

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

Dispelling Beliefs about Giving to Religious Institutions in the United States

National Religious
Broadcasters Conference
February 20, 2012
by Patrick Rooney

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

Patrick Rooney

❖ Executive Director

Center on Philanthropy at Indiana University

❖ Professor of Economics and Philanthropic Studies

Indiana University Purdue University Indianapolis

rooney@iupui.edu

www.philanthropy.iupui.edu

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

About The Center on Philanthropy

❖ Mission:

Increasing the understanding of philanthropy, improving its practice, and enhancing participation in philanthropy in the US and around the world.

❖ Mantra:

Research informs practice & Practice informs research.

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

About The Center on Philanthropy

- ❖ Largest, most comprehensive academic center on philanthropy
 - Staff ~ 50
 - Faculty ~ 60 professors at Indiana University
 - Fundraising training faculty ~ 50
 - Budget ~ \$10 million/year
 - Programs regularly offered in U.S. and internationally

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

About The Center on Philanthropy

- ❖ Five core program areas
 - Public Service and The Fund Raising School (TFRS)
 - Academic Programs
 - Public Affairs
 - Philanthropic Services
 - Women's Philanthropy Institute
 - Lake Institute on Faith & Giving
 - Third Millennium Initiative
 - Research

Outline

1. Is religious giving falling?
2. Do most Americans tithe- especially those affiliated with religious organizations?
3. Do members of some faiths give more than members of other faiths?
4. Do wealthy persons give less to religion?
5. Do well educated persons give less to religion?
6. Do minorities give more to religious organizations than Whites?

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Introduction

- ❖ Giving to Religion vs. Giving because of Religion
 - Is giving to Notre Dame or BC motivated by giving to religion or to education? Both?
(Wilhelm, Rooney and Tempel, 2007).
- ❖ Fairly strong evidence that trends in religious giving parallel trends in religious attendance.
- ❖ Data Sets:
 - COPPS (lower 97% of American donors)
 - Bank of America (top 3% of American donors)

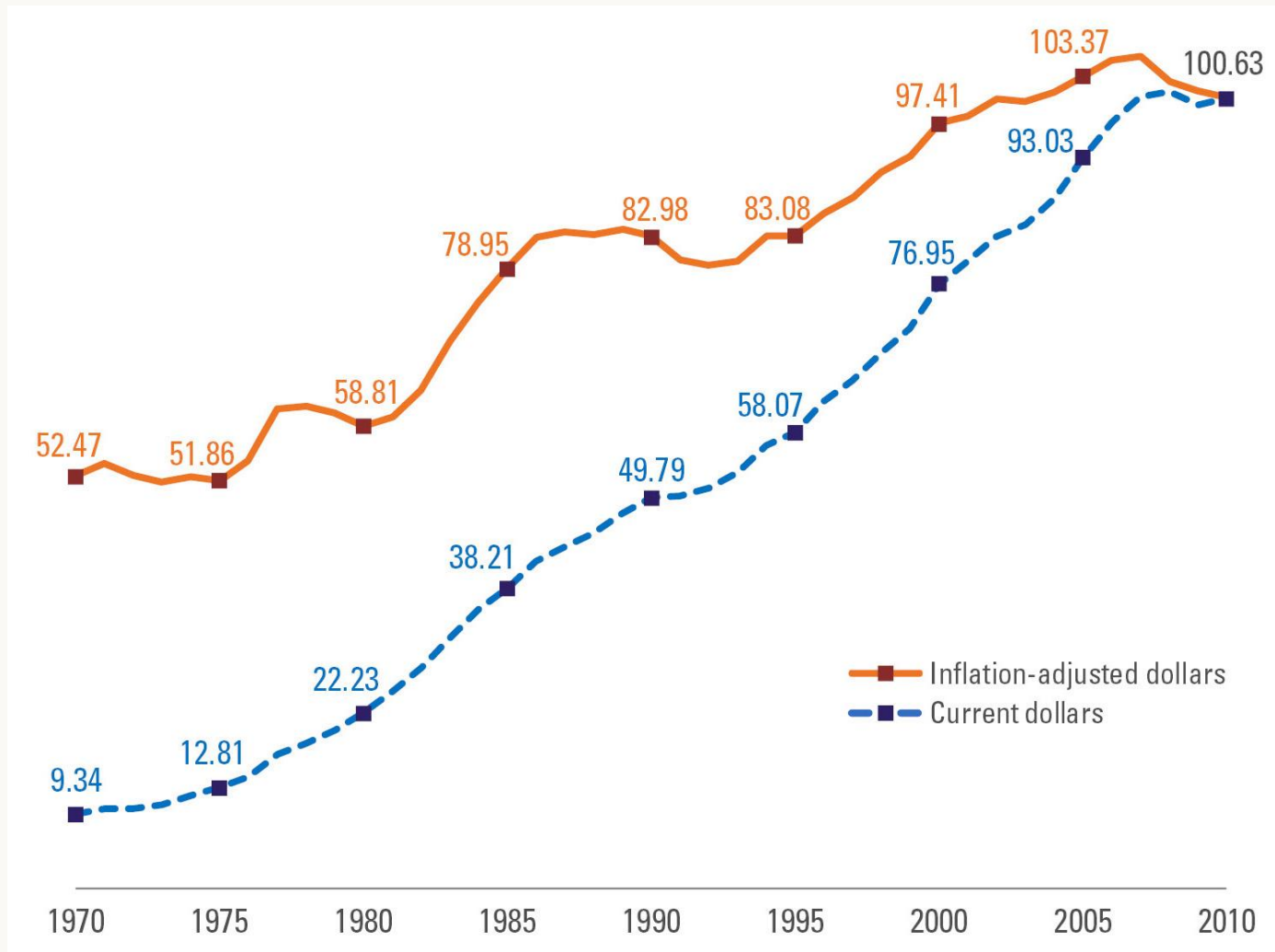
Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

