

Giving in Greater Kansas City Summary of Charitable Contributions in 2007

Published in Spring 2009

Sponsored by
Bank of America
Civic Council of Greater Kansas City
DST Systems, Inc.
Ewing Marion Kauffman Foundation
Greater Kansas City Community Foundation
H&R Block Foundation
Hall Family Foundation
Health Care Foundation of Greater Kansas City
Jeffrey Byrne & Associates
Kansas City Power & Light
The REACH Healthcare Foundation
Sosland Foundation
Sunderland Foundation
UMB

Researched and written by



Executive Summary

This executive summary presents a picture of giving in the Greater Kansas City region in 2007, including the sources of contributions and the allocation of those gifts by type of recipient charity (called subsectors). This study shows that the Kansas City community contributes 0.7 percent of the national total – which is exactly its share of the national population.

Charitable giving in the United States has been around 2 percent of gross domestic product since 1955 when Giving USA, the yearbook of philanthropy, began reporting total annual charitable contributions. About three-quarters of the total each year in the country comes from living individual donors. Estate contributions account for roughly seven percent. Foundations give about 13 percent of the total and corporations give about five percent of the value of all donations in the U.S. in a year.

Many people in the Kansas City region believe that among the important challenges now facing our nation is sustaining philanthropy in order to maintain the diversity of groups that make up the very definition of the American quality of life: schools and health care; youth organizations; charities and churches that strive to help people in desperate need; and many other types of organizations.

Donations to religion, education, or United Way are often funds that donors pledge routinely to these purposes. While part of total giving, the annual pledges are funds that are not available for other community needs. Of the estimated \$2.04 billion contributed by living donors and institutions (excludes bequests) in the Greater Kansas City region in 2007, approximately 56 percent, or \$1.13 billion, was directed to organizations that typically receive annual pledges: religion, education, and United Way. An estimated \$909 million, or 44 percent of contributions from living donors and institutions in 2007, was directed to a wider range of organizations, including health, human services, the arts, and so on.

In the Greater Kansas City area, 72 percent of households give, compared to the national rate of 70 percent. However, other cities (Memphis, Atlanta, and Chicago, for example) exceed the national rate, with 80 percent or more of their population giving. There is an opportunity for Kansas City to increase philanthropy in part by increasing the percentage of households in our region that make donations to charitable organizations. In this year, in particular, every gift—small or large—has the potential to impact lives directly.

This summary includes a description of the region included in the survey followed by some anticipated shifts from the 2007 study results and the current situation. The main findings, including summary information about charitable giving by source and by type of recipient and an estimate of “uncommitted” giving, follow the background material. More information about household giving, which accounts for the largest share of the total, is included and is followed by comparisons with national results for household giving and for total giving. This summary concludes with a comparison of this analysis with prior studies of charitable giving conducted in the Kansas City area.

This summer the full report will be issued with more details about the household study results, an in-depth look at foundation grantmaking, and more information about corporate support and bequests.

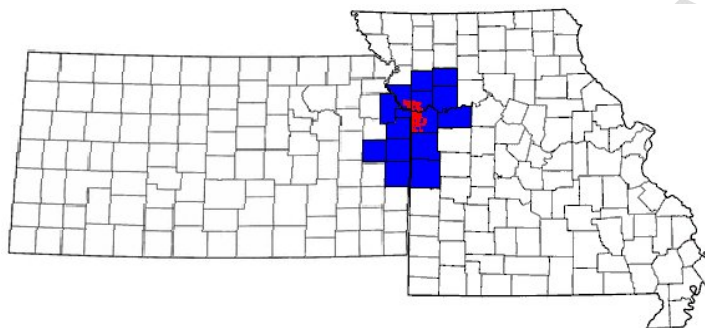
Background: Region

The study focuses on charitable giving in the Kansas City MO-KS Metropolitan Statistical Area (MSA), covering all or a portion of:

- Missouri counties of: Bates, Caldwell, Clinton, Cass, Clay, Lafayette, Jackson, Platte, and Ray.
- Kansas counties of: Franklin, Johnson, Leavenworth, Linn, Miami, and Wyandotte.

Metropolitan statistical areas are defined by the U.S. Office of Management and Budget, which looks at large population centers and determines which adjacent communities are most socially and economically involved with them. Figure 1 illustrates the counties, in two states, covered by this report. The larger cities covered in this report include, in Missouri, Independence and Kansas City and in the state of Kansas, the communities of Kansas City, Olathe, and Overland Park.

Figure 1
Region studied



www.wikipedia.com
January 2009

Information about the Kansas City Metropolitan Statistical Area From the American Community Survey, 2007

The region had an estimated population of 1.98 million in 2007, which is 0.7 percent of the total U.S. population. The population of Kansas City is:

- 80.7 percent white (compared with 73.9 percent nationally)
- 12.0 percent black (compared with 12.4 percent nationally) and
- 7.3 percent from other minority groups (compared with 13.7 percent nationally).

These total 100 percent. Of the total population, 7.1 percent identify themselves as Hispanic or Latino¹, based on ethnicity. The Hispanic/Latino population is less than half the national share, which is 15.1 percent.

In the region, 89.6 percent graduated from high school and 31 percent have a bachelor's degree or higher, above the national level of 27 percent. The regional median household income in 2007 was \$53,508, or 5 percent higher than the national median of \$50,740 for 2007.

10.3 percent of people in the Greater Kansas City Metropolitan area lived in poverty in 2007. This is a lower percentage than the 13 percent nationally. Compared with other metropolitan areas with around 2 million in population, Greater Kansas City has a lower poverty rate than Cleveland, Sacramento, and San Antonio, and about the same poverty rate as Orlando, which is similar in size and is close to Kansas City Metropolitan Area in terms regional GDP.²

¹ Individuals are asked to first designate ethnicity – i.e. are they Hispanic/Latino? The US Census Bureau then asks questions specific to race such as white, black, etc explicitly noting that "Hispanics/Latinos may be of any race".

