

Giving

Michigan &

Volunteering

2001 Highlights





In October/November 2001,

978 Michigan residents
shared information about
their charitable giving,
volunteering, and
attitudes on philanthropy
in Michigan.

We are pleased to present *Michigan Giving and Volunteering*, highlighting the results of a survey conducted by the Office of Survey Research, Institute for Public Policy and Social Research at Michigan State University, as well as additional information on foundation giving.

Michigan residents continue to be generous in their giving and volunteering despite challenges of the economy and the aftermath of September 11th.

If you wish to learn more about *Michigan Giving and Volunteering*, please access the full report online at the Michigan Nonprofit Association (MNA) Web site—www.mna.msu.edu.

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Giving

to charity is a common practice for Michigan residents.

Michigan Gives!

In 2001, nine out of ten Michigan residents contributed to charity (89.9%).

- ◆ **Men (89.6%) and women (90.1%) participated equally in giving.**
- ◆ **Givers were diverse**—73.4% African Americans, 75.6% Hispanic households, and 92.7% White respondents reported they gave.
- ◆ **Giving occurred for many religious groups**, including Catholic (92.3%) and Protestant (88.6%), with similar results for those listing no religion (86.1%).
- ◆ **There was little variation by political affiliation**, with 83.9% of Democrats, 91.3% of Independents, and 94.8% of Republicans making a charitable contribution.

Volunteering

helps Michigan residents serve their communities and assist in the delivery of important services.

Michigan Volunteers!

Half of those surveyed (50.2%) volunteered during the past year.

- ◆ **There was no significant difference in the volunteering rates of men (49.7%) and women (50.7%).**
- ◆ **Volunteering rates were also similar across racial and ethnic groups**, with rates for Hispanic (48.9%), White (49.6%), and African American (52.6%) respondents.
- ◆ **Religion is associated with higher rates of volunteering**, with Catholics (54.9%) and Protestants (51.4%) volunteering more than those stating no religious affiliation (39.8%).
- ◆ **Some variation in volunteering rates emerged by political affiliation**, with higher rates for Republicans (58.6%) than for Democrats (48.5%) or Independents (47.9%).

Giving

- ◆ **The main motivations for making a contribution were:**
 - to give to those with less (82.9%);
 - because it was owed to the community (58%);
 - in response to a personal request (53.8%);
 - as a religious obligation (51.5%); and
 - for tax benefits (29.9%).



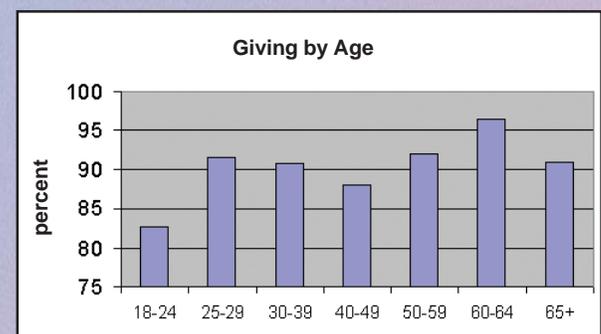
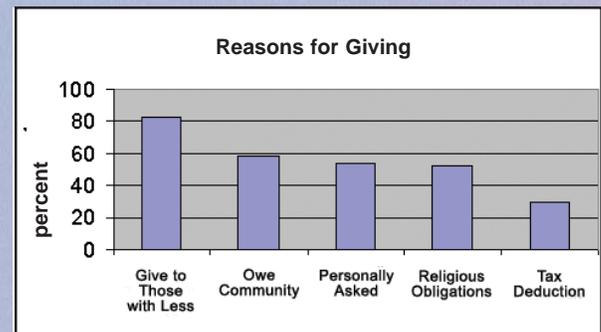
- ◆ **Giving was strong across all income groups**, increasing from three-quarters of those earning less than \$20,000 to 97.9% for those earning over \$70,000.

- ◆ **Giving varied by age groups**, with the highest rates for those in the 60-64 year (96.4%), 50-59 year (92.1%), and 25-29 year (91.6%) age groups.

- ◆ **Giving increases with education**, from two-thirds of those with some high school making a charitable contribution, to 88.6% for high school graduates, and 94% for college graduates.

- ◆ **One-quarter (25.5%) of Michigan residents plan to increase giving in the coming year**, with over half (53.5%) giving a similar amount and only 10% expecting to give less.

- ◆ **Ten percent of those surveyed did not make a contribution**, and when asked why indicated that charities acted like for-profit firms (58%); that they did not think their funds would be used effectively (41%); that they were asked too often to give (36%); and that they were not asked to give (34%).