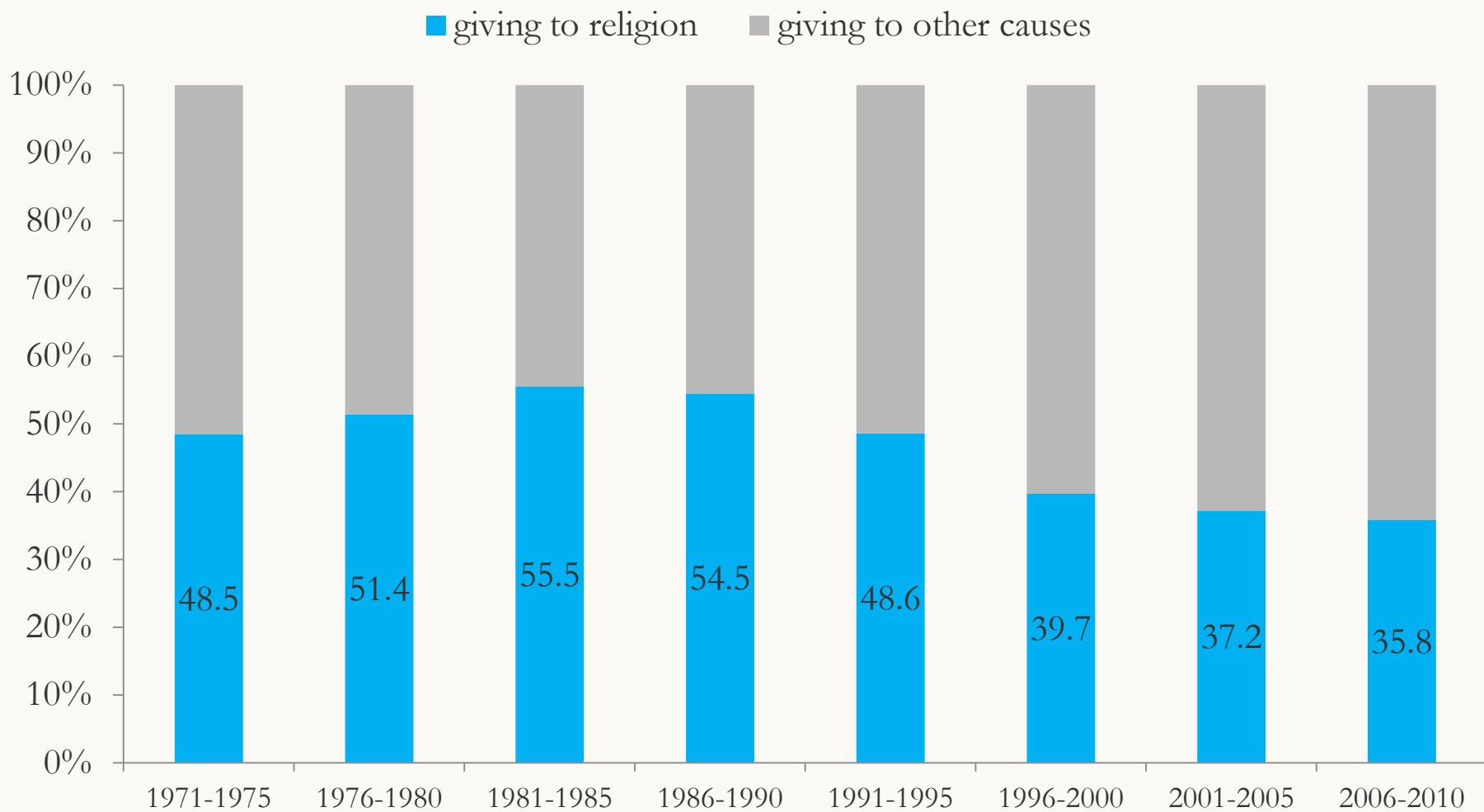
Is Religious giving falling?

Giving to religion, 1970–2010 (in billions of \$)



Source: Giving USA 2011.

Giving by type of recipient as a percentage of total giving five-year spans



Source: based on Giving USA 2011.

Is Religious giving falling?

- ❖ In the last 40 years:
 - Religious giving has grown averaging 1.7% per year
 - Total giving has grown 2.4% per year
- ❖ Over the 15 years:
 - Religious giving has grown 1.3% per year
 - Total giving has grown 3.6% per year
- ❖ Religious giving, as a share of total giving, has fallen dramatically from approximately one-half for many years to under one-third today.

Source: Michal's calculations based on Giving USA 2011.