² KCEconomy.com (2008) *Economic Growth: Comparing Metro Areas*. www.KCEconomy.com.

Study of giving in 2007 and implications for 2008 and 2009 giving

This study was conducted in 2008 and most of the data cover charitable contributions made in 2007 or for foundations, 2006. Because charitable giving reflects large economic trends in the United States, it is certain that contributions in 2008 and 2009 will differ from the results found for earlier years.

Charities have survived many recessions, and even during the Great Depression donors continued to contribute. Timing and amount vary, but few donors stop altogether. *Giving USA*, the yearbook of philanthropy, shows that over the past 40 years:

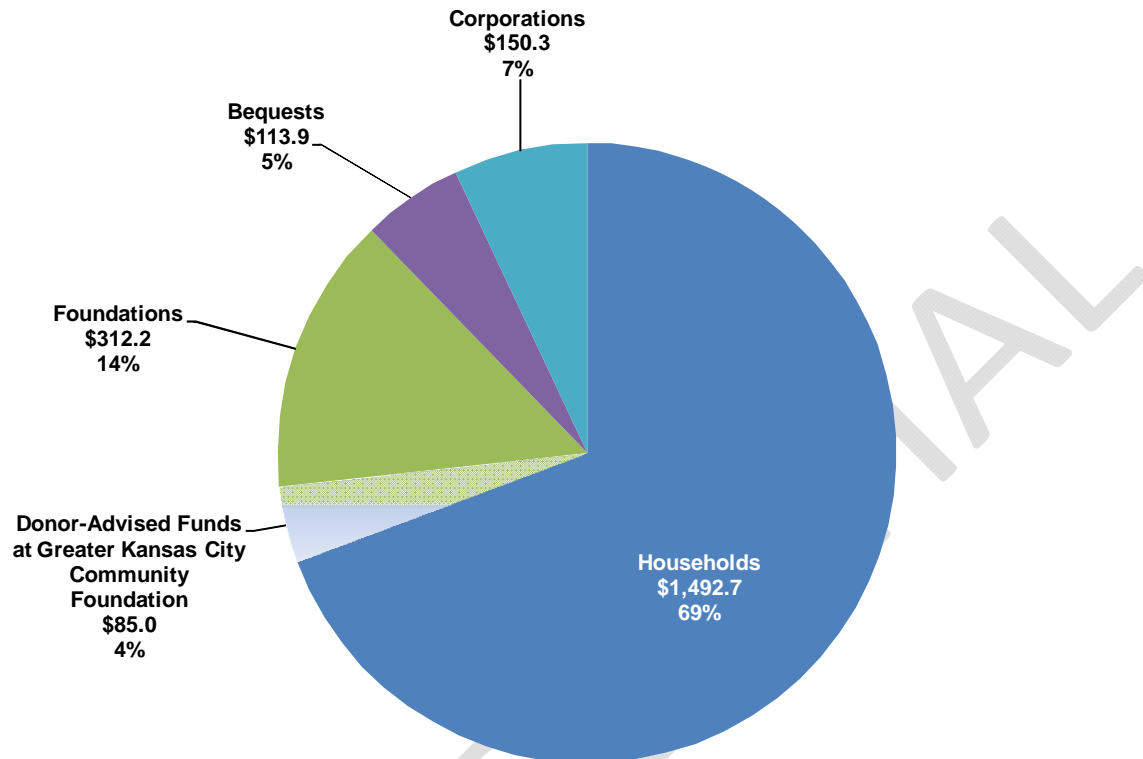
- Total giving increased, on average, 2.8 percent per year (adjusted for inflation). However, in recessions, giving dropped, on average, 1 percent per year. In long recessions, the decline averages 2.7 percent a year (all figures adjusted for inflation).
- Giving averaged about 2 percent of GDP, moving from a low of 1.7 percent in the 1980s to a high of 2.4 percent in 2005.
- Individuals accounted for three-quarters of total giving. More than half of individual giving supported religious organizations such as houses of worship, the governing bodies of faith groups, and ministries.
- When looking at secular donations only (gifts to charities that are not religious, even if they are faith-based), individuals account for about 60 percent of total giving.

To gauge how giving in the Kansas City area may differ in this economy, consider the following:

- A 100-point year-end change in Standard & Poor's 500 Index is associated with about 0.5 percent change in total household giving. In Kansas City, that translates to a \$7.47 million dollar increase (if the market rises) or decrease (when the market falls) for every annual change of 100 points in the Standard & Poor's 500 Index.
- Stock market changes other than from December 31 to December 31 may affect the timing of gifts but are not indicators of the total amount of giving for the year.
- Large corporations, which account for a significant portion of total corporate giving, typically give 1 percent of profits. Some have policies of giving 2.5 percent or even 5 percent of profits.
- Private foundations, such as the Arvin Gottlieb Charitable Foundation or the Hall Family Foundation, are required by law to expend 5 percent of their year-end assets in charitable grants and the costs to make grants. They can average asset values over a five-year period. The giving in 2008 and 2009 might be bolstered somewhat by the comparatively higher asset values from 2006 and 2007 that are averaged with 2008. Foundations may also elect to give more than 5 percent, and some have recently announced plans to do that for 2009.
- The Greater Kansas City Community Foundation is not subject to the same 5 percent rule that applies to private foundations. That being said, historically Community Foundation donors have given more than 5 percent. The majority of giving from the Greater Kansas City Community Foundation is directed by donors with funds administered by the foundation.

