

Philanthropy Matters

The Center on Philanthropy at Indiana University

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The Revolving Door

*COPPS shows how
donors come and go*



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The Power of the Panel



Every day countless donors, fundraisers, nonprofit leaders, policy makers, grantmakers, and researchers are asking tough, interesting questions about giving and volunteering. Getting the answers they seek—and confirming or refuting what they’ve suspected all along—could make a real difference in terms of their organizations’ effectiveness and impact.

Now more than ever, because of the *Center on Philanthropy Panel Study* of giving and volunteering (COPPS), these important questions are being asked by researchers in scientific, verifiable ways and new answers are being revealed. As you read this issue of *Philanthropy Matters*, you’ll see that investigators are uncovering new information that illuminates philanthropy in ways that can change business as usual.

COPPS is the Center’s signature research project. It is a part of the University of Michigan’s *Panel Study of Income Dynamics* and is the largest and most accurate study of charitable giving ever conducted. Sustained through essential private support, COPPS follows the same 8,000 households over time and allows us to see both short-term dynamics and, importantly, year-to-year changes.

COPPS gives us a window into how families make decisions about giving, and how family dynamics affect children’s future giving and volunteering. COPPS enables unique, unprecedented intergenerational comparisons that shed light on how long-term trends will affect the future of philanthropy. COPPS draws key questions and investigators from all corners of the sector, engaging young researchers and building a sure framework for future research.

Research on philanthropy is vitally important. It enables nonprofit professionals to make better decisions and to better build and serve their communities. Through COPPS and other research, the Center on Philanthropy will continue our commitment to provide the latest information that you need in your day-to-day work. I hope you enjoy this issue and will keep asking and seeking answers to questions that will enhance your organization’s ability to fulfill its mission.

Cordially,

A handwritten signature in blue ink, which appears to read "Eugene R. Tempel". The signature is stylized with a large, sweeping initial "E".

Eugene R. Tempel
Executive Director, The Center on Philanthropy
at Indiana University
Publisher, *Philanthropy Matters*



The REVOLVING DOOR

Almost one third of U.S. households gives in some years but not others. What does that mean for your organization?

Although the percentage of American households that reports giving to charity (67 to 70 percent) has remained about the same in recent years, it's not always the same households, according to new research by the Center on Philanthropy at Indiana University. Findings from the *Center on Philanthropy Panel Study* (COPPS) indicate that a large proportion—nearly one-third—shifts between donating and not donating.

The biennial COPPS survey asked the same 8,000 families about their charitable gifts made in 2000, 2002, and 2004. About six in 10 U.S. households made donations in each of the three years studied. Importantly, these “persistent donors” give much more on average than others. In 2004, persistent donors made total charitable gifts averaging \$2,659. Occasional donors (who gave in one or two of the three years and who donated

in 2004) contributed an average of \$820. Just under 15 percent did not contribute at all in any of the years studied.

Because COPPS asks the same families about their giving in different years, for the first time researchers can determine the proportion of people nationwide who switch between giving and not giving. These and other new COPPS findings can open doors to greater understanding of the factors that influence giving and why and how those behaviors may change. This is critical information because nonprofits’ ability to encourage donors to keep giving is vital to raising the funds they need.

When donors face dramatic changes in their lives, it’s important for nonprofits to cultivate the relationship appropriately; for a year or two after a life-threatening health problem or a divorce, for example, solicitation letters may just get tossed away. But the groundbreaking new results indicate that these donors may be back—or they could start giving to another organization.

Donors should be given time and space to readjust after they’ve experienced life challenges that divert their focus from giving, says Patrick Rooney, director of research at the Center on Philanthropy and lead author of the donor stability paper. “If people are going through a major hardship, it’s not the time to solicit them for a major new gift,” says Rooney.

Kim Gattle, director of development and communications for the Center on Philanthropy, emphasizes that the quality of the connection with a donor is the most important element in the relationship. “Sometimes it’s even more important to contact a donor or potential donor in the midst of his or her experiences or life changes,” she says. “The organization needs to communicate that the person’s circumstances are important—to say ‘we’ll move forward when the timing is right for you.’”

Shifting Priorities

Melissa Brown, associate director of research at the Center on Philanthropy, co-authored the donor stability study. Brown says that part of the change in people’s giving habits over time could come from the number of affiliations they have and thus, how many organizations ask them to give. The average donor household gives money to two or three different types of nonprofits.

