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**"Money and Magnanimity: New Finding on the Distribution
of Income, Wealth and Philanthropy"**

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Money and Magnanimity: New Findings on the Distribution of Income, Wealth, and Philanthropy

Paul G. Schervish, John J. Havens

IN a series of papers presented at professional conferences over the past few years and now published (Schervish and Havens, 1995a, 1995b, 1995c), we have investigated the empirical relationships among income, wealth, and philanthropy. Our findings challenge the conventional notion that the poor are more generous than the wealthy. We found that on average lower-, middle-, and even high-income households contribute about the same percentage of their income. However, very high income and wealthy households give a disproportionately high share of charitable contributions in absolute dollars and contribute a disproportionately greater percentage of their income. There is a remarkable constancy of generosity among households at all income levels up to annual incomes of approximately \$200,000. As income rises above these high levels to very high levels, the level of contributions also rises. Recently, we have replicated the findings reported in the aforementioned research (which were based on the 1990 and 1992 Surveys of Giving and Volunteering) by analyzing the 1994 Survey of Giving and Volunteering. Once again we found that in terms of the percentage of family or household income contributed to charitable causes, measured generosity remains relatively constant at annual family or household income levels below \$100,000. The relationship between household income and percentage of income contributed to charity is described by neither a reverse-J nor a U-shaped curve. Rather the relationship is essentially flat with, if anything, a slight upturn as income rises. In this article we address several additional empirical questions about

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the level of charitable giving across and within categories of income and wealth and offer our interpretation of what these and our previous findings indicate about the relationship between financial status and personal generosity.

In the first section, we analyze the variation in charitable giving across income categories. We examine both the variation in participation rates and the variation in the percentage of income contributed. In the second section we look at the "nonperverse" inequality in the distribution of giving by income, namely that households at the upper end contribute a disproportionately large share of the dollars to charity. In the third section we discuss the implication of our findings, namely that variation in generosity is far less a function of economic wherewithal and far more a function of variables that extend across the financial spectrum. The investigation is based on empirical analysis of two data files: (1) the 1989 Survey of Consumer Finances (for calendar year 1988; subsequently referred to as the SCF), conducted by the Survey Research Center at the University of Michigan for the Federal Reserve; and (2) the 1994 Survey of Giving and Volunteering in the United States (for calendar year 1993; subsequently referred to as the G & V) conducted by the Gallup Organization for the INDEPENDENT SECTOR.

Variability of Charitable Giving

Our first question is whether and in what way findings on variability of charitable giving based on other data sets (for example, Auten and Rudney, 1990; Rudney and Rudney, 1992) are supported or in need of revision. For example, Auten and Rudney (1990) are correct when they state that at every level of income a small fraction of the households account for a large proportion of the giving. Moreover, they are also correct that the variability in giving is much greater among the very high income households as compared with other households. However, close examination of the data from the 1989 SCF indicates that this greater variability in giving among the very high income households does not reflect higher fractions of households making small contributions. Rather it reflects higher fractions of households making large, often extraordinarily large, contributions to charity, as compared to households with lower incomes. Consequently, it has been necessary to revisit the issue of within-group variation in levels of giving in order to compare the wealthy and nonwealthy.

Variation in Participation Rate

In our previous research we demonstrated how variations in the rate of participation proved critical to understanding measured generosity at different levels of income and wealth. Table 1 presents rates of participation by households at different income levels on the basis of G & V and SCF data. In the G & V data, a contributing

Table 1. Percentage of Households Making Charitable Contributions

Income	Participation Rate (percent)	
	G & V	SCF
Under \$7,000	48	3
\$7,000-\$9,999	60	9
\$10,000-\$14,999	76	19
\$15,000-\$19,999	75	16
\$20,000-\$24,999	64	26
\$25,000-\$29,999	81	34
\$30,000-\$34,999	78	37
\$35,000-\$39,999	87	36
\$40,000-\$49,999	86	42
\$50,000-\$59,999	95	44
\$60,000-\$74,999	98	62
\$75,000-\$99,999	92	68
\$100,000-\$124,999	92	66
\$125,000-\$149,999	95	77
\$150,000-\$199,999	NA	88
\$200,000-\$249,999	NA	81
\$250,000-\$299,999	NA	92
\$300,000-\$399,999	NA	94
\$400,000-\$499,999	NA	100
\$500,000-\$749,999	NA	95
\$750,000-\$999,999	NA	100
\$1 Million or More	NA	99
Total	80	31