Total giving by source of contribution

Millions of dollars



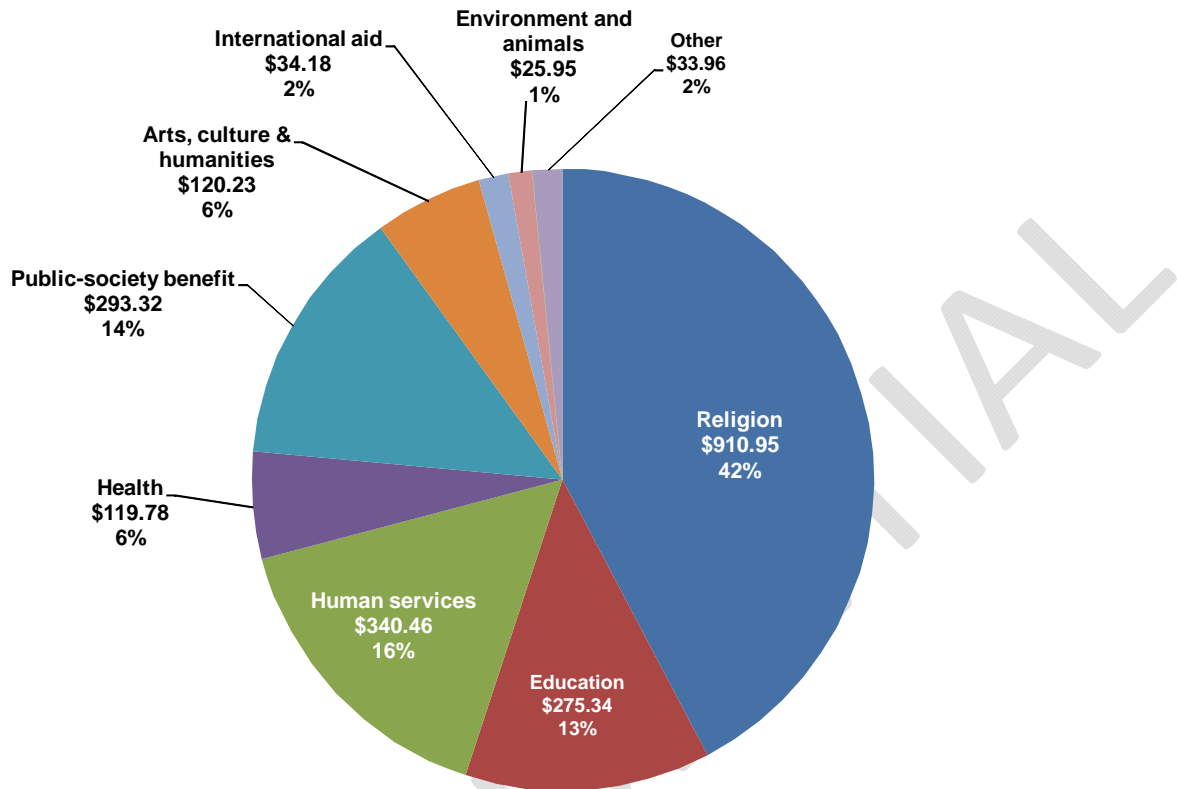
Note: All percentages are rounded to the nearest 1 percent and may not total to 100%.

Total giving in the Kansas City region during 2007 is estimated to be \$2.15 billion.

- Households (also called individual donors) contributed an estimated \$1.49 billion, or 69 percent of the total. Of Kansas City-area households surveyed, 72 percent donated an average of \$3,375 in 2007.
- The Greater Kansas City Community Foundation paid grants from donor-advised funds of \$85 million in 2007. These distributions accounted for 4 percent of the total estimated giving. If those gifts are counted as individual gifts, because individual donors request the foundation to pay the grant, then individual giving in Kansas City was 73 percent of the total estimated giving.
- Foundation grantmaking, not counting donor-advised funds at the community foundation, was \$312.2 million, or 14 percent of the estimated total.
- Bequests received by Greater Kansas City charities are estimated to be \$113.9 million, or 5 percent of the estimated total.
- Corporate contributions received by Greater Kansas City charities are estimated to be \$150.3 million, which is 7 percent of the total estimated giving.

Allocation of gift by type of recipient, Greater Kansas City donations, 2007

Millions of dollars



Note: All percentages are rounded to the nearest 1 percent and may not total to 100%.

The categorization by subsector follows codes developed under the National Taxonomy of Exempt Entities (NTEE). Charitable contributions are classified by the purpose of the charitable organization, not on the activity supported by the gift. For example, The REACH Healthcare Foundation granted funds to a human services charity, Catholic Community Charities, to improve access to postpartum care for mothers and infants, and to an educational organization, the KU Endowment, for an outreach program related to health care. The activities funded are related to health, but the organizations that received the funds are classified in other subsectors.

- The allocation of charitable gifts in the Greater Kansas City area shows \$910.95 million to religion, or 42 percent of the total. This is a larger share than nationally, where 33 percent is for religion, according to *Giving USA 2008*.
- Education giving in Greater Kansas City is estimated to have been \$275.34 million in 2007, or 13 percent. Nationally, education giving is about 14 percent of the total. About 75 percent of all education giving in Greater Kansas City is to higher education. A comparatively large share of the Greater Kansas City adult population has a college degree. It is likely that many households give to their alma maters.
- Human services giving is estimated to be \$340.46 million, which is 16 percent of the total. Nationally, human services giving is about 10 percent.

