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GIVING USA ACROSS AMERICA

A Report on Regional and Statewide Contributions

Issue 3, 1999

For forty-four years, *Giving USA* has been publishing data about charitable contributions in the United States. AAFRC's research department is frequently asked to provide data about charitable contributions by region or state. Though AAFRC data cannot be disaggregated to provide a comprehensive estimate of total personal giving in each state, tax-return data, published by state by the Internal Revenue Service, provide or suggest the answers to some questions about regional contributions.

In 1997, $97.06 billion, or 79%, of the $122.95 billion individuals contributed, were claimed as charitable-contribution deductions on US tax returns. The following report summarizes tax-return data for the years 1993 through 1997.

In 1997, the data released by the IRS at the state level indicates that giving among itemizers increased by just over 14%, virtually the same increase *Giving USA* reports for total personal giving.

Talking a multi-year view, two regions, the New England region and the Mountain region, reported itemized giving increased more than 50% between 1993 and 1997. Other regions reported increases ranging between 35% and 47% over the same period.

These two regions also reported the biggest increase in the share of contributions that appear on returns with incomes of $200,000 or more. In 1993, giving on high-income tax returns in the Mountain region represented 19% of all itemized giving, but by 1997, giving on these returns represented 34% of all reported giving. In the New England region, giving on these returns increased from 20% of giving to 38%. No other regions showed comparable levels of growth in this group of returns.

IS THERE SUCH A THING AS A "GENEROUS" STATE?

The data show that contributors in some states give more than those in other states, and sometimes this difference is consistent over many years. For example, Utah always reports high levels of giving, by a variety of measures. This is attributed to Mormons in the state, who are expected to tithe, or give 10% of their income, to the Mormon church.

It is important to understand what these differences mean. Giving levels and income levels are closely related. Most regions account for almost identical percentages of total US income and total US giving. For example, New England, which accounts for only 5% of US giving, earns 6% of the nation's income. Similarly, the South Atlantic region contributes 20% of all US gifts and earns 18% of the nation's income.

Second, it is incorrect to label residents of one state "generous" and those in another state "stingy" based on tax-return data; generosity takes many forms, and contributing to charity is but one of its manifestations. Tax-return data do not capture informal giving, support among family members, volunteer time, and a host of other generous acts.

For example, New Hampshire is often cited as a state with a relatively low level of charitable giving reported on returns. In 1997, those tax returns from New Hampshire that contained a charitable-contributions deduction reported the lowest average annual contribution amount of all states. However, the Commission on Charitable Giving and Volunteerism in New Hampshire reported in a series of studies conducted by Janet E. Milne that New Hampshire residents make other kinds of contributions. For example, there is a high frequency of charitable bequests on estate-tax returns filed in that state, and the percent of estate assets represented by charitable bequests is often slightly above the average of all states. New Hampshire residents are also much more likely to volunteer than other Americans, and they participate more in charitable gaming. So, a state's attitude toward the nonprofit sector and its residents' inclination to charitable behavior are not fully accounted for in charitable-contributions data on tax returns.

Furthermore, not even all traditional charitable giving is represented in tax-return data. Only a subset of contributors file an itemized tax return that enables them to officially report their gifts. There is no solid basis in tax-return data to make judgments about moral matters, such as generosity. Using tax-return data to form a hierarchy of generosity among states is a precarious enterprise, requiring extensive caveats.

INCOME AND ASSETS

While there is no empirical measure of generosity that can be said to lead to high levels of giving, other factors are clearly related to the giving that is reported on tax returns. Foremost, contribution levels are affected by the capacity to give as measured by income. States in which tax filers report high incomes also tend to record high charitable-giving levels. Though the relationship is not perfect, overall, giving reflects income. The chart on page 6 shows that a region's share of national giving is closely linked to its share of national income.

This is observed not only state by state, but also by income level within each state. Tax-return data show that returns reporting $1,000,000 or more in annual income account for less than 1% of all returns filed, but more than 10% of the contributions recorded are on these returns. Most of these returns include a deduction for charitable contributions, and the average charitable-contribution deduction exceeds $100,000.

Assets and expectations about the future are also important considerations when households make charitable contributions. Even a high-income household, if it is heavily in debt, may not be in a good position to make substantial charitable contributions. Similarly, a low-income household if it has savings, owns stock, or expects higher future income can make sizable charitable contributions without jeopardizing the financial stability of the household.

The form of assets should also influence giving, so that the relationship between income and contributions varies with both the amount and type of assets held in a region. One hypothesis for consideration is that regions where assets are held in such properties as stocks and bonds will have different giving patterns than those with asset holdings largely in, for example, land or farms. If a region's percent of the nation's income is higher than its percent of the nation's giving, one plausible explanation for this could be that the region's asset holdings cannot readily be used to make charitable contributions.

STATE AND LOCAL TAXES

State and local property and income taxes are deductible on federal income-tax returns. Households paying more of these taxes are more likely to file an itemized tax return than to take the standard deduction. Once the return is itemized, charitable contributions will also be deducted.

So, states with high income and property taxes indirectly provide an incentive to taxpayers to make larger gifts by increasing the likelihood they will file an itemized return in the first place and thereby receive a tax incentive to make charitable contributions. Moreover, more of the contributions in high-tax states appear on tax returns simply because more taxpayers file itemized returns. Even if giving levels were not greatly affected by tax incentives to give, some states would appear to have more giving due to a higher rate of itemization that permits what contributions there are to become part of the tax-return data record.

HOME OWNERSHIP

Both property taxes and home-mortgage interest are deductible on the federal income-tax return. Therefore, whether a household's tax return will be itemized (and thus whether members of the household receive a tax incentive to make charitable contributions) is tied to rates of home ownership. In states where people are more likely to own than to rent their homes, more people will itemize their tax returns, and more, therefore, will be able to itemize their charitable gifts. Higher rates of itemization raise both tax incentives to give and levels of reporting of the contributions. Still, there are states in which home rental rates are high and itemization rates are also high.

HIGH-INCOME HOUSEHOLDS

Just as some lower- and middle-income households do not file itemized returns, other households have income and deductions that are so high that they pay the alternative minimum tax. In those households, the tax incentive to make charitable contributions is not in force. But it does not mean these households do not make charitable gifts. The contributions of a small number of high-income households will not appear on tax-return records. In addition, some households make contributions that exceed 50% of their adjusted gross income, and they cannot deduct all of their charitable gifts.

While these households do not represent a significant percent of all US households, the contributions they make are not part of the tax-return record.

THE ROLE OF NONPROFIT ORGANIZATIONS

Independent Sector reported in *Giving and Volunteering in the US 1996* that 84.6% of households that made a charitable contribution were asked to contribute. Over 70% of households indicated that "being asked to give by someone you know well" was an "important" or a "very important" reason for contributing. Other key reasons for contributing were that a person volunteered at an organization or that he or she was asked by clergy.

States that have more nonprofit organizations—including congregations—and their representatives asking for contributions and providing volunteer experiences are likely to have higher levels of personal giving. This is also the case in states in which nonprofits have the most effective fund-raising strategies, particularly if these are focused on personal, rather than corporate or foundation, giving. The chart on page 6 indicates that the distribution of nonprofit organizations and congregations among the regions of the country usually parallels the distribution of giving.

THE DATA

Fewer than one-third of US taxpayers itemize their returns. Two-thirds or more take the standard deduction, and these taxpayers, therefore, do not declare the charitable contributions they made, if any, on their tax returns. This means that charitable contributions most Americans make do not appear in tax-return data. Nonetheless, though data for 1997 roughly describe only 30% of all tax returns filed, these returns account for about 80% of the *amount* individuals contributed to charity in 1997.

Tax-return data presented in this report are from the *SOI Bulletin* (Washington, DC: Internal Revenue Service, spring editions, 1994-1999). The data are preliminary and in most cases estimated, and they may not add up to totals released later or elsewhere by the IRS. (This report does not include data from US residents living overseas and other non-resident returns. In 1997, these returns accounted for $0.35 billion in contributions deductions.)

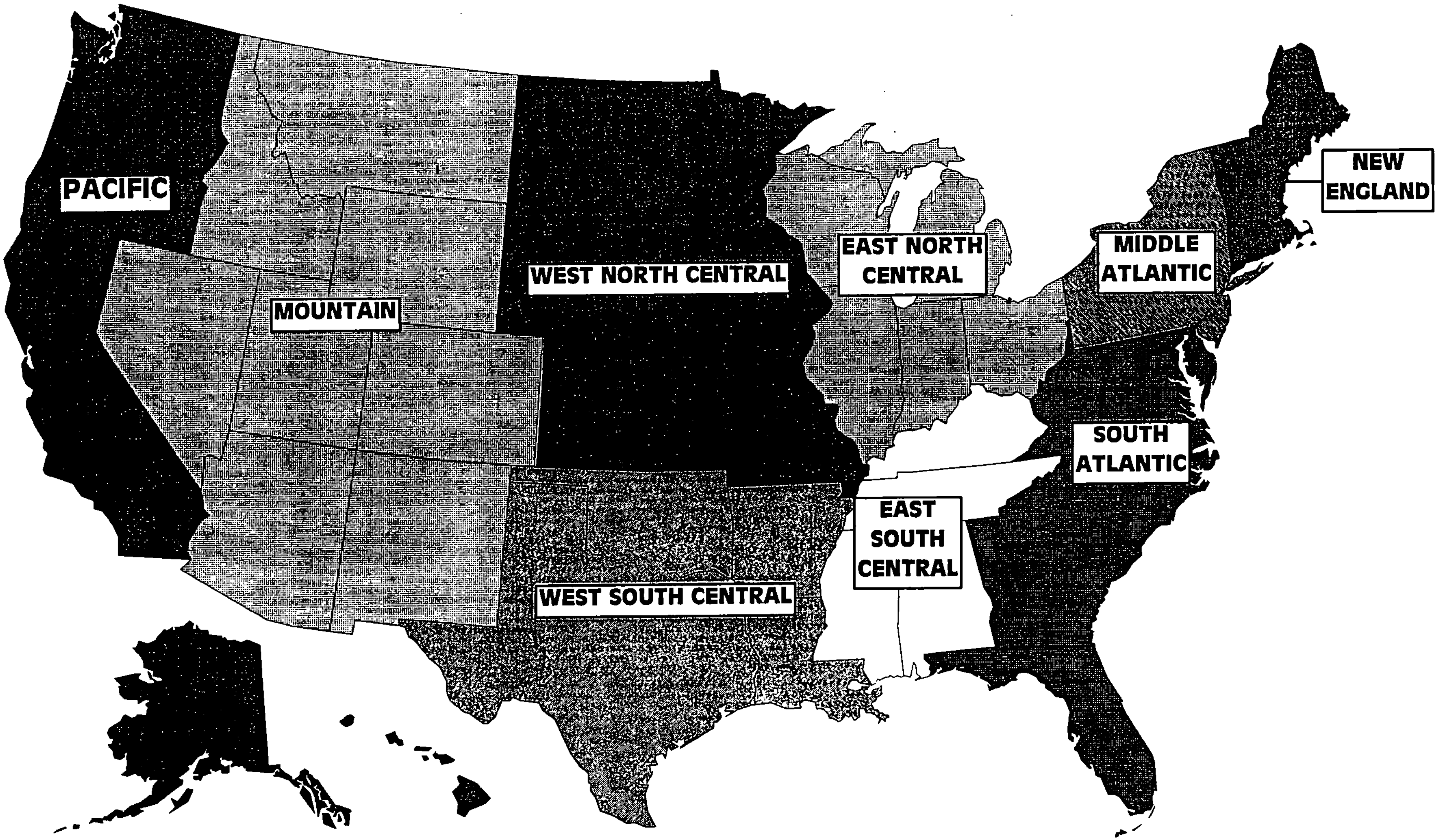
The number of nonprofits in each state is from the IRS business master file of exempt organizations, provided by the National Center for Charitable Statistics at the Urban Institute. The data may be found on the web site: *http://www.nccs.urban.org*.

The site provides information on charitable organizations in each state, including the number of 501(c)(3) public charities and their levels of public support, expenses, and assets. It also contains a several other data bases containing descriptive and financial data about nonprofits.

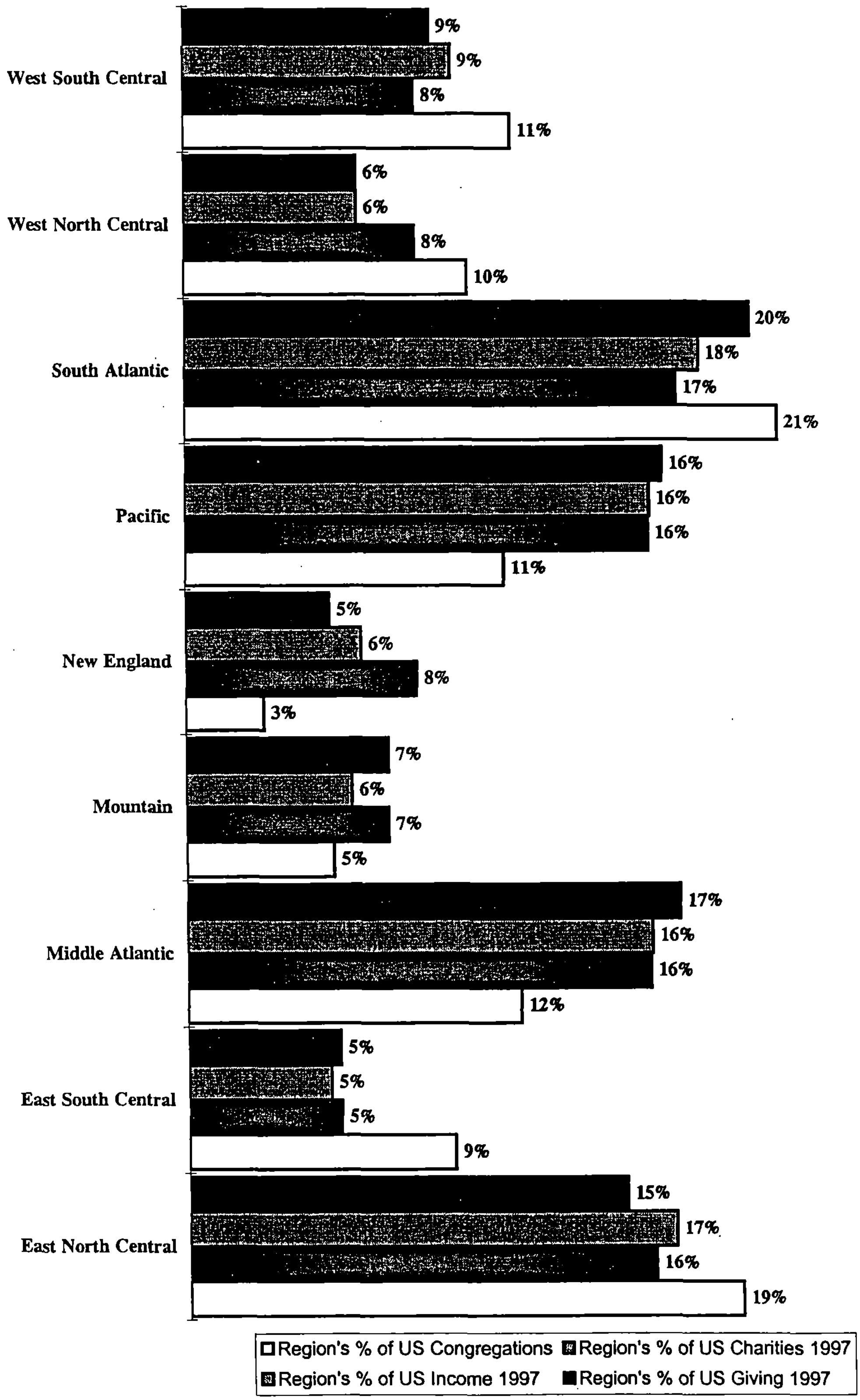
The number of congregations in each region is from *From Belief to Commitment: The Community Service Activities and Finances of Religious Congregations in the United States, 1993 Edition* (Washington, DC: Independent Sector).