Note: Entries for households with contributions under \$500, especially those with incomes less than \$50,000, are problematic and not comparable to G & V findings because the SCF counts any contributions under \$500 as zero.
Source: Social Welfare Research Institute at Boston College. Analysis based on data from the 1994 INDEPENDENT SECTOR Survey of Giving and Volunteering and the 1989 Federal Reserve Survey of Consumer Finances.

household is defined as one giving \$1 or more to charity. In the SCF data, a contributing household is defined as one giving \$500 or more. The G & V data show that less than half the households with incomes below \$7,000 make contributions to any philanthropic cause, including churches and other religious causes. The participation rate, however, rises as income levels rise, until it reaches more than 90 percent for households with incomes of \$50,000 or more. The SCF data show a similar pattern; as household income increases, the rate of participation in charitable giving also increases. As mentioned, the SCF data record only household contributions of \$500 or more; smaller contributions are counted as if they were \$0. This necessarily biases the rates of participation downward, especially the rates among lower-income households, in which annual contributions of less than \$500 are most prevalent. Although the bias in the data precludes making statements about the specific rates of participation among lower-income households,

it is clear that rates of participation are over 90 percent among households with very high incomes.

Variation in Percentage of Income Contributed

Our findings on variation within income groups in percentage of income contributed are set in the context of work previously published by Auten and Rudney (1990). Two of their findings and one inference often drawn from their findings are discussed in this section. First, at all income levels a relatively small proportion of households accounts for a disproportionately large fraction of the giving. Second, there is substantially more variation in percentage of income contributed among higher-income households compared to lower-income households. The inference sometimes drawn from these findings is that very high income households show more variability because many of their number are not giving their fair share to philanthropic causes. Our research confirms the two findings but not the inference.

Table 2 (based on G & V data) and Table 3 (based on SCF data) provide estimates of the average percentage of income contributed by households at various income levels, the standard deviation of this average, and breakdowns of the distribution of these percentages within each income level. Note that households in the highest and lowest categories within an income group influence measures of variability more than households in the middle categories. Thus, measured variation increases the more that top and bottom categories within an income group differ from the mean. Table 2 shows that variation in the average percentage of income contributed to charitable causes does not differ much across income groups except for households with incomes over \$125,000, where giving increases to 3.3 percent of income. (Because we have pointed out, in Schervish and Havens, 1995a, that when properly calculated the G & V data do not provide evidence that lower-income givers are more generous than higher-income givers, it is equally important to note that the G & V data may also force an inflation of the percentage of income given by those in its highest-income categories. This is because the G & V codes incomes only up to \$125,000; it does not top code the amount of charitable giving. This inconsistency, we suspect, means that the measured 3.3 percent of income given by those in the highest income category is probably a modest overestimate.) Variation in giving, as measured by the standard deviation of the percentage of income contributed, does not fluctuate greatly across most of the income distribution as measured in the G & V data. The pattern for the most part follows a shallow two-cycle wave. There is a modest level of variation for households under \$7,000 with a general rise until \$25,000. Variation turns down among households at middle-income levels, \$40,000 to \$60,000, and then rises again for households at the upper-income levels, peaking for households with income at or above \$125,000. Table 2 also shows the proportion of

Table 2. Level, Variation, and Distribution of Percentage of Income Contributed by Income Category for 1994 G&V

Income	Percentage of Income Contributed	Standard Deviation	Distribution of Percentage of Income Contributed										Total
			0	> 0 percent— 1 percent	> 1 percent— 3 percent	> 3 percent— 5 percent	> 5 percent— 10 percent	> 10 percent					
Under \$7,000	1.2	2.2	52	18	16	5	9	0	100				
\$7,000-\$9,999	1.5	4.2	40	39	10	6	1	5	101				
\$10,000-\$14,999	2.0	3.3	24	32	22	11	6	4	99				
\$15,000-\$19,999	2.0	3.7	25	43	13	6	6	7	100				
\$20,000-\$24,999	1.7	3.8	36	26	25	2	8	3	100				
\$25,000-\$29,999	2.3	3.6	19	38	23	3	15	2	100				
\$30,000-\$34,999	1.9	3.3	22	38	22	6	10	2	100				
\$35,000-\$39,999	1.6	2.7	13	41	32	8	4	3	101				
\$40,000-\$49,999	1.4	2.4	14	49	22	7	7	1	100				
\$50,000-\$59,999	1.3	1.6	5	57	21	15	2	0	100				
\$60,000-\$74,999	2.4	3.1	2	54	17	4	18	5	100				
\$75,000-\$99,999	2.1	3.0	8	46	26	11	4	5	100				
\$100,000-\$124,999	1.4	3.1	8	53	35	0	0	4	101				
\$125,000 or More	3.3	5.1	5	38	36	6	6	10	100				
Total	1.8	3.2	20	41	22	7	7	3	100				

