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Giving and Volunteering in Kent County 2001

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Dorothy A. Johnson Center for
Philanthropy and
Nonprofit Leadership
Grand Valley State University
401 W. Fulton Street
Grand Rapids, MI 49504
Tel: 616.336.7585
Fax: 616.336.7592
email: philanthropy@gvsu.edu
www.gvsu.edu/philanthropy

***Giving
and
Volunteering
in
Kent County
2001***

Who gives and volunteers

Where do they give

Why do they give



THE DOROTHY A. JOHNSON CENTER

The Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership began in 1992 as a multidisciplinary, university-wide center developed with the support of the W.K. Kellogg Foundation and Grand Valley State University. The Johnson Center promotes philanthropy, community improvement, and excellence in nonprofit leadership.



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Preface

Oliver Wendell Holmes, Jr. once remarked that taxes are the price we pay for living in a civilized society.

That is true enough, but consider how much higher our taxes would be - and how much less civilized our society would be - if it weren't for the generosity of the citizens of Kent County. Many individuals, businesses and foundations in our community contributed to nonprofit organizations during the past year. They provided millions of dollars in contributions to the organizations that offer arts and culture, education, environmental action, healthcare, human services, and spiritual life to the citizens of Kent County. Truly, our citizens and the corporations have taken to heart the wisdom of Booker T.

Washington, who once said, "The life worth living is giving for the good of others."

The report before you transmits the results of our study of local giving, based on telephone interviews with individuals and corporate managers. This initial report will provide a baseline of information against which future changes in charitable giving can be measured. The Johnson Center will issue regular reports to the community, tracking giving trends over time.

Of all the good news offered by these findings, perhaps the best comes from the individual survey, which lays to rest the concern about the impact of the September 11th atrocities upon local nonprofit organizations. Fears had been expressed that Americans' generous gifts to national relief efforts

in the aftermath of the attacks would mean that local nonprofits would get fewer donations. The results from the individual survey clearly show that while Grand Rapids residents have been generous to national relief efforts, they intend to dig deeper in order to support local nonprofit organizations as generously as they have in the past. This is good news for local nonprofits, and especially good news for all of the vulnerable populations that they serve.

This study confirms the generous spirit of our community and affirms that Kent County nonprofit organizations are highly valued.

"The life worth living is giving for the good of others."

- Booker T. Washington

Introduction

Generous giving and volunteering are essential to a vibrant nonprofit sector. This report reveals a community that cares about the interests and needs of people in Kent County and throughout the world, and confirms that our citizens act on their desire to make a difference.

This report reveals a community that cares about the interests and needs of people in Kent County and throughout the world.

THE NONPROFIT SECTOR

The nonprofit sector is a part of our daily lives - assisting those in need, preserving our cultural heritage, and enhancing our spiritual lives. It is often difficult to characterize the nonprofit sector because it serves so many needs and interests. Nonprofit organizations are usually recognized for their service to the public and active engagement in activities such as health care, education, recreation, arts and culture, youth issues, religion and spiritual life, and foundations.

In broad terms, nonprofit organizations in Kent County are best defined by the quality of their services and commitment to the community. More narrowly, nonprofits are often identified by Internal Revenue Service standards for tax-exempt status, which emphasize purposes that are religious, charitable, scientific, literary or educational. Activities defined as charitable by the IRS include "...relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens of government;

lessening of neighborhood tensions; elimination of prejudice and discrimination; defense of human and civil rights secured by law; and combating community deterioration and juvenile delinquency." Nonprofits in Kent County are doing all these things.

KENT COUNTY

Kent County is located in southwest Michigan and is the core of the Grand Rapids metropolitan area. In 2000, the population of the county was 574,335, with the broader Grand Rapids-Muskegon-Holland metropolitan area housing 1.09 million people. The county population is 83% white, 9% African American, 2% Asian/Pacific Islander, 0.5% Native American and 7% Hispanic. Twenty-eight percent of Kent County's population is under 18 years of age, and 11% is over 64 years. Kent County contains 212,890 households with 70% living in owner occupied housing. In 1997, the area median income was \$44,512.

THIS REPORT

Data for this report come from 4 sources:

- 1) a telephone survey of 500 county households
- 2) a telephone survey of 36 area businesses
- 3) data on area foundations from The Foundation Center
- 4) and results of national and state surveys conducted during approximately the same time period.