REGIONS

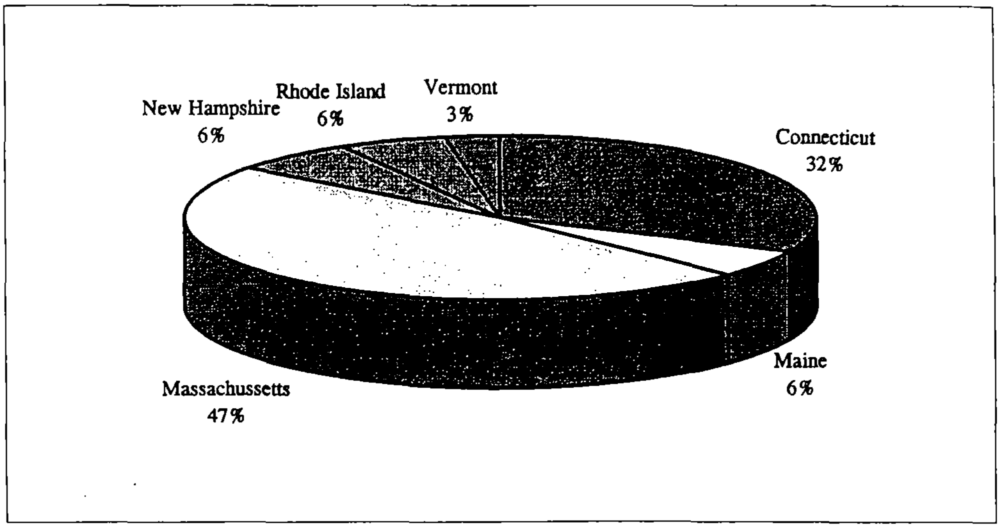
Regions, as depicted in the map on page 5, are Census Department divisions, which are also used by Independent Sector, the Foundation Center, and other research organizations to organize data. Population within these regions varies significantly. According to the 1990 census, the South Atlantic region, the largest of the nine, had over 30 million more people than New England, the smallest region.


PACIFIC
MOUNTAIN
WEST NORTH CENTRAL
EAST NORTH CENTRAL
NEW ENGLAND
MIDDLE ATLANTIC
SOUTH ATLANTIC
EAST SOUTH CENTRAL
WEST SOUTH CENTRAL

A Region's Share of the Nation's Giving
Closely Parallels Its Share of Income, Charities, and Religious Congregations



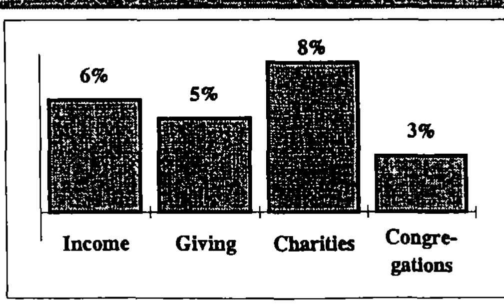
Total Reported Giving 1997
New England = $5.12 Billion



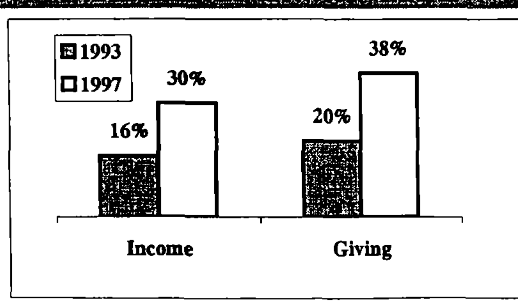
Total Contributions Reported On Tax Returns (Dollars in Thousands)	1993	1994	1995	1996	1997	% Change 1993-1997
New England	**$3,395,683**	**$3,545,876**	**$3,756,595**	**$4,256,227**	**$5,116,191**	**50.7%**
Connecticut	$1,099,017	$1,111,207	$1,186,056	$1,346,498	$1,624,025	**47.8%**
Maine	$195,594	$199,637	$212,623	$245,280	$282,918	**44.6%**
Massachussetts	$1,587,568	$1,696,489	$1,777,591	$2,017,949	$2,454,740	**54.6%**
New Hampshire	$221,467	$238,330	$253,554	$282,829	$323,626	**46.1%**
Rhode Island	$196,075	$198,507	$213,065	$241,733	$288,373	**47.1%**
Vermont	$95,962	$101,706	$113,706	$121,938	$142,509	**48.5%**

Amount Per Return with a Contribution	1993	1994	1995	1996	1997	% Change 1993-1997
New England	**$1,622**	**$1,687**	**$1,772**	**$1,938**	**$2,234**	**37.7%**
Connecticut	$2,031	$2,049	$2,156	$2,398	$2,831	**39.4%**
Maine	$1,551	$1,575	$1,640	$1,821	$2,040	**31.5%**
Massachussetts	$1,765	$1,873	$1,919	$2,118	$2,495	**41.3%**
New Hampshire	$1,454	$1,579	$1,635	$1,776	$1,982	**36.3%**
Rhode Island	$1,463	$1,470	$1,547	$1,718	$1,993	**36.2%**
Vermont	$1,468	$1,576	$1,734	$1,798	$2,061	**40.4%**

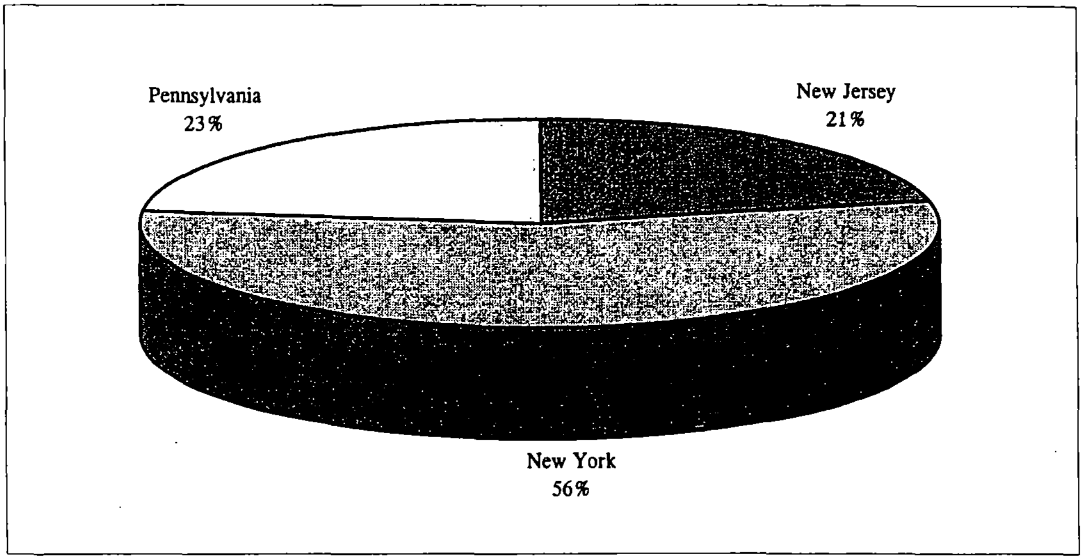
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High Income ($200,000+) Returns



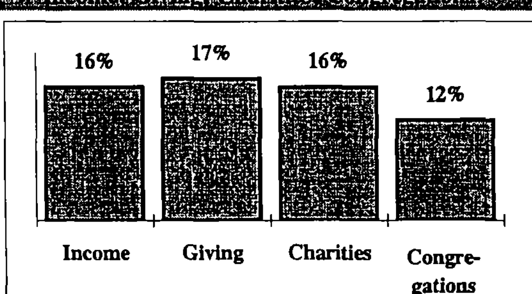
Total Reported Giving 1997
Middle Atlantic=$16.38 Billion



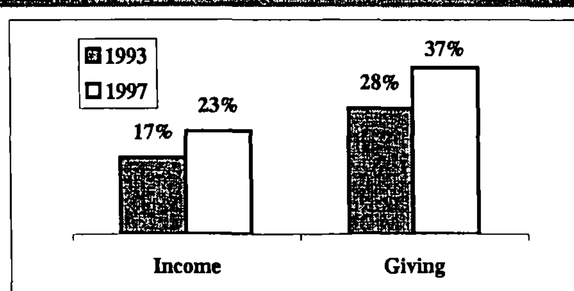
Total Contributions Reported On Tax Returns (Dollars in Thousands)	1993	1994	1995	1996	1997	% Change 1993-1997
Middle Atlantic	**$12,138,037**	**$11,974,578**	**$12,659,559**	**$14,515,510**	**$16,382,642**	**35.0%**
New Jersey	$2,780,762	$2,676,194	$2,806,852	$3,097,448	$3,509,713	**26.2%**
New York	$6,510,517	$6,463,677	$6,794,258	$8,007,800	$9,081,867	**39.5%**
Pennsylvania	$2,846,758	$2,834,707	$3,058,449	$3,410,262	$3,791,062	**33.2%**

Amount Per Return with a Contribution	1993	1994	1995	1996	1997	% Change 1993-1997
Middle Atlantic	**$2,181**	**$2,159**	**$2,257**	**$2,528**	**$2,799**	**28.3%**
New Jersey	$2,048	$1,973	$2,038	$2,220	$2,461	**20.2%**
New York	$2,394	$2,405	$2,504	$2,927	$3,292	**37.5%**
Pennsylvania	$2,101	$2,099	$2,230	$2,437	$2,644	**25.8%**

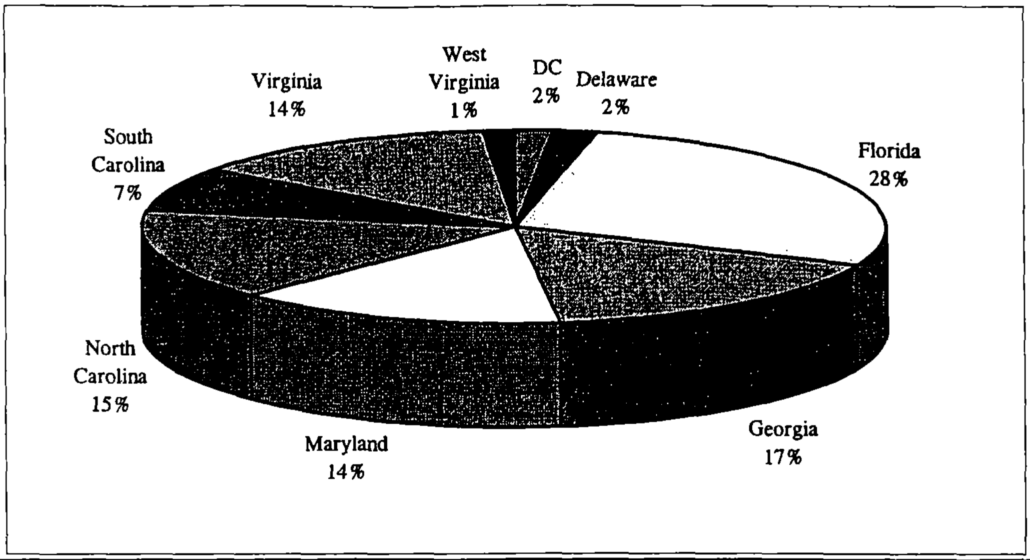
Region's Share of U.S. Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
South Atlantic=$19.07 Billion



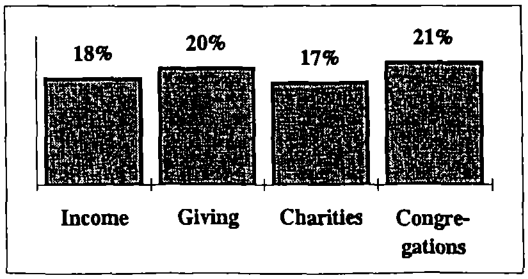
Total Contributions Reported On Tax Returns (Dollars in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
South Atlantic	**$12,986,765**	**$13,216,541**	**$14,489,286**	**$16,676,767**	**$19,068,601**	**46.8%**
Delaware	$215,738	$221,368	$239,817	$291,372	$300,550	**39.3%**
DC	$282,569	$271,922	$292,348	$325,689	$374,388	**32.5%**
Florida	$3,450,191	$3,494,811	$3,758,958	$4,536,380	$5,308,163	**53.9%**
Georgia	$2,119,725	$2,189,198	$2,393,277	$2,730,975	$3,205,427	**51.2%**
Maryland	$1,868,688	$1,879,623	$2,055,293	$2,245,707	$2,753,037	**47.3%**
North Carolina	$1,959,951	$2,018,335	$2,277,882	$2,558,909	$2,888,524	**47.4%**
South Carolina	$970,206	$994,589	$1,098,254	$1,206,735	$1,352,990	**39.5%**
Virginia	$1,924,355	$1,950,974	$2,162,223	$2,550,208	$2,628,872	**36.6%**
West Virginia	$195,342	$195,721	$211,234	$230,792	$256,650	**31.4%**

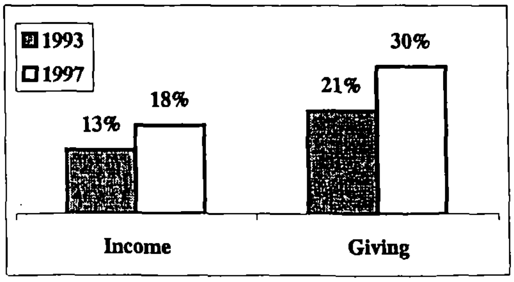
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
South Atlantic	**$2,495**	**$2,523**	**$2,691**	**$2,951**	**$3,204**	**28.4%**
Delaware	$2,094	$2,122	$2,234	$2,646	$2,653	**26.7%**
DC	$3,340	$3,316	$3,594	$3,952	$4,425	**32.5%**
Florida	$2,608	$2,695	$2,812	$3,234	$3,633	**39.3%**
Georgia	$2,626	$2,661	$2,789	$2,998	$3,333	**26.9%**
Maryland	$2,139	$2,129	$2,271	$2,438	$2,721	**27.2%**
North Carolina	$2,526	$2,552	$2,755	$2,943	$3,148	**24.6%**
South Carolina	$2,579	$2,639	$2,860	$3,012	$3,226	**25.1%**
Virginia	$2,139	$2,151	$2,333	$2,651	$2,824	**32.0%**
West Virginia	$2,405	$2,445	$2,570	$2,682	$2,874	**19.5%**