Source: Social Welfare Research Institute at Boston College. Analysis based on data from the 1994 INDEPENDENT SECTOR Survey of Giving and Volunteering and the 1989 Federal Reserve Survey of Consumer Finances.

households within each income group that give at the various levels of percentage of income. The proportion of households that contribute little or nothing drops from 70 percent of households with incomes under \$7,000 to 43 percent of households with incomes of \$125,000 or more. At the other extreme, the proportion of households that are moderately high, high, and very high givers increases from 14 percent of households with incomes under \$7,000 to 22 percent of households with incomes of \$125,000 or more. It may seem remarkable to find any, not to mention the 5 percent the survey did find, of households at lower-income levels giving more than 10 percent of their income to charity. Without going into details here, we have concluded that for many reasons, including questions of validity of the data and of coding for several cases in this lower-income category, that 5 percent remains a questionable finding.

The SCF data allowed us to examine variation in percentage of income contributed at incomes higher than \$125,000. As Table 3 indicates, at income levels beyond \$125,000 the relationship between household income and the variation in percentage of income contributed engenders something akin to a sawtooth pattern. There are peaks of large variability interlaced among valleys of lower variability. As with the G & V survey, we found that variation surges within the survey's highest income category. Turning to how the variation within income groups is broken down, we found that for the most part households above \$125,000 include relatively few households making no contributions and substantially greater proportions contributing greater proportions of the income. There is no simple monotonic trend, but the overall pattern is that the further up the income distribution one moves, the more variation there is in the percentage of income contributed and the greater the tendency is to find lower proportions of noncontributing households and households contributing low percentages of income and greater proportions contributing modest and high percentages of income. That is, households with incomes greater than \$125,000 both have a greater variation in the percentage of income contributed and contribute a higher percentage of their income than households with incomes between \$50,000 to \$125,000. We conclude that the greater variation in giving among very high income households occurs amidst a modest general trend toward higher levels of contributions. This sawtooth pattern, as we called it earlier, is consistent with a few very large contributions made by some households while the remaining very high income households give a more modest amount, which nevertheless remains a higher percentage of income than households in the \$50,000 to \$100,000 range.

An additional way of looking at these findings on variation is illustrated in Table 4, which presents the percentage of households that are top givers in each income category and the percentage of the total charitable dollars given by each income category. For instance, 10 percent of households with incomes between \$10,000 and

Table 3. Level, Variation, and Distribution of Percentage of Income Contributed by Income Category for 1989 SCF

