

Table 1. Comparisons of Contribution Estimates (1995 dollars)

	SG&V '96 All Respondents (published)	SG&V '96 Heads of Household	SG&V '96 Heads of Household or Decision Makers[a] (imputed missing)	SCF '95 Heads of Household ($500+)	GSS '96 Heads of Household	Harvard Survey '96 All Respondents[b] (age 25-74)	SWRI Composite Heads of Household	Giving USA '96
Source of calculations	IS	IS	SWRI	SWRI	SWRI	SWRI	SWRI	SWRI
Participation rate[c] (%)	68.5	70.3	67.3	29	74	66	75	NA
Percentage of income contributed[d]	1.7	1.8	1.6	2.0	2.3	2.2	2.4	NA
Average contribution[e]	$696	$749	$771	$972	$1,099	$969	$1,031	$1,167
Percentage greater than column 1	—	8	11	40	58	39	48	68
Percentage (+/−) column 3	-10	-3	—	26	43	26	34	51
Percentage of column 8[f]	60	64	66	83	94	83	88	—

Note: Calculations conducted by the Social Welfare Research Institute at Boston College. SG&V = Survey of Giving and Volunteering, SCF = Survey of Consumer Finances, GSS = General Social Survey, SWRI = Social Welfare Research Institute, IS = Independent Sector.

a. All data have been calculated based on information provided by principal decision makers about family contributions or by heads of household (imputed missing data).

b. The Harvard Survey interviewed respondents only between the ages of 25 and 74.

c. The participation rate is the percentage of families and unrelated individuals who reported making a contribution to a charitable organization. The participation rate for the SCF is the percentage who reported making a contribution in excess of $500.

d. The percentage of income contributed is calculated for each family as the total contributions divided by total family income before taxes. The family income for the SG&V data is top coded at $125,000, and this number was used as family income for SG&V respondents reporting incomes of $125,000 or more. Similarly, the GSS top codes family income at $75,000, and this number was used as family income for GSS respondents reporting family incomes of $75,000 or more. This procedure inflates the average percentage of family income contributed for these two surveys.

e. The average contribution is the average for all families and unrelated individuals. The average for the SCF counts all contributions less than $500 as 0. The SWRI composite measure uses data from the GSS to adjust for this deficiency.

f. The total of personal contributions reported by the American Association of Fund-Raising Counsel (AAFRC) ($116.23 billion) divided by the number of households (99.6 million) implies an average contribution of $1,167.

higher. We do not claim that average household giving is as high as the $1,167 estimate based on *Giving USA*. But we now have evidence that it might be near that number. Based on what our diary, intensive interview, and statistical research have taught us about the need to be methodologically resourceful in obtaining hard-to-recall information from all relevant household members, the need to inquire carefully about informal giving, and the need to capture giving by upper income and wealthy households, we suspect that giving may approach $1,100.

Our findings suggest the methodological proposition that the more carefully a survey samples the full range of households by income, interviews the knowledgeable decision makers in a household, furthers respondent recall, contracts trained interviewers who ask complex questions patiently and accurately, and otherwise uses rigorous field practices, the greater the amount of reported charitable giving. Our findings also suggest that we in the research community may need to revamp our conventional thinking about a number of topics, including the levels and trends in generosity, what is happening at the upper end of the income and wealth distributions, the vitality of care in our society, and the amount of financial and moral wherewithal available for creative attention to people's needs.

On July 4, 1824, Pastor Leonard Woolsey Bacon of Boston preached that in past times

> the privilege of engaging in schemes of magnificent benevolence belonged only to princes and to men of princely possessions. But now the progress of improvement has brought down this privilege to the reach of every individual. The institutions of our age are a republic of benevolence. (cited in Lynn, 1996, p. 33)

It is far too cheerful to conclude that we are on the verge of Pastor Bacon's "republic of benevolence." But, if the satisfactions of giving and making a difference breed more giving, we have some happier work ahead of us.

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