The focus of the telephone surveys was on charitable giving and volunteering during the prior twelve months. Household survey results have a margin of error of plus or minus four percentage points, with a higher margin of error for smaller subgroups.

Individual Giving

WHO GIVES

Almost three-quarters (73%) of Kent County households donated money or property to charitable and nonprofit organizations during the 12 months prior to September 11. When September 11 giving is included, the rate increases to 83%.

83% of Kent County households made a charitable contribution in 2001.

Giving varies by several demographic characteristics, which are presented below. The major findings include:

- Giving is very similar for women (74%) and men (72%).

- Giving varies by age group, increasing as individuals get older. Fifty-four percent of 18-24 year olds make contributions compared to approximately three-quarters of those 30 years and older.

- Income is also associated with giving. More than four-fifths of households earning \$50,000 or more compared to 58% of lower income households contributed to charity during the past year.

Additional findings from the survey:

- Giving rates varied by political affiliation, with 76% of Republicans, 73% of Independents, and 67% of Democrats making charitable contributions.

- Variation is also associated with marital status, with giving more likely by married couples (78%), followed by widowed (71%), single (65%) and divorced/separated (62%).

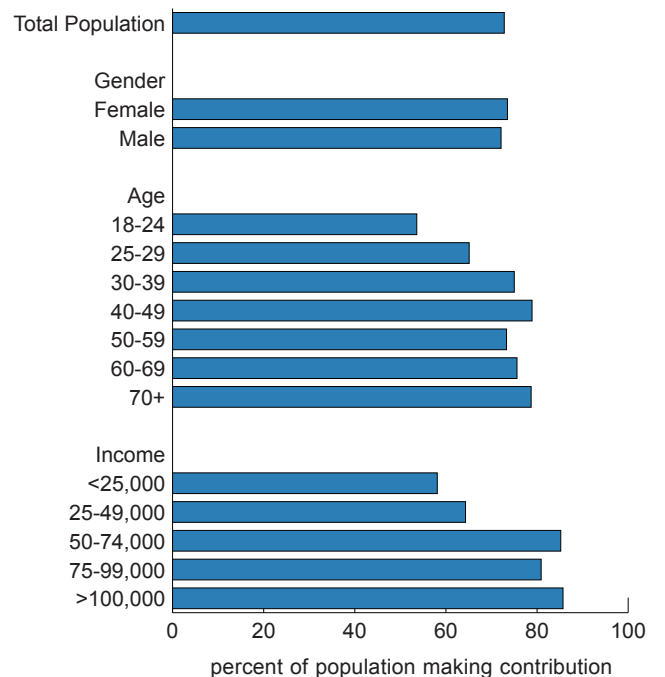
- Little variation emerged based on work status, with approximately three-quarters of respondents in all categories (full time, part-time, self employed, and retired/unemployed) making a contribution.

HOW DO WE COMPARE

- Nationally, a survey by Independent Sector showed that 89% of households made a charitable contribution in 2001.

- At the state level, almost 90% of Michigan adults made a charitable contribution during 2001.

Demographic Profile of Givers



Individual Giving

RESPONSE TO SEPTEMBER 11

The community response to the atrocities of September 11, 2001 was strong, with half of Kent County households making a contribution following the attacks. Most gifts (89%) were \$100 or less, with the biggest proportion falling in the \$21-\$50 range.

Half of Kent County households contributed to national 9/11 relief efforts.

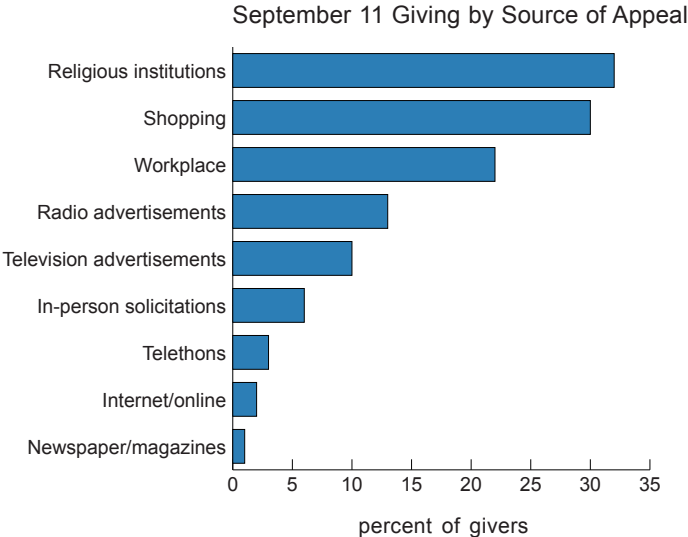
Givers responded to various types of appeals, as shown below:

- 32% responded to appeals from religious institutions.
- 30% responded to appeals while shopping, such as donation boxes or adding a few dollars to a grocery bill.
- 22% responded to appeals at the workplace.