Income	Percentage of Income Contributed	Standard Deviation	Distribution of Percentage of Income Contributed										Total
			0	> 0 percent— 1 percent	> 1 percent— 3 percent	> 3 percent— 5 percent	> 5 percent— 10 percent	> 10 percent					
Under \$7,000	0.4	2.5	97	0	0	0	0	0	0	3	100		
\$7,000–\$9,999	0.8	2.9	91	0	0	0	0	0	7	1	99		
\$10,000–\$14,999	1.3	3.6	81	2	0	7	7	8	2	2	100		
\$15,000–\$19,999	1.2	3.4	84	0	2	5	5	5	4	4	100		
\$20,000–\$24,999	1.5	5.5	74	2	11	8	8	4	2	2	101		
\$25,000–\$29,999	1.4	2.8	66	0	16	10	10	5	3	3	100		
\$30,000–\$34,999	1.9	4.6	63	0	18	4	4	13	3	3	101		
\$35,000–\$39,999	1.4	2.8	64	1	23	1	1	7	4	4	100		
\$40,000–\$49,999	1.9	4.2	58	0	23	8	8	7	3	3	99		
\$50,000–\$59,999	1.6	3.1	56	7	21	6	6	9	2	2	101		
\$60,000–\$74,999	1.8	3.5	38	14	24	17	17	5	1	1	99		
\$75,000–\$99,999	2.0	3.0	32	15	31	12	12	9	1	1	100		
\$100,000–\$124,999	2.4	3.5	34	18	28	7	7	10	3	3	100		
\$125,000–\$149,999	5.2	12.8	23	19	30	14	14	4	10	10	100		
\$150,000–\$199,999	3.6	5.9	12	15	44	11	11	10	8	8	100		
\$200,000–\$249,999	4.2	10.7	19	25	32	5	5	12	8	8	101		
\$250,000–\$299,999	3.1	4.3	8	25	32	18	18	9	8	8	100		
\$300,000–\$399,999	3.1	4.6	6	33	32	13	13	11	6	6	101		
\$400,000–\$499,999	2.8	2.6	0	27	38	16	16	18	1	1	100		
\$500,000–\$749,999	3.4	7.2	5	37	30	16	16	7	6	6	101		
\$750,000–\$999,999	3.8	4.1	0	18	55	2	2	7	7	7	100		
\$1 Million or More	4.9	24.4	1	36	27	17	17	11	8	8	100		
Total	1.5	4.0	69	3	13	6	6	6	3	3	100		

Note: Entries for households with contributions under \$500, especially those with incomes less than \$50,000, are problematic and not comparable to G&V findings. Source: Social Welfare Research Institute at Boston College. Analysis based on data from the 1994 INDEPENDENT SECTOR Survey of Giving and Volunteering and the 1989 Federal Reserve Survey of Consumer Finances.

Table 4. Percentage of Total Contributions of Each Income Group Made by Top Givers in the Group

Income	1994 G & V		1989 SCF	
	Percent Households Giving > 5 percent	Percent Dollars They Give	Percent Households Giving > 5 Percent	Percent Dollars They Give
Under \$7,000	9	56		
\$7,000-\$9,999	6	62		
\$10,000-\$14,999	10	55		
\$15,000-\$19,999	13	68		
\$20,000-\$24,999	11	61		
\$25,000-\$29,999	17	68		
\$30,000-\$34,999	12	60		
\$35,000-\$39,999	7	39		
\$40,000-\$49,999	8	46		
\$50,000-\$59,999	2	13		
\$60,000-\$74,999	23	73		
\$75,000-\$99,999	9	45		
\$100,000-\$124,999	4	48	13	56
\$125,000-\$149,999	16 ^a	66 ^a	14	79
\$150,000-\$199,999			18	62
\$200,000-\$249,999			20	76
\$250,000-\$299,999			17	58
\$300,000-\$399,999			17	58
\$400,000-\$499,999			19	45
\$500,000-\$749,999			13	59
\$750,000-\$999,999			25	71
\$1 Million or More			19	70

^a For these cells the income category is > \$125,000.

Source: Social Welfare Research Institute at Boston College. Analysis based on data from the 1994 INDEPENDENT SECTOR Survey of Giving and Volunteering and the 1989 Federal Reserve Survey of Consumer Finances.

\$14,999 give more than 5 percent of their income; and the giving by this 10 percent of households accounts for 55 percent of the cohort's charitable dollars. More generally, top givers make up a relatively small proportion of an income group and yet contribute over 50 percent of the dollars contributed by their group.

In view of these findings on variation in the percentage of income given, we confirm the earlier findings reported by Auten and Rudney (1) that there is substantially more variation in percentage of income contributed among higher-income households and (2) that at all income levels a relatively small proportion of households account for a disproportionately large fraction of the giving.

Another inference sometimes drawn from Auten and Rudney's work—that very high income households show more variability because many at the highest levels are not giving their fair share to philanthropic causes—is not supported. One recent example of this inference is the statement in the *Boston Globe* that "Millionaires

donate on average, 4 percent of their income to charity—a smaller proportion than Americans earning less" (Leonard, 1997, pp. E1, E3). Where exactly such inaccurate observations come from is often hard to trace. But it is clear they are one part of the conventional wisdom about wealth and philanthropy that is intellectually expendable. In regard to variation, the forgoing findings indicate the following. There is a small group of high-giving households at each income level. There are somewhat more of these households at high- as compared with low-income levels. Equally important, there are low-giving households at all income categories. The ones at the lowest-income levels give nothing. The ones at the upper-income levels give just nominal amounts. However, there are fewer low-giving households at higher-income than at lower-income levels. Finally, the measured variation at the zenith of the income distribution comes about because highest-income households are divided between high givers and givers, not between high givers and nongivers. We conclude that just as there is no basis in the findings for canonizing the rich, there is no basis for demonizing them either.

