



BOSTON COLLEGE

CONTACT

Boston College Center on Wealth and Philanthropy
617-552-4070

New State-by-State Assessment of U.S. Charitable Giving:

Second Annual Survey by Boston College Center on Wealth and Philanthropy Establishes National Standard for Measurement

Report Identifies New York, Utah and California as Leaders in Giving

CHESTNUT HILL, MA (11-16-06) – New research by the Center on Wealth and Philanthropy at Boston College identifies New York, Utah, California, Connecticut, Maryland, New Jersey, Georgia, Massachusetts, Hawaii and South Carolina as the ten leaders in charitable giving among the 50 states. In addition, the District of Columbia was second only to New York in the new report, released this week by the Boston Foundation [see table below for full list].

The report on charitable giving is a follow-up to a report called *Generosity and Geography*, which was researched by John J. Havens and Paul G. Schervish of the Center on Wealth and Philanthropy at BC and released by the Boston Foundation in November of 2005. That report was commissioned as part of a body of research into the prospects of future philanthropy in Greater Boston. In the process of that inquiry, the report raised serious questions about the validity of the *Generosity Index*, published annually by the *Catalogue for Philanthropy*, which purports to rank all 50 states in terms of generosity. Last year's Boston Foundation report challenged the conclusions of the *Generosity Index* by eliminating what the Boston Foundation believes is its built-in bias against high-income states that makes the Generosity Index an inaccurate comparative measure of charitable giving.

The *Generosity Index* has received national attention every year for its ranking of states by their purported "generosity" and each year has reported that many states in New England and the Northeast are "less generous" than less wealthy states in the South.

"The investigation undertaken by the Center on Wealth and Philanthropy and sponsored by the Boston Foundation questioned the Index's methodology," said BC's Paul Schervish. "It also quickly established that significant differences in tax burdens, the cost of living, as well as religious tradition and other elements must be taken into consideration in order to meaningfully compare the giving of residents in one state to another."

Schervish, director of the Center and a nationally recognized sociologist and philanthropy expert, and Havens, the Center's Associate Director and Senior Research Associate, then went on to create a new methodology that takes into consideration each state's cost of living and the tax burden, including changes within states that are driven by levels of urbanization—which affects cost of living at the more local level. The 2006 report released today includes all of these variables.

"The power of this report goes far beyond simply again casting serious doubt about the validity of the *Generosity Index*," said Paul S. Grogan, President and CEO of the Boston Foundation. "John Havens and Paul Schervish have made an important contribution to a new, national effort to develop valid metrics to place the whole subject of philanthropy on a more professional and credible foundation. This report provides a valuable national service in this pioneering work."

Leaders in philanthropic institutions also responded to the new report.

"This report comes as a tremendous relief," said Hans Dekker, President and CEO of the Community Foundation of New Jersey. "It confirms and provides compelling evidence for what we always knew to be the case—that New Jersey is a very generous state and that its residents make charitable giving a high priority."

Since the first Boston Foundation report, *Generosity and Geography*, was issued in November, 2005, a second report comparing giving patterns in the states has been issued by NewTithing Group, a nonprofit based in San Francisco. Its report, *Wealth & Generosity by State*, correlates with the Boston Foundation report by creating a means of calculating and comparing giving nationally with an adjustment for the cost of living.

It differs from the report released by the Boston Foundation in two ways. First, it divides the population of each state into two groups, one more affluent, one less affluent—the breakpoint is \$200,000 in annual income. In contrast, the Boston Foundation report calculates rates of charitable giving for the entire state population. Second, the NewTithing Group report places emphasis on liquid asset wealth, which is closely related to philanthropic giving among wealthier donors, rather than income.

The NewTithing Group's report reflects the nonprofit's goal of increasing levels of giving among more affluent Americans by creating standards that make it possible to compare populations responsible for the preponderance of charitable giving—those with high levels of personal assets. A full discussion of the organization's methodology are available at www.newtithing.org.

The Boston Foundation report, entitled *Center on Wealth and Philanthropy Charitable Giving Indices: Social Indicators of Philanthropy by State*, is now available on the Boston Foundation website at www.tbf.org, as well as at the Boston College website for the CWP at www.bc.edu/research/swri/. It includes tables that lay out in detail the work undertaken by Havens and Schervish. These tables:

- Detail the number of households and per-household, before-tax income by state with data for 2004 (the most recent year for which data is available);
- Identify and compare the relative tax burden borne by residents of all 50 states and the District of Columbia;

- Show per-household incomes adjusted according to nationally recognized standards;
- Show after-tax income adjusted by a cost-of-living index;
- And ultimately identify all 50 states (and the District of Columbia) according to a fully adjusted index of charitable giving relative to income.

As in the 2005 report published by the Boston Foundation and entitled *Generosity and Geography*, Schervish and Havens call for avoiding the word “generosity” in this and similar works of research.

“Generosity is a moral, spiritual or social psychological characteristic of individuals and perhaps families and households,” the authors write. “We do not believe that the term generosity should be associated with our measures, nor any other measures that do not directly study the inner disposition ... of generosity. In truth, every purported generosity index that has ranked states is, in fact, a charitable giving index.”

The report underscores the fact that for many in Massachusetts, the high cost of housing and other necessities of life places a significant burden on the ability of many families and individuals to make charitable contributions. Yet, unlike some surveys of giving in recent months which have focused only on residents with the highest levels of income or personal wealth, the current report includes the entire population of the state.