The study found that changes in giving also occur because of external factors that shift people’s ability or willingness to give, such as failing health or divorce. But the negative effect of divorce on giving doesn’t last more than a couple of years, Brown says.

“We see that ‘instability’ in family composition seems to make a difference only in the short-term,” says Brown. “Divorce occurring within the last two years matters in giving, but divorce more than two years ago doesn’t.”

The donor stability study challenges nonprofit professionals to think about their donor renewal rates in new ways and to consider the traits that may characterize their own occasional, repeat, and persistent donors (see “Interpreting Donor Traits,” below).

Brown says that while giving is strongly linked to income, the effect on whether or not a donor changes giving from year-to-year is relatively small unless the income changes by tens of thousands of dollars. But higher education does play a strong role. The people most likely to remain donors over time are those who attended college, regardless of their income, any changes in their family composition, or many other factors.

“Research shows that connections matter in giving. The more connections, the more giving. People with higher education are likely to be asked to give by a number of groups. It may also be that higher education changes how they view the world—and hence how they connect with other groups. Whatever the cause, the effect is very strong,” says Brown.

Rooney says the information gleaned from this study will help nonprofits know more about how to contact potential donors. “Charities may need to dedicate more effort to renewing existing donors than some have done in the past.”

Continued on page 15

Interpreting Donor Traits

Occasional Donors gave in one of the three years surveyed. They have an average income that is below the national median (now around \$50,000). They are likely to be men with a high school education or less, or unmarried men or women in their early 40s.

Repeat Donors gave in two of the three years surveyed. They have an average income near the national median and some wealth (such as a retirement plan or investments). Like occasional donors, repeat donors are more likely than persistent donors to be younger, with an average age of 45, and tend to be unaffiliated with a religious organization.

Persistent Donors gave in all three years. They are very likely to have attended college or to have earned college degrees, and have

an average income of about two times the national median and average wealth of more than \$250,000. On average, persistent donors are age 50 or older with higher education and more income and wealth than the general population. These households tend to be headed by married couples or single women, and report some kind of religious affiliation.

COPPS data from 2004 is the latest available, nationally representative information about annual household giving. Among other key findings, COPPS showed:

- ◆ Overall 70 percent of U.S. households donated \$25 or more to charity in 2004.
- ◆ The largest percentage of households (46 percent) gave to religion, donating an average \$1,858 annually.

- ◆ 29 percent gave to meet others’ basic needs, giving \$482 on average.
- ◆ 27 percent made contributions totaling an average of \$502 to “combined purposes” such as United Way, Jewish federations, and other charities that raise funds to redistribute to a variety of recipient organizations.
- ◆ 23 percent donated to health causes, giving an average of \$257.
- ◆ Just over 26 percent of households gave in late 2004 or 2005 for relief efforts related to the 2004 Asian tsunami, with an average gift of \$126.



Mark Wilhelm

Teach Your Children Well

Adolescent experiences may shape future philanthropy

Researcher Mark Ottoni Wilhelm and his colleagues believe that adolescent experiences may hold a key to understanding the future likelihood of individuals' participation in philanthropy.

Using data from the *Center on Philanthropy Panel Study* (COPPS), the researchers looked at how charitable giving and volunteering by young adults related to family stability and income while they were growing up. The most accurate nationally representative study of giving over time ever conducted, COPPS provides new insights into and informs family decision making about philanthropy.

The Stress Effect

"We found that a disruption in the family situation, such as a divorce or the remarriage of a parent, during the adolescent years is negatively associated with that child's future philanthropic giving as a young adult," says Wilhelm. He is careful to point out that the researchers are not citing a direct causal effect, but there is a definite correlation between "family instability" as an adolescent and reduced giving amounts among Generation X.

The researchers also found that while low income (family income of less than \$29,000) doesn't necessarily affect average amounts of later charitable giving, adolescents who grew up in low-income families are less likely to volunteer as young adults.

In both cases—reduced giving and volunteering—Wilhelm's educated guess is that it's the stress associated with family instability or low income that affects adolescents' future philanthropic behavior. "Events in adolescence are presumed to be more stressful because parents are less able to shield adolescents from the effects of stress," says Wilhelm.