Distribution of Charitable Giving by Income

To this point we have examined the level and composition of variation in charitable giving within income categories. In this section we examine the distribution of charitable giving across groups. Tables 5 and 6 show the average contribution made by households within each income group (including households that make no contribution), the percentage of the total population represented by the income group, and the percentage of the total amount of charitable dollars contributed by the income group. We arrived at different estimates depending on how we combined the 1989 SCF data and the 1994 G & V data in order to cover the full range of income categories (Table 5 provides a higher estimate and Table 6 provides a lower estimate), but both estimates tell the same story. As income rises, there is a steady rise in the percentage of households making charitable contributions and in the average amount of contributions. Because it is often said that the wealthy do not give or do not give enough, it is important to see just what the data show. Most significant in this respect, is to note toward the very top of the income categories how skewed the distribution is of actual dollars contributed to charitable causes. For instance, depending on estimation procedures, the 3.5 percent of the households with the highest income contribute between 30 and 40 percent of all charitable dollars. Moreover, approximately .07 percent of the population donate between 7.8 and 10 percent of the total dollars contributed to charity. This means that if there were one thousand households in the United States, one household would be making about 10 percent of the charitable donations. Here, too, caution should be observed in interpreting even these positive findings. Because giving by households at such high

Table 5. Household Contributions (\$500 or more) by Income, Based on 1989 SCF

Income in 1988 Income Categories	Percent Noncontributing Households	Average Contribution (1993 dollars)	Percent of Total Population	Cumulative Percent of Total Population	Percent of All Contributions	Cumulative Percent of all Contributions
Under \$7,000	97	\$21.00	11.3	100.0	0.3	100.0
\$7,000-\$9,999	91	62	7.3	88.7	0.6	99.7
\$10,000-\$14,999	81	157	11.8	81.4	2.6	99.1
\$15,000-\$19,999	84	186	8.8	69.7	2.3	96.5
\$20,000-\$24,999	74	328	10.2	60.9	4.7	94.2
\$25,000-\$29,999	66	373	8.1	50.7	4.2	89.5
\$30,000-\$34,999	63	606	8.4	42.6	7.1	85.3
\$35,000-\$39,999	64	506	5.4	34.2	3.8	78.3
\$40,000-\$49,999	58	821	9.0	28.8	10.3	74.5
\$50,000-\$59,999	56	841	6.2	19.8	7.2	64.2
\$60,000-\$74,999	38	1,147	6.3	13.6	10.1	57.0
\$75,000-\$99,999	32	1,439	3.8	7.3	7.7	46.9
\$100,000-\$124,999	34	2,499	1.2	3.5	4.1	39.2
\$125,000-\$149,999	23	6,740	0.7	2.3	6.1	35.1
\$150,000-\$199,999	12	5,779	0.8	1.6	6.4	29.1
\$200,000-\$249,999	19	9,040	0.3	0.8	4.1	22.7
\$250,000-\$299,999	8	8,289	0.1	0.5	1.5	18.6
\$300,000-\$399,999	6	10,095	0.1	0.4	1.8	17.1
\$400,000-\$499,999	0	11,621	0.1	0.3	1.3	15.3
\$500,000-\$749,999	5	19,564	0.1	0.2	2.9	14.0
\$750,000-\$999,999	0	31,053	0.02	0.09	1.1	11.1
\$1 Million or More	1	105,366	0.07	0.07	10.0	10.0
Total Population	69	717	100.0	100.0	100.0	100.0

Note: In the SCF, contributions of less than \$500 are treated as zero. The estimates of average contribution and of percent of all contributions are biased downward among lower income households.
 Source: Social Welfare Research Institute at Boston College. Analysis based on data from the 1994 INDEPENDENT SECTOR Survey of Giving and Volunteering and the 1989 Federal Reserve Survey of Consumer Finances.