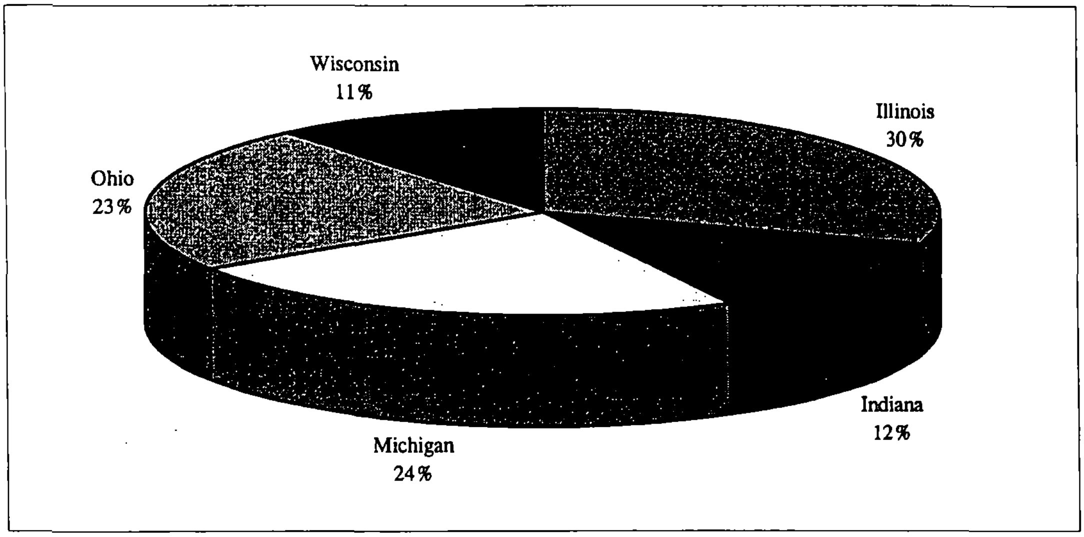
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



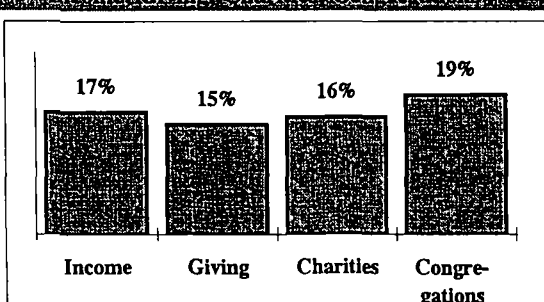
Total Reported Giving 1997
East North Central=$14.47 Billion



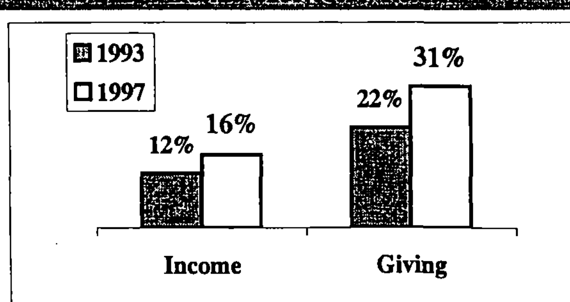
Total Contributions Reported On Tax Returns (Dollars in Thousands)	1993	1994	1995	1996	1997	% Change 1993-1997
East North Central	**$10,447,639**	**$10,675,208**	**$11,530,943**	**$12,876,786**	**$14,468,177**	**38.5%**
Illinois	$3,161,656	$3,256,289	$3,476,010	$3,888,703	$4,341,208	**37.3%**
Indiana	$1,215,628	$1,264,618	$1,372,058	$1,558,826	$1,751,451	**44.1%**
Michigan	$2,525,012	$2,550,032	$2,719,426	$3,055,652	$3,429,721	**35.8%**
Ohio	$2,413,583	$2,429,690	$2,653,101	$2,915,438	$3,334,305	**38.1%**
Wisconsin	$1,131,760	$1,174,579	$1,310,348	$1,458,167	$1,611,492	**42.4%**

Amount Per Return with a Contribution	1993	1994	1995	1996	1997	% Change 1993-1997
East North Central	**$2,070**	**$2,134**	**$2,248**	**$2,423**	**$2,616**	**26.4%**
Illinois	$2,299	$2,359	$2,446	$2,637	$2,839	**23.5%**
Indiana	$2,323	$2,395	$2,498	$2,713	$2,904	**25.0%**
Michigan	$2,024	$2,170	$2,287	$2,483	$2,687	**32.8%**
Ohio	$1,986	$1,990	$2,100	$2,227	$2,451	**23.4%**
Wisconsin	$1,719	$1,757	$1,909	$2,056	$2,199	**28.0%**

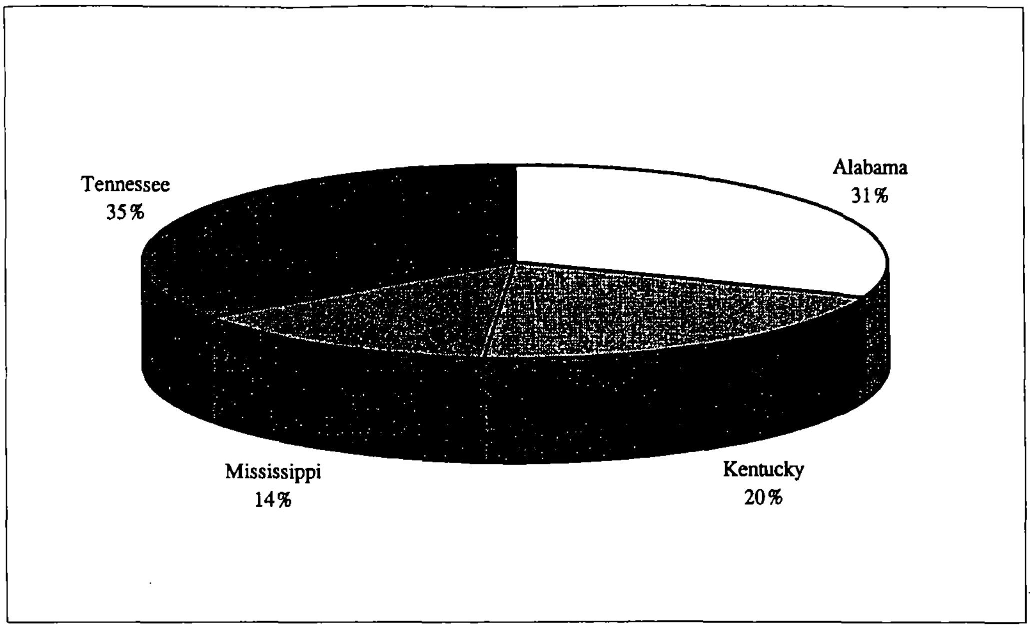
Region's Share of U.S. Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



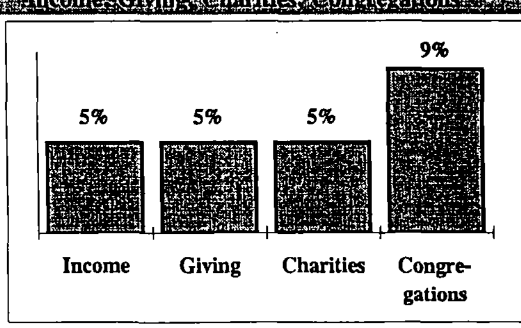
Total Reported Giving 1997
East South Central=$5.03 Billion



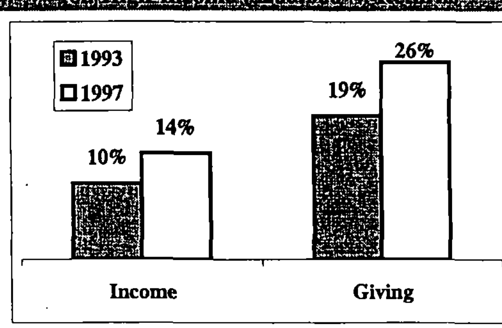
Total Contributions Reported On Tax Returns (Dollars in Thousands)						
	1993	1994	1995	1996	1997	% Change 1993-1997
East South Central	**$3,622,277**	**$3,691,969**	**$4,059,820**	**$4,499,413**	**$5,026,141**	**38.8%**
Alabama	$1,118,131	$1,146,704	$1,277,376	$1,397,902	$1,555,819	**39.1%**
Kentucky	$762,773	$759,334	$826,314	$909,521	$1,021,494	**33.9%**
Mississippi	$508,032	$519,818	$572,800	$615,428	$704,859	**38.7%**
Tennessee	$1,233,341	$1,266,113	$1,383,330	$1,576,562	$1,743,969	**41.4%**

Amount Per Return with a Contribution						
	1993	1994	1995	1996	1997	% Change 1993-1997
East South Central*	**$2,929**	**$3,019**	**$3,209**	**$3,379**	**$3,621**	**23.7%**
Alabama	$2,970	$3,058	$3,264	$3,423	$3,643	**22.7%**
Kentucky	$2,261	$2,227	$2,327	$2,439	$2,631	**16.4%**
Mississippi	$3,052	$3,166	$3,430	$3,531	$3,870	**26.8%**
Tennessee	$3,432	$3,625	$3,814	$4,123	$4,342	**26.5%**

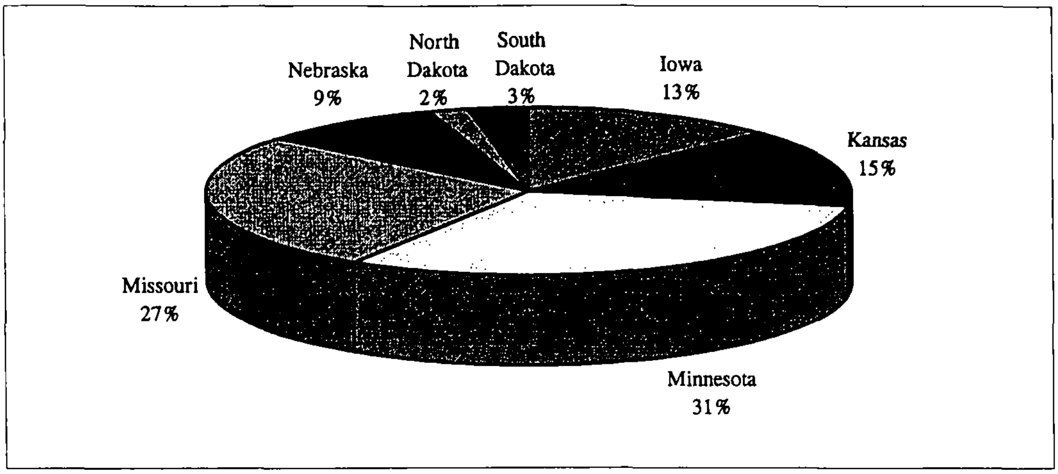
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
West North Central=$6.02 Billion



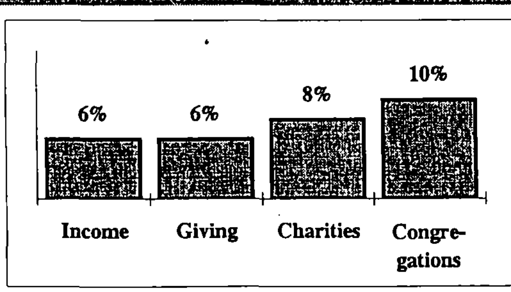
Total Contributions Reported On Tax Returns ($ in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
West North Central	**$4,287,868**	**$4,407,651**	**$4,705,222**	**$5,321,126**	**$6,024,653**	**40.5%**
Iowa	$574,720	$582,670	$623,347	$717,403	$774,909	**34.8%**
Kansas	$646,440	$643,851	$693,188	$778,245	$880,387	**36.2%**
Minnesota	$1,335,132	$1,390,050	$1,499,216	$1,689,868	$1,907,328	**42.9%**
Missouri	$1,166,355	$1,205,154	$1,275,022	$1,418,818	$1,614,519	**38.4%**
Nebraska	$367,158	$379,097	$394,738	$476,490	$543,711	**48.1%**
North Dakota	$95,100	$98,184	$107,993	$115,728	$119,513	**25.7%**
South Dakota	$102,963	$108,645	$111,718	$124,574	$184,286	**79.0%**

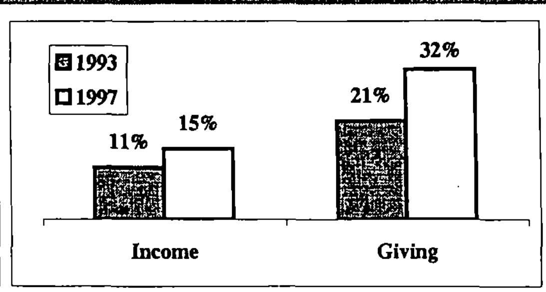
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
West North Central	**$2,278**	**$2,367**	**$2,470**	**$2,704**	**$3,041**	**33.5%**
Iowa	$2,010	$2,034	$2,161	$2,403	$2,503	**24.5%**
Kansas	$2,512	$2,515	$2,672	$2,874	$3,136	**24.8%**
Minnesota	$1,941	$1,998	$2,100	$2,283	$2,485	**28.1%**
Missouri	$2,349	$2,455	$2,503	$2,660	$2,899	**23.4%**
Nebraska	$2,294	$2,359	$2,380	$2,751	$3,011	**31.2%**
North Dakota	$2,193	$2,368	$2,625	$2,768	$2,714	**23.7%**
South Dakota	$2,643	$2,840	$2,850	$3,191	$4,541	**71.8%**

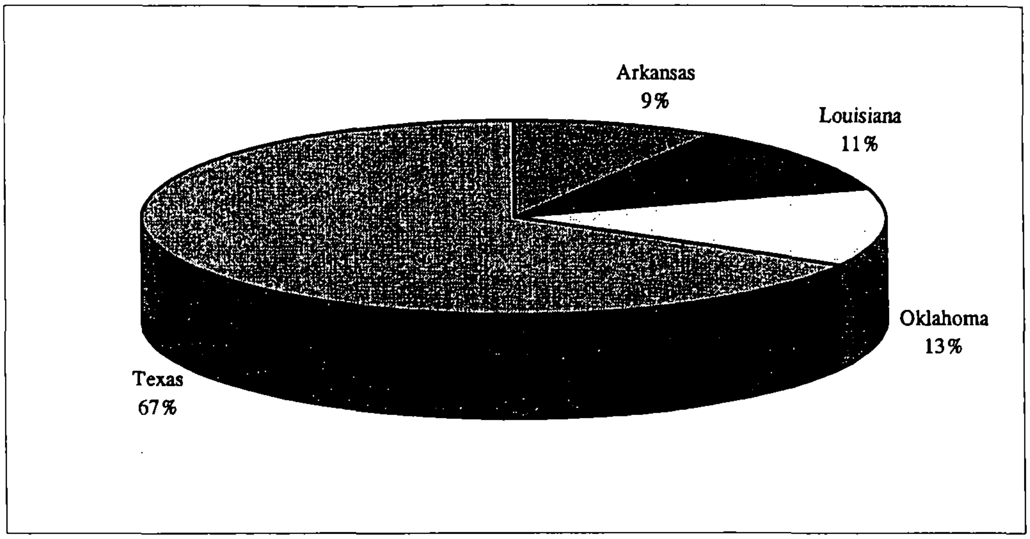
Region's Share of U.S. Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
West South Central=$8.43 Billion