Giving to the September 11 relief effort is unlikely to affect the amount that most households will contribute to local nonprofits since most donors (67%) do not plan to continue giving to relief efforts. Most of the 33% who plan to continue giving to relief efforts will contribute \$100 or less. Sixteen percent of givers say they will increase their local contribution in the coming year.

HOW DO WE COMPARE

A survey by Independent Sector in October 2001 shows that 58% of American households made a financial contribution to September 11 relief efforts.



Individual Giving

WHERE DO WE GIVE

Patterns of giving by Kent County residents cover the broad spectrum of nonprofit action, such as the arts, education, health, environment and religion.

During the past year, giving was most often directed to religious organizations and family and friends, followed by health, other types of nonprofits, and the United Way. In the coming year, a similar pattern emerges, with more support indicated across the sector with the exception of the United Way.

Giving intentions for the next 12 months vary slightly by demographic characteristics:

- Men and women generally have similar intentions for their giving, although women are less likely to

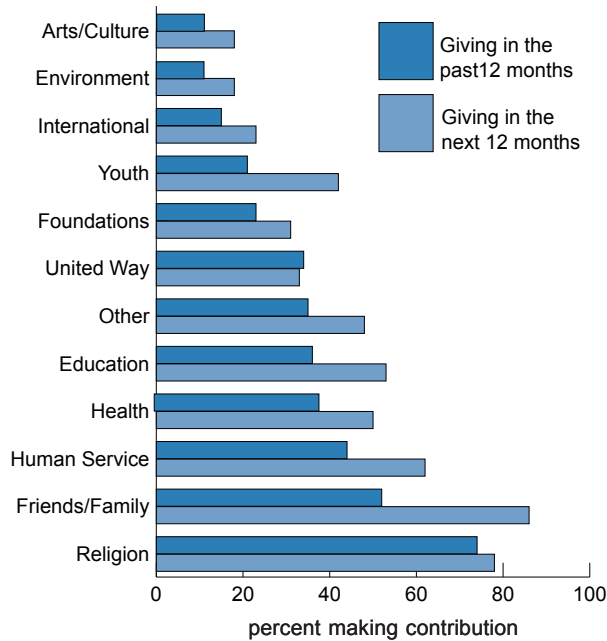
contribute to youth development and religion, and more likely to give to human services and international organizations.

- Republicans are more likely to give to religious, and international organizations. Democrats are more likely to give to United Way, environmental, and arts organizations. Independents are more likely to give to health, United Way, human service, environmental, arts, community foundations, and international organizations.

- Plans to give to educational and international organizations tend to decline with age, while giving to religion, human services, and the arts tends to increase with age.

During the past year, giving was most often directed to religious organizations and friends/family, followed by health, other types of nonprofits, and the United Way.

Past and Future Giving Patterns



Individual Giving

WHY DO WE GIVE

Kent County residents realize the importance of the nonprofit sector and believe the need for charitable organizations is greater now than in the past.

- 86% agreed that charitable organizations play a major role in making our communities better places to live.
- 86% felt that their donations are used appropriately.
- 75% agreed that the need for charitable organizations is greater now than it was five years ago.
- More than 70% felt that most charitable organizations are honest and ethical in their use of donated funds.