Table 6. Household Contributions by Income, Based on 1989 SCF and 1994 G & V

Income in 1988 Income Categories	Percent Noncontributing Households ^a	Average Contribution (1993 Dollars)	Percent of Total Population	Cumulative Percent of Total Population	Percent of All Contributions	Cumulative Percent of All Contributions
Under \$7,000	52	\$246	11.3	100.0	2.9	100.0
\$7,000-\$9,999	40	317	7.3	88.7	2.4	97.1
\$10,000-\$14,999	24	442	11.8	81.4	5.5	94.6
\$15,000-\$19,999	25	481	8.8	69.7	4.5	89.1
\$20,000-\$24,999	36	518	10.2	60.9	5.6	84.6
\$25,000-\$29,999	19	608	8.1	50.7	5.2	79.1
\$30,000-\$34,999	22	811	8.4	42.6	7.2	73.9
\$35,000-\$39,999	13	761	5.4	34.2	4.3	66.7
\$40,000-\$49,999	14	1,041	9.0	28.8	9.9	62.3
\$50,000-\$59,999	5	1,096	6.2	19.8	7.2	52.4
\$60,000-\$74,999	2	1,327	6.3	13.6	8.8	45.3
\$75,000-\$99,999	8	1,559	3.8	7.3	6.3	36.4
\$100,000-\$124,999	8	2,629	1.2	3.5	3.3	30.2
\$125,000-\$149,999	8	6,815	0.7	2.3	5.0	26.8
\$150,000-\$199,999	8	5,799	0.8	1.6	4.9	21.8
\$200,000-\$249,999	8	9,095	0.3	0.8	2.9	16.9
\$250,000-\$299,999	8	8,289	0.1	0.5	1.1	14.0
\$300,000-\$399,999	6	10,095	0.1	0.4	1.4	12.9
\$400,000-\$499,999	0.00	11,621	0.1	0.3	1.0	11.5
\$500,000-\$749,999	5.00	19,564	0.1	0.2	2.1	10.5
\$750,000-\$999,999	0.00	31,053	0.02	0.09	0.7	8.4
\$1 Million or More	1.00	105,366	0.07	0.07	7.8	7.8
Total Population	20	947	100.0	100.0	100.0	100.0

^a The proportions of noncontributing households for income categories below \$125,000 were taken from the 1994 G & V rather than from the 1989 SCF; they were assumed to remain at 8 percent for categories up through \$250,000. For the purposes of this analysis, the remainder of households giving less than \$500 were counted as contributing exactly \$500. The estimates of average contribution and of percent of all contributions are biased upward among lower-income households.
 Source: Social Welfare Research Institute at Boston College. Analysis based on data from the 1994 INDEPENDENT SECTOR Survey of Giving and Volunteering and the 1989 Federal Reserve Survey of Consumer Finances.

income levels is a function of wealth in addition to income, these findings on the disproportionate level of total dollars given by a small proportion of population cannot be taken by themselves as indicators of great generosity. We do insist, however, that such findings caution against the conventional opposite conclusion.

Relationship Between Financial Status and Moral Status

The foregoing analysis indicates that a small proportion of households at all income levels give a large fraction of the total contribution made by all households at that income level. However as income rises to high levels and beyond, the variability in the distribution also rises. We conclude that this rise reflects a shift in the distribution of contributions toward higher amounts and higher percentages of income contributed as income rises to very high levels. The proportion of the income distribution contributing little shifts from large proportions contributing nothing at low-income levels to large proportions contributing something, but less than 3 percent, at very high income levels. At the same time, the proportion contributing large fractions of their incomes, although uniformly a small proportion, first declines and then increases substantially as income increases to very high levels. In terms of the percentage of income contributed, there is little difference in the average percentage given by different income groups below \$100,000, hovering around 2 percent or a little less. At higher income levels, the percentage of income contributed rises along with household income.

Looking at the distributions for very high income households, one could say these glasses are half empty or half full. There are very large proportions that give less than 3 percent of their income, but the largest proportions of households contributing more than 10 percent of their income also occur in this group. In terms of the proportion of total dollars contributed to charity, our findings confirm what fundraisers have known all along. The highest-income households contribute a dramatically disproportionate amount of the total dollars contributed to charity. What may be surprising is to note just how disproportionate is this giving. The top 20 percent of households give between 52 percent and 64 percent of all charitable dollars. But just 3.5 percent give about 35 percent. We confirm that there is more measured variability in the giving patterns of very high income households than among those at lower-income levels. But this measured variability reflects the empirical reality of some very large contributions at the upper end more than it reflects the lack of giving.