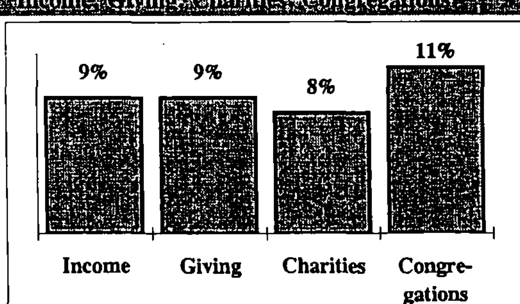
Total Contributions Reported On Tax Returns (Dollars in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
West South Central	**$5,884,637**	**$6,006,984**	**$6,449,912**	**$7,271,167**	**$8,431,761**	**43.3%**
Arkansas	$495,381	$510,960	$562,295	$661,119	$740,231	**49.4%**
Louisiana	$721,721	$719,915	$766,956	$868,929	$956,680	**32.6%**
Oklahoma	$803,699	$825,527	$870,413	$962,450	$1,083,396	**34.8%**
Texas	$3,863,836	$3,950,582	$4,250,248	$4,778,669	$5,651,454	**46.3%**

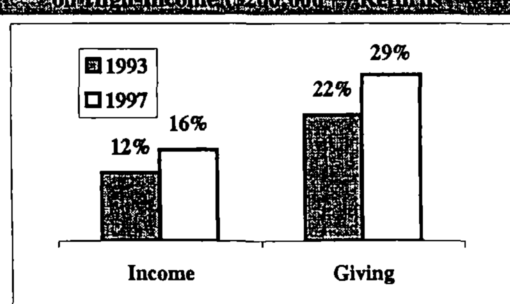
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
West South Central	**$2,903**	**$3,028**	**$3,144**	**$3,421**	**$3,731**	**28.5%**
Arkansas	$3,005	$3,101	$3,256	$3,601	$3,826	**27.3%**
Louisiana	$2,800	$2,893	$3,014	$3,312	$3,509	**25.3%**
Oklahoma	$2,698	$2,885	$2,897	$3,069	$3,345	**24.0%**
Texas	$3,110	$3,232	$3,407	$3,702	$4,246	**36.5%**

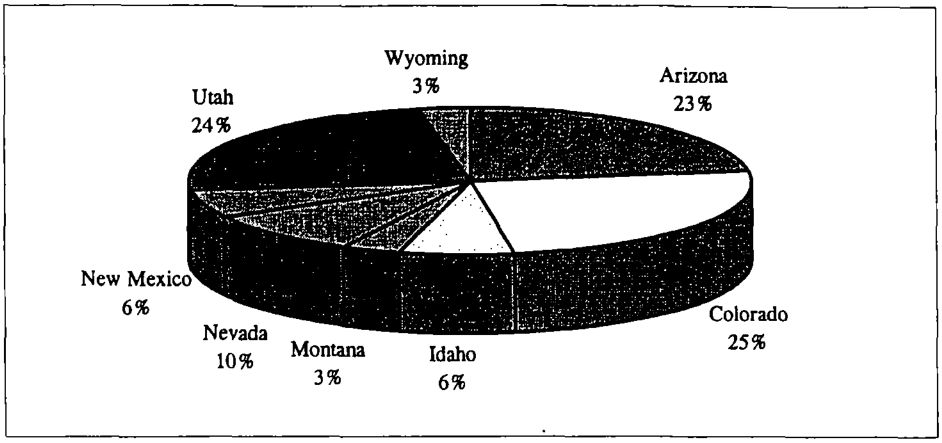
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



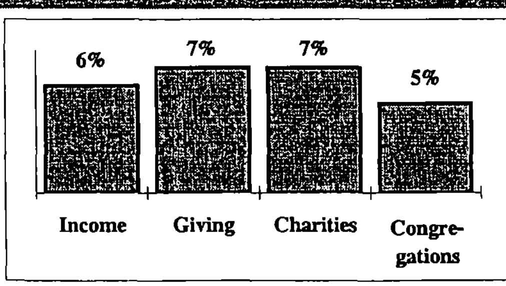
Total Reported Giving 1997
Mountain = $6.37 Billion



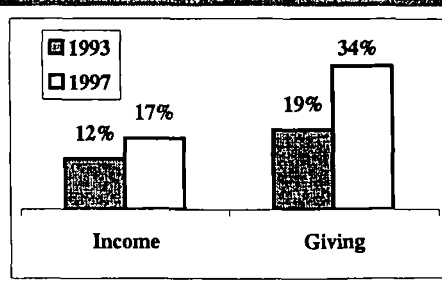
Total Contributions Reported On Tax Returns ($ in Thousands)	1993	1994	1995	1996	1997	% Change 1993-1997
Mountain	**$3,995,935**	**$4,254,683**	**$4,707,044**	**$5,504,580**	**$6,369,807**	**59.4%**
Arizona	$919,669	$964,915	$1,061,732	$1,219,753	$1,434,121	**55.9%**
Colorado	$960,775	$1,018,764	$1,117,745	$1,323,776	$1,595,250	**66.0%**
Idaho	$285,823	$314,315	$341,762	$387,248	$413,820	**44.8%**
Montana	$153,189	$157,909	$173,385	$182,292	$216,634	**41.4%**
Nevada	$336,383	$364,651	$423,602	$561,317	$605,871	**80.1%**
New Mexico	$269,553	$285,317	$303,658	$329,120	$381,811	**41.6%**
Utah	$968,351	$1,039,555	$1,170,352	$1,322,259	$1,522,931	**57.3%**
Wyoming	$102,192	$109,257	$114,808	$178,815	$199,369	**95.1%**

Amount Per Return with a Contribution	1993	1994	1995	1996	1997	% Change 1993-1997
Mountain	**$2,476**	**$2,623**	**$2,781**	**$3,187**	**$3,440**	**39.0%**
Arizona	$1,960	$2,019	$2,122	$2,287	$2,547	**29.9%**
Colorado	$1,903	$1,987	$2,105	$2,357	$2,708	**42.3%**
Idaho	$2,558	$2,717	$2,862	$3,023	$3,063	**19.7%**
Montana	$1,797	$1,839	$1,989	$2,008	$2,303	**28.1%**
Nevada	$2,051	$2,148	$2,325	$2,784	$2,777	**35.4%**
New Mexico	$2,085	$2,214	$2,296	$2,367	$2,613	**25.3%**
Utah	$4,144	$4,293	$4,593	$4,845	$5,266	**27.1%**
Wyoming	$3,309	$3,767	$3,954	$5,822	$6,247	**88.8%**

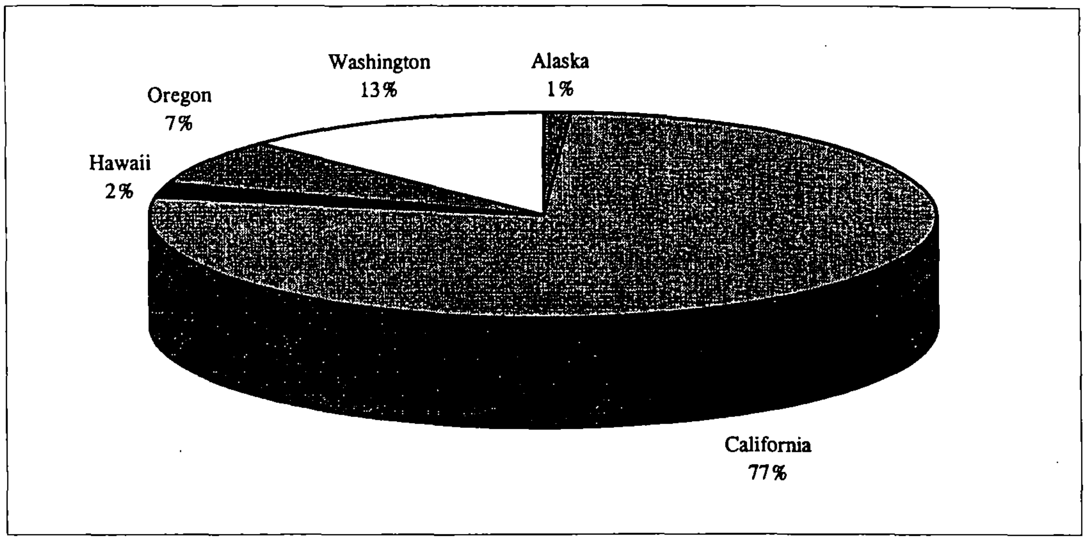
Region's Share of US Income, Giving, Charities, Congre.



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
Pacific=$15.82 Billion



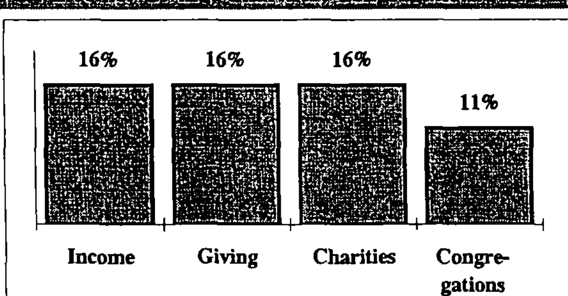
Total Contributions Reported On Tax Returns
(Dollars in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
Pacific	**$11,328,490**	**$11,431,211**	**$12,222,328**	**$14,046,097**	**$15,823,008**	**39.7%**
Alaska	$143,045	$142,484	$148,041	$157,012	$167,545	**17.1%**
California	$8,810,428	$8,789,188	$9,413,865	$10,888,331	$12,143,486	**37.8%**
Hawaii	$279,581	$268,530	$280,577	$304,023	$347,571	**24.3%**
Oregon	$780,618	$820,119	$889,062	$1,013,100	$1,162,731	**49.0%**
Washington	$1,314,818	$1,410,890	$1,490,783	$1,683,631	$2,001,675	**52.2%**

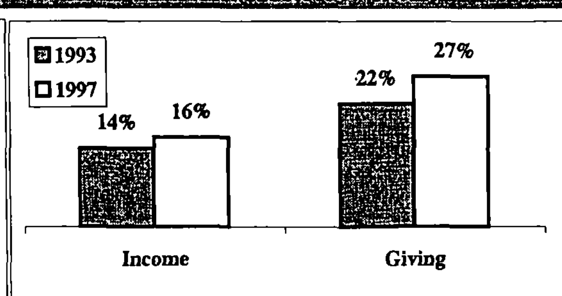
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
Pacific	**$2,098**	**$2,135**	**$2,225**	**$2,397**	**$2,631**	**25.4%**
Alaska	$2,411	$2,455	$2,530	$2,611	$2,731	**13.3%**
California	$2,168	$2,185	$2,323	$2,625	$2,831	**30.6%**
Hawaii	$1,788	$1,705	$1,776	$1,904	$2,162	**20.9%**
Oregon	$1,952	$2,032	$2,151	$2,321	$2,563	**31.3%**
Washington	$2,174	$2,297	$2,344	$2,523	$2,867	**31.9%**

Region's Share of U.S. Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



DRAFT

GIVING USA ACROSS AMERICA

A Report on Regional and Statewide Contributions

Issue 3, 1999

For forty-four years, *Giving USA* has been publishing data about charitable contributions in the United States. AAFRC's research department is frequently asked to provide data about charitable contributions by region or state. Though AAFRC data cannot be disaggregated to provide a comprehensive estimate of total personal giving in each state, tax-return data, published by state by the Internal Revenue Service, provide or suggest the answers to some questions about regional contributions.

In 1997, $97.06 billion, or 79%, of the $122.95 billion individuals contributed, were claimed as charitable-contribution deductions on US tax returns. The following report summarizes tax-return data for the years 1993 through 1997.

In 1997, the data released by the IRS at the state level indicates that giving among itemizers increased by just over 14%, virtually the same increase *Giving USA* reports for total personal giving.

Talking a multi-year view, two regions, the New England region and the Mountain region, reported itemized giving increased more than 50% between 1993 and 1997. Other regions reported increases ranging between 35% and 47% over the same period.

These two regions also reported the biggest increase in the share of contributions that appear on returns with incomes of $200,000 or more. In 1993, giving on high-income tax returns in the Mountain region represented 19% of all itemized giving, but by 1997, giving on these returns represented 34% of all reported giving. In the New England region, giving on these returns increased from 20% of giving to 38%. No other regions showed comparable levels of growth in this group of returns.

IS THERE SUCH A THING AS A "GENEROUS" STATE?

The data show that contributors in some states give more than those in other states, and sometimes this difference is consistent over many years. For example, Utah always reports high levels of giving, by a variety of measures. This is attributed to Mormons in the state, who are expected to tithe, or give 10% of their income, to the Mormon church.

It is important to understand what these differences mean. Giving levels and income levels are closely related. Most regions account for almost identical percentages of total US income and total US giving. For example, New England, which accounts for only 5% of US giving, earns 6% of the nation's income. Similarly, the South Atlantic region contributes 20% of all US gifts and earns 18% of the nation's income.

Second, it is incorrect to label residents of one state "generous" and those in another state "stingy" based on tax-return data; generosity takes many forms, and contributing to charity is but one of its manifestations. Tax-return data do not capture informal giving, support among family members, volunteer time, and a host of other generous acts.

For example, New Hampshire is often cited as a state with a relatively low level of charitable giving reported on returns. In 1997, those tax returns from New Hampshire that contained a charitable-contributions deduction reported the lowest average annual contribution amount of all states. However, the Commission on Charitable Giving and Volunteerism in New Hampshire reported in a series of studies conducted by Janet E. Milne that New Hampshire residents make other kinds of contributions. For example, there is a high frequency of charitable bequests on estate-tax returns filed in that state, and the percent of estate assets represented by charitable bequests is often slightly above the average of all states. New Hampshire residents are also much more likely to volunteer than other Americans, and they participate more in charitable gaming. So, a state's attitude toward the nonprofit sector and its residents' inclination to charitable behavior are not fully accounted for in charitable-contributions data on tax returns.

Furthermore, not even all traditional charitable giving is represented in tax-return data. Only a subset of contributors file an itemized tax return that enables them to officially report their gifts. There is no solid basis in tax-return data to make judgments about moral matters, such as generosity. Using tax-return data to form a hierarchy of generosity among states is a precarious enterprise, requiring extensive caveats.

INCOME AND ASSETS

While there is no empirical measure of generosity that can be said to lead to high levels of giving, other factors are clearly related to the giving that is reported on tax returns. Foremost, contribution levels are affected by the capacity to give as measured by income. States in which tax filers report high incomes also tend to record high charitable-giving levels. Though the relationship is not perfect, overall, giving reflects income. The chart on page 6 shows that a region's share of national giving is closely linked to its share of national income.

This is observed not only state by state, but also by income level within each state. Tax-return data show that returns reporting $1,000,000 or more in annual income account for less than 1% of all returns filed, but more than 10% of the contributions recorded are on these returns. Most of these returns include a deduction for charitable contributions, and the average charitable-contribution deduction exceeds $100,000.

Assets and expectations about the future are also important considerations when households make charitable contributions. Even a high-income household, if it is heavily in debt, may not be in a good position to make substantial charitable contributions. Similarly, a low-income household if it has savings, owns stock, or expects higher future income can make sizable charitable contributions without jeopardizing the financial stability of the household.