- Health organizations received an estimated \$119.78 million, which is 6 percent of the total. Not all grants made by foundations that specialize in health are actually directed to health charities.
- Under the NTEE, public-society benefit organizations include the United Way, which received an estimated \$41 million (among all the United Ways operating in the region in 2007). It also includes Jewish federations and Jewish foundations, groups working for community or neighborhood improvement or business development, veterans and military aid organizations, leadership programs, and civil and human rights initiatives. This subsector, with its many types of recipients, received an estimated \$293.32 million, or 14 percent of the total.
- Organizations in the arts, culture, and humanities subsector include performing arts, museums of all types (including science and children’s museums), and organizations focused on preserving ethnic, cultural, or linguistic heritage. This subsector received \$120.23 million, which is 6 percent of the estimated total. This is consistent with the national share of 5 percent.
- The subsector called “international aid” also includes international exchange programs and research and policy institutes devoted to international affairs or issues of peace and security. From donors in the Greater Kansas City region in 2007, organizations in this subsector received an estimated \$34.18 million, which is 2 percent of the estimated total. This is slightly less than the national share of 4 percent.
- The environment and animals subsector includes national organizations and their local chapters, such as the Nature Conservancy and Ducks Unlimited, as well as animal shelters and the Kansas City Zoo. Organizations in this subsector received an estimated \$25.95 million in 2007 from Kansas City-area donors, or 1 percent of the estimated total. Nationally, environment and animal-related charities is about 2 percent of total.
- Organizations considered “other” include entities with purposes that cross a number of categories and limit easy coding; groups that didn’t fit in an earlier category; or government entities, such as a local school or parks department. Contributions considered “other” in the Greater Kansas City area in 2007 totaled an estimated \$33.96 million, or 2 percent of the total. The national share for unallocated giving or “other” is almost 8 percent.

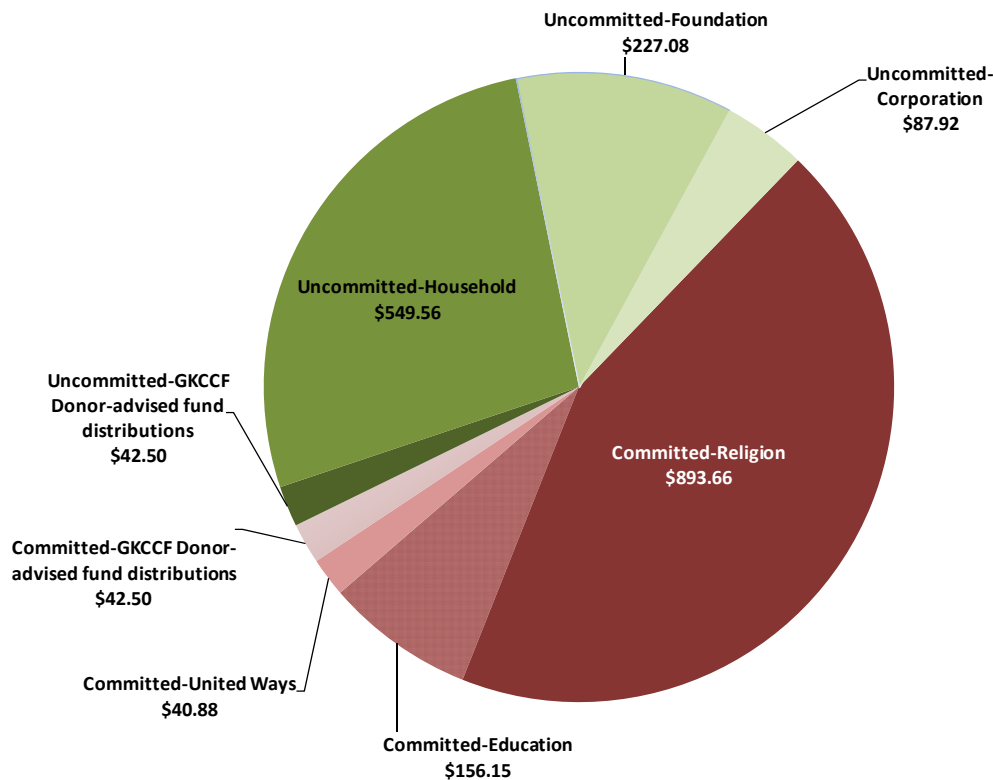
Estimate of “committed” giving

Of an estimated \$2.04 billion in contributions (excluding bequests), about \$1.13 billion is given to organizations that have a strong connection with the donors: Religious organizations, educational institutions such as an alma mater or child’s school, and United Way campaigns (mostly United Way of Greater Kansas City). Many of these organizations request and receive an annual pledge from donors. Gifts to religion, education,³ and United Way make up 55 percent of the amount contributed in the Greater Kansas City area. This includes household, corporate, and foundation giving.

An unknown amount of the distributions from the donor-advised funds at the Greater Kansas City Community Foundation (GKCCF) is allocated to these types of strongly connected entities. The estimate for “committed” giving includes half of the approximately \$85 million granted through GKCCF donor-advised funds.

Estimated committed and uncommitted philanthropic gifts, Greater Kansas City, 2007

Millions of dollars



After removing the “committed” giving, approximately \$910 million in donations made in 2007 were gifts that are likely to shift among different types of recipients from year to year, as households, foundations, and corporations respond to requests received. This was about 45 percent of the amount donated (not including bequests) in the Greater Kansas City area in 2007.

³ For this estimate, all education giving from corporations was included on the “committed” side, half of household education giving was included in “committed” and no education giving from foundations was included in “committed.”

Household giving in Greater Kansas City, 2007

Summary of methods: These findings are based on a summer 2008 telephone survey of 1,200 households. The survey team, Metro Chicago Information Center, worked with Spanish-speaking interviewers and also made special efforts to reach households headed by other minorities. The survey data are representative of the Kansas City metropolitan area by age, race, and education. The survey did not reach a large number of high-income households (income >\$200,000). In Kansas City, about 3.3 percent of the population had this level of income in 2007. Nationally, about 4.0 percent did. See page 12 for more information about giving by high-income households.

Overview of household giving

72 percent of households in the Greater Kansas City area contributed in 2007, which is slightly above the national rate of 70 percent in 2004 (the most recent data available). The average gift in the Kansas City area was \$3,375, which is 50 percent more than the national average of \$2,247 from donor households (the estimated amount in 2007, after adjusting the 2004 value for inflation). The high average gift amount seems to be explained by these factors:

- About 16.8 percent of Kansas City households had income between \$100,000 and \$200,000 in 2007, according to the American Community Survey. In the U.S., about 15.7 percent fall within that range. Kansas City also had a lower poverty rate than nationally and lower than many other cities in the same size range, including Cleveland, San Antonio, and Sacramento.
- 31 percent of Kansas City-area residents have a college degree, more than the national rate of 27 percent (these rates are for people 25 and older). Higher education has been found to be associated with higher levels of giving, all other factors held constant.
- 18.1 percent of Kansas City-area adults work in industries found to be associated with higher giving after controls for income and education: finance, professional, business services, or public administration.⁴ Nationally, 15.9 percent work in these industries.