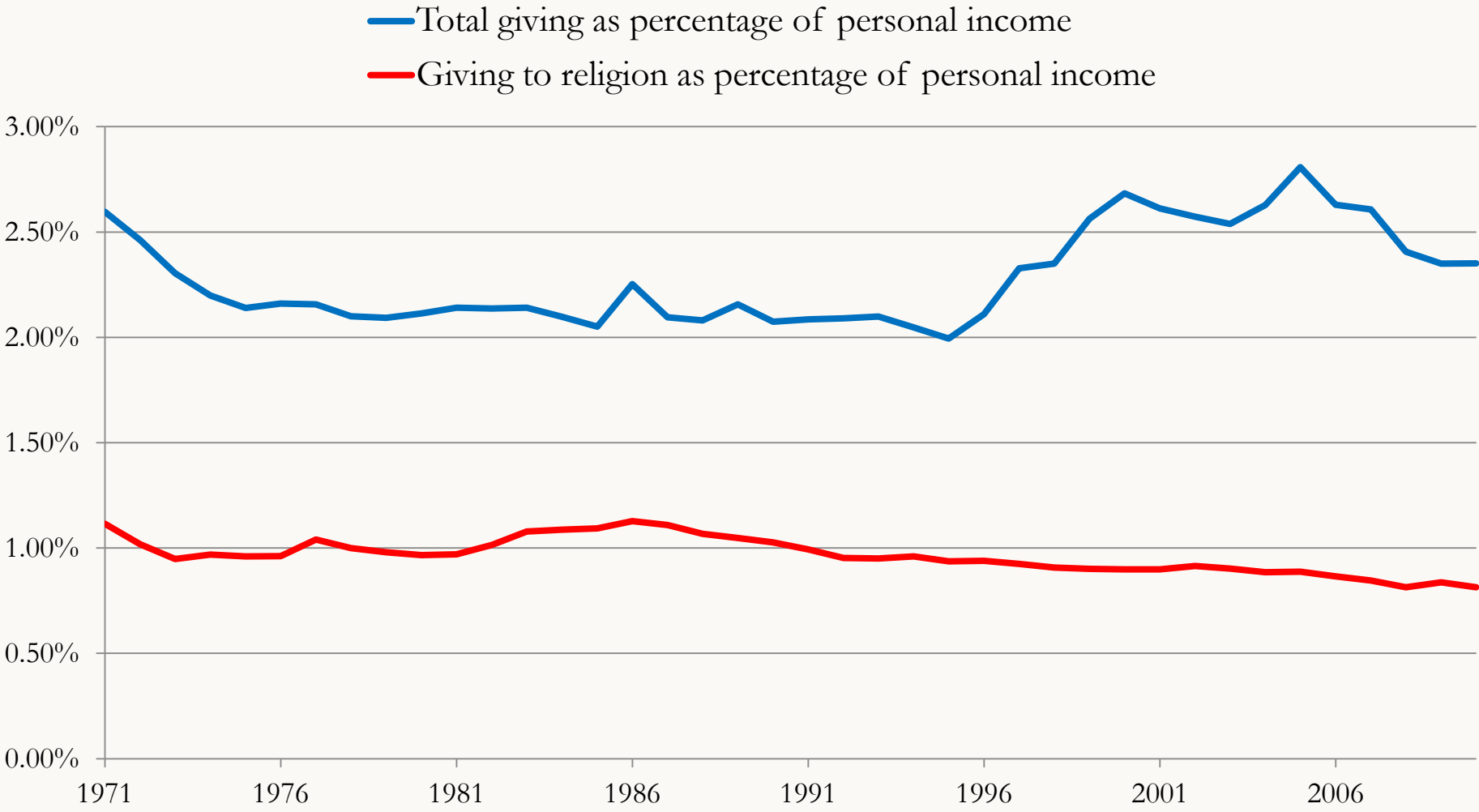
Note: all values are adjusted for inflation.

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

Do most Americans tithe—especially those affiliated with religious organizations?

Religious and total giving as a percentage of personal income, 1971-2010



Source: Michal's calculations based on GUSA 2011 as well as National Income and Product Accounts Table 2.1: Personal Income and Its Disposition.

US households contributions to religion as a share of income

Percentage of Income Given to Religion	Percentage of Households	Cumulative percentage of Households
0	53.9	99.9
0.001-1	20.6	46.0
1-2	7.8	25.4
2-3	4.2	17.6
3-4	3.0	13.4
4-5	2.1	10.4
5-10	5.7	8.3
10+	2.6	2.6

Source: based on COPPS 2005 (in) Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Findings from 2010 Barna Group Survey based upon a nationwide sample of 1,008 American adults

- ❖ 7% of all adults reported donation levels equalling at least 10% of their income.
- ❖ 5% to 7% of adults tithe on average since the beginning of the decade.
- ❖ Percentage of those who tithe by denomination:
 - 24% of evangelicals
 - 13% non-mainline Protestants
 - 11% of churchgoers
 - 10% of non-evangelical born again Christians (10%).

Source: The Economy's Impact: Donors reduce Giving , Brace for Long Haul, The Barna Group, February 2010, <http://www.barna.org/barna-update/article/18-congregations/341-the-economys-impact-part-3-of-3-donors-reduce-giving-brace-for-the-long-haul>

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

Do members of some faiths
give more than members of other
faiths?