The form of assets should also influence giving, so that the relationship between income and contributions varies with both the amount and type of assets held in a region. One hypothesis for consideration is that regions where assets are held in such properties as stocks and bonds will have different giving patterns than those with asset holdings largely in, for example, land or farms. If a region's percent of the nation's income is higher than its percent of the nation's giving, one plausible explanation for this could be that the region's asset holdings cannot readily be used to make charitable contributions.

STATE AND LOCAL TAXES

State and local property and income taxes are deductible on federal income-tax returns. Households paying more of these taxes are more likely to file an itemized tax return than to take the standard deduction. Once the return is itemized, charitable contributions will also be deducted.

So, states with high income and property taxes indirectly provide an incentive to taxpayers to make larger gifts by increasing the likelihood they will file an itemized return in the first place and thereby receive a tax incentive to make charitable contributions. Moreover, more of the contributions in high-tax states appear on tax returns simply because more taxpayers file itemized returns. Even if giving levels were not greatly affected by tax incentives to give, some states would appear to have more giving due to a higher rate of itemization that permits what contributions there are to become part of the tax-return data record.

HOME OWNERSHIP

Both property taxes and home-mortgage interest are deductible on the federal income-tax return. Therefore, whether a household's tax return will be itemized (and thus whether members of the household receive a tax incentive to make charitable contributions) is tied to rates of home ownership. In states where people are more likely to own than to rent their homes, more people will itemize their tax returns, and more, therefore, will be able to itemize their charitable gifts. Higher rates of itemization raise both tax incentives to give and levels of reporting of the contributions. Still, there are states in which home rental rates are high and itemization rates are also high.

HIGH-INCOME HOUSEHOLDS

Just as some lower- and middle-income households do not file itemized returns, other households have income and deductions that are so high that they pay the alternative minimum tax. In those households, the tax incentive to make charitable contributions is not in force. But it does not mean these households do not make charitable gifts. The contributions of a small number of high-income households will not appear on tax-return records. In addition, some households make contributions that exceed 50% of their adjusted gross income, and they cannot deduct all of their charitable gifts.

While these households do not represent a significant percent of all US households, the contributions they make are not part of the tax-return record.

THE ROLE OF NONPROFIT ORGANIZATIONS

Independent Sector reported in *Giving and Volunteering in the US 1996* that 84.6% of households that made a charitable contribution were asked to contribute. Over 70% of households indicated that "being asked to give by someone you know well" was an "important" or a "very important" reason for contributing. Other key reasons for contributing were that a person volunteered at an organization or that he or she was asked by clergy.

States that have more nonprofit organizations—including congregations—and their representatives asking for contributions and providing volunteer experiences are likely to have higher levels of personal giving. This is also the case in states in which nonprofits have the most effective fund-raising strategies, particularly if these are focused on personal, rather than corporate or foundation, giving. The chart on page 6 indicates that the distribution of nonprofit organizations and congregations among the regions of the country usually parallels the distribution of giving.

THE DATA

Fewer than one-third of US taxpayers itemize their returns. Two-thirds or more take the standard deduction, and these taxpayers, therefore, do not declare the charitable contributions they made, if any, on their tax returns. This means that charitable contributions most Americans make do not appear in tax-return data. Nonetheless, though data for 1997 roughly describe only 30% of all tax returns filed, these returns account for about 80% of the *amount* individuals contributed to charity in 1997.

Tax-return data presented in this report are from the *SOI Bulletin* (Washington, DC: Internal Revenue Service, spring editions, 1994-1999). The data are preliminary and in most cases estimated, and they may not add up to totals released later or elsewhere by the IRS. (This report does not include data from US residents living overseas and other non-resident returns. In 1997, these returns accounted for $0.35 billion in contributions deductions.)

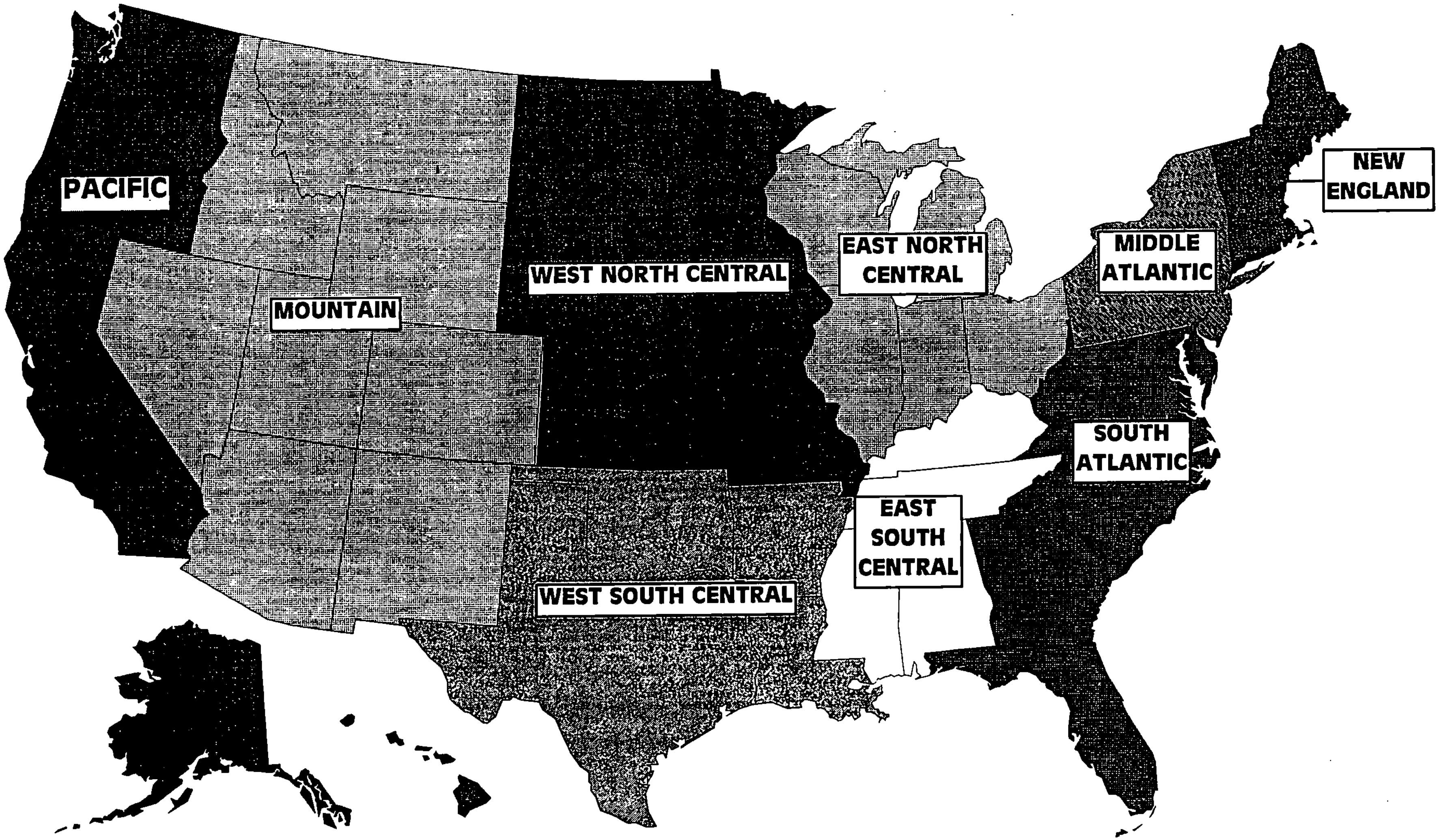
The number of nonprofits in each state is from the IRS business master file of exempt organizations, provided by the National Center for Charitable Statistics at the Urban Institute. The data may be found on the web site: *http://www.nccs.urban.org.*

The site provides information on charitable organizations in each state, including the number of 501(c)(3) public charities and their levels of public support, expenses, and assets. It also contains a several other data bases containing descriptive and financial data about nonprofits.

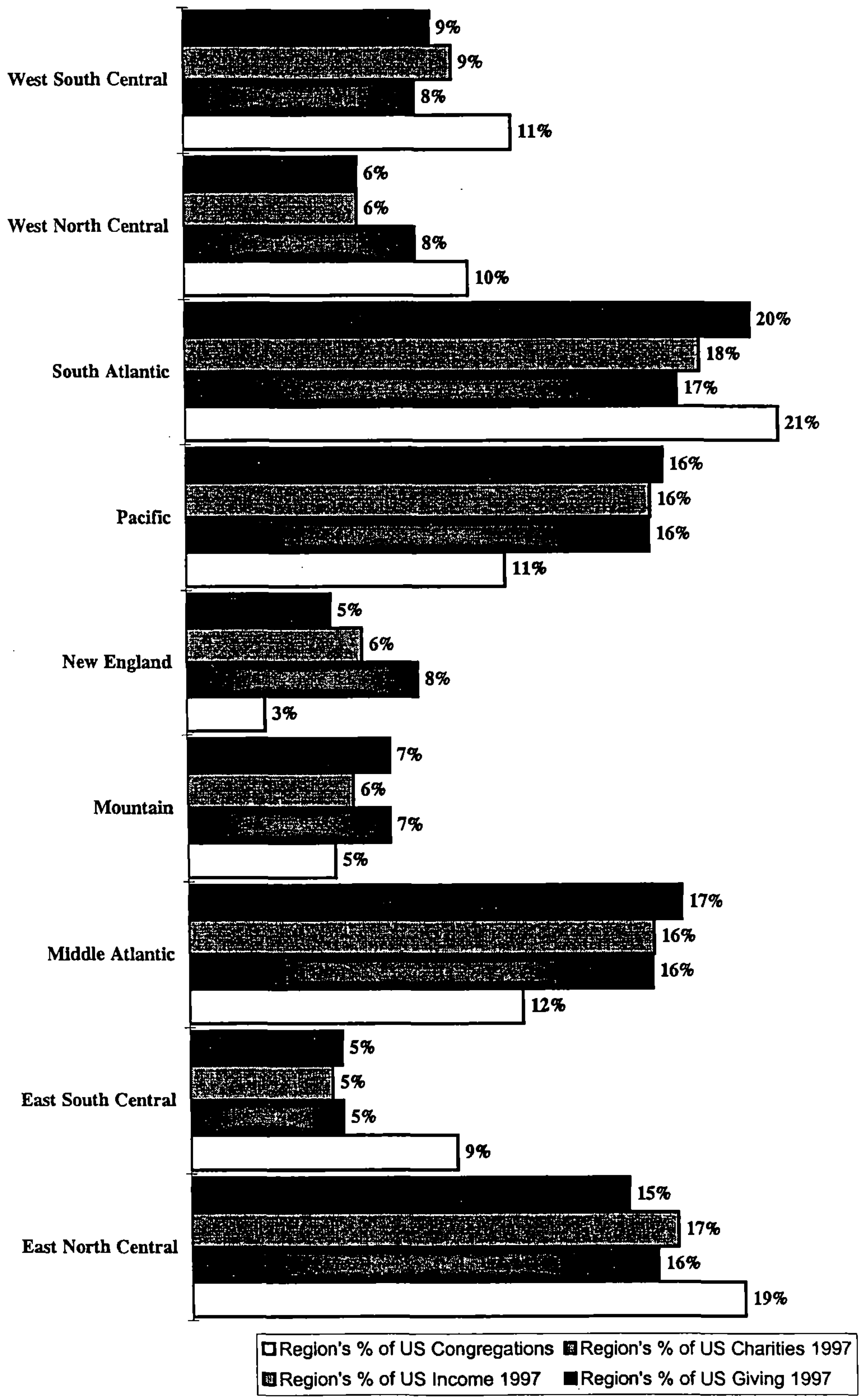
The number of congregations in each region is from *From Belief to Commitment: The Community Service Activities and Finances of Religious Congregations in the United States, 1993 Edition* (Washington, DC: Independent Sector).

REGIONS

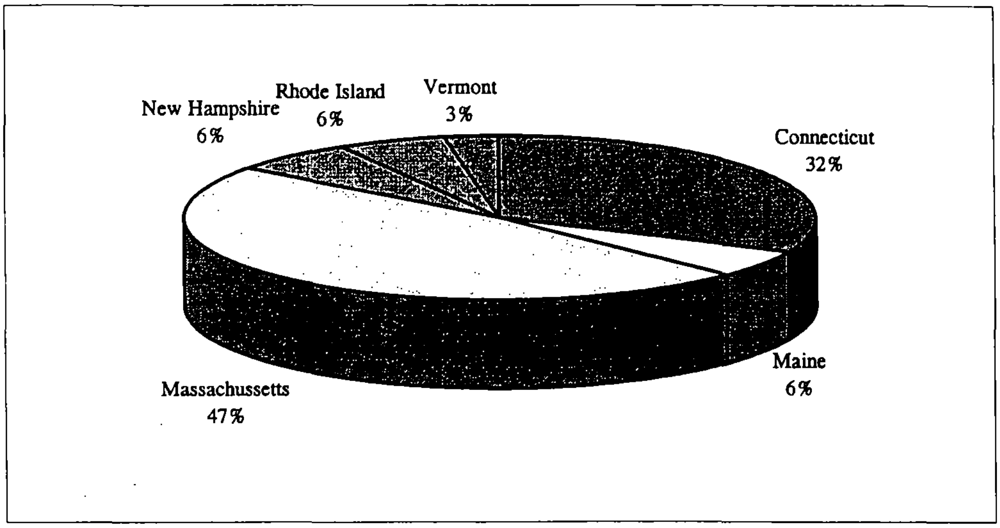
Regions, as depicted in the map on page 5, are Census Department divisions, which are also used by Independent Sector, the Foundation Center, and other research organizations to organize data. Population within these regions varies significantly. According to the 1990 census, the South Atlantic region, the largest of the nine, had over 30 million more people than New England, the smallest region.