Volunteering



❖ **People volunteer for many reasons**, including giving back to the community (95.9%), as an act of compassion for others (95.8%), to help those with less (88.8%) and as a reflection of those who volunteers respect (80.7%). Additional motivations are associated with meeting new people (50.8%) and personal benefit (50.7%).

❖ **Volunteering increases steadily with income**, ranging from 31.6% of those earning less than \$10,000 to 60.4% of those earning \$70,000 or more.

❖ **Generally, volunteering is similar across different age groups**, with lower participation for the 25-29 year (40.7%) and 65+ (44.2%) age groups.

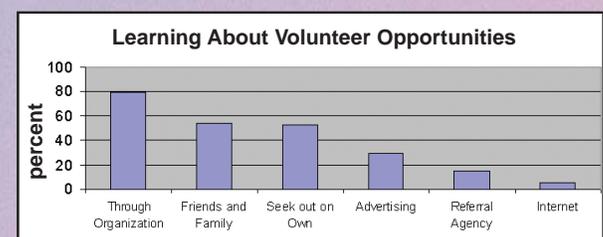
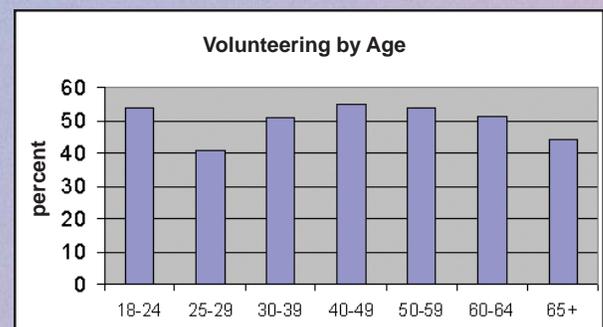
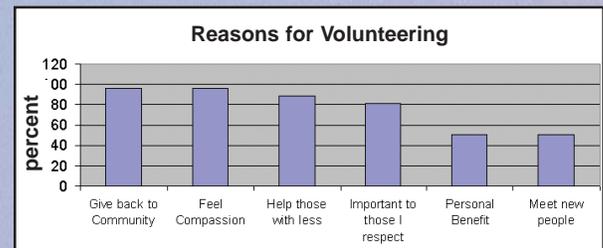
❖ **Generally, volunteering rates tend to increase with education**, from 17.6% for those with some high school to 57.5% for college graduates and 55.8% for those with a graduate degree.

❖ **Volunteers learned about opportunities in many ways**,

- through the organizations for which they volunteered (79.8%),
- from friends and family (54.5%), and
- by seeking out opportunities themselves (52.9%).

Other sources of volunteering information included

- advertising (29.1%),
- referral agencies, such as volunteer centers (14.7%), and
- Internet (5.9%).

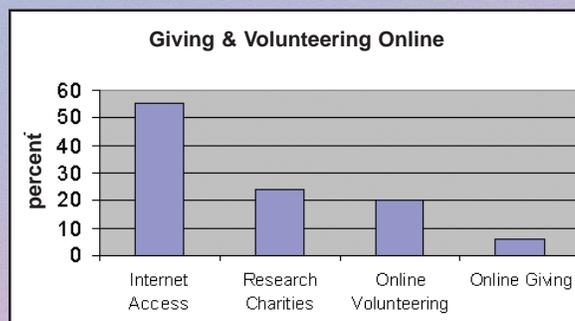


Giving & Volunteering



Giving and Volunteering Online

- ◆ The Internet is growing in importance as a way to research and learn about nonprofit and volunteering opportunities. Over half of those surveyed (55%) had access to the Internet in 2001.
- ◆ Of those with Internet access, almost one-quarter (24%) used the Internet to research nonprofit organizations. One-fifth of those surveyed searched for volunteering opportunities online, and 6% made a charitable contribution online.



Interested in volunteering?



Local Volunteer Centers mobilize people and resources to deliver creative solutions to community problems by convening partners for problem-solving and by connecting volunteers to local agencies and services. If you would like more information on volunteering in your community, contact your local Volunteer Center through the VCM Web site www.vcm.mna.msu.edu or through the Volunteer Center National Network Web site, www.volunteerconnections.org. Volunteer Centers of Michigan can be reached at 517/492-2430.

