Arizona Giving and Volunteering

Feeding the hungry. Developing youth. Nurturing the spirit. Enhancing culture. Revitalizing neighborhoods. Protecting the environment.

> Arizona is undoubtedly improved when citizens give their time and money to a charitable cause. This report profiles charitable giving and volunteering, the lifeblood of Arizona's vitally important nonprofit sector.





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Arizona's Nonprofit Sector

Arizona's nonprofit sector is large

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There are approximately 18,950* operating nonprofit organizations on file with the Arizona Corporation Commission. In addition to the social and human service organizations commonly

organizations commonly recognized as nonprofits, the sector includes civic clubs and country clubs, credit unions and labor unions, political groups and prayer groups, and many others.

and growing.

While there are many types of nonprofit organizations, *charitable* nonprofit organizations are the heart of the nonprofit sector.

Figure 1. Nonprofit Organizations in Arizona (18,950 total)





These organizations carry the 501(c)3 IRS designation and are frequently referred to as charities. They serve a multitude of public purposes and are supported by contributions of financial resources and volunteer time. In Arizona there are an estimated 11,504 charitable, 501(c)3 nonprofit organizations; this report focuses on contributions of time and money to these organizations.

*This estimate removes expired and defunct nonprofit corporations.

About This Study

This research examines **household giving and individual volunteering**, charitable behaviors that are vital to the health of the nonprofit sector.

The information was gathered through a telephone survey of 1,004 Arizona residents throughout the state; random digit dialing was used in reaching households to obtain a representative sample. The survey was conducted April through June of 2002 and asked Arizonans about their household's charitable giving and their individual volunteering during the previous twelve months.

All national comparison information in this report was obtained from *Giving and Volunteering in the United States, Findings from a National Survey, 2001*, published by the Independent Sector, Washington, D.C. (www.independentsector.org). While the data from the Independent Sector report and the Arizona Giving and Volunteering report are similar enough to make the comparisons meaningful, some of the differences may be a result of different methodology as well as the data for the Independent Sector report being collected a year earlier.

Additional information on research methodology and specific findings for Maricopa and Pima County are available on our web site at www.asu.edu/copp/nonprofit.

ARIZONA GIVING AND VOLUNTEERING

ASU Center for Nonprofit Leadership and Management

Who Gives?

Nearly **nine out of every ten Arizonans, 87.3 percent**, reported making a financial contribution to a charitable organization in the previous twelve months.

Arizona's charitable giving is on pace with the national average of 89 percent. The average annual total amount Arizonans donated to charitable organizations was an estimated \$1572; those who donated to charity gave, on average, 3 percent of their annual household income. These findings are very similar to the national average contribution of \$1620 and 3.2 percent of annual household income.

Table 1. Giving in Arizona, 2001-2002

Percentage of households contributing to charitable organizations	87.3%
Average total annual household contribution**	\$1572**
Percent of annual household income contributed**	3%
Percent who gave and volunteered with a charitable organization(s)	52.3%
	270

**based on households that contributed; average estimated from reported giving ranges

Key Variances in Rates of Housebold Giving:

- The likelihood of giving generally increases with household income, as shown in figure 2. Households with annual incomes of \$60,000 and greater gave at a higher rate than those with annual incomes below \$60,000.
- The likelihood of giving also increases with educational attainment. Among respondents with less than a high school education, 56.4 percent gave; among those with a postgraduate degree, 95.6 percent gave.

Figure 2. Rate of Charitable Giving by Household Income



• Age of the respondent affected the giving rate only slightly. The 31-45 age category had the highest rate of household giving, at 91.2 percent. The rate of giving for the remaining age categories:

Ages 18-30: **84.8%** Ages 46-60: **88%** Ages 61-70: **85.6%** Ages 71 and above: **83.9%**

- The rate of giving was slightly higher for those living in an urban area (89.8 percent), versus a rural area (82.9 percent).
- Households in which the respondent was employed full-time gave at the highest rate, 89.6 percent. The rate of giving was also strong in households where the respondent was a part-time worker (85.2 percent), retired (85.6 percent), a student (84.2 percent), or not employed (81.7 percent).
- Volunteering has a strong impact on household giving. Households in which the respondent reported volunteering gave at a higher rate and gave more than those in which the respondent did not volunteer. This is discussed further on page nine.
- Individuals who have a higher degree of trust and confidence in charitable organizations are only somewhat more likely to give, but give significantly more on average. This is discussed further on page eleven.

Where Do They Give?

A wide range of causes benefited from the generosity of Arizonans.

Religious organizations topped the list, with 62.6 percent of respondents contributing to a religious organization in the previous year. Other kinds of organizations frequently reported included youth development organizations and human service organizations. Table 2 shows the percent of households that contributed to each organization type.

Table 2. Organization Type	Percent of Households Giving	Median* Annual Contribution
Religious	62.6%	\$524
Education	43.0%	\$188
Youth Development	53.4%	\$71
Human Service	52.7%	\$97
Private/Community Foundation	41.7%	\$128
Health	43.6%	\$88
Arts and Culture	20.8%	\$87
Environmental	14.0%	\$58
Foreign/International	13.1%	\$88

*median is the midpoint; half of households give more than this amount, half give less. The average (mean) is higher due to very high contributions

Individuals also gave the largest median* total donation to religious organizations, with a median annual gift of \$524. This is significantly more than the median annual gift to educational organizations, which received the second largest median annual donation of \$188. Table 2 also shows the median annual contribution to each organization type.