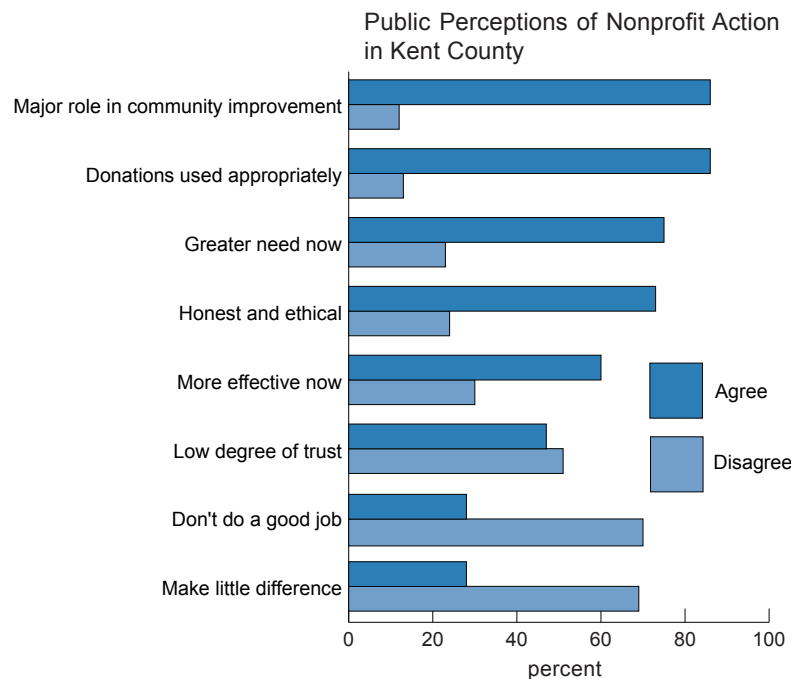
When it comes to attitudes toward charitable

organizations, there is room for improvement.

- 30% believe that charities are not more effective now than five years ago.
- 47% of the respondents expressed a low degree of trust in nonprofit organizations. This may reflect the negative media reports of national charities in handling September 11 funds.
- 28% agreed that charities do not do a good job of helping those in need.
- 28% believed that charities make very little difference in dealing with major problems.

These somewhat contradictory findings suggest that givers trust the nonprofits they personally support, but are more cautious about trusting those they do not know.

Most Kent County residents believe the need for charitable organizations is greater now than five years ago.



Individual Giving

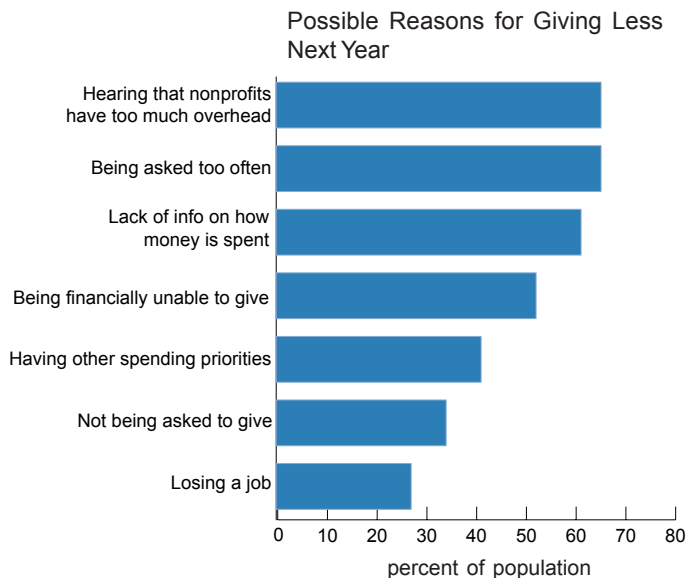
WHAT COULD REDUCE GIVING

Although most citizens plan to support nonprofits in the next 12 months as generously as they have in the past year, it is important to anticipate what factors might reduce donations. For example, 45% reported that their contributions would be reduced if their incomes dropped. However, 73% appeared to be optimistic about their job security in the coming year.

If household income drops, 45% would reduce their contribution.

Factors that could impinge on future giving include:

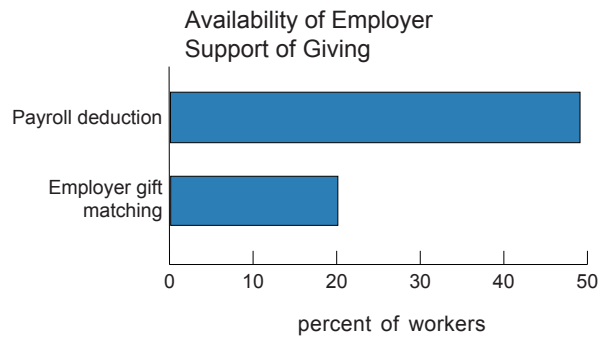
- hearing that nonprofits have high overhead, salary, and administrative costs (65%)
- too many requests for contributions (65%)
- lack of sufficient information about how contributions will be spent (61%)
- being financially unable to give (52%)
- having other spending priorities (41%)
- not being personally asked to give (34%).
- losing a job (27%)



EMPLOYER SUPPORT

The workplace plays an important role by encouraging giving and providing systems that simplify giving, such as payroll deduction. Many of those surveyed gave through programs offered by their employers, and were also able to increase the level of giving by using matching gift programs. Among the key findings about employer support in Kent County are:

- Payroll deduction of contributions by employers was available for 49% of workers surveyed, and almost half of this group used the payroll deduction process. Both the existence and use of payroll deduction plans increases with income.



