

Wide gap shown in Mass. charitable giving

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Middle class lags, study says

By Peter Schworm, Globe Staff | June 10, 2007

The wealthiest Massachusetts residents give much more of their income to charities than wealthy people in the rest of the country, according to a forthcoming report on charitable giving by two Boston College researchers. But working- and middle-class families in Massachusetts, burdened by the state's high cost of living, are not nearly as generous as families with comparable incomes nationally.

Donations from wealthy Bay Staters were nearly double those from families with comparable incomes nationally, lifting the state's total charitable contribution to one of the highest in the country.

But in a surprising finding for a region known for its strong religious tradition, gifts from Massachusetts donors overwhelmingly support secular causes such as colleges, hospitals, the arts, and human service groups. The rest of the nation gave more to churches than all other causes combined.

The report, to be released Tuesday at a forum on charity at The Boston Foundation, compares in unprecedented detail charitable donations by region and demographic factors, according to the foundation, which commissioned the study.

"No one has really tried to figure out before how to compare, in a thoughtful way, charitable giving across social and geographic lines nationwide," said David Trueblood, a foundation spokesman.

The findings showed a wide discrepancy between the proportion of income donated by wealthier Massachusetts residents and those with lower incomes.

Taken together, Massachusetts households contributed 2.7 percent of their average income, a percentage that is among the nation's lowest marks.

But affluent donors gave so abundantly that the state's total charitable contribution represented 3.7 percent of total income, the 11th highest rate in the country.

In 2002, the year the report studied, Massachusetts households earning more than \$100,000 gave 7.4 percent of the average after-tax income for this group.

Leaders of area charitable groups said nonprofits recognize the trend and are increasingly targeting those with the deepest pockets. Barry Shrage, president of Combined Jewish Philanthropies, which is enjoying a record-level fund-raising campaign this year, said "the largest part of the increase is the largest gifts."

"There is very strong culture of philanthropy that is firmly established among those who can make generous donations," he said.

Mark Kramer, founder of FSG Social Impact Advisors, which works with foundations and nonprofit groups, said donations from affluent residents should be treated differently because they often come from investments and assets rather than household budgets.

"Philanthropy is always very concentrated among the wealthy," he said. "But I don't think it's comparing apples to apples. It doesn't come out of their pocket, and doesn't affect their lifestyle."

By contrast, Massachusetts families making less than \$100,000 a year gave much less to charity than those with similar incomes in the rest of the country.

"The cost of living and tax rate in our state limits the philanthropic ability of middle- and low-income households, relative to their counterparts in other states," according to the report, titled "Geography and Giving: The Culture of Philanthropy in New England and the Nation."

The average percentage of income donated by Massachusetts households earning between \$25,000 and \$100,000 a

year was 2.3. Bay State residents who earn less than \$25,000 gave on average 2.8 percent, the 46th lowest mark in the country.

"It's not just housing, it's food, clothing, utilities, healthcare and all the rest," said John Havens , an author of the study. "It makes it very tough for the people on the bottom of the income scale. They are getting squeezed."

As a result of modest donations from middle-class residents, the state's average donation calculated as a percentage of household income lagged well behind the national average.

The average American household earned about \$60,000 and gave an estimated \$1,557 a year to charity, about 4 percent of income. Massachusetts households, on average, earned just over \$68,000 and gave \$1,512, an average contribution of 2.7 percent, the study found.

Massachusetts households, on average, gave \$1,057 of their total donations to secular charities, well above the national average of \$776. The high percentage of Catholics in the Boston area is one part of the reason, the study suggested, because Catholics have traditionally donated less to religious causes than other denominations. But the trend cuts across religious lines.

"New England is the only section of the country in which secular giving is more than church giving," said Paul G. Schervish , a co author of the study and the director of Boston College's Center on Wealth and Philanthropy . The trend is strong among the state's wealthy donors, the study found.

Louise Burnham Packard , executive director of the Trinity Boston Foundation, was not surprised by the report's findings that only four states contribute less proportionately to religious institutions than Massachusetts.

"It's in our culture," she said. "We don't think churches need that much money and we're not used to them raising it."

Often, she noted, donors give to secular causes such as schools and nonprofit groups that are affiliated with religious groups -- a nuance the study's authors said was not reflected in their findings on secular versus religious giving.

When Burnham Packard, a former director of development for the Harvard Business School, started a capital campaign for the Copley Square church a few years ago, she emphasized the secular benefits to potential donors.

"We talked about preserving the building, affordable housing, camp scholarships," she recalled. "They didn't want it to just be about the church."

Shrage, of Combined Jewish Philanthropies, noted that many donors who make contributions to the charity's social programs are often acting out of their religious convictions.

The foundation commissioned the study two years ago in response to a widely publicized report that ranked Massachusetts residents among the nation's stingiest. The researchers of the current study say that the previous study unfairly penalized the state for its high income, cost of living, and tax burden.

That leaves many lower-income families struggling to make ends meet, much less write a check to a charity. Daphne Griffin , executive director of the Blue Hill Boys & Girls Club in Dorchester, said those with little money to spare are often the quickest to volunteer in other ways.

"A lot of people bring in sports equipment, art supplies, books," she said. "A lot of families say 'I can't write you a check, but I'll give you my time.' "

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