Giving as a share of income by religious affiliation

	% Who give	Mean giving (\$)	Family income (\$)	Religious giving (\$)	Total giving as % of Income	Religious giving as	
						% all giving	% income
Latter-day Saints	93.70	4,016	64,334	3,574	6.24	89.00	5.55
Pentecostal/ASG	64.40	1,405	40,038	1,172	3.51	83.40	2.93
Other Protestant	80.20	2,495	67,028	1,723	3.72	69.10	2.57
Baptist	64.40	1,402	53,534	1,078	2.62	76.90	2.01
Lutheran	77.40	1,615	67,954	1,004	2.38	62.10	1.48
Greek/Russian/ Eastern orthodox	70.70	1,091	50,577	677	2.16	62.10	1.34
Jewish	88.30	3,822	123,305	1,552	3.10	40.60	1.36
Methodist	73.30	1,257	64,140	790	1.96	62.90	1.23
Episcopalian	80.40	2,006	85,833	1,044	2.34	52.00	1.22
Presbyterian	81.90	1,461	69,147	827	2.11	56.60	1.20
Catholic	73.70	1,122	75,861	559	1.48	49.80	0.74
Muslim /Buddhist	69.90	1,248	74,245	450	1.68	36.10	0.61
Missing	70.20	929	63,034	368	1.47	39.60	0.58
Jehovah's Witness	64.80	472	35,228	193	1.34	40.90	0.55
None	56.00	792	71,556	191	1.11	24.10	0.27

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Tobit models of amounts given over 3 years to organizations that help people with basic necessities

Independent Variables	Giving to Basic Necessity Organizations (1)				Giving to Basic Necessity, Combined Purpose, and International Aid Organizations (2)			
	Probability of Giving (a)		Log Amount Conditional on Giving (b)		Probability of Giving (a)		Log Amount Conditional on Giving (b)	
Nonaffiliated	.049*	(.025)	.116*	(.062)	-.009	(.019)	-.035	(.069)
Black Protestant	.002	(.044)	.004	(.099)	-.042	(.033)	-.147	(.108)
Evangelical Protestant	.019	(.022)	.043	(.051)	.001	(.015)	.006	(.057)
Mainline Protestant	.011	(.023)	.025	(.052)	-.014	(.016)	-.054	(.057)
Catholic	-		-		-		-	
Jewish	.081**	(.039)	.201*	(.106)	.058***	(.020)	.255**	(.104)
No-denomination Protestant	.037	(.037)	.087	(.090)	-.008	(.026)	-.030	(.095)
Conservation nontraditional	.046	(.056)	.109	(.141)	.025	(.035)	.099	(.150)
Muslim, Buddhist, other	.043	(.054)	.102	(.134)	.044	(.041)	.188	(.195)
Log 2000–2004 income	.153***	(.015)	.348***	(.034)	.159***	(.012)	.604***	(.044)
Log 2004 wealth	.031***	(.005)	.070***	(.011)	.024***	(.004)	.091***	(.014)
Log 2004 home equity	.013	(.008)	.030	(.019)	.012**	(.006)	.044**	(.021)
Pseudo R2	0.083				0.123			
Sample size	6,081				6,081			

Note: *p < .10; **p < .05; ***p < .01. Excluded category is Catholics.

Source: Wilhelm, Mark O. 2010. "Giving to Organizations that Help People in Need: Differences Across Denominational Identities." *Journal for the Scientific Study of Religion* 49:389-412.

Tobit results on giving to charity by religious affiliation

	Total Giving	To Religion	To Secular	To combined funds	To Needy
Evangelical	978***	1303***	12	223*	-20
Mainline Prot.	185	589***	-50	161#	-17
Black Prot.	288*	669***	-72	183#	-38
Conservative Nontraditional	1611***	1577***	50	390**	4
Catholic	-27	507***	-49	279**	-13
Jewish	715	319	378*	678**	55
Eastern	70	185	181	412	30
Relig. Mixed Marriage	-324***	-476***	70#	132*	13

Notes: ***=sig .001, **=.01, *=.05, #=.10. Excluded category atheists.