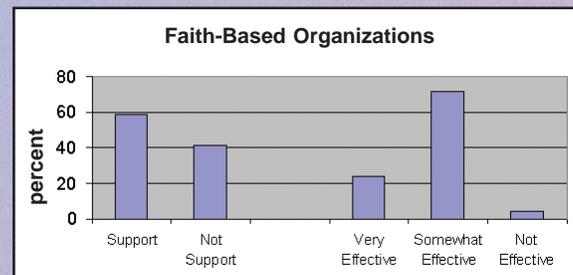
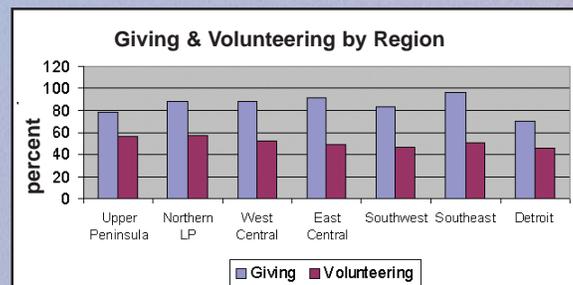


Regional Differences

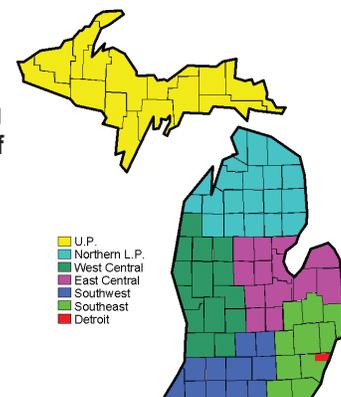
- ◆ Giving and volunteering rates vary across Michigan.
- ◆ Charitable contributions are more likely to be made in Southeast (96.8%) and East Central (91.7%) Michigan, and less often in Southwest Michigan (83.8%).
- ◆ Volunteering rates are highest in the Northern Lower Peninsula (57.1%) and the Upper Peninsula (55.9%), and lower in the Southwest (47.1%) and the East Central (48.8%).

Faith-Based Organizations

- ◆ The survey asked Michigan residents about government support for faith-based organizations.
 - 58.5% agree that government should provide support
 - 41.5% disagree
- ◆ When asked about the effectiveness of faith-based organizations serving the needs of the poor,
 - 23.9% replied “very effective”
 - 71.5% replied “somewhat effective”
 - 4.5% replied “not effective”



Map indicating regions of state

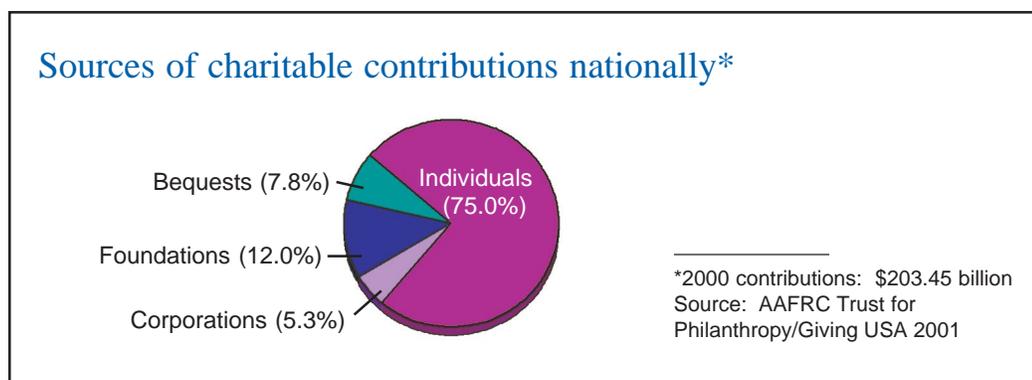


Giving



Foundations that Empower Charities

Although individuals comprise the greatest source of charitable grantmaking, foundations also play an important role in Michigan and across the nation.



Michigan has more than 1,980 charitable grantmaking foundations, according to the Foundation Center—the national source for data. This number includes 180 new foundations created in the last two years. Private-independent foundations include the Kellogg, Mott, Kresge, and Skillman foundations. Corporate foundations include the Ford Motor Company Fund, Whirlpool Foundation, and Steelcase Foundation. The largest number of foundations are family foundations, such as the Herbert H. & Grace A. Dow Foundation and the Frey Foundation.

Collectively, foundations in Michigan hold \$22.1 billion in assets and make annual contributions of over \$1 billion. Most of these assets are managed by a small portion of the 1,980 active foundations. The 402 largest foundations account for nearly 97 percent of this activity. In contrast, the 1,385 smallest foundations with annual giving below \$50,000 collectively account for the remaining three percent.