The researchers correlated eight different family structures with three developmental stages in children: early childhood, 0–5 years of age; middle childhood, 6–11 years of age; and adolescence, 12–16 years old. Then they looked for effects when the family structure changes (for example, if the birth mother moves out or a stepparent moves in) during a particular childhood stage.

According to the U.S. Department of Health and Human Services, the divorce rate almost tripled between 1960 and 1980, and therefore Gen Xers (young adults who are currently age 25–33) had a significantly increased chance of experiencing a change in family structure during childhood. Wilhelm's road to this important research was created in a convergence of influences.



Wilhelm with Art With a Heart student volunteers and young artist Trebor Goodall at Andrew J. Brown Academy.

A Personal Investment

The founding director of COPPS, Wilhelm found his way to Philanthropic Studies somewhat unconventionally. After earning two degrees in electrical engineering, he chose economics for his Ph.D. work at New York University. He combined his interest in child development and psychology to study the economics of prosocial behavior—voluntary acts that are meant to help others.

Philanthropic Studies is a field in which people from many different academic disciplines can make contributions, according to Wilhelm. "We learn new things by going to the boundaries between disciplines and asking the big questions, such as what motivates charitable giving. I'm always interested in what people in other fields have to say. My work has been a coming together of my studies of economics, psychology, and sociology as they relate to philanthropy."

When Wilhelm joined the faculty at IUPUI in 1998 as an associate professor of economics and Philanthropic Studies, a convergence of events led to his current research. The Center on Philanthropy was working to increase and enhance its research projects, and Wilhelm saw a strategic opportunity to collaborate with the *Panel Study of Income Dynamics* (PSID) at the University of Michigan to add a module on philanthropy to the ongoing study. Wilhelm and his colleagues developed those questions and made the module and COPPS. That work has paid important dividends, yielding data and critical analysis that gets to the heart of big questions about philanthropy in America.

"PSID goes back to the same people every other year, so the study lets you track changes in giving and volunteering over time," he says. "It is also a genealogical panel because children in the study who grow up and start their own families continue to be part of the survey." The number of households has increased from 5,000 in 1968, its first year, to over 8,000 today. Wilhelm is thoughtful about how COPPS will inform decision making at the highest levels and in his own household.

Intergenerational Generosity

If we develop adolescents' philanthropic consciousness, there is a direct benefit to society, says Wilhelm. "This research has important implications for government policy discussions related to families and children," he says. For example, tax policies could provide incentives for families to give to youth causes or could encourage efforts to involve children in giving and volunteering.

"As parents, we can make sure that our adolescent children have opportunities to donate some of their own funds to charitable causes," he says. Involving adolescents in volunteer efforts is also crucial, Wilhelm says, and he is taking his own advice. He and his wife have enrolled their two daughters (one a teen and the other a pre-teen) in service camp experiences this coming summer, and he will participate side-by-side with his youngest daughter. Wilhelm's older daughter brought the idea to her parents, and they were eager to follow through. "The research drove home the fact that there is a window of time when you can make difference in your children's attitudes toward philanthropy," says Wilhelm, "and I didn't want to miss that."

Looking to the future, Wilhelm sees many opportunities to better understand intergenerational transmission of generosity, philanthropy during childhood and adolescence, and effective parenting for philanthropy. "Think about 20 years from now," says Wilhelm. "If we can continue to collect COPPS data, we'll have a generation's worth of information about the philanthropic activities of individuals in the study. We'll be able to see patterns and trends in giving as current adolescents move into adulthood and middle age. We'll have answers to many of the questions we wrestle with now as we look at how and why people make choices to give and volunteer to help others. For example, how strongly does a parent's role modeling in terms of charitable giving affect a child's giving? How do major life events, such as children moving out of the house, affect a parent's giving?

"COPPS has amazing power as a research tool," he says. "It's the nation's resource for understanding the practice, transmission, development, policy, and dynamics of philanthropy."

◆◆ MORE INFO ◆◆

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Strengthening Philanthropy and the Nonprofit Sector

The Center on Philanthropy at Indiana University relies on the critical support of visionary donors to its annual fund. As some of its highest priorities, the Center's annual fund provides for new educational initiatives, vital support for graduate students, and the broad sharing of knowledge grounded in new research by the Center's students, faculty, and staff. This year, donors who make a gift of \$300 or more will have the unique opportunity to be recognized as a special 20th Anniversary Center on Philanthropy Professional Associate.