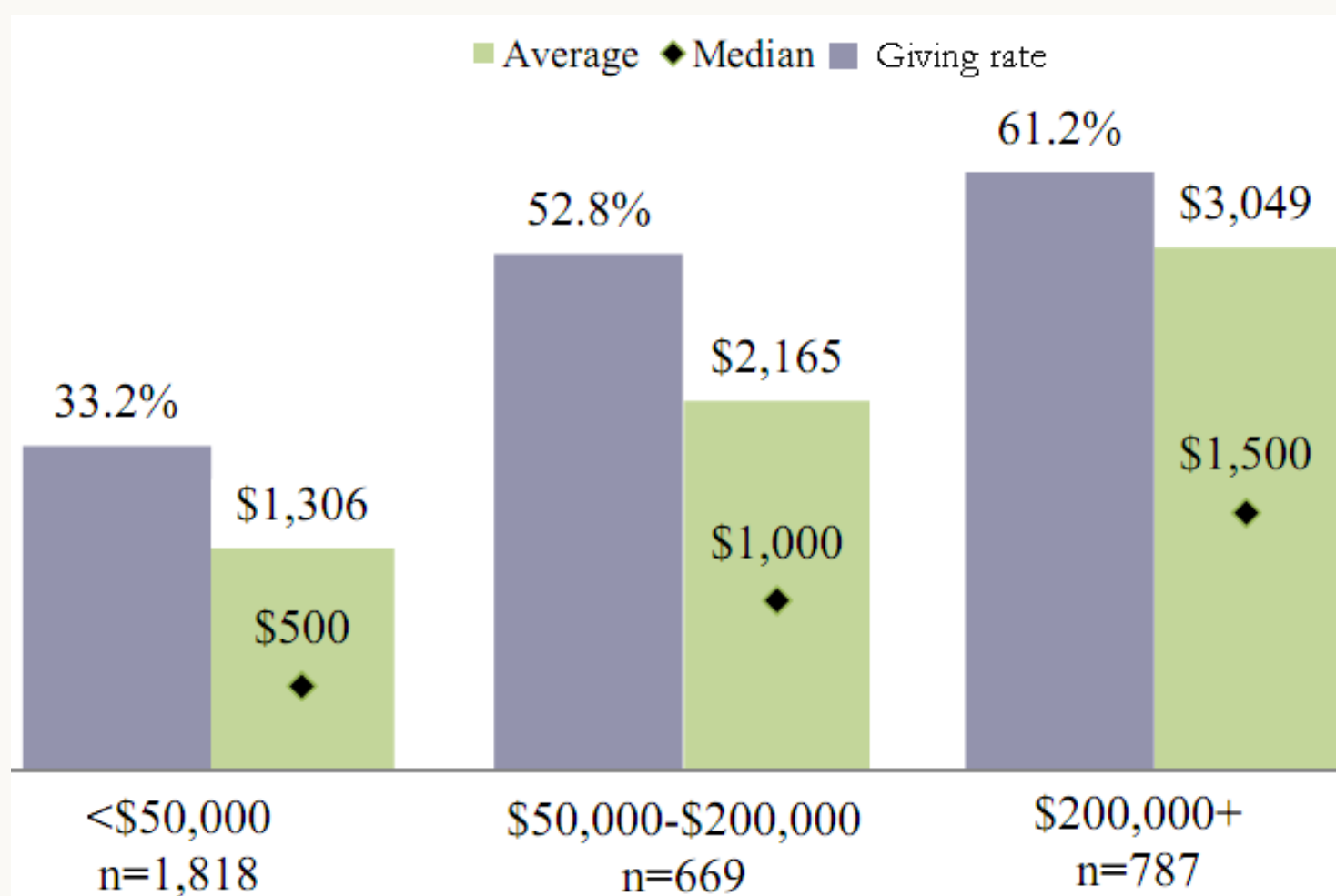
Source: Steinberg, R., Y. Zhang, E. Brown, and P. Rooney. 2010. "Earned, owned, or transferred: are donations sensitive to the composition of income and wealth?"

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

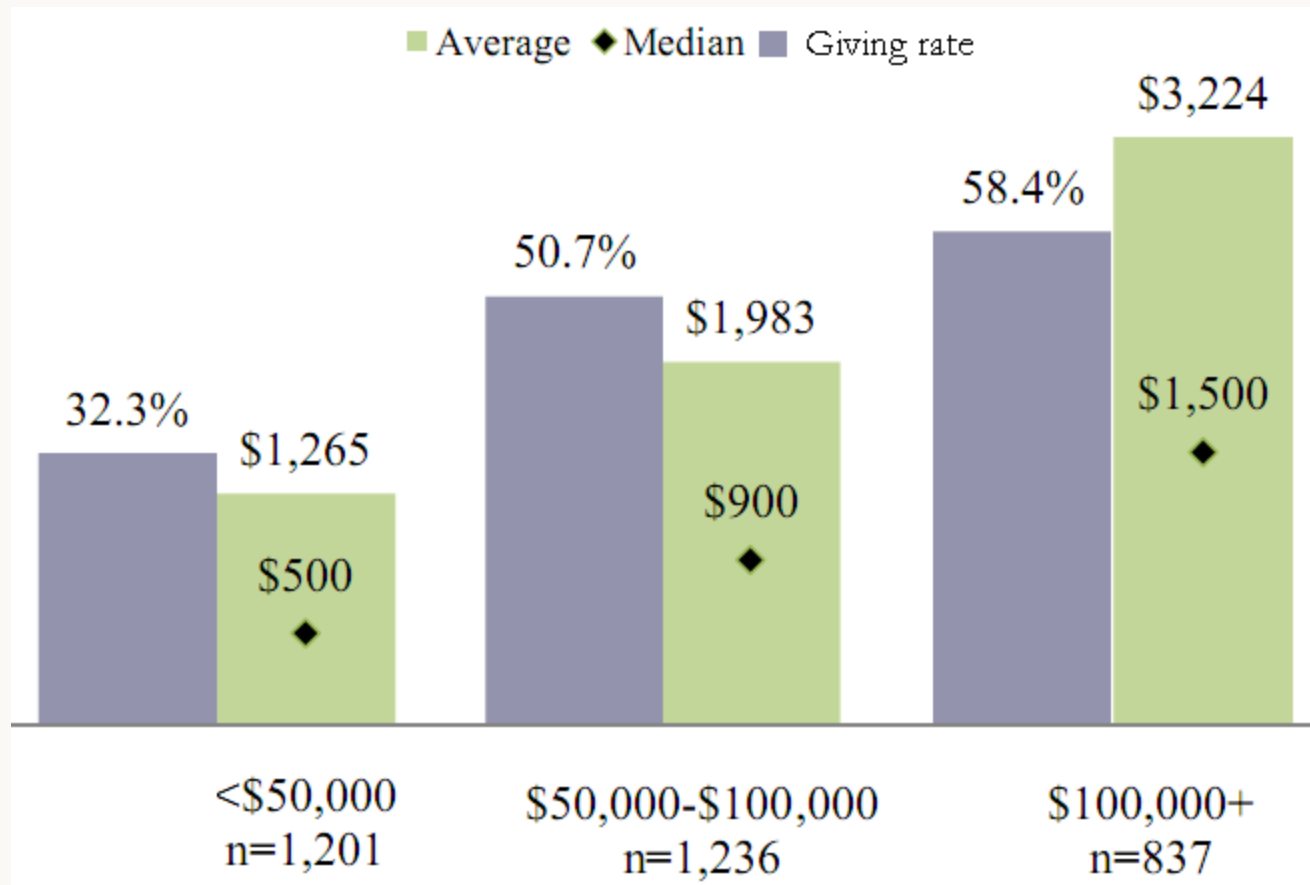
Do wealthy persons give less to religion?