“There are many important characteristics that have an impact on the decisions individuals and families make about charitable giving,” said Schervish. “Religious affiliation, the presence of nonprofit organizations to create giving opportunities, ethnic differences—even the nature of work residents of an area traditionally engage in can have an effect. Farmers may tend to hold more money in reserve because their livelihood is so vulnerable to the whims of weather. It would be inappropriate to describe farmers as less generous as a result—in their case, giving less may make compelling sense. This charitable giving index takes that context into consideration.”

The table below provides summary information from the New Boston Foundation report. The column on the far right lists the comparative ranking of the 50 states and the District of Columbia according to the level of charitable giving.

State	Share of Households	Share of Charitable Contributions	Share of After Tax Income Adjusted by CWP Cost of Living	CWP Measure 4 Value	Rank
New York	6.6%	8.5%	4.3%	1.96	1
District of Columbia	0.2%	0.4%	0.2%	1.84	2
Utah	0.7%	1.3%	0.8%	1.56	3
California	11.3%	12.9%	9.3%	1.40	4
Connecticut	1.3%	1.6%	1.2%	1.33	5

Maryland	1.9%	2.9%	2.5%	1.18	6
New Jersey	2.9%	3.3%	2.8%	1.16	7
Georgia	3.0%	3.6%	3.2%	1.12	8
Massachusetts	2.2%	2.3%	2.0%	1.12	9
Hawaii	0.4%	0.3%	0.3%	1.08	10
South Carolina	1.4%	1.5%	1.4%	1.05	11
Delaware	0.3%	0.3%	0.3%	1.04	12
North Carolina	2.9%	3.1%	3.0%	1.04	13
Virginia	2.5%	3.0%	2.9%	1.04	14
Illinois	4.3%	4.2%	4.0%	1.04	15
Nevada	0.8%	0.9%	0.9%	1.01	16
Alabama	1.6%	1.6%	1.6%	0.95	17
Wyoming	0.2%	0.2%	0.2%	0.95	18
Oregon	1.3%	1.2%	1.2%	0.93	19
Oklahoma	1.2%	1.2%	1.3%	0.91	20
Michigan	3.5%	3.2%	3.5%	0.91	21
Washington	2.2%	2.1%	2.3%	0.90	22
Florida	6.2%	6.1%	6.8%	0.89	23
Pennsylvania	4.3%	3.7%	4.1%	0.89	24
Louisiana	1.5%	1.1%	1.2%	0.89	25
Rhode Island	0.4%	0.3%	0.3%	0.87	26
Idaho	0.5%	0.5%	0.5%	0.85	27
Arkansas	1.0%	0.9%	1.0%	0.85	28
Colorado	1.6%	1.7%	2.0%	0.84	29
Minnesota	1.8%	1.9%	2.3%	0.84	30
Montana	0.3%	0.2%	0.3%	0.84	31
Tennessee	2.1%	1.9%	2.3%	0.83	32
Kansas	1.0%	0.9%	1.0%	0.82	33
Texas	7.2%	6.8%	8.4%	0.81	34
Kentucky	1.5%	1.1%	1.4%	0.81	35
Ohio	4.0%	3.1%	3.9%	0.78	36
Nebraska	0.6%	0.5%	0.7%	0.77	37
Alaska	0.2%	0.2%	0.2%	0.77	38
Arizona	1.9%	1.7%	2.3%	0.76	39
Wisconsin	2.0%	1.5%	2.0%	0.76	40
New Hampshire	0.4%	0.3%	0.5%	0.73	41
Maine	0.5%	0.3%	0.4%	0.73	42
Mississippi	1.0%	0.7%	1.0%	0.72	43
Indiana	2.2%	1.7%	2.3%	0.71	44
Missouri	2.0%	1.7%	2.4%	0.70	45
New Mexico	0.7%	0.4%	0.6%	0.66	46
Iowa	1.1%	0.8%	1.2%	0.66	47
South Dakota	0.3%	0.2%	0.3%	0.65	48
Vermont	0.2%	0.1%	0.2%	0.61	49
West Virginia	0.6%	0.3%	0.6%	0.58	50
North Dakota	0.2%	0.1%	0.3%	0.50	51
United States	100.0%	100.0%	100.0%	1.00	

Source: Calculated at the Center on Wealth and Philanthropy based on data

from Table 8 of this report.

The Boston Foundation, Greater Boston's community foundation, is one of the oldest and largest community foundations in the nation, with assets of over \$765 million. In 2005, the Foundation and its donors made more than \$60 million in grants to nonprofit organizations and received gifts of more than \$70 million. The Foundation is made up of some 850 separate charitable funds established by donors either for the general benefit of the community or for special purposes. The Boston Foundation also serves as a major civic leader, provider of information, convener, and sponsor of special initiatives designed to address the community's and region's most pressing challenges. For more information about the Boston Foundation, visit www.tbf.org or call 617-338-1700.

The Boston College Center on Wealth and Philanthropy is a multidisciplinary research center specializing in the study of spirituality, wealth, philanthropy and other aspects of cultural life in an age of affluence. Founded in 1970, the Center is a recognized authority on the relation between economic wherewithal and philanthropy, the motivations for charitable involvement and the underlying meaning of practice of care.

###