Corporate Giving

WHAT DO THEY GIVE

Kent County businesses understand the importance of investing in their community. Our study of corporate philanthropy found that most firms were actively engaged in their community and philanthropy. The thirty-six firms in our study donated over \$7 million in cash and an additional \$2.7 million in goods and services. Over three-quarters of the funds donated by firms stays in Kent County.

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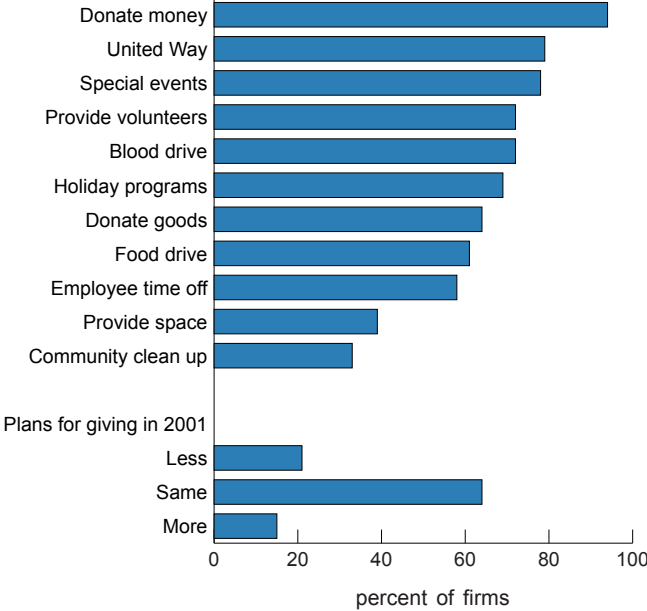
- Over 90% of firms donated cash to area causes, and four-fifths supported the United Way.
- Almost two-thirds of firms donated goods and services.
- Almost 60% of firms gave employees time off for community service work.

Corporate Kent County also participated in a wide range of philanthropic and community activities during the past year, such as supporting food and blood drives, organizing special events and holiday programs, and providing space for community organizations.

WHAT WILL THEY GIVE

When asked about plans for corporate giving in the next 12 months, almost two-thirds planned to give about the same; 21% plan to give less and 15% plan to give more.

Corporate Philanthropy in Kent County



Corporate Giving

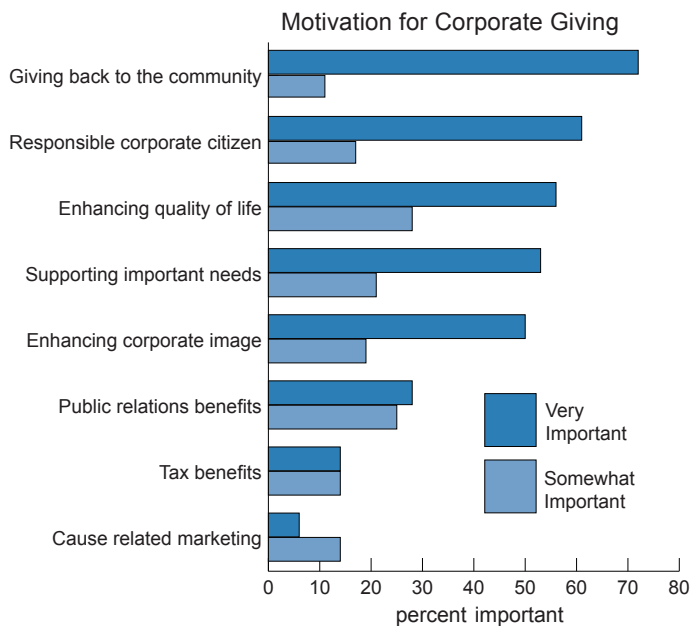
WHY THEY GIVE

Businesses in Kent County are active in their support for community organizations, and are engaged in a wide range of philanthropic activities, both as organizations and through supporting the actions of their employees. The corporate philanthropy survey asked about motivations for involvement in philanthropy and also about how giving decisions are made.