Because national surveys include residents of rural areas, large cities, and small towns, we have compared Kansas City giving with a subset of national data limited to cities of 1 million or more. Nationally, 73.3 percent of residents of metropolitan areas with a population of 1 million or more contributed in 2004. They gave, on average, \$2,332 (\$2,559 converted to 2007 dollars).⁵

Kansas City household giving compared to other regions

In studies that used the methods used in this work for Greater Kansas City giving, many metropolitan areas had much higher rates of giving. Kansas City had 72 percent of households participating in charitable giving. In prior regional studies done in 2006 through 2008:

- 83 percent of Memphis-area households donated;
- 86 percent of households in the Atlanta area donated; and
- 86 percent of households in greater Chicago donated.

⁴ Havens, J. and Schervish. P. (2007) *Geography and Giving*. Boston: The Boston Foundation.

⁵ Center on Philanthropy Panel Study (COPPS), 2005 wave about giving in 2004. Fielded as part of the Panel Study of Income Dynamics conducted every two years by the Institute for Social Research at the University of Michigan.

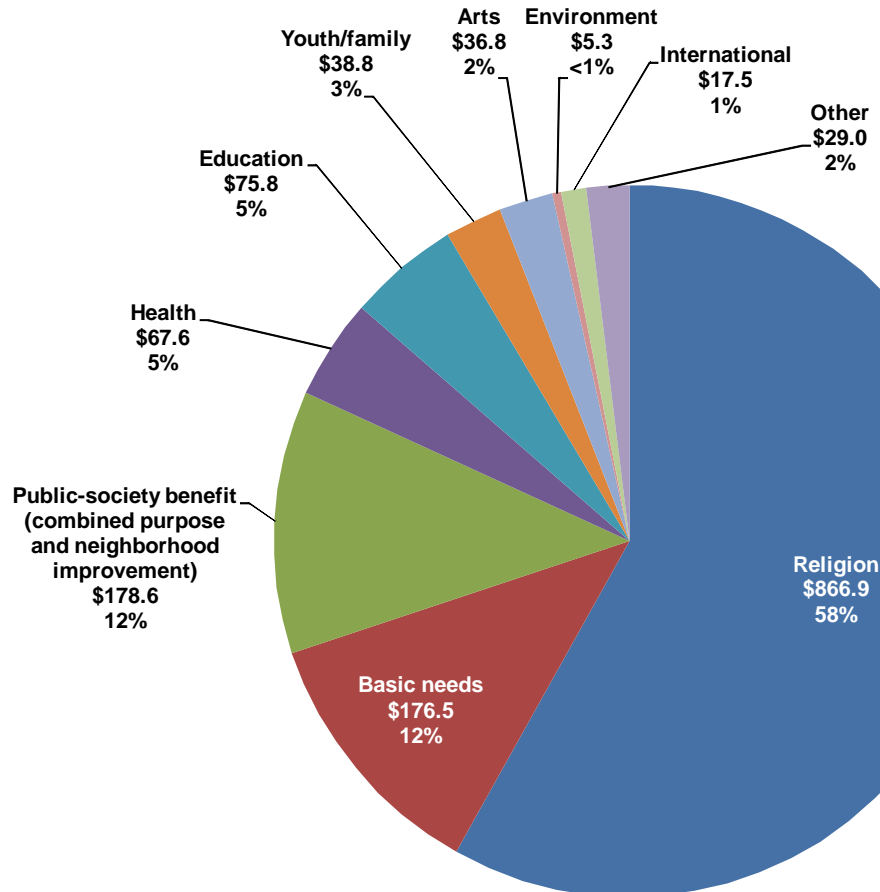
Household allocation of gifts by type of recipient

Greater Kansas City households allocated their gifts by type of recipient in line with national priorities found in the Center on Philanthropy Panel Study (COPPS).⁶ Greater Kansas City household giving is shown below.

Percentage of Total Estimated Household Giving by Type of Recipient, 2007

Millions of dollars

Total = \$1.49 billion



- Giving to religion as a share of all household giving by Kansas City-area household donors is slightly lower than it is in the United States level. In Greater Kansas City, 58 percent of household gift dollars go to religion, compared with the national share of 61 percent.
- In Kansas City, households (also called individual donors) give somewhat larger shares to other types of charities than we see nationally based on the COPPS survey of households:
 - 12 percent to help meet people's basic needs, such as for food, shelter, or personal safety, which exceeds the national 10 percent. In the broader taxonomy of the National Taxonomy for Exempt Entities, charities that address people's basic needs fit within human services.

⁶ COPPS 2004 data are the most current available, www.philanthropy.iupui.edu.

- 12 percent to public-society benefit (United Way, Jewish federation, and other combined-purpose funds that collect money to reallocate to a number of different types of charities, plus donations for neighborhood improvement) which exceeds the national rate of 10 percent.
- Kansas City-area households give about the same share of their total giving to several subsectors:
 - 5 percent to education compared with a national share of 5 percent;
 - 5 percent to health, which slightly exceeds the national share of 4 percent in the U.S.;
 - 3 percent to youth development organizations, which is exactly the national share. In the broader taxonomy of the National Taxonomy for Exempt Entities, youth development and family services fit within human services.
 - 2 percent to arts, consistent with the national share;
 - 2 percent to other, which is close to the national share of 3 percent; and
 - 1 percent or less to environment and international organizations, both of which are 1 percent nationally.