PACIFIC
MOUNTAIN
WEST NORTH CENTRAL
EAST NORTH CENTRAL
MIDDLE ATLANTIC
NEW ENGLAND
SOUTH ATLANTIC
EAST SOUTH CENTRAL
WEST SOUTH CENTRAL

A Region's Share of the Nation's Giving
Closely Parallels Its Share of Income, Charities, and Religious Congregations



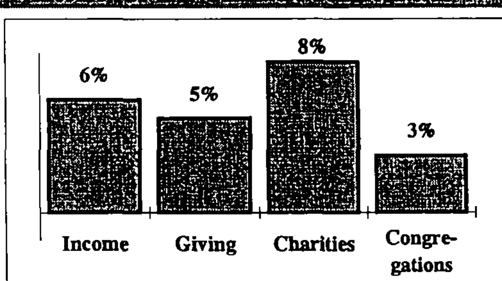
Total Reported Giving 1997
New England = $5.12 Billion



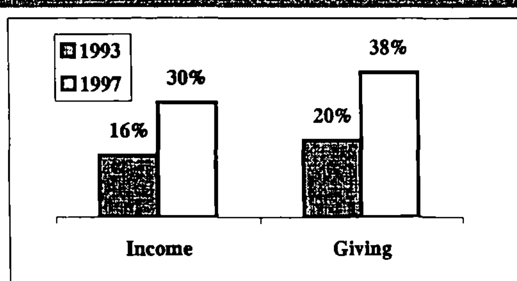
Total Contributions Reported On Tax Returns (Dollars in Thousands)						
	1993	1994	1995	1996	1997	% Change 1993-1997
New England	**$3,395,683**	**$3,545,876**	**$3,756,595**	**$4,256,227**	**$5,116,191**	**50.7%**
Connecticut	$1,099,017	$1,111,207	$1,186,056	$1,346,498	$1,624,025	**47.8%**
Maine	$195,594	$199,637	$212,623	$245,280	$282,918	**44.6%**
Massachussetts	$1,587,568	$1,696,489	$1,777,591	$2,017,949	$2,454,740	**54.6%**
New Hampshire	$221,467	$238,330	$253,554	$282,829	$323,626	**46.1%**
Rhode Island	$196,075	$198,507	$213,065	$241,733	$288,373	**47.1%**
Vermont	$95,962	$101,706	$113,706	$121,938	$142,509	**48.5%**

Amount Per Return with a Contribution						
	1993	1994	1995	1996	1997	% Change 1993-1997
New England	**$1,622**	**$1,687**	**$1,772**	**$1,938**	**$2,234**	**37.7%**
Connecticut	$2,031	$2,049	$2,156	$2,398	$2,831	**39.4%**
Maine	$1,551	$1,575	$1,640	$1,821	$2,040	**31.5%**
Massachussetts	$1,765	$1,873	$1,919	$2,118	$2,495	**41.3%**
New Hampshire	$1,454	$1,579	$1,635	$1,776	$1,982	**36.3%**
Rhode Island	$1,463	$1,470	$1,547	$1,718	$1,993	**36.2%**
Vermont	$1,468	$1,576	$1,734	$1,798	$2,061	**40.4%**

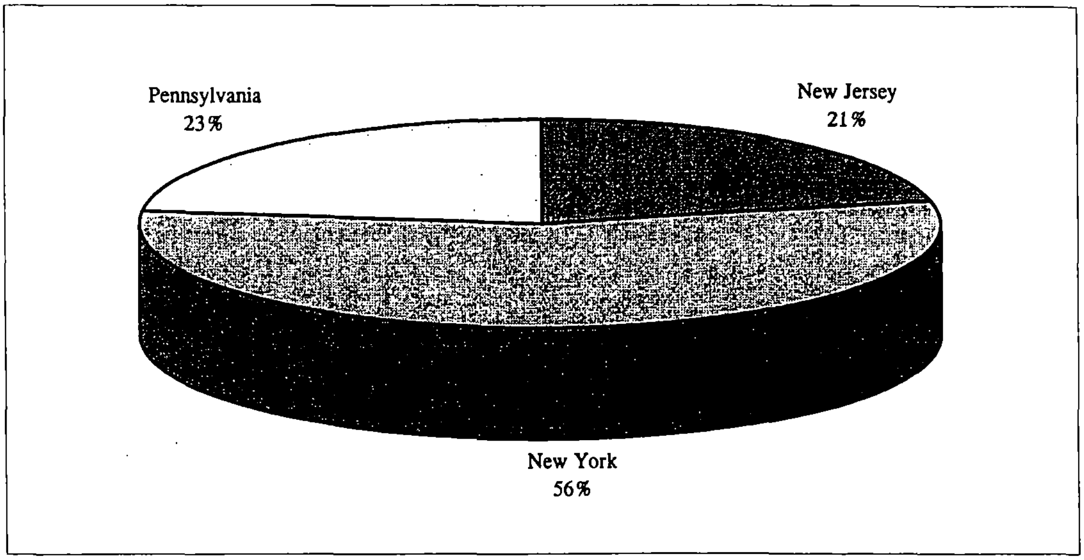
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



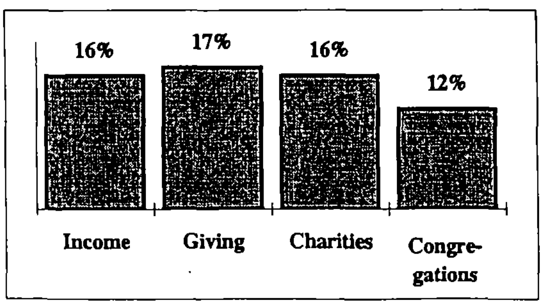
Total Reported Giving 1997
Middle Atlantic=$16.38 Billion



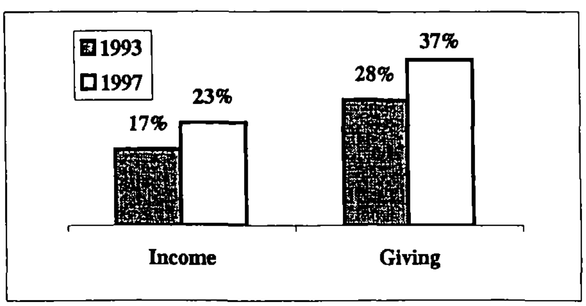
Total Contributions Reported On Tax Returns (Dollars in Thousands)	1993	1994	1995	1996	1997	% Change 1993-1997
Middle Atlantic	**$12,138,037**	**$11,974,578**	**$12,659,559**	**$14,515,510**	**$16,382,642**	**35.0%**
New Jersey	$2,780,762	$2,676,194	$2,806,852	$3,097,448	$3,509,713	**26.2%**
New York	$6,510,517	$6,463,677	$6,794,258	$8,007,800	$9,081,867	**39.5%**
Pennsylvania	$2,846,758	$2,834,707	$3,058,449	$3,410,262	$3,791,062	**33.2%**

Amount Per Return with a Contribution	1993	1994	1995	1996	1997	% Change 1993-1997
Middle Atlantic	**$2,181**	**$2,159**	**$2,257**	**$2,528**	**$2,799**	**28.3%**
New Jersey	$2,048	$1,973	$2,038	$2,220	$2,461	**20.2%**
New York	$2,394	$2,405	$2,504	$2,927	$3,292	**37.5%**
Pennsylvania	$2,101	$2,099	$2,230	$2,437	$2,644	**25.8%**

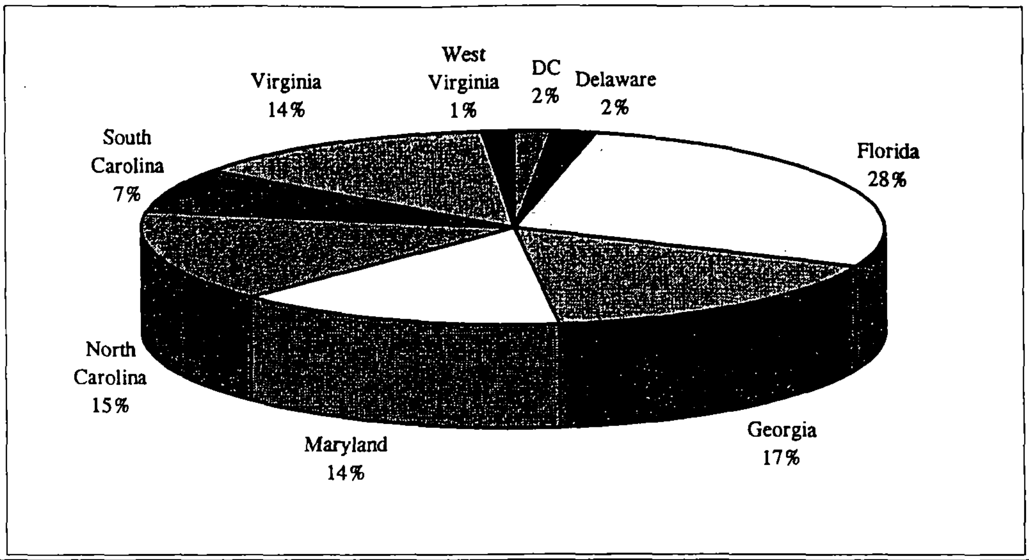
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
South Atlantic=$19.07 Billion



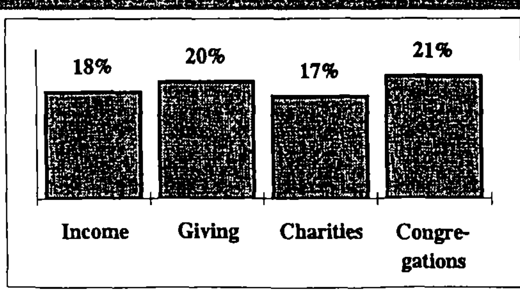
Total Contributions Reported On Tax Returns (Dollars in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
South Atlantic	**$12,986,765**	**$13,216,541**	**$14,489,286**	**$16,676,767**	**$19,068,601**	**46.8%**
Delaware	$215,738	$221,368	$239,817	$291,372	$300,550	**39.3%**
DC	$282,569	$271,922	$292,348	$325,689	$374,388	**32.5%**
Florida	$3,450,191	$3,494,811	$3,758,958	$4,536,380	$5,308,163	**53.9%**
Georgia	$2,119,725	$2,189,198	$2,393,277	$2,730,975	$3,205,427	**51.2%**
Maryland	$1,868,688	$1,879,623	$2,055,293	$2,245,707	$2,753,037	**47.3%**
North Carolina	$1,959,951	$2,018,335	$2,277,882	$2,558,909	$2,888,524	**47.4%**
South Carolina	$970,206	$994,589	$1,098,254	$1,206,735	$1,352,990	**39.5%**
Virginia	$1,924,355	$1,950,974	$2,162,223	$2,550,208	$2,628,872	**36.6%**
West Virginia	$195,342	$195,721	$211,234	$230,792	$256,650	**31.4%**

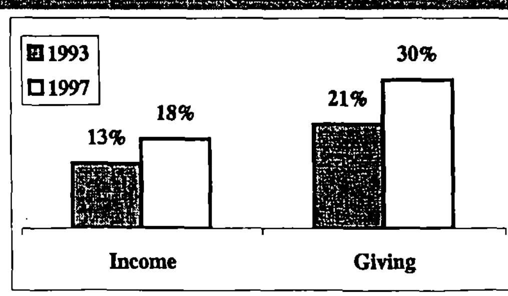
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
South Atlantic	**$2,495**	**$2,523**	**$2,691**	**$2,951**	**$3,204**	**28.4%**
Delaware	$2,094	$2,122	$2,234	$2,646	$2,653	**26.7%**
DC	$3,340	$3,316	$3,594	$3,952	$4,425	**32.5%**
Florida	$2,608	$2,695	$2,812	$3,234	$3,633	**39.3%**
Georgia	$2,626	$2,661	$2,789	$2,998	$3,333	**26.9%**
Maryland	$2,139	$2,129	$2,271	$2,438	$2,721	**27.2%**
North Carolina	$2,526	$2,552	$2,755	$2,943	$3,148	**24.6%**
South Carolina	$2,579	$2,639	$2,860	$3,012	$3,226	**25.1%**
Virginia	$2,139	$2,151	$2,333	$2,651	$2,824	**32.0%**
West Virginia	$2,405	$2,445	$2,570	$2,682	$2,874	**19.5%**

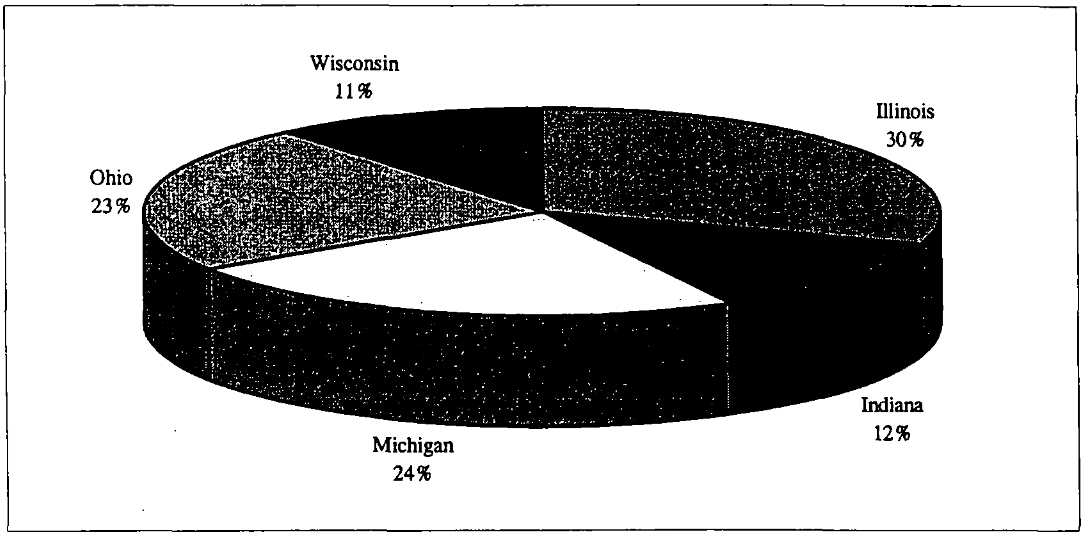
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High Income ($200,000+) Returns



Total Reported Giving 1997
East North Central=$14.47 Billion



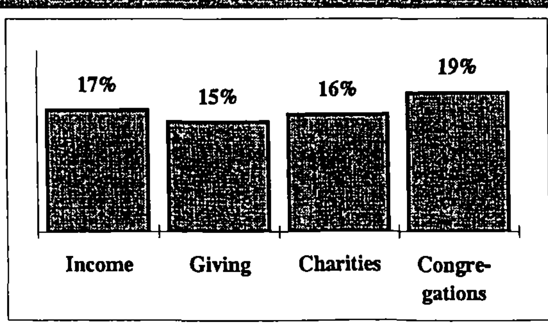
Total Contributions Reported On Tax Returns
(Dollars in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
East North Central	**$10,447,639**	**$10,675,208**	**$11,530,943**	**$12,876,786**	**$14,468,177**	**38.5%**
Illinois	$3,161,656	$3,256,289	$3,476,010	$3,888,703	$4,341,208	**37.3%**
Indiana	$1,215,628	$1,264,618	$1,372,058	$1,558,826	$1,751,451	**44.1%**
Michigan	$2,525,012	$2,550,032	$2,719,426	$3,055,652	$3,429,721	**35.8%**
Ohio	$2,413,583	$2,429,690	$2,653,101	$2,915,438	$3,334,305	**38.1%**
Wisconsin	$1,131,760	$1,174,579	$1,310,348	$1,458,167	$1,611,492	**42.4%**

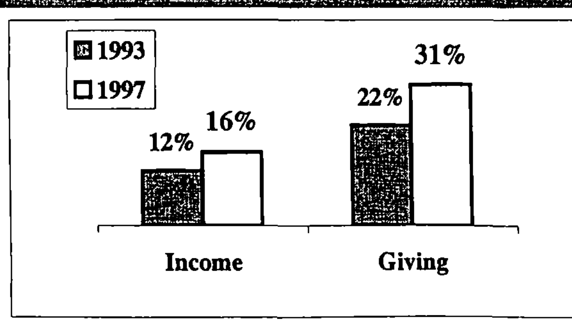
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
East North Central	**$2,070**	**$2,134**	**$2,248**	**$2,423**	**$2,616**	**26.4%**
Illinois	$2,299	$2,359	$2,446	$2,637	$2,839	**23.5%**
Indiana	$2,323	$2,395	$2,498	$2,713	$2,904	**25.0%**
Michigan	$2,024	$2,170	$2,287	$2,483	$2,687	**32.8%**
Ohio	$1,986	$1,990	$2,100	$2,227	$2,451	**23.4%**
Wisconsin	$1,719	$1,757	$1,909	$2,056	$2,199	**28.0%**