The strongest motivations relate to serving community needs:

- The most consistent motivations include giving back to the community (83%), being a good corporate citizen (78%), and influencing the quality of life experienced in the region (83%).
- Less important to businesses were the benefits to the firm, such as public relations benefits (53%), tax advantages (28%), and cause-related marketing (20%).

The most consistent motivations for corporate giving are giving back to the community, being a good corporate citizen, and influencing the quality of life in the region.



WHO INFLUENCES CORPORATE GIVING

Business leaders were asked who influenced their philanthropic decisions:

- Strong influences included senior management (70%), key customers (67%), other employees (61%), and board members (56%).
- Less important influences included civic leaders (50%), nonprofit organizations (22%), and suppliers (17%).



WHAT FUNDRAISERS NEED TO KNOW

Most companies reported that they would be more motivated to give if they had a better understanding of what their contributions actually achieve and a better understanding of community needs.

Recognition events, such as appreciation banquets, are least likely to motivate corporate giving.

Foundation Giving

Our local foundations play an important role in supporting community interests and serving local needs. There are over 1,300 grant making foundations in Michigan, with 277 in Kent County alone. In fact, six of them are among Michigan's 25 largest foundations:

- Jay and Betty Van Andel Foundation
- Richard and Helen DeVos Foundation
- Frey Foundation
- The Grand Rapids Community Foundation
- Steelcase Foundation
- Wege Foundation

- Foundation data from the period 1999-2001 show the value of foundation assets in Kent County was \$1.4 billion.
- Foundations in Kent County contributed \$128,796,383 in grants to serve local, national, and international needs.

There are over 1,300 grant making foundations in Michigan, with 277 in Kent County alone, contributing \$129 million in 2001.

Types of Foundations in Kent County

Private - a fund or endowment having grant making as its primary function, with assets commonly based on a gift by an individual or family.

Community - receives and administers endowment and other funds from private sources, which are managed under community control and usually directed to local needs. Community foundations are increasingly recognized as a way to manage a wide range of charitable funds for local benefit.

Company-sponsored or corporate - a private foundation that receives funds from a for-profit company or corporation, but is constituted as a legal entity independent from its corporate source of funds.

Operating - a foundation which uses most of its funds for its own projects, rather than giving grants to other organizations.

Foundations are required by law to contribute, or "pay out" approximately 5% of the market value of their assets to nonprofit organizations every year.

Volunteering

WHO VOLUNTEERS

Kent County residents give more than their money - they also give generously of their time.

Volunteering is a common activity in Kent County, with 49% of those surveyed having volunteered during the past year. Volunteering rates vary by a number of demographic characteristics, as

shown below:

- 54% of women and 43% of men volunteered during the past year.
- Volunteering varies with different stages in the life cycle. Volunteering rates tend to be higher for young people (18-24 years: 50%) and for the 30-49 year age group (56%).

Slightly lower rates of volunteerism occur for the 25-29 and over 50 age groups.

- Volunteering rates increased steadily as income increased, from 31% of those earning less than \$25,000 to two-thirds of those earning \$75,000 or more.

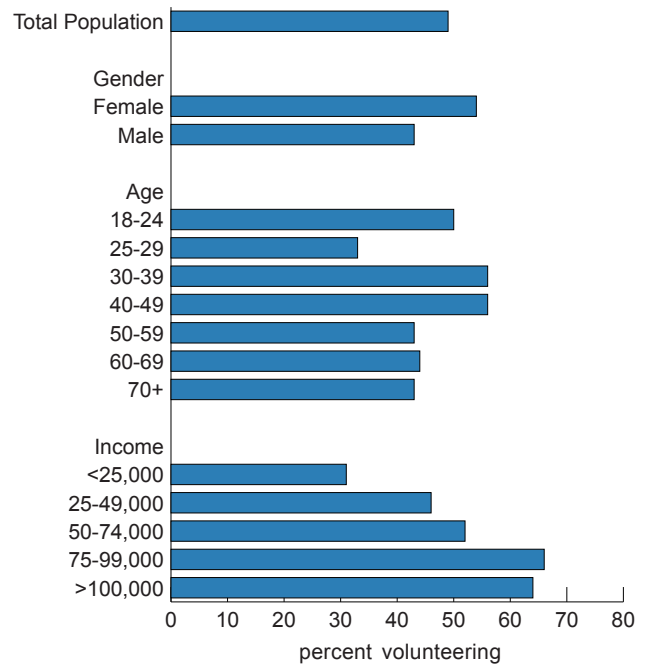
- Volunteering rates varied by political affiliation, with volunteering by 55% of Republicans, 47% of Independents, and 43% of Democrats.