As with the COPPS survey, households Greater Kansas City were asked about their giving to each type of charity in a series of questions: Did you give to religion? Yes? How much? Did you give to help people meet their basic needs? Yes? How much?, and so on.

The estimate for total household giving is based on the weighted sum of responses for all of the types of recipients from all of the survey participants. The final report will be released in Summer 2009 and will show the percentage of households that give to each type of recipient and the average contribution amount for each charity type.

Giving for math and science programs

The household survey conducted for *Giving in Greater Kansas City* asked respondents to identify contributions they made to improve math education or science education, including contributions for summer camps, computer training, scholarship funds, strengthening school curricula in science or math, or recruiting and training high-quality teachers in those subjects.

Based on the survey results, of the estimated household education giving of \$75.8 million, 8 percent (\$5.7 million) went to programs to improve education about science. Similarly, 10 percent (\$7.6 million) was for programs to improve education about math.

Selected determinants of giving

Much research has investigated the demographic and social traits of people who give to charity. Among the findings, most based on the Center on Philanthropy Panel Study:

- Income has a strong positive effect on whether a household gives and how much is given. The probability of giving increases as income rises, and the amount given increases. (Hughes and Luksetich, 2008).
- As a percentage of income, lower-income households (<\$50,000) give more, on average, (4.2 percent of their household income) than do households with income above \$100,000 (average of 2.2 percent of income). (Center on Philanthropy, 2009).
- Being married is associated with higher levels of giving – both a higher probability that someone will give at all and higher amounts contributed. (Rooney, et al., 2005).
- There is no difference in the total amount given by blacks and whites, after controlling for income, education, and marital status. (Rooney et al., 2005; Steinberg and Wilhelm, 2005).
- African-Americans give more to religious causes than non-African-Americans. (Steinberg and Wilhelm, 2005).
- Hispanic/Latino formal giving to recognized charities is lower, with statistical significance, than formal giving by whites and blacks. Because the study includes recent immigrants and because Hispanic/Latino households also engage more often in informal giving (transfers to family and friends), more research is needed to understand the difference. (Yoshioka, 2006).
- Recent immigrants (in the U.S. less than 10 years) give less often and give less, after controls for income and education, than longer-term residents. Immigrants in the U.S. for more than 10 years give in patterns similar to natives, controlling for income and education. 58 percent of the immigrants were from Mexico, Central or South America. (Osili & Dun 2003).

Sources:

Center on Philanthropy. (2009) Overview of charitable giving by income level. Mimeo. www.philanthropy.iupui.edu.

Hughes, P. and W. Luksetich. (2008) Income volatility and wealth: The effect on charitable giving. *Nonprofit and Voluntary Sector Quarterly*. 37(2) 264-280.

Osili, O. and D. Du. (2003) Immigrant assimilation and charitable giving. Mimeo. www.philanthropy.iupui.edu.

Rooney, P., D. Mesch, W. Chin and K., Steinberg. (2005) The effects of race, gender, and survey methodologies on giving in the U.S. *Economics Letters*. 86 (2005) 173-180.

Steinberg, R. and M.O. Wilhelm. (2005) Religious and secular giving by race and ethnicity. *New Directions in Philanthropic Fundraising*. 48, 57-66.

Yoshioka, T. (2006) Patterns of Giving in COPPS, 2003. Mimeo. www.philanthropy.iupui.edu.

Note about high-income giving and estimating based on survey responses

Total giving is likely to be even higher among households than what appears in this summary. Household giving estimates based on telephone surveys typically under-represent giving by the highest income households and by the very wealthy, who do not often participate in telephone surveys of any kind.

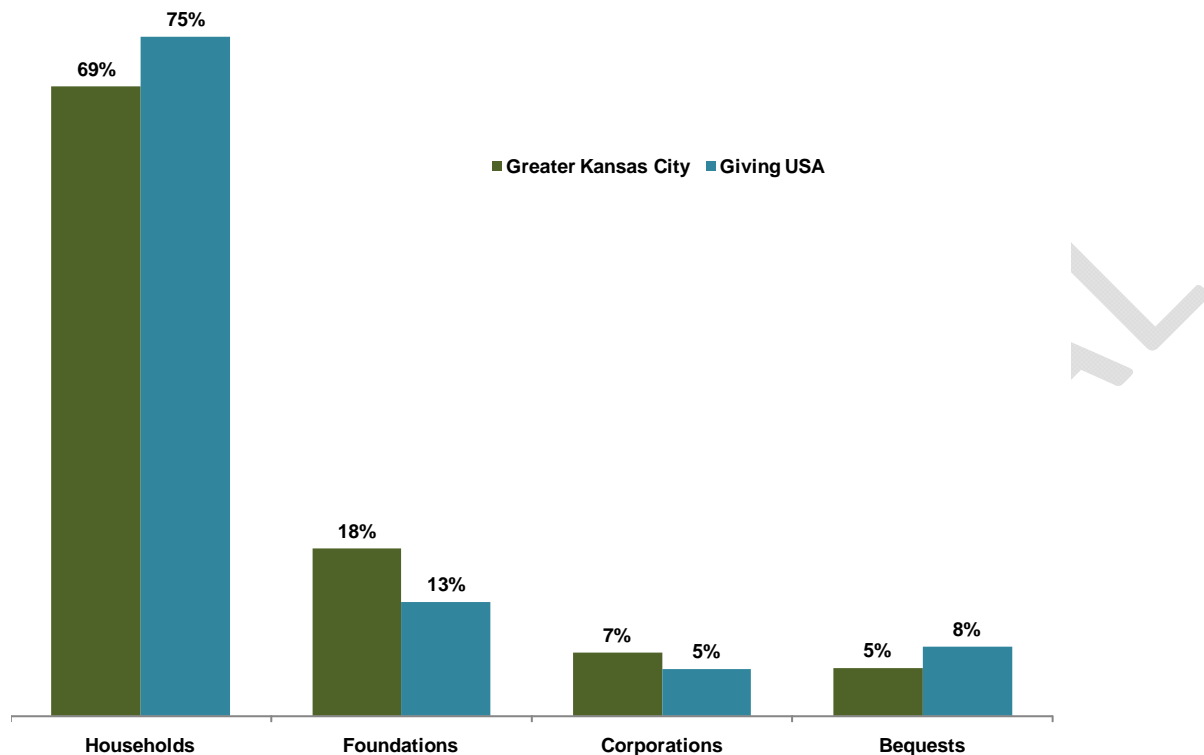
From other research, however, we know that high-income or high-wealth households (income of \$200,000 or more or net worth of \$1 million or more) give at least half of the total in the U.S. (Center on Philanthropy study for Bank of America, 2005). In the Bank of America Study, the average contribution from high-income households was \$82,850, when donations to foundations are not included. The Congressional Budget Office analyzed the Survey of Consumer Finances and found that the top 5 percent of households by income gave 45 percent of all contributions dollars in 1999.