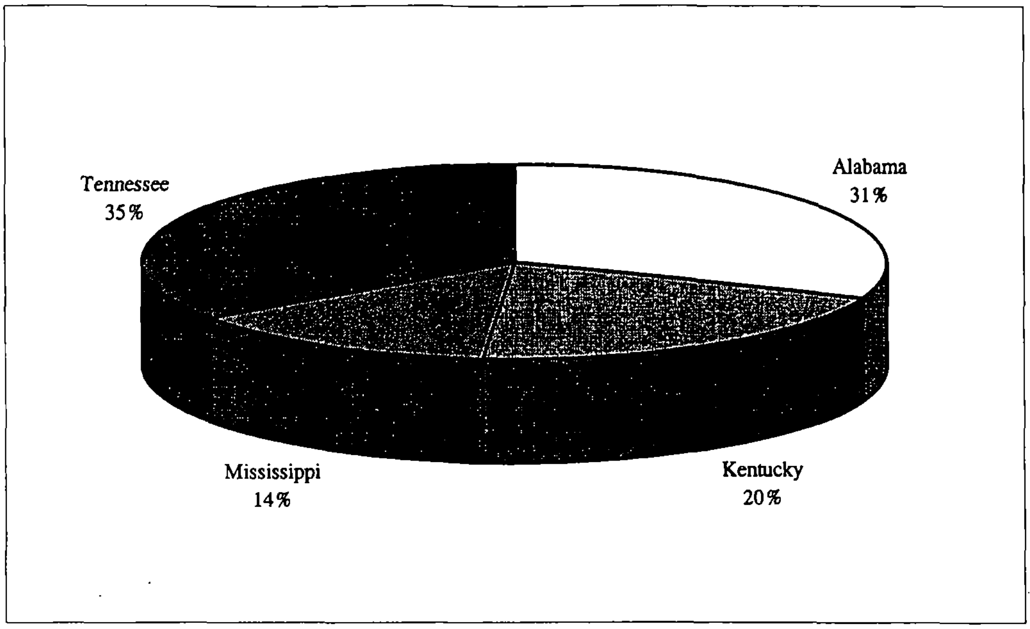
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High Income ($200,000+) Returns



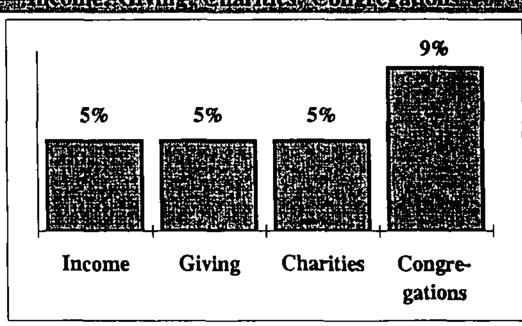
Total Reported Giving 1997
East South Central=$5.03 Billion



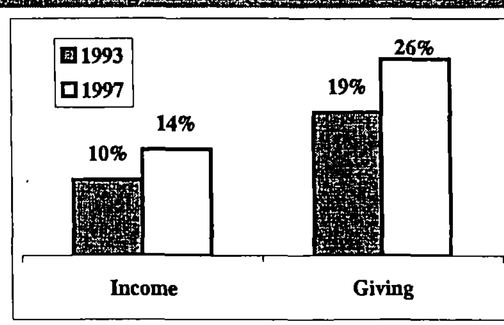
Total Contributions Reported On Tax Returns (Dollars in Thousands)						
	1993	1994	1995	1996	1997	% Change 1993-1997
East South Central	**$3,622,277**	**$3,691,969**	**$4,059,820**	**$4,499,413**	**$5,026,141**	**38.8%**
Alabama	$1,118,131	$1,146,704	$1,277,376	$1,397,902	$1,555,819	**39.1%**
Kentucky	$762,773	$759,334	$826,314	$909,521	$1,021,494	**33.9%**
Mississippi	$508,032	$519,818	$572,800	$615,428	$704,859	**38.7%**
Tennessee	$1,233,341	$1,266,113	$1,383,330	$1,576,562	$1,743,969	**41.4%**

Amount Per Return with a Contribution						
	1993	1994	1995	1996	1997	% Change 1993-1997
East South Central	**$2,929**	**$3,019**	**$3,209**	**$3,379**	**$3,621**	**23.7%**
Alabama	$2,970	$3,058	$3,264	$3,423	$3,643	**22.7%**
Kentucky	$2,261	$2,227	$2,327	$2,439	$2,631	**16.4%**
Mississippi	$3,052	$3,166	$3,430	$3,531	$3,870	**26.8%**
Tennessee	$3,432	$3,625	$3,814	$4,123	$4,342	**26.5%**

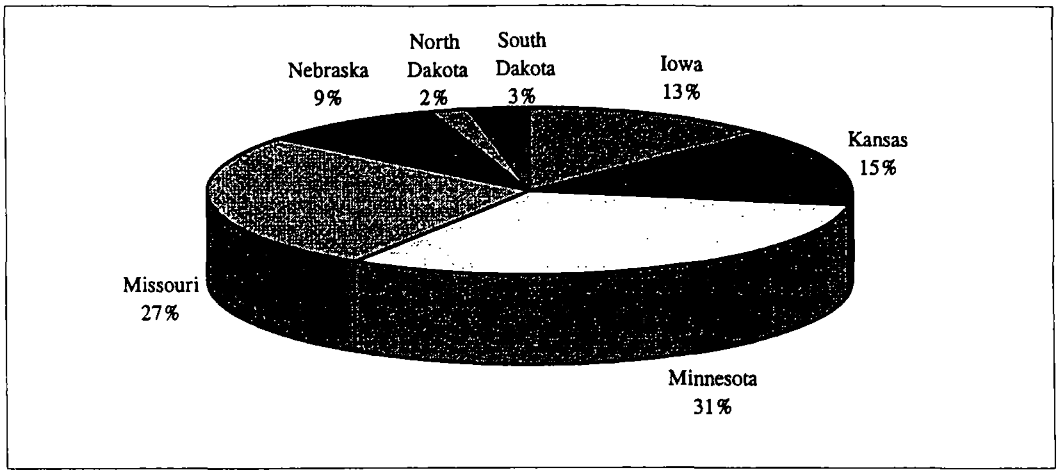
Region's Share of US Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
West North Central=$6.02 Billion



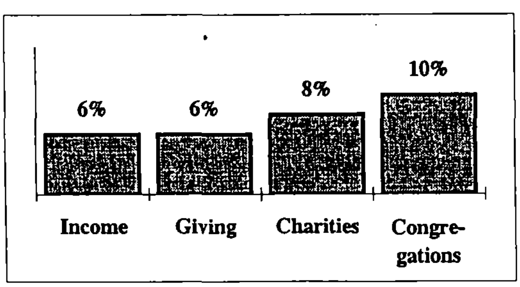
Total Contributions Reported On Tax Returns ($ in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
West North Central	**$4,287,868**	**$4,407,651**	**$4,705,222**	**$5,321,126**	**$6,024,653**	**40.5%**
Iowa	$574,720	$582,670	$623,347	$717,403	$774,909	**34.8%**
Kansas	$646,440	$643,851	$693,188	$778,245	$880,387	**36.2%**
Minnesota	$1,335,132	$1,390,050	$1,499,216	$1,689,868	$1,907,328	**42.9%**
Missouri	$1,166,355	$1,205,154	$1,275,022	$1,418,818	$1,614,519	**38.4%**
Nebraska	$367,158	$379,097	$394,738	$476,490	$543,711	**48.1%**
North Dakota	$95,100	$98,184	$107,993	$115,728	$119,513	**25.7%**
South Dakota	$102,963	$108,645	$111,718	$124,574	$184,286	**79.0%**

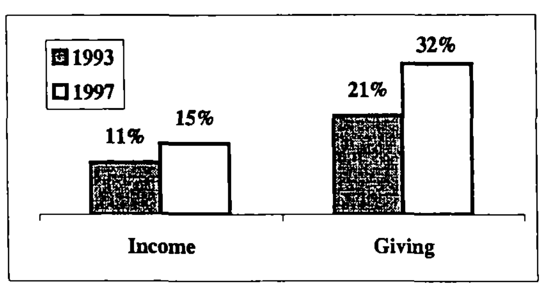
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
West North Central	**$2,278**	**$2,367**	**$2,470**	**$2,704**	**$3,041**	**33.5%**
Iowa	$2,010	$2,034	$2,161	$2,403	$2,503	**24.5%**
Kansas	$2,512	$2,515	$2,672	$2,874	$3,136	**24.8%**
Minnesota	$1,941	$1,998	$2,100	$2,283	$2,485	**28.1%**
Missouri	$2,349	$2,455	$2,503	$2,660	$2,899	**23.4%**
Nebraska	$2,294	$2,359	$2,380	$2,751	$3,011	**31.2%**
North Dakota	$2,193	$2,368	$2,625	$2,768	$2,714	**23.7%**
South Dakota	$2,643	$2,840	$2,850	$3,191	$4,541	**71.8%**

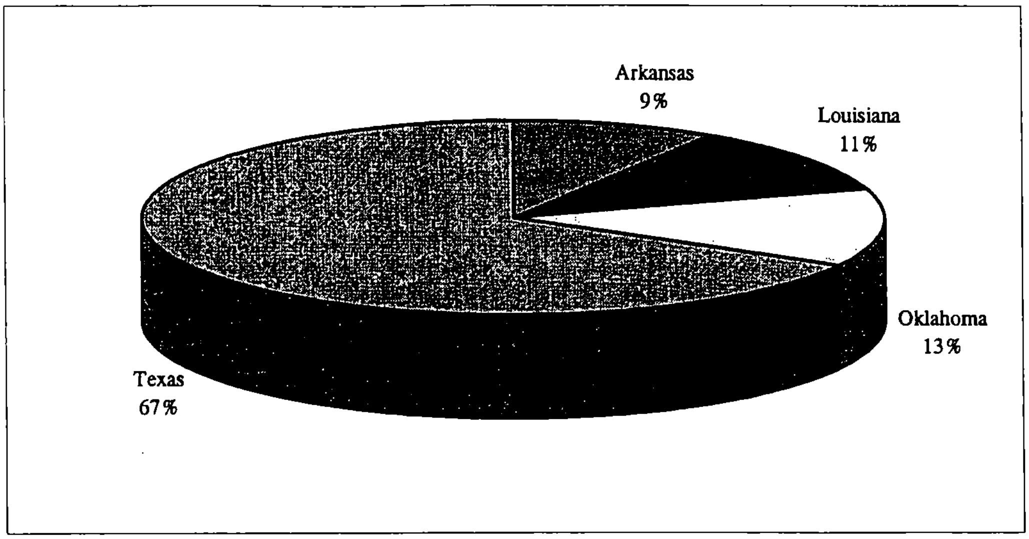
Region's Share of U.S.: Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
West South Central=$8.43 Billion



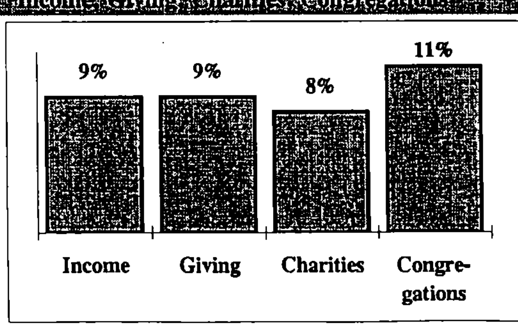
Total Contributions Reported On Tax Returns (Dollars in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
West South Central	**$5,884,637**	**$6,006,984**	**$6,449,912**	**$7,271,167**	**$8,431,761**	**43.3%**
Arkansas	$495,381	$510,960	$562,295	$661,119	$740,231	**49.4%**
Louisiana	$721,721	$719,915	$766,956	$868,929	$956,680	**32.6%**
Oklahoma	$803,699	$825,527	$870,413	$962,450	$1,083,396	**34.8%**
Texas	$3,863,836	$3,950,582	$4,250,248	$4,778,669	$5,651,454	**46.3%**

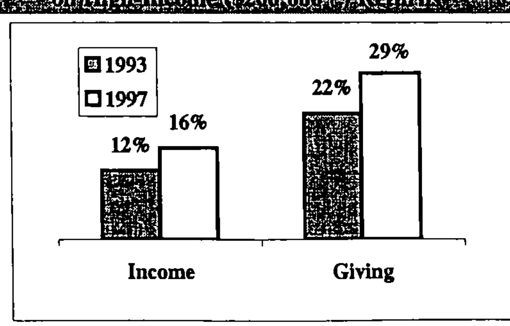
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
West South Central	**$2,903**	**$3,028**	**$3,144**	**$3,421**	**$3,731**	**28.5%**
Arkansas	$3,005	$3,101	$3,256	$3,601	$3,826	**27.3%**
Louisiana	$2,800	$2,893	$3,014	$3,312	$3,509	**25.3%**
Oklahoma	$2,698	$2,885	$2,897	$3,069	$3,345	**24.0%**
Texas	$3,110	$3,232	$3,407	$3,702	$4,246	**36.5%**

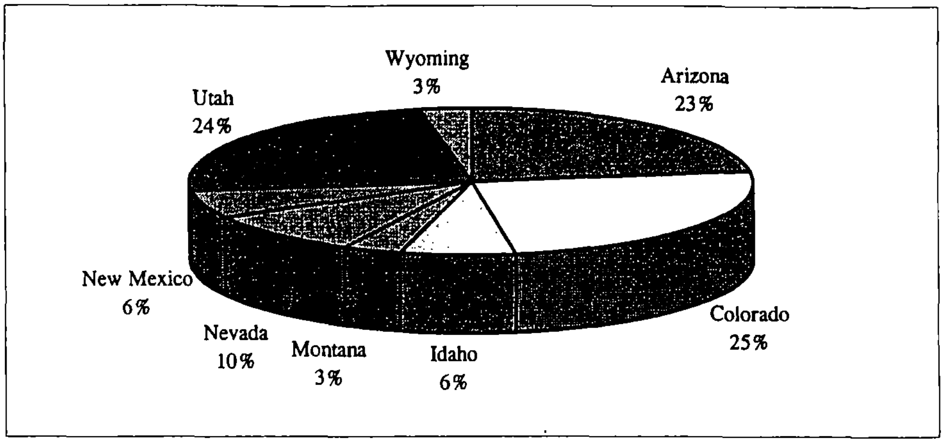
Region's Share of US: Income, Giving, Charities, Congregations



Share of Region's Income and Giving on High-Income ($200,000+) Returns



Total Reported Giving 1997
Mountain = $6.37 Billion



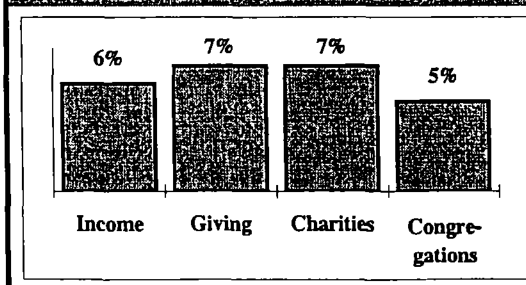
Total Contributions Reported On Tax Returns ($ in Thousands)