- Variation is also associated with marital status, with volunteering more likely for married couples (55%) than for widowed (42%), single (42%) or divorced/separated (30%).

- Volunteering rates varied with work status, with volunteering ranging from 59% for part-time workers followed by retired/unemployed (50%), full-time workers (47%), and self employed (42%).

Volunteering is a common activity in Kent County, with 49% of those surveyed having volunteered during the past year.

Demographic Profile of Volunteers in Kent County



Volunteering

HOW MUCH DO WE VOLUNTEER

Kent county volunteers gave an average of 2.6 hours of their time per week.

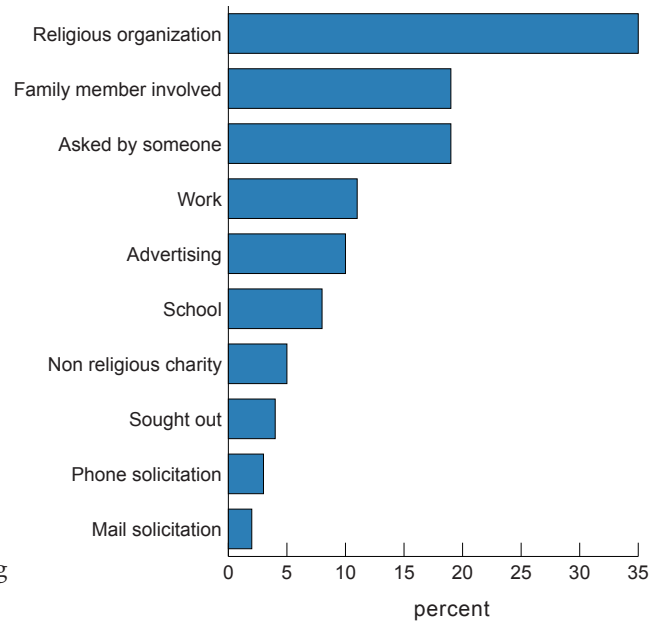
Volunteers gave an average of 2.6 hours per week.

WHERE DO WE HEAR ABOUT VOLUNTEER OPPORTUNITIES

People learn about volunteer opportunities from a number of different sources:

- Over 35% became involved in a volunteer activity after hearing about it at church or a religious organization.
- 19% had a family member or friend already involved in the activity.
- 19% were personally asked by someone.
- 11% heard about a volunteer opportunity at work.
- 10% responded to an advertisement soliciting volunteers.

Where People Learn About Volunteer Opportunities

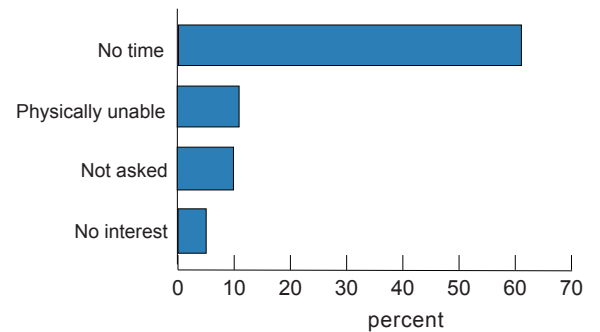


WHY NOT VOLUNTEER?

Those who choose not to volunteer indicated that the main reason for not volunteering is lack of time.

- More than 60 percent of nonvolunteers did not have sufficient time to volunteer.
- 11% were physically unable.
- 10% were not asked.
- 5% were not interested.