We conclude that the very high income households are not all saints or sinners. In the measured amounts and measured proportions of their incomes they contribute to charity, they are not uniformly and substantially more generous relative to their income and wealth than are middle- and lower-income households. But in terms

of percentage of income contributed and dollar amounts, households in the highest-income categories are the ones determining the reality, if not the published statistics or popular imagery, of a disproportionately large share of charitable giving in the United States.

It is necessary to point out, however, that the most readily available published statistics on charitable giving by households—those used by the media, professionals, and other researchers—do not capture what is going on at the highest reaches of the income distribution. Because there is no systematic effort to oversample and analyze the giving patterns of the households with incomes greater than \$125,000, all data derived, for instance, from the G & V or from any other similarly restricted survey substantially underestimate the average amount of household charitable giving. We found that the underestimation due to sampling restriction is between 20 and 30 percent. Moreover, by failing to capture the substantial amount of giving at the upper end of the income distribution, current surveys cannot properly map the specific categories (for example, health, education, religion, and so forth) to which Americans contribute.

In regard to the popular imagery surrounding the charitable giving of the wealthy, our findings are equally remedial. Our empirical findings do not support the popular appraisal that the wealthy are less uniformly generous than the nonrich. Our findings thoroughly undermine the grossly exaggerated claims about the stingy wealthy and generous poor. At the same time, the findings provide no basis for erecting a new edifice of equally crass claims about the generous rich and stingy poor.

Rather than speak in morally charged terms about generosity, perhaps it would be preferable to employ some more neutral phrase such as *measured generosity* to connote that available survey data on giving does not provide evidence about how caringly, sacrificially, or spiritually generous any individual or group of individuals may be. We hope that our findings will contribute in a modest way to deescalating the rhetoric, at least in regard to the statistically unfounded and thus invidious comparisons between rich and poor. At all levels of income and wealth some households are high givers and some are low givers. There is a zero aggregate correlation between financial status and moral status. Determining the actual roots of generosity and drawing upon them to increase charitable contributions requires us to explore the sociopsychological fonts of dedication (such as identification and association) that are more profound than being rich or poor (see Schervish, 1997; Schervish and Havens, 1997).

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COMMENTARY

Dear Editor:

In Peter Frumkin's article "Fidelity in Philanthropy: Two Challenges to Community Foundations" (*NML*, Fall 1997), the author reached an astonishing number of contradictory and wrong conclusions.

Mr. Frumkin is correct in his statement that the San Francisco Foundation sought to expand the Buck Trust's geographic area as a direct result of legal and other activities by Bay Area nonprofit organizations in the late 1970s and early 1980s. However, he is incorrect in concluding that this one isolated event somehow empowered the local nonprofit communities. It accomplished exactly the reverse. Mr. Frumkin states: "If nothing else, the very fact that the case was brought to court demonstrated that the values and commitments of donors could be challenged in the name of public accountability and responsiveness to community concerns." Yes, they could be challenged, but not successfully, Mr. Frumkin. The courts were swift in denying the case brought by the local nonprofit community, and in fact, the Buck case greatly eroded the customary variance power of community foundations in the state of California. As a result of the Buck case the California state attorney general has written that no community foundation within the state has the inherent variance power that is seen as a hallmark of community foundations in other states and indeed is a part of the treasury regulations defining community trusts.

The Buck Trust was not a victory for nonprofit organizations. It was a victory for donor intent. Now, no community foundation in the state of California can vary any fund without the express consent of the attorney general.

Mr. Frumkin then issues this contradiction: "The Buck Trust case provided the foundation world with a highly visible example of the professionalism of philanthropy and the triumph of philanthropic expertise." He then compares and contrasts community foundations and their "triumph of philanthropic expertise" with Fidelity's Charitable Gift Fund by stating that this alternative was attractive to donors who "do not want any philanthropic hand-holding." "Philanthropic hand-holding" in the case of Fidelity or the "triumph of philanthropic expertise" in the case of community foundations—which is it, Mr. Frumkin?

Mr. Frumkin seems to be under the mistaken impression that Fidelity charges no administrative fees. In fact, Fidelity Charitable Gift Fund administrative fees are higher than those of almost all community foundations except for the very smallest. Community foundation administrative fees are also much lower (often magnitudes lower) than those of private foundations. Why anyone would



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