	1993	1994	1995	1996	1997	% Change 1993-1997
Mountain	**$3,995,935**	**$4,254,683**	**$4,707,044**	**$5,504,580**	**$6,369,807**	**59.4%**
Arizona	$919,669	$964,915	$1,061,732	$1,219,753	$1,434,121	**55.9%**
Colorado	$960,775	$1,018,764	$1,117,745	$1,323,776	$1,595,250	**66.0%**
Idaho	$285,823	$314,315	$341,762	$387,248	$413,820	**44.8%**
Montana	$153,189	$157,909	$173,385	$182,292	$216,634	**41.4%**
Nevada	$336,383	$364,651	$423,602	$561,317	$605,871	**80.1%**
New Mexico	$269,553	$285,317	$303,658	$329,120	$381,811	**41.6%**
Utah	$968,351	$1,039,555	$1,170,352	$1,322,259	$1,522,931	**57.3%**
Wyoming	$102,192	$109,257	$114,808	$178,815	$199,369	**95.1%**

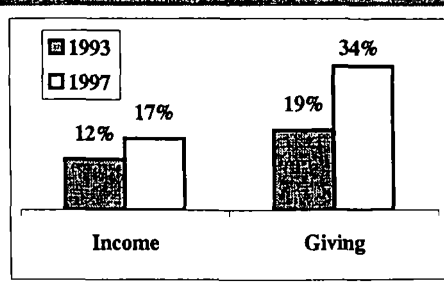
Amount Per Return with a Contribution

	1993	1994	1995	1996	1997	% Change 1993-1997
Mountain	**$2,476**	**$2,623**	**$2,781**	**$3,187**	**$3,440**	**39.0%**
Arizona	$1,960	$2,019	$2,122	$2,287	$2,547	**29.9%**
Colorado	$1,903	$1,987	$2,105	$2,357	$2,708	**42.3%**
Idaho	$2,558	$2,717	$2,862	$3,023	$3,063	**19.7%**
Montana	$1,797	$1,839	$1,989	$2,008	$2,303	**28.1%**
Nevada	$2,051	$2,148	$2,325	$2,784	$2,777	**35.4%**
New Mexico	$2,085	$2,214	$2,296	$2,367	$2,613	**25.3%**
Utah	$4,144	$4,293	$4,593	$4,845	$5,266	**27.1%**
Wyoming	$3,309	$3,767	$3,954	$5,822	$6,247	**88.8%**

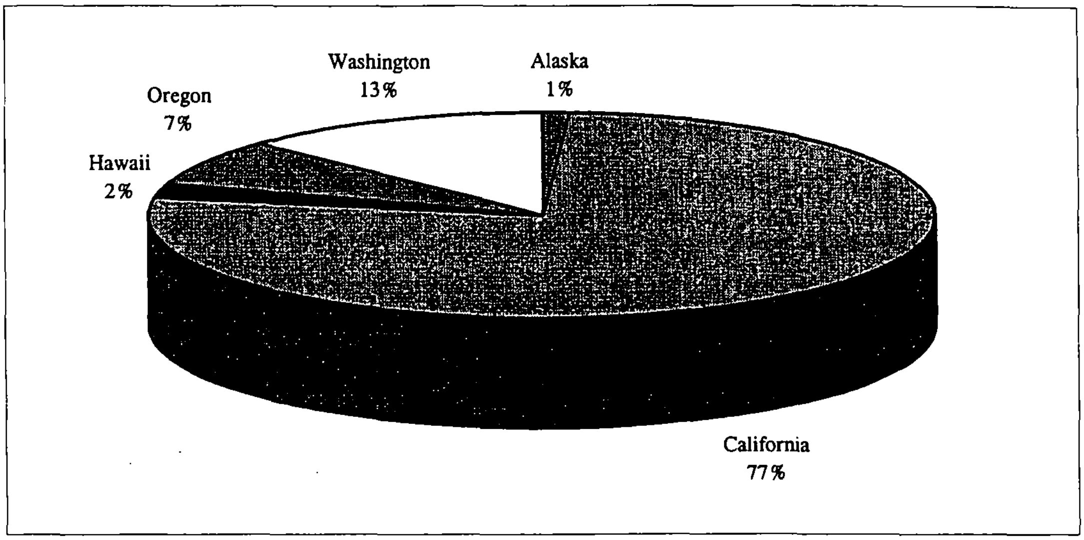
Region's Share of US Income, Giving, Charities, Congre



Share of Region's Income and Giving on High Income ($200,000+) Returns



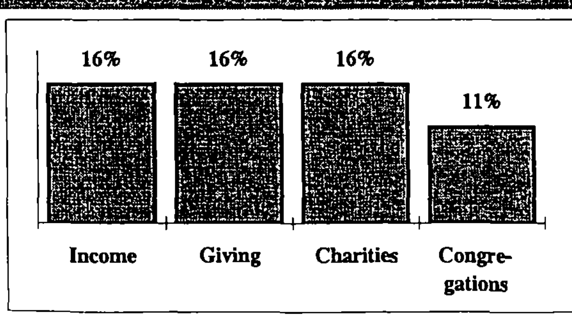
Total Reported Giving 1997
Pacific=$15.82 Billion



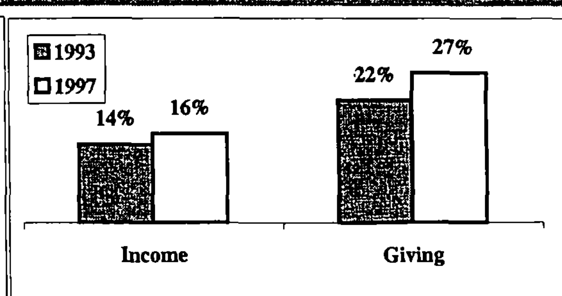
Total Contributions Reported On Tax Returns (Dollars in Thousands)	1993	1994	1995	1996	1997	% Change 1993-1997
Pacific	**$11,328,490**	**$11,431,211**	**$12,222,328**	**$14,046,097**	**$15,823,008**	**39.7%**
Alaska	$143,045	$142,484	$148,041	$157,012	$167,545	**17.1%**
California	$8,810,428	$8,789,188	$9,413,865	$10,888,331	$12,143,486	**37.8%**
Hawaii	$279,581	$268,530	$280,577	$304,023	$347,571	**24.3%**
Oregon	$780,618	$820,119	$889,062	$1,013,100	$1,162,731	**49.0%**
Washington	$1,314,818	$1,410,890	$1,490,783	$1,683,631	$2,001,675	**52.2%**

Amount Per Return with a Contribution	1993	1994	1995	1996	1997	% Change 1993-1997
Pacific	**$2,098**	**$2,135**	**$2,225**	**$2,397**	**$2,631**	**25.4%**
Alaska	$2,411	$2,455	$2,530	$2,611	$2,731	**13.3%**
California	$2,168	$2,185	$2,323	$2,625	$2,831	**30.6%**
Hawaii	$1,788	$1,705	$1,776	$1,904	$2,162	**20.9%**
Oregon	$1,952	$2,032	$2,151	$2,321	$2,563	**31.3%**
Washington	$2,174	$2,297	$2,344	$2,523	$2,867	**31.9%**

Region's Share of US Income, Giving (Charities, Congregations)



Share of Region's Income and Giving on High-Income ($200,000+) Returns



The Key to Better Research on Charitable Giving: More Financial Support

To the Editor:

We would like to thank *The Chronicle* for calling attention to the need for more financial support for good research about the non-profit sector ("Report's Numbers Are No True Measure of Charity, Critics Say," June 3). The article on *Giving USA* also makes a strong case for the value of this research to our country. Though it may seem like a daunting task, there is a feasible and specific research agenda that the American Association of Fund-Raising Counsel Trust for Philanthropy has already identified.

First, the estimate of personal giving, though quite solid in fact, could be improved with more funding to determine the amount of giving in non-itemizer households. These households make up only 20 per cent of the giving, and the research that has been done on them is not as poor as it is sometimes said to be. Still, more information about them would go a long way toward perfecting this statistic. The research community will bemoan the fact that there is no perfect way to obtain this information, but that is always the case with research, especially in the social sciences. A very good way to seek information is to get better data though household surveys.

Second, data about religious non-profits could be improved through such research as Independent Sector's survey *From Belief to Commitment: The Community Service Activities of Religious Congregations in the United States*. The estimates yielded from those studies are very good. To ... the data between those comprehensive reports, we need to expand the number of religious organizations surveyed in the interim.

Third, data about non-religious non-profits could be improved by tripling the sample size of the *Giving USA* survey and then doing increased follow-up to insure a high response rate. That would enable us to revise base-line numbers, to keep the addresses in the data base up to date, and to more reliably estimate changes in giving. Moreover, it would permit a more detailed analysis of giving to organizations of differing sizes. Where such surveys are already being done with large samples, such as the survey done by the Council for Aid to Education at RAND, we should insure that the survey process does not eventually become too expensive for the organization to want to conduct.

Fourth, bequest estimates would be improved by collecting data from states to supplement the data collected at the national level. National data, representing federal estate-tax returns, do not have data about small estates, but such data are available at the state level.

This basic four-part agenda is not so hard to visualize and only requires adequate funding and cooperation among research organizations to be successful. The *Giving USA* advisory committee comprises a large group of collaborating institutions, and many organizations not on the committee have been willing to work with the A.A.F.R.C. Trust for Philanthropy cooperatively. Those groups all cooperate without worrying that their data will be co-opted or their turf infringed upon.

So, the A.A.F.R.C. has earned the trust of organizations that collect data, scholars who analyze data, and the non-profits that cooperate by returning the survey. The A.A.F.R.C. is also a key disseminator of research findings, has a broad audience, and a mission to educate the public. The only missing link is funding.

In the *Chronicle* article, the researcher Paul G. Schervish put the price tag at millions of dollars, and that is probably an accurate estimate of what is required. In the context of current-day philanthropy, \$5- or \$10-million is not an unthinkable amount of money. . . .

Great minds are ready to work on the problems that exist, and a feasible research agenda has been outlined above. That there are many more projects we could identify is no reason not to start research in the areas we already know we can focus upon.

We would also like the opportunity to comment on the article that summarized our numbers ("A Giving Boom," June 3). The article never states that the percentage increases are given in inflation-adjusted dollars. Because inflation is low and giving is up strongly, this doesn't grossly distort all of the story, but it does distort the decline in arts giving, which was negligible. It looks much more significant to say arts giving declined by 2.3 per cent than to say it barely changed, falling almost imperceptibly—by than 1 per cent in current dollars. In general, since measures of inflation are estimates themselves, it compounds estimating error to speak of the whole report in inflation-adjusted terms, even when you do inform your readers that you have done this. Better to leave the numbers in current dollars and let people make adjustments themselves, if there isn't room to show both series.

Also, the article uses the phrase "catchall" to refer to the area called public/society benefit. The term makes the categorization sound sloppy. But the National Taxonomy of Exempt Entities is a precise system, developed not by the A.A.F.R.C. Trust for Philanthropy, though we participated in its development, but by a consortium of major non-profits and foundations, with substantial cooperation from the I.R.S. In a way, all the categories are "catchalls," but it's not like everything falls neatly into place and whatever doesn't gets swept into a "catchall" category. A lot of time, money, and intelligence went into the classification system.

Also on the topic of categories, the human-services category was labeled "social services," implying that all the funds in this area go to assist those in need. This is absolutely not the case. Especially when questions are raised about the formation of public policy based on the data, it would be more responsible to use the National Taxonomy of Exempt Entities terminology, which covers an array of services, including sports and recreation.

Finally, we would like to address the matter of the sample size. The sample of organizations was 3,000, not 700. The latter number represents the completed surveys, and is supplemented by higher-education and independent-school data from the Council for Aid to Education as well as data about gifts to foundations that come from the Foundation Center. . . . The sample is larger and the universe is smaller than the article states. With \$100,000 in additional funding, we could again triple the sample size.

And this brings us back to the research agenda outlined above. The A.A.F.R.C. Trust for Philanthropy has outlined specific projects that would improve the data we as a nation rely upon to gauge charitable giving. In this agenda resides an opportunity for the funding community to decide that it would like our country to take its information on charitable giving to the next level. The trust is prepared to move the agenda along, and has a history, spanning more than four decades, of working efficiently in the realm of the possible. The trust has been a voice of optimism and practicality in this field and has the track record to prove it.

Nancy L. Raybin
Chair

Ann E. Kaplan
Research Director
American Association of Fund-Raising Counsel Trust for Philanthropy
New York

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The Key to Better Research on Charitable Giving: More Financial Support

To the Editor:

We would like to thank *The Chronicle* for calling attention to the need for more financial support for good research about the non-profit sector ("Report's Numbers Are No True Measure of Charity, Critics Say," June 3). The article on *Giving USA* also makes a strong case for the value of this research to our country. Though it may seem like a daunting task, there is a feasible and specific research agenda that the American Association of Fund-Raising Counsel Trust for Philanthropy has already identified.

First, the estimate of personal giving, though quite solid in fact, could be improved with more funding to determine the amount of giving in non-itemizer households. These households make up only 20 per cent of the giving, and the research that has been done on them is not as poor as it is sometimes said to be. Still, more information about them would go a long way toward perfecting this statistic. The research community will bemoan the fact that there is no perfect way to obtain this information, but that is always the case with research, especially in the social sciences. A very good way to seek information is to get better data though household surveys.

Second, data about religious non-profits could be improved through such research as Independent Sector's survey *From Belief to Commitment: The Community Service Activities of Religious Congregations in the United States*. The estimates yielded from those studies are very good. To update the data between these comprehensive reports, we need to expand the number of religious organizations surveyed in the interim.

Third, data about non-religious non-profits could be improved by tripling the sample size of the *Giving USA* survey and then doing increased follow-up to insure a high response rate. That would enable us to revise base-line numbers, to keep the addresses in the data base up to date, and to more reliably estimate changes in giving. Moreover, it would permit a more detailed analysis of giving to organizations of differing sizes. Where such surveys are already being done with large samples, such as the survey done by the Council for Aid to Education at RAND, we should insure that the survey process does not eventually become too expensive for the organization to want to conduct.

Fourth, bequest estimates would be improved by collecting data from states to supplement the data collected at the national level. National data, representing federal estate-tax returns, do not have data about small estates, but such data are available at the state level.

This basic four-part agenda is not so hard to visualize and only requires adequate funding and cooperation among research organizations to be successful. The *Giving USA* advisory committee comprises a large group of collaborating institutions, and many organizations not on the committee have been willing to work with the A.A.F.R.C. Trust for Philanthropy cooperatively. Those groups all cooperate without worrying that their data will be co-opted or their turf infringed upon.

So, the A.A.F.R.C. has earned the trust of organizations that collect data, scholars who analyze data, and the non-profits that cooperate by returning the survey. The A.A.F.R.C. is also a key disseminator of research findings, has a broad audience, and a mission to educate the public. The only missing link is funding.

In the *Chronicle* article, the researcher Paul G. Schervish put the price tag at millions of dollars, and that is probably an accurate estimate of what is required. In the context of current-day philanthropy, \$5- or \$10-million is not an unthinkable amount of money. . . .

Great minds are ready to work on the problems that exist, and a feasible research agenda has been outlined above. That there are many more projects we could identify is no reason not to start research in the areas we already know we can focus upon.

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