This study includes 22 respondents in the highest income category (\$200,000 and up), which is 1.8 percent of the 1,200 study participants. Kansas City high-income (income of \$200,000 or more) respondents gave an average of \$25,041 in 2007. Using this result, the estimated giving from all high-income households is 58 percent of the amount of total household giving in Kansas City, consistent with the findings of the Survey of Consumer Finances and in the Bank of American study.

In developing the estimates, every effort was made to adjust for the under-representation of high-income households. Nonetheless, with just 22 participating, it is possible that the data obtained did not represent well the giving of all high-income households in the region. Typically, at least 30 respondents are needed to draw valid conclusions from data. With a comparatively small number of high-income respondents, there is the possibility that the estimate for high-income household giving is too low because of the low number of respondents and because the highest-income households, who give the most nationally, were not likely to participate in this study at all.

CONFIDENTIAL

Comparing Greater Kansas City giving to national results



- In Greater Kansas City, 69 percent of the dollars given were from individuals or households. This is a lower percentage than the national share of 75 percent for individual giving in the U.S., according to *Giving USA 2008*.
- Foundation grantmaking plays a larger role in Kansas City (18 percent) than it does nationally (13 percent). Foundation assets per capita in the Greater Kansas City area are very high. Private and community foundations in Greater Kansas City had \$6.4 billion in assets in 2006, which translates to \$3,137 per person in the metropolitan region. In the United States, private and community foundations had total assets of \$559 billion in 2006, or \$1,833 per person.⁷
- The foundation percentages here include community foundation grantmaking, because it is counted in the national figure. The Greater Kansas City Community Foundation distributed \$85 million from donor-advised funds in 2007. If those grants were individual gifts instead of foundation grants, individual giving would be 73 percent of the total and foundation grantmaking would be 14 percent. Less than 1 percent of total giving nationally is from community foundations. In the Greater Kansas City area, it is at least 4 percent.
- The estimate for corporate giving in the Greater Kansas City area is based on surveys of nonprofit organizations in the region. The reported gifts yielded an estimate that is 7 percent of the total, compared with a 5 percent share from corporations nationally.

⁷ Data from The Foundation Center, www.foundationcenter.org under "Grantmaker Stats." 2006 is the most recent year available.

- The estimated amount in bequests received by Kansas City charities is also based on a survey. The data yielded an estimate that is 5 percent of total giving in Greater Kansas City, compared with 8 percent nationally. (Note that at least 45 percent of all bequest giving nationally originates each year with 350 or fewer “mega-estates,” each with a value of \$20 million or more). Since people of great wealth do not live in every community, few regions will have a percentage of bequest giving that matches the national total.
- Kansas City Metropolitan Statistical Area (MSA) had approximately 0.7 percent of the total U.S. population in 2007. The total estimated giving in Greater Kansas City in 2007, at \$2.15 billion, is 0.7 percent of the total giving in the United States in 2007, which was \$306.39 billion according to *Giving USA 2008*.

CONFIDENTIAL

Trends over time in Kansas City Giving

This is the third study of charitable giving in the Greater Kansas City region, but the first with the larger territory redefined in 2003 by the U.S. Office of Management and Budget. As the region has grown, so has the charitable giving in the area, with the largest growth seen in household giving.

Note that in 2003, the composition of the Kansas City MO-KS Metropolitan Statistical Area changed to include more counties. The 1998 and 2001 studies (about giving in 1997 and 2000) included Wyandotte and Johnson counties in Kansas and Jackson, Clay, and Platte counties in Missouri. The combined population of the MSA was 1.7 million in 2001. In 2007, the MSA included 15 counties in the two states and the combined population was 1.9 million. At least some of the increase in giving is attributable to the change in definition for the MSA to include more people.

Total giving in Greater Kansas City, Studies about giving in 1997, 2000, and 2007 In current and inflation-adjusted dollars

Year of donations in study	Current dollars, in millions	Rate of change from prior period	Adjusted to 2007 dollars, in millions	Rate of change from prior period
1997	\$ 771		\$ 996	
2000	\$1,314	70%	\$1,583	59%
2007*	\$2,156	64%	\$2,156	36%
2007 without bequests	\$2,042	55%	\$2,042	29%

* The total for 2007 includes bequests of \$113.5 million. Bequests were not studied in the earlier periods, so an adjusted total for 2007 removing them is shown, with the corresponding rates of change.

From 1997 to 2000, adjusted for inflation, total giving increased nationally by 31 percent, using the data in *Giving USA 2008*. In that same period, Kansas City saw nearly double the rate of national growth, with an inflation-adjusted increase of 59 percent.

From 2000 to 2007, adjusted for inflation, total giving rose nationally by 11 percent, according to *Giving USA 2008*. In that time, Kansas City saw a much stronger rate of growth, with inflation-adjusted giving rising 29 percent when not including bequests (which were not in the 2000 study).