Giving to religious organizations by donor's wealth level



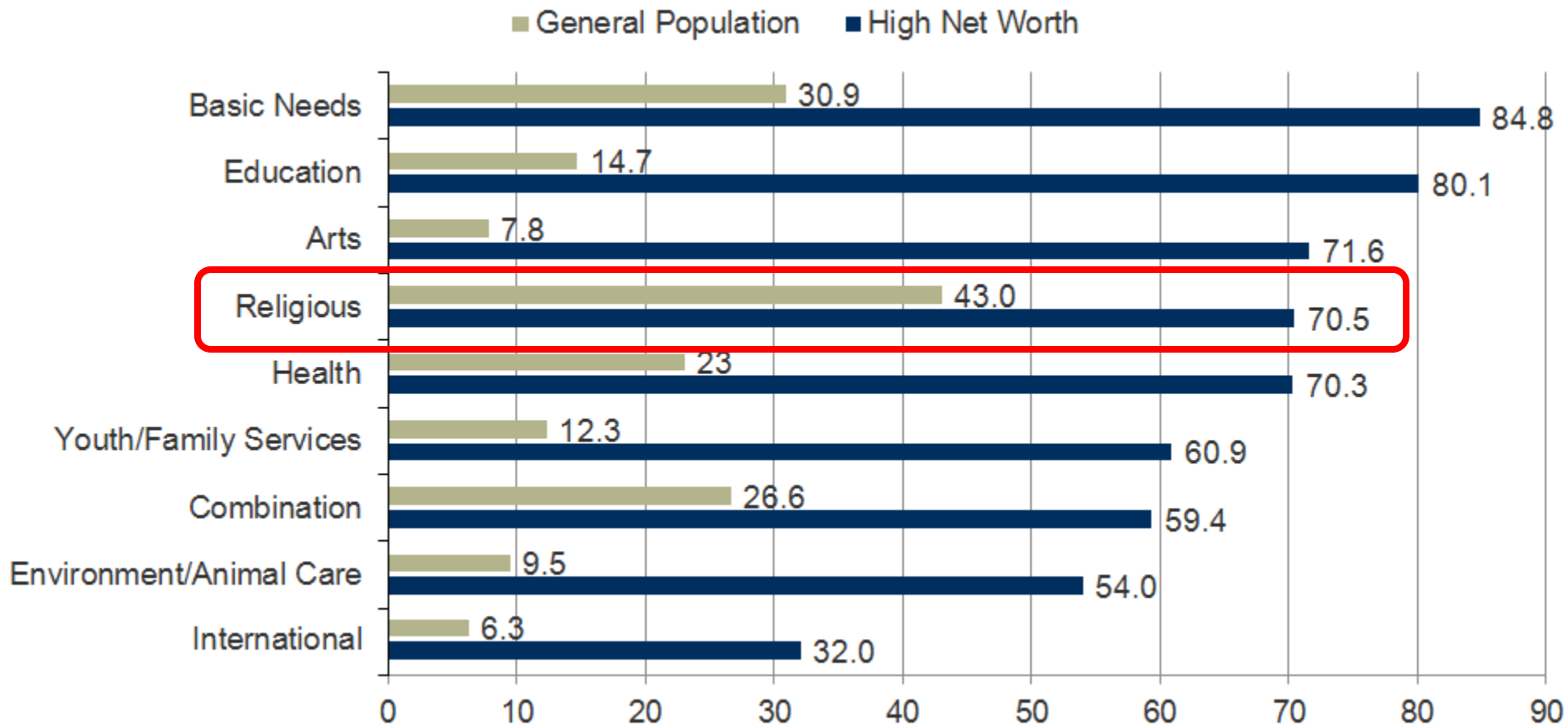
Source: COPPS 2007.

Giving to religious organizations by donor's income level



Source: COPPS 2007.

High net-worth philanthropy and general population giving by subsector in 2009 (%)



Note: Source for the U.S. general population COPPS 2007.