Many Arizona households gave to multiple organizations. Fifty-eight percent reported making a financial contribution to three to five organizations, and 14.1 percent gave to six or more.

Figure 3. Giving to Multiple Organizations: Percent of Contributing Households



Informal giving and volunteering, defined as contributing money or time directly to an individual or family rather than an organization, is an important part of the overall picture of charitable giving. A high percentage of respondents, 69.1, indicated giving a donation directly to an individual in need, such as a homeless person or a neighbor, with a median contribution of \$127. Additionally, 54.3 percent of Arizonans provided financial assistance to a relative or family member not living with them, as shown in table 3.

Table 3. Informal Giving

Gave financially to an individual in need, such as a homeless person, person on the street, or a needy neighbor (median contribution \$127)	69.1%
Gave financially to a relative or family member not living with them	54.3%

Why Do They Give?

Personal connection was the strongest motivation behind charitable giving.

Respondents were asked to indicate the importance of various motives to their personal giving choices. Four of the top five motives cited as "very important" or "somewhat important," for giving in the previous year involved a personal connection to the cause. "Being asked by someone I know well" led all others as the most compelling reason to contribute, followed by "because I volunteer at the organization," as shown in table 4. Of those who did not give, 40.2 percent were not personally asked. These findings highlight the importance of personal relationships over impersonal solicitation.

Table 4. Motive*	Percent Who Said	Important**
Being asked to give by someone you know well	I	85.7%
Because you volunteered at the organization		79.6%
Reading or hearing a news story		65.3%
Being asked by clergy to give		61.1%
Being asked at work to give		56.3%
Receiving a letter asking you to give		38.0%
Being asked by a public figure to give		29.8%
Being asked to give in a telethon or radio telet	hon	25.4%
Someone coming to the door asking you to give	e	21.9%
Seeing a television commercial asking you to gi	ve	21.4%
Receiving a phone call asking you to give		18.2%
You read about an opportunity or were solicite	d over internet or e-mail	10.2%

*based on contributing households

**responded that the reason was "very important" or "somewhat important"

This study did not ask non-contributors why they did not give, however, nationally the top reason cited was not being able to afford giving, followed by not being personally asked.

Figure 4. Reasons for Not Giving: National Data* (Non-Contributing Households Only)



*Reprinted, by permission, from Independent Sector, Giving and Volunteering in the United States, 2001, page 66.

Who Volunteers?

Fifty-five percent of Arizonans reported volunteering their time with a charitable organization

This is a notably higher percentage than the national average of 44 percent. Volunteers contributed an average of 194 hours* in the previous year, or 3.74 hours per week.

Table 5. Volunteering in Arizona, 2001-2002

Percentage of respondents who volunteered in previous year	55.5%
Average hours donated per week*	3.74

*based on volunteers; hours volunteered reported from respondents

Key Variances in Volunteering:

- Consistent with national findings, women were more likely to have reported volunteering in the previous year than men, 58.8 percent compared with 52.2 percent, respectively. Female volunteers donated an average 201 hours per year; male volunteers gave an average 188 hours.
- Similar to the charitable giving of money, the likelihood of volunteering increases with household income, as shown in figure 5. Eighty-one percent of those in the highest income category of \$150,000 or more were volunteers, compared with 40 percent of those in the lowest income category.
- As depicted in figure 6, volunteering also increases steadily with education, from a low volunteering rate of 17.9 percent among those with less than a high school education to a high of 70.8 percent of those with a postgraduate degree.

Figure 5. Rate of Volunteering by Household Income



Figure 6. Rate of Volunteering by Education Level

70.8%	Postgraduate Degree			
66.7%		Bachelors Degree		
58.7%	2-	2+ full years of college		
42.1%	High School G	Graduate		
17.9%	Less than	n High School	Graduate	
L)	20%	40%	60%	

The age group of 31-45 had the highest rate of volunteering at 64.5 percent, however, other age groups also volunteered in high percentages:

Ages 18-30: **60%** Ages 46-60: **54.5%** Ages 61-70: **46.6%** Ages 71 and above: **47.4%**

- Of the respondents who had not volunteered in the previous year, 85 percent were not asked to volunteer. Additionally, many of the non-volunteers in this study had previously been volunteers—73 percent reported volunteering at some time in the past. This suggests that many people who are not currently volunteering might readily do so if asked, and underscores the importance of recruiting volunteers through a personal invitation.
- Those who contribute financially to an organization are only somewhat more likely to volunteer. The relationship between giving and volunteering is discussed further on page eleven.

Volunteers were asked about the amount of hours spent on volunteer work compared with three years ago. Nearly half, 47.6 percent, reported that they now spend *more* hours now than three years ago. A much smaller percentage, 27.2, reported spending less hours, and 25.2 percent reported donating the same number of hours (figure 7).