For information about the *Michigan Foundation Directory* that contains information on all grantmaking foundations in the state of Michigan, visit the Council of Michigan Foundations' Web site, www.cmif.org.



Analysis of grants by subject areas

A breakdown of grants by Michigan foundations in the top 10 major subject areas reflects a broad scope of giving interests. More than 70 percent of the total dollar amount awarded fell into three broad categories: public affairs/society benefit (1,321 grants or 25 percent); education (1,282 grants or 23 percent); and human services (1,170 grants or 20 percent).

Year 2000 Michigan foundation grants by major subject categories

Subject	Amount	Percent	No.
Arts, Culture & Humanities	\$93,710,609	11.9	549
Education	178,193,084	22.6	1,282
Environment/Animals	48,635,034	6.2	249
Health	73,309,190	9.3	488
Human Services	153,942,757	19.5	1,170
International/Foreign Affairs	14,380,278	1.8	115
Public Affairs/Society Benefit*	193,680,932	24.6	1,321
Religion	27,633,641	3.5	244
Other	3,965,000	0.5	6
Total	\$787,450,525	100.0	5,424

* The Public Affairs/Society Benefit category includes nonprofit organizations that support civil rights, social action, advocacy, community improvement/capacity building, philanthropy, voluntarism, science research institutes/services, and social research institutes/services.

Source: The Foundation Center. The grants sample includes grants of \$10,000 or more awarded to organizations by larger foundations. Michigan foundations in the sample accounted for nearly 70 percent of total giving reported by all Michigan foundations in 2000.

Giving through community foundations

Michigan is fortunate to have all counties served by 65 community foundations and their geographic affiliate funds. Thanks in part to the State of Michigan Tax Credit, major support from the W.K. Kellogg Foundation, and a favorable economy, community foundation assets have grown in the last decade to exceed \$1.5 billion with annual grants of more than \$50 million.

Community foundations are currently partnering with the State of Michigan in distributing Tobacco Settlement Funds for healthy youth and healthy seniors projects. More than 1,500 high school students are annually involved with community foundation youth advisory committees in granting funds for youth projects.

Through building permanent endowment funds, offering personalized giving opportunities, and serving as both a grantmaker and convener, community foundations are helping to build strong Michigan communities.

Using the State of Michigan Community Foundation Tax Credit

Thanks to the support of the Governor and the legislature, Michigan is one of only three states in the U.S. that provides a state tax credit for gifts to permanent endowment funds held by certified community foundations. For single individuals, or married taxpayers filing separately, the maximum credit is \$100 (for gifts of \$200 or more). For married couples filing jointly, the maximum credit is \$200 (for gifts of \$400 or more). For corporations and other businesses which pay the Michigan Single Business Tax, the maximum credit is \$5,000, or 5% of tax liability before claiming any credits, whichever is less.

For contact information on the community foundation serving your area, visit the Council of Michigan Foundations' Web site, www.cmif.org.

Giving & Volunteering

In the Aftermath of 9/11

The generosity of support in response to the September 11th tragedy has proven to be a milestone for both institutional and individual philanthropy. According to the Foundation Center's recent report, *Giving in the Aftermath of 9/11*, **Michigan ranked ninth in the nation in funding response efforts.**

- Total U.S. contributions from institutional donors represented 57 percent (\$854.4 million) of the estimated \$1.5 billion of all private giving; the remaining 43 percent was donated by individuals.
- Nationwide, over 200 corporations and corporate foundations donated \$1 million or more each.
- 29 Michigan grantmakers contributed \$22,441,054 of the more than \$854.4 million contributed nationwide by 770 grantmaking institutions.
- Nearly three-fifths of the \$854.4 million was channeled to more than 100 intermediate or "conduit" relief funds (for example, the September 11th Fund of the United Way/New York Community Trust) created to aid victims and communities affected by the disaster.

The full Foundation Center report is available online at: http://fdncenter.org/research/trends_analysis/pdf/sept11.pdf.



A sampling of how Michigan foundations and corporations responded

The Bank One Foundation established a special Disaster Relief Fund to match employee contributions dollar-for-dollar up to a total of \$1 million.

CMS Energy/Consumers Energy contributed \$50,000 to the American Red Cross New York-DC Explosion Relief Fund. In addition, an in-kind contribution helped provide ten fire-retardant suits for Center Line public safety officers to take to New York and assist with rescue/recovery efforts.