*'Giving Vehicle' represents gifts to private foundations, charitable trusts, and donor-advised funds.

Source: 2010 Bank of America Study of High Net-Worth Philanthropy.

Average giving amounts by subsector (\$)

	2005 [#]		2007 [#]		2009	
	Average Giving (no outliers)	Average Giving (with outliers)	Average Giving (no outliers)	Average Giving (with outliers)	Average Giving (no outliers)	Average Giving (with outliers)
Total	\$91,928	\$101,306	\$83,034	\$249,762	\$54,016	\$69,693
Religious	\$20,708	\$20,708	\$17,635	\$17,601	\$9,985	\$9,985
Secular	\$76,891	\$86,306	\$71,200	\$238,717	\$46,852	\$62,539

Charitable giving for 2007 was adjusted for inflation to 2009 dollars
 Note: Average giving includes no outliers. 'Giving Vehicle' represents gifts to a private foundation, charitable trust, and donor-advised funds.
 Please see Methodology section for more information.

Findings from cross tabulation and regression analysis

- ❖ Religious giving grows fairly dramatically within the general population for both income and wealth.
- ❖ High net-worth households are more likely to give and give more to religious organizations than general population.
- ❖ After controlling for other factors, income and wealth have
 - little or no effect on the probability of being a donor to religious organizations,
 - positively and significantly affect how much donors give.
 - less than a proportionate effect on religious giving: overall share of income (or wealth) going to religion falls as income (or wealth) grows.

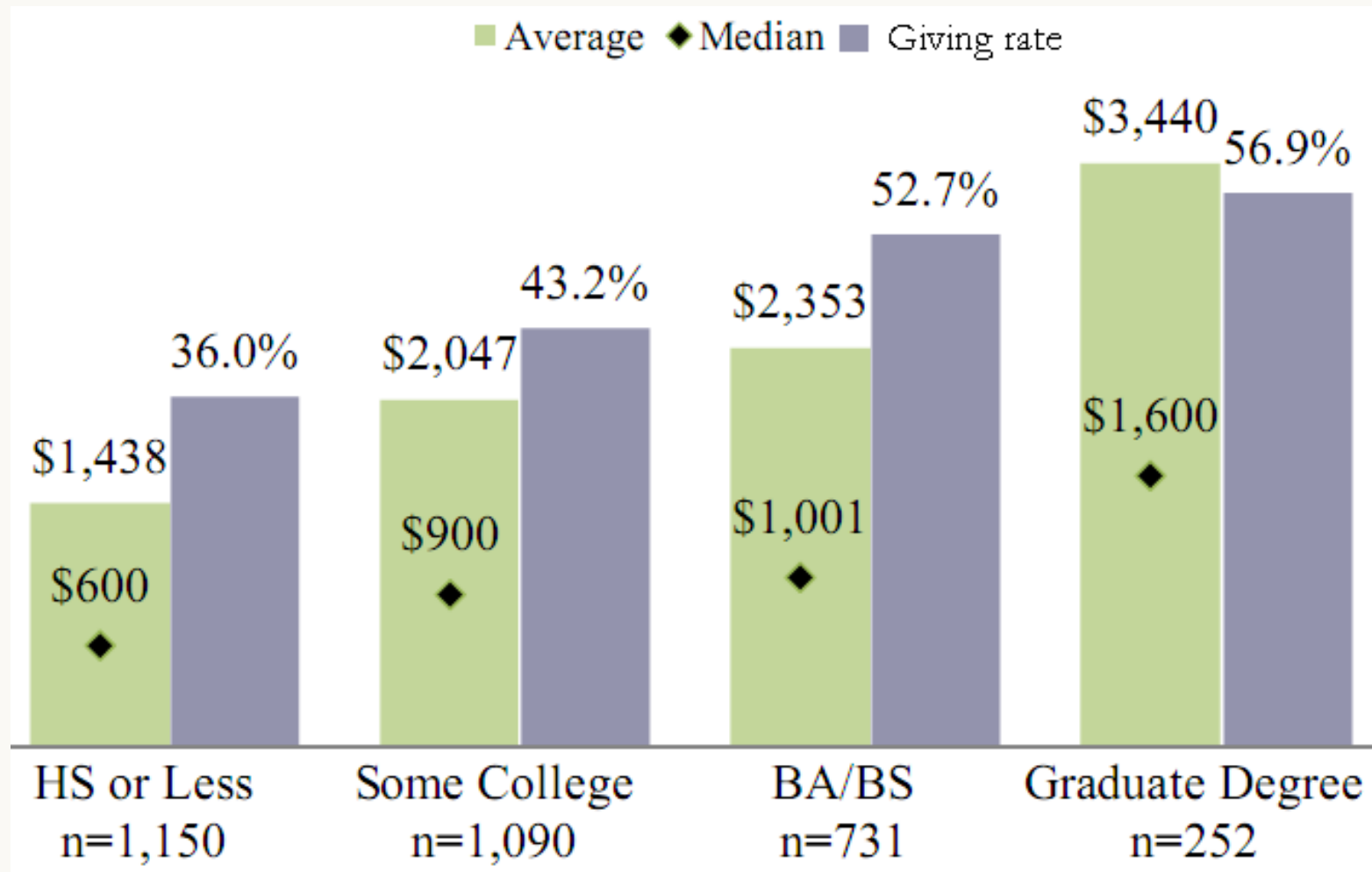
Source: Patrick Rooney, “Dispelling Beliefs about Giving to Religious Institutions in the United States,” in *Religious giving: For Love of God* (Indiana University Press, 2010).