The impact of supporting education and research is felt throughout the sector. When you contribute to the Center's annual fund, you help the Center's Ph.D. candidates delve into areas of study such as the psychological motivations of donors and the philanthropic behaviors of women. You also propel groundbreaking endeavors such as current collaborations to create the first-ever undergraduate Philanthropic Studies major programs at Indiana University and abroad. You equip your colleagues, funders, lawmakers, and the public with practical, evidence-based knowledge discovered by scholars, which include Mark Wilhelm's research that uses the COPPS data. This knowledge helps us all effectively build a better world.

Leading the Way

How much do couples give to education? It depends on which spouse decides.

A university foundation receives a gift from two alumni, a married couple that is giving for the first time. Eager to cultivate a long-term relationship with these new donors, a development officer calls the husband and thanks him for the gift.

"You're welcome," the husband replies, "but it was my wife's idea."

Understanding how couples make decisions about giving—and who is more influential in those decisions—can help fundraisers better understand how to cultivate and steward relationships



with those donors. Using data from the *Center on Philanthropy Panel Study* (COPPS) and building on previous studies, new results show that women are highly influential when couples make donating decisions, particularly regarding gifts to education.

The largest and most accurate study of charitable giving by U.S. households ever conducted, COPPS follows the same 8,000 households over time, shedding new light on couples' giving patterns.

Development officers and administrators in higher education, a sector increasingly reliant on private giving, may be particularly interested in these results. But COPPS research on decision making reveals findings that can help fundraising professionals increase participation levels and raise money more effectively and efficiently.

In the Driver's Seat

Eleanor Brown, James Irvine Professor of Economics at Pomona College, and researchers James Andreoni, a professor of economics at the University of California, San Diego, and Isaac Rischall, then working for Citigroup, previously analyzed giving behavior and found that charitable giving is different depending on which spouse is "in charge." Women were more likely than men to give to nearly all categories of charities, they found.

Questions about how married couples make giving decisions were added to the COPPS survey in 2002. Brown teamed with two researchers at Indiana University–Purdue University Indianapolis (IUPUI): Patrick Rooney, director of research at the Center on Philanthropy and professor of economics and Philanthropic Studies, and Debra Mesch, associate professor of Philanthropic Studies, public policy, and nonprofit management. The first results of this deeper analysis reveal patterns in giving to education.

"Women are the drivers in deciding whether or not to give to education," Mesch says. After controlling for other factors, households in which women are the primary giving decision makers or decide separately from men are significantly more likely to give to education than households in which the man decides or couples decide jointly.

The amount given to education is also much higher for households in which women decide. Those households gave an average of \$599 in 2002, compared to \$300 when men decided. Couples that decided separately or jointly gave \$131 and \$112, respectively, while single women gave \$58 and single men gave \$46. Higher incomes corresponded with larger differences: among couples earning more than \$100,000 a year, female



decision makers gave an average of \$1,327 to education in 2002 and men gave \$583.

The higher a household's income, the education level of both spouses, and the number of children they have at home, the more likely the couple is to give to education and to give a larger amount, no matter how the decision to give is made. And as women get older, they are more likely to give to education and in larger amounts.

More Education, More Influence

Researchers think that women are more likely to support education because they have traditionally been more involved than men in their children's early years at school, and thus have stronger feelings about the importance of education. But women may also be demonstrating gratitude for their own educational experiences. "You see women looking at education as an opportunity for them to develop successful careers," Mesch says. "They think, 'This is the best thing that happened to me and I want to support it for other people.'"

Education level and income are primary determinants of which spouse has more influence on charitable giving. As women continue to attain historically higher levels of education and earn higher salaries, researchers predict that they will gain even more influence over their households' philanthropic decision making.

Tailoring Tactics

These findings reinforce the need for fundraisers to develop new strategies that recognize women's powerful decision-making role. Fundraisers should work with both spouses instead of just one whenever possible, developing relationships and learning about a couple's decision-making dynamic over time. And they should tailor how they cultivate, communicate with, and recognize female donors.

Cheryl Altinkemer, associate vice president for advancement at Purdue University and a founding board member of the Center's Women's Philanthropy Institute (WPI), says the findings reinforce what she has learned anecdotally over 20 years in the field, but that fundraisers must respond. "The more we learn about women's motivations and provide programs to increase their confidence, the more educational institutions will benefit.