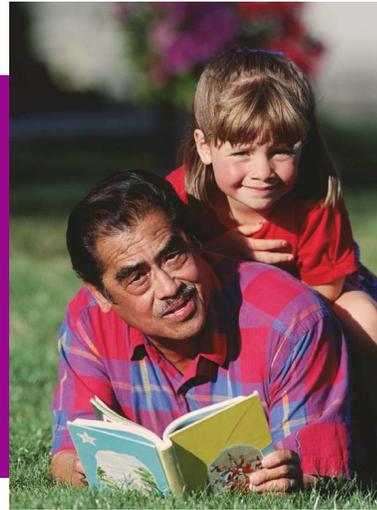
Comerica matched employee and public donations up to \$250,000.

DaimlerChrysler committed \$10 million through the DaimlerChrysler Corporation Fund to support the children of victims of the terrorist attacks.

DENSO North America Foundation and DENSO Corporation made donations totaling \$200,000 to the American Red Cross.

DTE Energy Foundation matched all employee donations to the American Red Cross of \$25 or more.

The Fremont Area Community Foundation matched all Newaygo County contributions to the September 11th Fund, up to a total of \$25,000.



Potential challenges to charities

Direct Mail Responses Decline

Individuals responding to the terrorist attack crisis often gave a portion or all of the amount they had to give to organizations other than their usual causes. As a result of the attack and the Anthrax scare, response rates to direct mail requests have dropped.

Reallocated Funds

Some of the millions of dollars given by institutional donors to East Coast nonprofit charities were funds that the grantmakers had not planned to give away for September 11th relief efforts. With grantmakers reallocating funds, Michigan charities may not be funded as they were in the past.

Depressed Stock Market

Most foundations and corporations keep a large portion of their money in stocks and related investments. Over the past year, their portfolios have weakened, along with their ability to give. A slumping economy can hurt giving from all sources, as institutional donors and individuals have less money to give away.

In perspective

Giving USA Update 2001 released by the AAFRC Trust for Philanthropy reports that:

- The total amount of giving in the U.S. has increased every year but one (1987) for the past 40 years, including through wars, recessions and other crises.
- Of the 70 percent of Americans who contributed something after the September 11th attacks, nearly three-quarters (73 percent) plan to contribute as much money or more than they have in prior years to other charitable purposes.

The Frey Foundation made a \$25,000 grant to its local United Way.

General Motors contributed \$25,000 to the Black America Web Relief Fund, set up to directly aid the families affected by the terrorist attacks. In addition, the GM Foundation contributed \$1 million to the American Red Cross and matched employee contributions dollar-for-dollar from the first dollar contributed.

The Rollin M. Gerstacker Foundation granted \$100,000 to the Midland Chapter of the American Red Cross, restricted for New York City use.

The Paul B. Henry Foundation granted \$5,000 to its local American Red Cross Chapter for disaster relief.

The McGregor Fund donated \$100,000 to the American Red Cross for disaster relief efforts.

The Charles Stewart Mott Foundation announced grants totaling \$3.14 million to support disaster and humanitarian relief initiatives at home and abroad.

SBC Ameritech matched employee gifts to selected organizations on a 1:1 basis.

The Steelcase Foundation contributed \$50,000 to the American Red Cross' National Disaster Relief Fund and \$50,000 to the September 11th Fund.

Speckhard-Knight Charitable Foundation donated \$10,000 to the September 11th Fund.

ConnectMichigan *Alliance*

ConnectMichigan Alliance

517/492-2440 • Fax: 517/492-2444

The mission of the ConnectMichigan Alliance is to promote and strengthen a life-long ethic of service and civic engagement through the support of community building initiatives. The organization is home to Volunteer Centers of Michigan and Michigan Campus Compact.



Council of Michigan Foundations

616/842-7080 • Fax: 616/842-1760 • www.cmif.org

An association of foundations and corporations which make grants for charitable purposes, the mission of CMF is to enhance, to improve, and to increase philanthropy in Michigan.



Michigan Association of United Ways

517/371-4360 • Fax: 517/371-1801 • www.uwmich.org

Michigan Association of United Ways is a member driven state association supporting community service systems with excellence, leadership, and partnerships.



Michigan Community Service Commission

517/335-4295 • Fax: 517/373-4977 • www.michigan.gov/mcsc

The Michigan Community Service Commission (MCSC) is a state agency that promotes and supports volunteerism and community service in Michigan.



Michigan Nonprofit Association

517/492-2400 • Fax: 517/492-2410 • www.mna.msu.edu

The Michigan Nonprofit Association (MNA) promotes the awareness and effectiveness of the nonprofit sector and advances the cause of volunteerism and philanthropy in the state of Michigan.

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