The Kansas City population increased by 10 percent in 2007, compared with 2000, in part due to the 2003 decision by the U.S. Office of Management and Budget to include additional territory in the Metropolitan Statistical Area. However, the rate of growth in territory and population does not alone account for increases in giving that are two times or more the national rate of change.

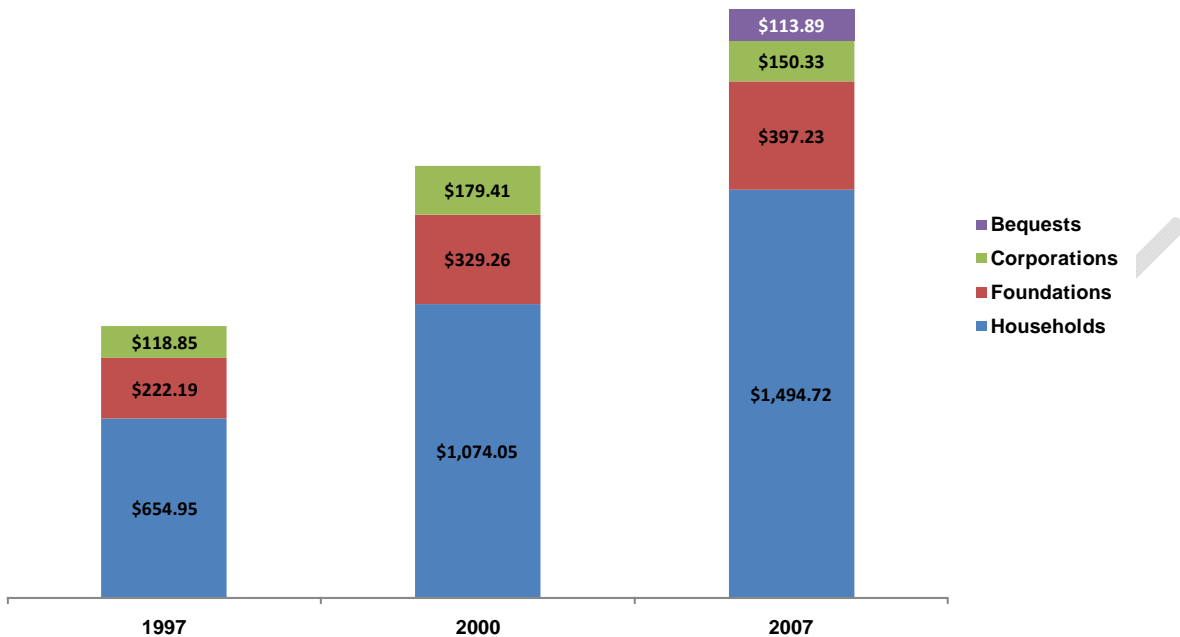
The next section looks at the changes in the sources of giving and shows that increases in individual contributions seem to account for much of the growth in giving. Perhaps this occurs because of rising incomes and an increase in the share of the population that has income of \$100,000 and more.

Total giving, Kansas City, 1997, 2000, and 2007

By source of contribution

Adjusted for inflation to 2007 dollars (using the CPI)

Millions of dollars



- Individual giving in the Kansas City area increased by 128 percent from 1997 to 2007 and by 39 percent in from 2000 to 2007. In comparison, the national rates of change for individual giving (adjusted for inflation) were 43 percent from 1997 to 2007 and 9 percent from 2000 to 2007, according to *Giving USA 2008*.
- Greater Kansas City area foundation giving increased 79 percent (adjusted for inflation) from 1997 to 2007 and by 21 percent in from 2000 to 2007. In *Giving USA 2008*, foundation grantmaking rose 114 percent from 1997 to 2007 and 30 percent from 2000 to 2006. Changes in grantmaking in Kansas City are somewhat slower than the inflation-adjusted national changes.
- Corporate giving increased in the Kansas City area by 26 percent (adjusted for inflation) from 1997 to 2007. The change from 2000 to 2007 was a 16 percent drop but that could reflect a change in methodology, because the 2007 study surveyed nonprofit organizations about their receipts, not corporations about their donations. Nationally, *Giving USA 2008* shows an inflation-adjusted increase in corporate giving of 41 percent from 1997 to 2007 and growth of 21 percent (also adjusted for inflation) from 2000 to 2007. The results for Kansas City are slower rates of growth in both periods than was seen nationally.

Comparing the individual giving across the three studies, we see:

- In 1997 and 2000, 75 percent of households in the Greater Kansas City area gave. The figure was nearly the same, at 72 percent, in 2007. The difference is not statistically significant.
- The 1997 average donation from households in Kansas City was \$1,319. By 2000, the average was \$1,481, an increase of 11 percent in current dollars (5 percent adjusted for inflation). In 2007, the average contribution per donor household was \$3,375. This is an increase of 128 percent compared with 2000 (89 percent adjusted for inflation).
- This year's study shows very high giving by high-income households (income >\$100,000). One-fifth (20.1 percent) of the more than 770,000 households⁸ in the Greater Kansas City area had income of \$100,000 or more in 2007. The average giving of those households was \$7,613, which is more than double the overall average of \$3,375 per donor household in Kansas City.
- The average total amount donated by households surveyed in 2001 about giving in 2000 was \$1,481, which is considerably lower than the 2007 average. The share of the population with income of \$100,000 or more in 2000 was about 14 percent, compared with 20 percent in 2007.⁹

It appears that the increase in the population with higher income has affected the average amount given per household. This has meant that individual giving in Kansas City has grown at a faster rate than foundation giving and than corporate giving since 2000.

⁸ 2007 American Community Survey for the Kansas City, MO-KS Metro Area.

⁹ The percentages for the number of households in the income ranges are from the American Community Survey, which is conducted by the U.S. Census Bureau. www.census.gov/acs/www/index/html.