"Educational institutions must provide educational programming for women and training for their fundraising staff to reap the benefits of larger gifts from the women in the household," Altinkemer says. "Understanding gender differences, generational motivations, and philanthropic styles can help development professionals better prepare household strategies. Understanding the culture our donors experience is also important to obtaining effective gifts that will have great impact on our society."

Mesch hopes to examine couples' decision making in other areas of giving and to continue studying differences in giving between women and men at WPI, a program of the Center on Philanthropy. Brown, meanwhile, would like to research how couples decide to volunteer. "While the family dynamics around giving money are interesting, those surrounding gifts of time are more intricate and less well understood," she says.

"As we conduct research and as more women enter the fundraising profession, even more attention will be paid to women as donors," Mesch says.

◆◆MORE INFO◆◆

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Faith and Family

Younger generations aren't giving as much,
and are less involved in religion



While overall giving is at an all-time high, many people observe and are concerned about apparent changes in giving that seem connected with donors' ages. Younger people are less likely to give and are giving less, but it's unclear whether these differences mean younger generations are less generous.

Researchers are beginning to examine factors that may help account for the observed differences. Understanding generational giving is complex. In the search for answers, researchers and fundraisers are often turning to data from the *Center on Philanthropy Panel Study (COPPS)* to bring important pieces into focus.

Because COPPS follows the giving habits of the same 8,000 households over time, it is the only survey that measures parents' giving and their children's giving as adults. COPPS enables researchers and practitioners to see long-term changes in giving patterns. Its findings are invaluable for fundraisers who are trying to determine how to approach new generations of donors and understand future trends.

To date, key findings based on COPPS include the transmission of religious giving values from parents to their children, a large decline in religious giving by younger generations, and major shifts in religious attendance.



Passing the Plate

Patrick Rooney vividly recalls asking his mother, when he was a child, why she put money in the basket at church every week.

“We grew up pretty poor—and I certainly didn’t think I had enough toys,” jokes Rooney, director of research at the Center on Philanthropy at Indiana University. His mother’s response was always the same: “You have to give to the church until it hurts.”

While some fundraisers are quick to remind Rooney that “giving should be a joy” when he tells that story, he explains that watching his parents donate each week made a lasting impression. “Because most major religious denominations encourage weekly participation, if you contribute to the basket or tithe in some demonstrable way, kids pick that up.”

COPPS co-principal investigators Mark Wilhelm and Rich Steinberg, professors of economics and Philanthropic Studies at IUPUI, along with Rooney and Eleanor Brown, professor of economics at Pomona College, used COPPS to examine the transmission of giving habits from one generation to the next. Soon to be published in the *Journal of Public Economics*, their research shows that if parents give a lot to churches, mosques, or synagogues, then their adult children do as well. Steinberg says the patterns they found can help fundraisers better target their solicitations, and that there are other interesting findings for fundraisers to consider.

“Previous studies have shown that those who give to religion are more generous to secular causes as well, and it is natural to expect that this pattern extends over generations as well. But our research indicates that expectation is wrong: parent’s religious giving does not predict the amount of their children’s secular giving—they’re not especially good prospects for giving to those causes,” says Steinberg. He says this demonstrates why it is important to look beyond the transmission of values to other factors that might explain younger generations’ giving patterns.

For example, other COPPS analysis by Wilhelm and Steinberg shows that after controlling for factors like income and education, Generation Xers (born after 1965) and Baby Boomers (born 1946 to 1964) are significantly less likely to give and give significantly less than the Pre-War generation (born in 1945 or earlier). Almost all of the difference is explained by the fact that these younger generations give much less to religious causes.



Declining Attendance

For the first time, experts may be able to largely attribute generational differences in giving to the role that religion plays in people’s lives and their giving choices related to it. Religious giving and attendance at weekly services have declined in general across the nation, and younger generations attend services less frequently. COPPS analysis by Center researchers finds that giving to religion is closely tied to participation.

Bill Enright, who directs the Center on Philanthropy’s Lake Institute on Faith & Giving, attributes the decline in attendance at places of worship to what researchers call “the loss of the Sabbath”: most people no longer set aside a sacred day for worship.

“Where we used to say 40-plus percent attended worship once a week, more reliable findings now would say it’s down to around 25 percent,” says Enright.