Reasons for Not Volunteering

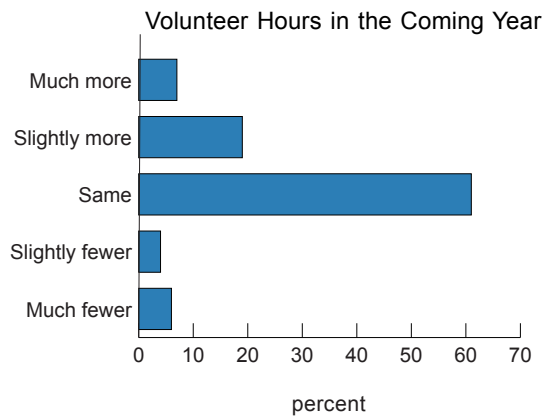


Volunteering

VOLUNTEERING IN THE NEXT 12 MONTHS

Survey respondents were asked about their plans to volunteer in the coming year. Over 60% responded that they would volunteer a similar number of hours as the past year, with 26% volunteering more hours, and 10% volunteering fewer hours.

Most volunteers will spend at least the same amount of time volunteering next year as in the past year.



HOW DO WE COMPARE

Nationally, a survey by Independent Sector showed that 44% of adults volunteered in 2000. At the state level, 50% of the adult Michigan population volunteered during the past year, with men and women volunteering at the same rate.

Conclusion

The findings from this research tell us that the spirit of giving and volunteering in Kent County is strong, our nonprofit sector is valued, our corporations are generously involved in the community, and our local foundations are strong.

“A close examination of the patterns of giving and volunteering can suggest ways to encourage and increase support for our nonprofit sector.”

- Diana Sieger

Giving and volunteering in Kent County indeed are strong and vibrant traditions: 83% of households and 90% of companies make charitable gifts, and 49% of all adults volunteer for causes in which they believe. If these givers and volunteers were to suddenly end their generosity, the quality of life in our county would drastically deteriorate overnight.

“A close examination of the patterns of giving and volunteering can suggest ways to encourage and increase support for our community’s nonprofit sector. It’s important to track these patterns over time to measure our improvement,” says Diana Sieger, President, Grand Rapids Community Foundation.

Perhaps the central fact emerging from this report is the critically important role that information plays in the preservation and growth of generosity in our community. Consider the following facts gleaned from the report:

- The most important motivators for companies to expand their charitable giving are a better understanding of community needs and a better understanding of what their gifts actually achieve.
- Individual donors say that a lack of sufficient information about how contributions will be spent

is **more than twice as likely** to cause them to give less in the future than would losing their jobs.

- The most important factor in decisions to volunteer is being informed about opportunities, by a margin of **nearly two to one** over the next most important factor.

Clearly, when it comes to giving and volunteering, knowledge is not only power, it is the key to the spirit of generosity that supports the high quality of life that Kent County enjoys. Only a continuing flow of reliable information can, as Diana Sieger suggests, preserve that generosity, and enhance it for future generations. The Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership of Grand Valley State University is committed to ongoing monitoring of giving and volunteering in Grand Rapids, and will continue to report unbiased and accurate information on these vital topics to the community. This is a responsibility we take very seriously, and we welcome all suggestions for ways to refine our collection and presentation of data in the future.

For More Information:

Contact Donna Van Iwaarden at
Johnson Center for Philanthropy
616/336-7585

Resources

Data on nonprofit action at the national and local level are available from the following organizations:

Council of Michigan Foundations has as its mission “...to enhance, to improve, and to increase philanthropy in Michigan ... accomplished through our primary focus of assisting Michigan grantmakers in their work.” Online at www.cmif.org

Economic Census data are collected every five years, most recently in 1997, and are available online for tax-exempt organizations at: www.census.gov/epcd/www/econ97.html

GuideStar is a public charity 501(c)(3) organization that provides information on nonprofit organizations. Online at www.guidestar.org

Independent Sector is a national organization with a mission: “To promote, strengthen, and advance the nonprofit and philanthropic community to foster private initiative for the public good.” The organization is online at www.independentsector.org and has a data and research division online at www.independentsector.org/programs/research/research.html

Michigan Nonprofit Association “...promotes the awareness and effectiveness of Michigan’s nonprofit sector and advancing the cause of volunteerism and philanthropy in the state.” Online at www.mna.msu.edu

MichiganNonprofit is an “...interactive collaboration of the Michigan Nonprofit Association, Crain’s Nonprofit News, and the Accounting Aid Society.” Online at www.MichiganNonprofit.com

National Center for Charitable Statistics (NCCS) “...is the national repository of data on the nonprofit sector in the United States.” Online at www.nccs.urban.org

Quality 990 is a project of the National Center for Charitable Statistics “...to improve the quality of IRS Form 990 reporting by nonprofit organizations.” Online at www.qual990.org