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

Do well educated persons
give less to religion?

Giving to religious organizations by donor's education level



Source: COPPS 2007.

Note: HS or Less - high school education or less

BA/BS - bachelor's degree

Giving to religious organizations by donor's education level

- ❖ Education seems to have a positive effect on religious giving, regarding being a donor and the amounts donated.
 - 36% of those with a high school education or less give to religious causes and they give an average of \$1,438 per year.
 - 43% of households headed by those with some college give to religious causes and give an average of \$2,047 per year.
 - 53% of college graduates give to religious causes and give an average of \$2,353 per year.
 - 57% of households headed by those with postgraduate degree give to religious causes and give an average of \$3,440.

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

The Center on Philanthropy at Indiana University

Increasing the understanding of philanthropy, improving its practice and enhancing participation in philanthropy.

Do minorities give more to religious organizations than Whites?

Race of the household head in all religious donor households

	Mean	% of giving
White	\$2,004	48.8%
Black	\$1,674	36.1%
Native American	\$476	46.7%
Asian, pacific islander	\$1,869	49.0%
Latino origin or descent	\$899	37.5%
Others	\$1,854	47.9%
Race-missing	\$2,287	34.3%

Source: COPPS, 2005.

Race of the household head in all religious donor households

- ❖ Comparison of simple means for giving to religion by race/ethnicity suggests that:
there are differences in religious giving by race/ethnicity.
- ❖ Regression controlling for income, wealth, education, and religious attendance suggests that:
there are no race/ethnicity differences
- ❖ This suggests that differences observed at the racial levels are attributable to differences in income, wealth, and/or religious attendance.

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Conclusions

1. Is Religious giving falling? **NO**

- Religious giving as a share of total giving is falling, but
- Religious giving has grown substantially over time (in inflation adjusted dollars).

2. Do most Americans tithe- especially those affiliated with religious organizations? **NO**

- Only 2.6% of Americans give 10% or more of their income to religious charities (based on COPPS).

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Conclusions

3. Do members of some faiths give more than members of other faiths? **YES**

- There are differences in giving to religion by religious affiliation.
- For the most part, religious attendance is much more important to understanding these differences.

4. Do wealthy persons give less to religion? **NO**

- Income and wealth have little or no effect on the probability of being a donor to religious organizations, but
- Income and wealth positively and significantly affect how much donors give.

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Conclusions

5. Do well educated persons give less to religion? **NO**

- Education seems to have a positive effect on religious giving, both with respect to being a donor at all and the amounts donated.

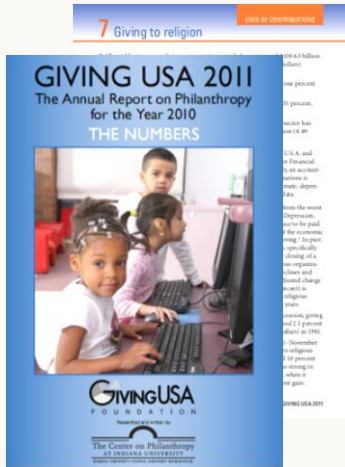
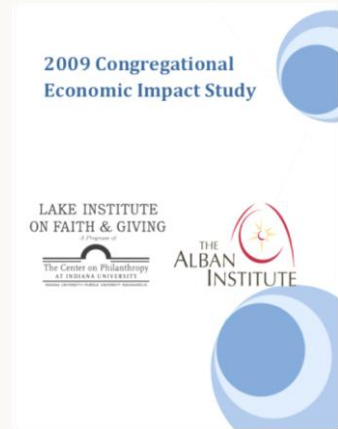
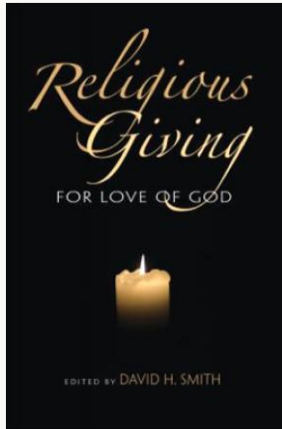
6. Do minorities give more to religious organizations than Whites? **NO**

- After controlling for income, wealth, education, and religious attendance, we find that the race/ethnicity differences go away.

Source: Patrick Rooney, "Dispelling Beliefs about Giving to Religious Institutions in the United States," in *Religious giving: For Love of God* (Indiana University Press, 2010).

Resources

- ❖ Smith, David. 2010. *Religious Giving*□: for Love of God. Bloomington, IN: Indiana University Press.
- ❖ 2009 Congregational Economic Impact Study. Center on Philanthropy at Indiana University and The Alban Institute.
- ❖ Giving to Religion (in) Giving USA 2011. Chicago, IL: Giving USA Foundation.
- ❖ Overview of Religious Giving. Based on COPPS 2007, Indianapolis, IN: Center on Philanthropy at Indiana University.
- ❖ and more at www.philanthropy.iupui.edu



Source: Center on Philanthropy at Indiana University.