COPPS data enabled unprecedented analysis, which allowed an examination of the link between religious attendance and giving. Researchers’ comparisons of two different generations of donors’ giving when they were at the same age have yielded powerful results spanning more than 40 years. Wilhelm, Rooney, and Center Executive Director Gene Tempel looked at two generations of donors’ religious giving and participation as they experienced middle adulthood. These recently-published findings show that Baby Boomers attend services less and donate less-than-expected amounts (based on their income growth and other factors) to religious causes than the Pre-War generation did at the same age. Others’ research also shows that members of Generation X attend places of worship less often and are less likely to give to religious causes than Boomers.

Frequent attendance doesn’t necessarily translate to being more religious, notes Rooney, but decreased attendance does correspond with decreased donations. “Religious giving is more strongly driven by differences in religious attendance than by differences in religious affiliation,” he says.

New Motivations

Because COPPS analysis suggests that the decline in religious giving is not just a financial problem but one of decreased involvement, places of worship must think about how to engage younger donors—those whose social conscience may be stronger than their identification with their religion or a particular place of worship.

Enright makes reference to Princeton University sociologist Robert Wuthnow's research on generational giving, in which Wuthnow describes people now in their twenties and thirties as resourceful "tinkerers" with a practical approach to life. "They piece together an idea from here, a skill from there, and create an integrated life. Tinkering is how they make sense. Religiously, they're 'independent improvisationalists,'" says Enright.

Now that the Pre-War generation comprises less of the total membership at places of worship, Enright says, clergy and others seeking money to support them must learn how best to communicate with Boomers and Xers.

As Boomers begin to think about legacy issues, there is also an entrepreneurial dimension to their giving, Enright says. "Boomers want accountability, they want giving to be effective, but they also want to be personally involved. Nonprofits, and especially places of worship, have to say 'How can we involve younger people in our mission?'"

Researchers are continuing to analyze the reasons Generation Xers are less likely to be donors than earlier generations. Some preliminary studies show that part of the difference may be due to higher student loan debt, delayed marriages compared with their forebears, and decreased affiliation with religion.

Tempel reports that some churches, synagogues, and mosques are talking with younger generations about money in new ways. "In addition to time, talent, and treasure, some leaders are talking more about religious exploration and specialized programming for busy professionals."

COPPS research is illuminating major factors contributing to perceived differences in generational giving: a decline in religious giving among younger generations explains much, and less frequent religious attendance is contributing to that decline. These vital pieces of the complex generational giving puzzle will help fundraisers as they strive to connect with new generations.

♦♦MORE INFO♦♦

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Innovation Clearinghouse

Increasingly, researchers are turning to COPPS data to explore exciting questions

As a former fundraiser, Alicia Schortgen knows the power of high-quality research and how it can help nonprofit organizations. So when she started research toward her Ph.D. in public affairs at the University of Texas at Dallas, she looked for robust data sources that would allow her to ask incisive questions about American philanthropy.

Like many scholars, her search led her to the *Center on Philanthropy Panel Study* (COPPS), a set of questions about giving and volunteering that is part of the University of Michigan's *Panel Study of Income Dynamics* (PSID) and the largest and most accurate study ever conducted of charitable giving by U.S. households over time. Schortgen is one of an increasing number of researchers using COPPS data to explore exciting and innovative questions about giving and volunteering in the United States.

Timothy L. Seiler, director of public service and The Fund Raising School at the Center, says that this work is vital for better fundraising practices. "The more practitioners learn from theory-based research, the more effectively they can manage their fundraising practices, rather than operating only on intuition or anecdotes from the field."

Speaking for the Data

Schortgen, now an assistant professor of public affairs at the University of Texas at Dallas, used data from COPPS to help describe the contemporary American donor in her doctoral dissertation, "The Face of Donors in America: Who Gives and Why It Matters." In part because COPPS data sets are available

to the public on the Center's Web site, she was able to perform a statistical analysis of COPPS data from 2002 to determine how variables such as age, race, gender, level of education, family income, and wealth affect the decision to give and total giving amounts.

Schortgen says this type of information is valuable to nonprofits because it helps them understand giving and volunteering trends and adjust their efforts accordingly.

Her voice adds to a growing group of academics who want to access and analyze COPPS data and get that analysis into the hands of nonprofit professionals.