Where Do They Volunteer?

Arizonans donate their time to a wide variety of causes.

Informal volunteering is particularly widespread; 73.2 percent reported helping an individual directly in the previous year. Among organizations, religion is a frequent recipient of volunteers (35.2 percent of respondents) and is near the top in the average number of hours donated per volunteer (94.6 hours). Table 6 shows the average number of hours donated to each type of organization by volunteers.

Table 6.Organization Type	Percent of respondents who volunteer	Average number of hours volunteered in previous year*
Religious	35.2%	94.6
Education	28.4%	61.3
Youth Development	22.4%	82.0
Human Service	19.6%	52.1
Work related**	17.9%	57.9
Private/Community Foundation	16.7%	69.9
Health	14.8%	50.9
Arts and Culture	8.0%	73.2
Political**	6.0%	42.0
Environmental	5.3%	67.7
Foreign/International	2.4%	98.6***
Informal (helping friends, relatives)	73.2%	76.3

*based on volunteers; hours volunteered reported from respondents

**most organizations in this category are nonprofits but are not 501(c)3

***should be cautiously interpreted due to low number of respondents (24)

Many Arizonans volunteer for more than one organization; 26.7 percent of volunteers reported volunteering at two organizations in the past twelve months, 38.6 percent reported volunteering at three or more organizations.



Figure 8. Volunteering With Multiple Organizations: Percent of Volunteers

Giving and Volunteering

Slightly more than half of Arizonans, 52.3 percent, reported **both volunteering and making a household financial contribution** in the previous twelve months.

This compares favorably with the national average of 42.3 percent. Giving and volunteering are correlated and both affect each other, however, volunteering impacts giving more so than vice-versa, as evidenced by 79.6 percent of givers citing "because I volunteer at the organization," as an important reason behind their charitable giving. Of the respondents that reported volunteering, only 5.7 percent did not make a household financial contribution.

Table 7. Giving and Volunteering in Arizona, 2001-2002

Percent who volunteered with a charitable organization and whose household contributed financially to an organization(s)	52.3%
Percent of households with a volunteer that contributed to a charitable organization(s)	94.3%
Percent of givers who cited "because I volunteer with the organization" as an important reason for their charitable giving	79.6%

As shown in figure 9, 94.3 percent of households where the respondent was a volunteer gave to charity, and gave, on average, \$1,030 more. Because volunteers see and participate in the good work an organization does, they tend to better understand the organization's need for resources to accomplish the mission.

The Independent Sector publication, *Giving and Volunteering in the United States*, 2001 (page 23), discusses this relationship. "Volunteers are people prepared to support the organization with both time and money, and will do so if asked. Giving households with volunteers give significantly more than giving-only households." These findings suggest that an organization can enhance fundraising by developing its volunteer program.



Figure 9. The Effect of Volunteering on the Rate of Giving and Annual Charitable Contribution

September 11, 2001

Fifty-seven percent of Arizonans made a charitable contribution, donated blood and/or volunteered time in **response to the terrorist attacks of September 11, 2001**.

Figure 10 depicts the various ways Arizona residents supported the September 11 relief efforts. Of the 57 percent who supported the relief efforts, 18.3 percent of households gave some combination of time, blood, money and other resources.

Figure 10. Contributions Made to the September 11 Relief Efforts: Percentage of Contributors



*the percentage of respondents who gave in these categories is probably somewhat higher than the percentage reported, due to the 18.3 percent who responded "two or more," not being represented in these single categories

Support of the September 11 relief efforts did not appear to diminish support for Arizona charitable organizations. When those who contributed to September 11 were asked if they planned to give more, less, or the same to other charitable organizations, 82.2 percent said they planned to give as much or more in the coming year. This compares favorably with Independent Sector's national post-September 11 study, in which 73 percent of respondents said they planned to give as much or more. It appears that Arizona nonprofits successfully communicated the importance of continuing to support local efforts even during times of national crises.



Figure 11. Effect of September 11th Giving on Plans for Other Charitable Giving: Percentage of September 11 Contributors

Arizonans' Confidence and Trust

Charitable organizations enjoy a high level of trust and confidence from Arizona's residents.

Seventy percent of respondents agreed that charitable organizations are honest and ethical in their use of donated funds. Additionally, 85 percent agreed that charitable organizations "generally play a major role in making our communities better places to live." The patriotism inspired by the events of and following September 11 increased confidence in all American institutions, which partially explains these high percentages. Notwithstanding this effect, these findings still show overall strong trust and confidence in charitable organizations.





disagree = strongly disagree or somewhat disagree

Respondents who had confidence and trust in nonprofit organizations (agreed with both of the above statements) were more likely to give and volunteer. Significant differences were found in the average contribution amount between those who believe that charities are honest, ethical, and effective and those who do not. Figure 13 below shows the positive relationship between a favorable view of charitable organizations and annual charitable contribution.

Confidence and trust in charitable organizations, including additional findings from this research and discussions on trends, will be the topic of the Summer 2003 issue of Nonprofit Research Abridged.



Figure 13. Attitudes Toward Charitable Organizations and **Annual Household Contribution**

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