"The Center has the value of being a clearinghouse and encouraging people to use the data in a practical way," says Frank Stafford, director of the PSID and a professor of economics at the University of Michigan. "The data don't speak for themselves. There has to be someone there to work with them," he says.

Other investigators are drawn to COPPS data as well. Susan Morales-Barias is director of the Nonprofit Leadership Institute at the Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership at Grand Valley State University. Morales-Barias and her colleagues recently released findings from a study of Hispanic giving and volunteering behaviors as reported in the study's 2002 data.

"Not a lot of quantitative information is available on Hispanic philanthropy, but the COPPS dataset had a significant number of Hispanic households in its sample," Morales-Barias reports. "We wanted to look at key demographic indicators."

Morales-Barias and her colleagues' research shows that in the highest income bracket (\$150,000 and above), Hispanics gave significantly more than their non-Hispanic counterparts. Also, while non-Hispanic households with children below age six tended to give and volunteer more than other households without children, Hispanic households in this situation gave and volunteered less.

“This initial research can inform nonprofits’ work towards engaging diverse communities,” she says.

Substitution Patterns

David Reinstein, assistant professor of economics at the University of Essex (England), studied substitution in charitable giving for his doctoral dissertation at the University of California, Berkeley. In his dissertation, “Does One Contribution Come at the Expense of Another? Empirical Evidence on Substitution Between Charitable Donations,” he used COPPS data from 2000 and 2002 to explore whether an individual’s donation to one cause displaces that person’s gifts to other charitable causes.

Reinstein found that, at a basic level, people who give more to one charity give more to others. However, his findings also indicated that people who increase their giving to one cause do not tend to increase, and often decrease, their gifts to other causes. For example, he found that a donor’s large gift to the education subsector is likely to displace a similar gift to a health-related organization.

According to Reinstein, this information has potential implications for policy makers, charities, volunteers, and philanthropists—for example, a tax incentive that is favorable to one type of charity may decrease contributions to others.

Reinstein was drawn to COPPS because many of the respondents are long-time participants. “Panel data on charitable giving is extremely useful because there are enormous individual-specific differences in behavior,” he says.

Asking New Questions

Seiler says results of this exciting and important research need to be consistently communicated to practitioners. “There is still a host of questions to be asked and answered,” he explains. “People developing curriculum for fundraisers need to translate findings into practice-oriented language and incorporate them into training materials. The more they do that, the better organizations can manage their fundraising goals.”

Schortgen hopes that as more researchers use COPPS data in their work and share their findings, more practitioners will become aware of how research can benefit their organizations. “It’s important to inform practitioners that COPPS is there, and that there are people using it in scholarship,” she says.

◆◆MORE INFO◆◆

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The Revolving Door, *continued from page 5*

Brown says this study can help nonprofits see that lack of renewal is not necessarily a sign that a person needs more reminders or requests—in fact, it might be a sign that the donor is among the group of people whose income or personal circumstances don’t permit regular giving.

“Nonprofits should consider different types of donors and develop ways to work with each, according to giving history and likely donor traits,” says Brown. Varying appeals and solicitation strategies may influence whether or not donors choose to give persistently.

Center researchers know that continued research on donor stability will help nonprofit professionals and policy makers understand philanthropy and their roles in shaping it. “This study highlights some big-picture issues, like the fact that younger ‘unmarrieds’—especially with lower income and no college—are much less likely to be donors on a regular basis,” says Brown. And one of the biggest challenges to any fundraiser is how to engage single men of any age, she notes.

So how can fundraisers stay connected? Brown refers to the work of Adrian Sargeant, the Robert F. Hartsook Chair in Fundraising at the Center on Philanthropy. Sargeant’s research has shown that persistent donors should be asked what they would like to receive from your organization and how often they want it, offering them a chance to stay connected to the work beyond just giving.

“Adrian has said that the more control you give a donor—such as ‘check-off’ boxes for frequency of mailings and contacts and types of things the donor wants to know about—the more the interaction reflects a true relationship, and the donor remains more loyal over time,” says Brown.

◆◆MORE INFO◆◆

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Women and Philanthropy

Women are changing the face of philanthropy. In 2008, the Center on Philanthropy at Indiana University offers two opportunities to learn more about women's philanthropy and building and sustaining powerful relationships with women donors.

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